

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday Evening, April 26, 1973

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

GOVERNMENT BILLS AND ORDERS
(Second Reading)Bill No. 48
The Alberta Property Tax Reduction Act

MR. LUDWIG:

Mr. Speaker, when I adjourned debate I believe we were discussing some of the remarks of the hon. Minister of Telephones and Utilities. Now that I have had an opportunity to read some of his remarks, I believe we can't complete this debate without touching on what I often refer to as a serious credibility gap, particularly with the members in the front line of the Conservative government.

I would like to quote here from the hon. minister's speech, Mr. Farran's speech. He says:

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, ...

I think this has to be somewhat of a display of ignorance or sheer lack of integrity, Mr. Speaker, because every man who is involved in politics in this province, particularly the aldermen, know that there was a reduced tax, a home-owners' tax discount grant for a number of years. It was increased as time went by, as revenue became available. As more revenue was available, the tax discount, the home-owners' tax discount was increased. I doubt whether anyone could stand up and deny that.

I remember some aldermen were criticizing the government seriously because the money should have been given to the municipalities in a lump sum. That was the cry from some hon. members who are now sitting in the government. I believe this is true. They might deny it, but I think if you check the news items in the past, that very few aldermen agreed with the principle of the home-owners' tax discount of the Social Credit government.

One must say that when we heard criticism that this was vote buying that it was intended seriously. Now, when the same member will stand up and say we have doubled it, we have doubled it now, it's a great Conservative innovation. It's terrific. This isn't vote buying now; this now is sound Conservative policy. So what was criticized as bad Social Credit policy, the same thing now has to be excellent Conservative policy. So much for what I call either ignorance or little regard for the truth.

MR. SPEAKER:

Order please. The hon. member is not entitled to imply that another hon. member has little regard for the truth.

MR. LUDWIG:

Mr. Speaker, I will accept your ruling. However, I believe that Beauchesne permits an allegation --

[Interjections]

MR. SPEAKER:

Order please.

MR. LUDWIG:

Mr. Speaker, on a point of order --

DR. HORNER:

Mr. Speaker, on a point of order --

MR. LUDWIG:

Mr. Speaker, on a point of order, I have the floor, Mr. Speaker and I don't intend to yield it to the Deputy Premier. It says here -- yes, it is not unparliamentary to say that a statement is untrue. It is unparliamentary to say that it was untrue to the knowledge of the member addressing the House. Mr. Speaker, we went through this exercise before and I am saying that the statement of the Minister of Telephones and Utilities was very definitely untrue, Mr. Speaker.

MR. SPEAKER:

The hon. member implied, as I understand it, that another hon. member has little regard for the truth. This is unparliamentary. Regardless of what it may say in Beauchesne, it's too late to discuss it, and it is too late for me to change my ruling.

MR. LUDWIG:

Mr. Speaker, I will then by-pass that very point. I believe that I will go on now to the Premier's remarks on this issue. In reading Hansard, Wednesday, April 18, 1973 on page 2412, here is what the hon. Premier had to say about this matter:

The provincial-municipal tax structure should be completely restructured with

(a) the cost of education primarily borne from the general revenues of the province.

This is a slight shift from the previous position taken by the Conservatives, but that is nothing unusual, Mr. Speaker.

(b) The existing foundation plan for education should, to all intents and purposes, be discontinued and that education residential property tax be utilized to reduce both property tax grants and to offset any reduction in the province's municipal assistance position.

That is somewhat in contradiction of the glowing phrases expressed by the hon. Minister of Municipal Affairs and the hon. Minister of Telephones, and I'm of the opinion that the mishmash the hon. Minister of Telephones spoke about exists within the minds of the three hon. gentlemen I quoted.

MR. FARRAN:

On a point of order, Mr. Speaker. It's not that I really take offense at the remarks of the hon. member. If it does help you in your rulings I must tell you that I don't feel slighted, because one must take into account the credibility of the source of such remarks.

MR. HENDERSON:

What is the hon. member's point of order?

[Interjections]

MR. LUDWIG:

If what I'm quoting from the minister is not credible, then perhaps he's saying that Hansard isn't credible. But I'm alleging that there is a credibility gap with regard to the remarks made by the hon. minister. He had little else to say but to challenge the accuracy of the remarks that I am quoting from Hansard. That's par for the course. In talking about the credibility gap, I must go a little farther here in dealing with the Premier's

remarks on the matter of taxation. On page 2413 in finishing off his remarks: "no increases in taxes, no new taxes..."

Mr. Speaker, I think it should be made clear to the members here and to the public of this province that the tax on liquor alone is a \$9 million tax according to an answer from the minister, Mr. Miniely. If that isn't tax, then the hon. members opposite don't know the definition of the word "tax". I believe that we on this side have to keep the records straight and, where possible, even use language strong enough to accuse the hon. ministers and the Premier sometimes of having little regard for what is accurate and absolutely true.

MR. SPEAKER:

Order please. The hon. member is repeating an unparliamentary expression with slight variation. I would ask the hon. member to deal with that matter in such a way now that it will not be necessary again to deal with it otherwise.

MR. LUDWIG:

Mr. Speaker, I must admit that we've gone through this exercise before --

SOME HON. MEMBERS:

Apologize.

MR. LUDWIG:

I hear the hon. members opposite saying "apologize". I believe, Mr. Speaker, that that should be left to your discretion and not because the Deputy Premier or somebody else feels that it's about time he made me apologize, because I do not feel that I have anything to apologize for at all.

MR. SPEAKER:

Order, please. I possibly was not sufficiently direct in the language which I used. I intended to convey to the hon. member that he might wish to withdraw the latest remark he made which indicated little regard for truth or accuracy. I don't recall the exact words.

MR. LUDWIG:

Mr. Speaker, I will withdraw the statement for attacking the credibility of the Premier and the hon. Minister of Telephones. I should have been more explicit. I'm merely criticizing the lack of integrity and not integrity, Mr. Speaker, which is a grave difference in meaning.

[Interjections]

Mr. Speaker, in dealing with Bill No. 48 I wish to state that at least two hon. members have stated that we ought to hold a public hearing before this bill is passed. I believe that there is good reason to support that view. There is also reason to believe that the Conservative policy used to be that they would support more public hearings in dealing with government business. Before I get to that, I'd like to quote from a list of Conservative promises where they deal with this point. This was reported in the press rather heavily: "Return to local government authority and financial capacity to keep its own house in order."

What a shift from a previous policy! Also I have here quotations from The Journal of August 10 and The Albertan of August 11 of 1971 where it was plainly declared that the Conservatives would support more public hearings by the Legislature.

Now that we have an issue that is very controversial, that affects the future of many people, that affects the autonomy of municipalities and the autonomy of hospitals, a really major issue, apparently our request for public hearings is falling on deaf ears.

This is the kind of issue that ought to be aired thoroughly. The aldermen, the council members and members from the municipalities throughout the province who may wish to be heard should be given an opportunity to be heard on this particular issue. It's a reversal of a promise which many people believed to be coming from a reliable source. But I believe that when they can back off promises of this nature, it is hard to believe what in fact a politician says these days when he promises one thing and then fights for the opposite a few

months later. That kind of thing does go to the root of the credibility of politicians, Mr. Speaker.

In winding up my remarks on this bill I would like to state that the hon. Minister of Telephones, when he spoke in Calgary, made a couple of remarks that ought to be brought to the attention of the hon. members, and perhaps remind him that there is more to dealing with this issue than the mere matter of political expediency. When the hon. minister spoke to the Chamber of Commerce he indicated that perhaps other property taxes, perhaps taxes on business, might have to go up. But he said, "You know what you can do; you can pass it on to the consumer."

This is rather a serious reflection on a person who is telling the people that we are going to reduce their taxes and the taxes might have to go elsewhere.

MR. FARRAN:

[Inaudible] ..Chamber of Commerce, but I don't recall those remarks. If he has a transcript of such a speech, he should table it.

MR. SPEAKER:

As mentioned the other day in debate, the disagreement as to facts does not constitute a point of order. However, an ill-founded accusation by one member against another may be another matter.

MR. LUDWIG:

Mr. Speaker, it is not an ill-founded accusation. I read the remarks in the press and I am assuming, since the hon. minister did not retract his remarks, they are very reliable. Let the minister deny those remarks if he feels he didn't make them.

MR. FARRAN:

Mr. Speaker, there is a rule that if you are quoting from the press you should not only stand behind the truth of the remarks but table the clipping.

MR. LUDWIG:

Mr. Speaker, I am not quoting from the press. I am quoting from an article I read. I haven't got the clipping before me but I am satisfied that I read the remarks. I don't need to quote from the press, but I am expressing the point that the hon. minister did say that and if he wishes to retract or deny it that's fine. He hasn't denied the remarks; he said he doesn't recall making them. I recall reading them, Mr. Speaker, and very clearly too.

Another interesting remark appeared in The Calgary Herald not so long ago, I believe sometime in August of 1972, where the hon. minister stated that they will now be looking for a politically popular solution to the problem. That is another sad reflection, Mr. Speaker, on the attitude in which this issue was handled. He stated they would be looking for a politically popular solution to the issue, and no wonder some hon. members on this side hinted or indicated that perhaps political expediency was not entirely too remote from the exercise with which we are dealing at the present time.

So with those few remarks, Mr. Speaker -- I believe the hon. Minister of Telephones may wish to deny those remarks I made. I will produce the clippings in due course when I have time to do so, but I believe he made those remarks and he perhaps would wish now that he hadn't.

Mr. Speaker, the matter of throwing together more than one principle where we feel we want to support a very good matter, the matter of tax discounts, a principle that was established a number of years ago -- and times and possibilities have come about where an increase is certainly in order -- I support that. But where I believe that autonomy is an issue, I don't want to vote for that part of it. So we have a bill that says, "Love me, love my dog." If you want to vote for the first part of it you have to vote for the second part. I believe that it would perhaps be -- if the minister could not see fit to split the bill, to perhaps call the principle of the vote in different sections so that it could be made clear to the people where one stands. There is clearly a difference of principle, two principles that actually contradict themselves. I would like the minister to consider that because really we have to stress so that when we vote for the principle of this bill, we do not support what is obviously an encroachment on local autonomy, Mr. Speaker.

DR. MCCRIMMON:

Mr. Speaker, speaking to Bill No. 48. I've listened with interest to the comments of the members on this plan. There appears to be a considerable amount of nitpicking, but very little regard to the basic concepts behind this bill and on this bill.

One of the basic principles in the thinking of the task force was for this bill to be an incentive for the people, of Alberta, particularly the middle and lower income group people to purchase an equity in this province, to make it a help, an advantage, and a principle for them to buy a part of this province in the form of a farm or a home.

I believe the task force made the first in-depth study that's ever been made on Alberta's taxation problems and programs. It brought up a program and a set of recommendations on which this bill is based. There is no question in my mind that when it comes to changing a tax structure, King Solomon in his wisdom could never bring up a bill that somebody wouldn't find fault with.

Now, on this bill, it could be a fact that some of the problems brought up are something that has been carried over for years. There have been some changes made, it's true. And anytime that a change is made on a tax structure situation, it affects everybody in the province. Somebody is going to criticize. But when a group of people have to sit and read the paper to find out what they have to do to criticize before they criticize, I think it's a sad situation.

We realize that this is by no means the ultimate and final answer, but just the first step. It's a firm and constructive step. It's the first forward step that has been made in the direction of taxation in the last 30 years. There are more steps to be taken before the final goal is achieved.

I've listened with interest to some of the nitpicking, as I've mentioned before, and I'd like to mention a few of the points that some of the members have brought up.

The hon. Member for Spirit River-Fairview claims that local government should have unfettered access to local taxation. I don't know how many years he has sat on local councils. I've sat on them for a long time. So has every member of the task force. I've sat on some good councils and I've sat on some councils that weren't so good. There are some councils I've sat on that I believe should be given this full unfettered taxation. But there are other councils I've sat on that I would hesitate and hesitate quite carefully.

I believe this is true right across the province, and I believe there are a good many members sitting in this House who are in the same situation, who have had a few years of experience and a little background on the things that we are talking about here tonight. So I don't think he knows what he's talking about when he makes this statement. He's had no background to make the statement.

Now his alternatives: he wants a commission of provincial and municipal governments. You realize you had a commission for the last 18 months and probably the best commission you could ever get in Alberta. He wants additional revenue sources for municipal governments. Maybe he wants to bring back the poll tax and a few of these other odds and ends that have gone with history.

There are a few other little gems of wisdom here that have come up. The tax plan will contribute to the deterioration of the provincial and municipal governments. I have pretty close contact with my municipal governments, both town and municipal, and basically they think this is a very sound, just program. And I think this is true right across the province. There has been an element of press, there has been an element of complaint from certain people but this is not an across-the-board deal by any stretch of the imagination. Anybody can pick an isolated situation make an issue out of it, but across the board it is not true and the people of Alberta like it.

Now there are one or two other things -- no consultation. This bill has had more consultation with the people involved than probably any other bill that has ever come before this Legislature. There has been meeting after meeting with the rural municipalities, meeting after meeting with the city municipalities and with every town, city and a great many of the particular municipalities, towns and villages within the province, from various members of the task force, and meetings across the board from their organizations. A good portion of this bill is recommendations from these same organizations, so the fact that they haven't had their input into this is just not true.

Some of the remarks from the hon. Member for Calgary Mountain View -- he thinks that high rise and rental suites are residences, according to his remarks. In a way they are. People live in them. But high rises and suites are commercial enterprises and must be taxed as such. There is no way you can tax a high rise as a residence. If you check back on it you will find that this is true.

Now the mishmash the hon. member was just speaking about was an inherited mishmash. This is something that the task force worked on for 18 months to try and sort out because this tax situation in Alberta was years behind what it should be in this modern day and age. It's obsolete and there is no one act that is going to rejuvenate and bring into modern times what is 20 years behind the times, and our tax system in Alberta was 20 years behind the times. This is where some of the problems which are arising now have been created in the past and are trying to be corrected now.

But it's an inherited situation and don't let anybody from the other side say that we came into a deal, that the tax situation in Alberta was anywhere near what it should be or what it could be, because what hasn't been realized is that the tax situation in Alberta has been changing and it's been changing very quickly. But the laws, the regulations, the assessment and the provisions within the tax structure haven't been altered and we are back, until this bill, where we were 20 years ago and there's no way that problems cannot arise.

So we realize that this is not the final answer but it's a move in the right direction and there have to be more moves because Albertans are entitled to and should have a modern progressive tax structure that follows the times and not a point of history. Thank you, Mr. Speaker.

MR. KOZIAK:

Mr. Speaker, I am extremely pleased to be able to participate in second reading of Bill No. 48. As a matter of fact, I am very pleased to be participating in this debate.

I look back, Mr. Speaker, and I recall a year and a half ago, in July and August of 1971, the faces of all the home-owners on whose doors I knocked during that election campaign and whose hands I clasped.

[Interjections]

AN HON. MEMBER:

Yes, go on.

MR. KOZIAK:

I can understand, Mr. Speaker, all of the noise coming up from the opposition. That's something new. That's something new in election campaigning in this province: going out and knocking on doors and speaking to the constituents. That's the best form of public hearing you can possibly have, but that's something new to that side.

AN HON. MEMBER:

I did it 12 years ago.

MR. KOZIAK:

Mr. Speaker, I recall promising these home-owners that the Progressive Conservative party, as the next government of this province, would remove that portion of their taxes which they presently contribute towards the provincial foundation program. Mr. Speaker, I made that promise to my constituents and on the basis of that promise, Mr. Speaker, I was elected.

I am extremely pleased to be able to stand up here on second reading, Mr. Speaker, and speak in favour of Bill No. 48, a bill which does exactly what we promised to our constituents in July and August, 1971.

Mr. Speaker, I can appreciate the moans and groans coming from the opposition. They talk about a credibility gap. Imagine, Mr. Speaker, the Loyal Opposition talking about a credibility gap when you consider the fact that the Socreds, Mr. Speaker, did not produce the promised dividend of \$25 per month despite 36 consecutive years in office. They have the gall to talk about credibility gap.

MR. TAYLOR:

You're living in the past.

MR. KOZIAK:

Mr. Speaker, during the oil hearings we heard all the gloom about what would happen if the mineral tax was imposed, how the oil industry that has been nurtured and created in this province by the Social Credit government would be destroyed by the new Progressive Conservative government. Mr. Speaker, the facts now show the opposite. The facts show that drilling has increased in this province and decreased in our sister province to the west. Mr. Speaker --

MR. LUDWIG:

Mr. Speaker, on a point of order, are we discussing the oil hearings in the House or are we discussing Bill No. 48?

AN HON. MEMBER:

Sit down.

MR. SPEAKER:

The hon. member has apparently raised a question of consistency or inconsistency in the debate. As far as I know, that is not out of order.

SOME HON. MEMBERS:

Agreed.

MR. KOZIAK:

Mr. Speaker, the hon. Leader of the Opposition, in his contribution to the --

MR. LUDWIG:

Watch your credibility.

MR. KOZIAK:

-- debate on this bill, suggested that it was very easy, and it was an extremely positive way to become popular with the voter, to give his money back to him. And that is correct, Mr. Speaker. But the important thing that we must not lose sight of is that not only are we giving back to the people of the Province of Alberta their money, we are doing it, Mr. Speaker, without raising any taxes. That is the important thing to remember, that good management, which resulted in the increased revenues from the oil-producing resources that we have in this province, has enabled us to fulfill this plan, good management which the other side lacked.

I am amused, Mr. Speaker, by the comments, the nitpicking that we are hearing both yesterday and this afternoon on Bill No. 48, by what, I suggest, Mr. Speaker, was a caretaker government, a bare trustee of our natural resources and that's about all.

Mr. Speaker, today we hear in Bill No. 48 somehow or other -- I've gone through Bill No. 48 and there is nothing to do with liquor in here -- but somehow or other, Mr. Speaker, the matter of liquor taxes has been brought up. Well surely, Mr. Speaker, the members of the opposition realize that it is ultra vires of the Province of Alberta to impose indirect taxes. There are no indirect taxes imposed on the sale of liquor. There may be a profit from the operation of a business, but there are no taxes. Surely the members of the opposition will know what ultra vires is; a great deal of their legislation in their early history was struck out for that very purpose.

MR. LUDWIG:

Now I know what credibility means.

AN HON. MEMBER:

There's our lawyer over there.

MR. KOZIAK:

Mr. Speaker, the members of the opposition talk about the approach of this government to the municipalities. Why I recall prior to August, 1971 the limit that the former government placed on grants to the municipalities. In this budget, Mr. Speaker, we see an increase, from \$42 million to \$48 million, of 14.3 per cent in assistance grants to the municipalities.

Something that is interesting about this program and which hasn't been dealt with, Mr. Speaker, is the monetary effect of it on the citizens of Alberta. Assume that we have an individual earning perhaps \$5,000 a year and that individual has a home assessed at, let's say the maximum at which your top level of benefit is payable under this plan. That individual, Mr. Speaker, would receive a rebate, a benefit of \$216. Now, Mr. Speaker, formerly he would have received \$75 by way of a home-owner's grant. By this plan, Mr. Speaker, he receives \$141 more. On an income of \$5,000 this represents 2.8 per cent. Now, Mr. Speaker, this is positive action towards reducing the cost of living in Alberta. Positive action, Mr. Speaker, a 2.8 per cent decrease in the cost of living in Alberta. That is what this government is doing about the high cost of living.

Now let's not lose sight of the fact, Mr. Speaker, that when you pay your property taxes, you pay them out of after tax dollars. In other words, first of all you earn the income; then you pay income tax on that; and then with what's left you pay your property taxes. So if we have a situation where income taxes are approximately 20 per cent, this means an additional benefit of \$29. In fact what the individual is getting is \$170 and on an income of \$5,000 that is about a 3.4 per cent reduction in the cost of living of an individual taxpayer living in the Province of Alberta. Now that is what I call a positive contribution to the problem that we have now, the high cost of living.

It was suggested, Mr. Speaker, that we should use Manitoba's approach of tax credit. You know, Mr. Speaker, I often remark or it comes to mind, whenever you pass a bakery you often see the beautiful cakes in the windows, especially these wedding cakes. They are beautifully decorated, three or four levels. But when you look inside, Mr. Speaker, you find that it is a cardboard box covered with icing. There is no cake. I think that is how we have to compare Manitoba's tax schemes with Alberta's. It's all icing and no cake.

Recently, Mr. Speaker, a relative from Winnipeg visited me and I showed him my tax bill. Now, he remarked that his house was approximately the same as mine and in Winnipeg, Manitoba, his taxes would be approximately one-third higher than those which I would pay in the city of Edmonton. Now that should be compared, Mr. Speaker.

Mr. Speaker, when we are comparing taxes we should also compare the fact that in Manitoba there is a sales tax. In Alberta there is no sales tax. We should also compare the fact that in Manitoba the individuals, the residents of Manitoba pay the highest income tax in Canada provincially. The proportion they pay is 39 per cent compared with the Alberta rate of 33 per cent.

Most important of all, Mr. Speaker, when I approached my constituents I didn't talk to them about a tax credit plan. I talked to them about the Alberta tax reduction plan. I told them that they would be returned the money they paid toward the foundation program. I didn't tell them they would have to fill out their income tax return and, if their income was low enough, they might get \$100. That is not what I told them. Mr. Speaker, that is why I view this plan and this act with such favour, because it fulfils the responsibilities of this government to the constituents who voted for them; it fulfils their promises. Mr. Speaker, it does that extremely well.

MR. BENOIT:

Mr. Speaker, I may not bring much that is new to this but I do want to briefly associate myself with some of the comments that have been made with regard to this Bill No. 48, in which are involved several principles, and voice my objection to the bill.

We have another omnibus bill before us with about 13 different parts or departments involved in it. In some instances bills of this nature might be permissible, but in this bill, where we are dealing with three or four different principles of such magnitude, I think it is most difficult and most awkward to be able to deal with it.

The hon. Minister of Municipal Affairs, in speaking about the bill, referred to it as a complex bill. I think that some men in common parlance

would call it a "dog's breakfast" because of the mixture of things in it. The hon. Minister of Telephones referred to a mishmash.

It might be complex, but it need not be complex if it were separated into three or four different parts so that each part could be dealt with on its own rather than in comparison with others. I think the first one is a well-established principle that has been in vogue for some time. The first portion is an extension of what has existed and what people are familiar with. It could well have been a bill by itself, and then the others could be brought in in separate bills also.

This is one of the primary objections we have. We can agree with part of it, but the other part we cannot agree with; it should have been in four separate parts.

Someone has been talking about doing this without raising taxes. It should be drawn to the members' attention that many of the funds are coming from increased taxes, as is evidenced from the complaints that are being made now in some municipalities as they see the result of increased assessments and juggling of mill rates in order to meet what is required. I think one facet of the bill talks about the minister being able to prescribe a method of computation. Sometimes this has been called the formula, and on a number of occasions when we asked for the formula from the minister with regard to the way the grants have been given to the municipalities, he told us it was not really a formula, but it was a working paper. And so we have asked on several occasions for the working paper. As I recall, at first he indicated that it would be forthcoming very shortly, and now it keeps getting farther and farther away and more and more difficult to reach. So we are hoping that sometime along the way this computation or formula or working paper, or whatever it is, will be forthcoming.

I don't know why it was not released long ago, because the municipal assistance grants were determined in the middle of January, if I understood the minister correctly the other night. Mr. Speaker, as far as I know, anybody could have had the formula that formerly existed. And I never heard anybody complain about not being able to get it.

[Interjections]

If the hon. member is having trouble getting it, it could be the method that he used in attempting to get it. I do not know. I do not know how he searched for it, but I know that many municipalities upon request were able to get the formula that existed previously.

However, Mr. Speaker, the fact of the matter is that the assistance grants have been determined and the working paper, if it ever existed -- I shouldn't be doubting the veracity of the minister -- must have to be changed or else he would have readily given it to us. We still haven't received it. Maybe he's trying to get it so we'll understand it. But if we don't understand it, maybe somebody else didn't understand it. Somebody has said in this Legislature before that these grants may be arrived at by a seat-of-the-pants method, whatever that means. But it may be the common man's way of saying computation.

I wish, before we ever discussed this bill, we had been able to see the formula which made such differences between municipalities that were almost identical. In our particular constituency, in the list of papers that came out about the grants, I think I said once before, Mr. Speaker, three municipalities the same size received their assistance grants -- \$16,000, \$26,000 and \$36,000 -- that much difference between three municipalities within 25 miles of one another in the same constituency. The incentive grants were within \$1,000 of one another. There is no explaining these variations unless we have some kind of guideline to go by. These municipalities are raising questions "Why this kind of situation?"

The bill and the principles that are offered to us here make no provision for detail. It just says that the minister may use whatever method of computation he sees fit to dole out the grants to the municipalities.

I firmly believe, as has been said here, and I want to reiterate and associate myself with the suggestion that we need more consultation between the municipalities and the province on a working level. As has been requested, I suggest the government give serious consideration to resolving the House into a Committee on Public Affairs, Agriculture and Education at a very early date for the purpose of discussing these principles in this one bill, because I think it will find the same thing as we are finding, that the municipalities may be very happy with the first portion of the bill, but they'll be quite unhappy with the second and third portions, as well as the portion dealing with the hospitals.

Mr. Speaker, there is one principle in this bill that might be called the 'big daddy' principle, which runs through all the four principles mentioned. It's a principle that regardless of who collects the taxes or where they are collected they will eventually end up in the provincial coffers. Then they are handed out according to the regulations of the Executive Council or working papers or formulas or whatever they are, back to the municipalities as discounts or loans or grants or subsidies or whatever form they may go in. Some of them have strings attached and some don't, but they all come from the top along with some directions as to how they may be used. Now there is one exception to that and I want to make reference to it in a moment.

We started out with a tax discount and previous to that, of course, there had been the grants to the municipalities. The municipalities received their grants and then it was the intention of the government of that day to increase the grants. Then they realized that the increase in grants to the municipalities as a whole did not necessarily benefit the individual. So we went to the home-owner tax discount method where the individual got some relief directly. This was acceptable to the people and to the municipality. Then there came this new system, the relief from educational tax. That has its good points and it has its bad points, Mr. Speaker, and in the principles of this bill this is involved. If the province is going to take up the slack and give to the municipalities, or at least to the individuals in the municipalities, the total amount of the school tax they are collecting or a goodly portion of it, then what they are saying is, "We are giving the money to the schools and what you give to us we will give back to the schools and the schools will be doing what we are suggesting they do with the money, which all comes now from this source."

It is a well-known fact that whoever pays the fiddler calls the tune. In taking away the privilege of hospital boards to collect the hospital tax they have become bereft of the privilege of saying what they want. Many hospital boards are plainly saying at their board meetings and questioning what the board now exists for.

In raising the question to the hon. Minister of Health and Social Development, he as much as replied that really there wasn't all that much reason for hospital boards or for hospital districts any more; that the only reason for districts probably is to determine roughly where the patients will come from but they always cross borders anyway, so why would we have them? Let them go to the hospital of their choice or the one that is most convenient.

So taking it all in all, Mr. Speaker, the global budget system that has been suggested for hospitals says you can take the money and use it as you want within our discretion, within the direction of the act. But it is not accomplishing what we think it should and it has taken away from the local governments the autonomy and authority that they once enjoyed.

I know we stand to be corrected if after trial it turns out to be all right. But looking at it from where we stand tonight I can see no reason why we should agree with this method of taking away from these people the autonomy or the privilege of collecting enough taxes so they will at least have a say and the taxpayers will be close to their local institutions and have something to say and some way to keep the local governments in tow as well as the provincial government.

So, Mr. Speaker, I conclude by saying we do not favour this bill with so many principles involved where some of the principles we agree with and some we do not. We would like to voice strongly our objection to this type of bill.

MR. SPEAKER:

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

MR. BATHUK:

Mr. Speaker, there are a few areas that haven't been mentioned in the last few days and I would like to say a few words. The tax reduction plan has been quite an issue in this House this spring, and one very fine thing about it is that this is \$30 million of new money that is going to be given back to the home-owners, the renters and the senior citizens.

When the previous administration raised their home-owner's grant from \$50 to \$75, a new levy had to be put on the people to raise this money. This is just a little different. This money is coming from the extra natural resources.

However, I would think a very important item is the eligibility of those qualifying for it and particularly in rural areas when we consider the preservation of the family farm. There are now, and there are going to be more and more father-and-son operations. The previous administration did not recognize that the father and son had separate homes, and actually the owner would get the home-owner's grant. Now, if the son has -- and if you look in Section 3, (g) (vi):

an individual who occupies an eligible residence which is a farm building exempt from assessment and situated on land owned by another person, but only if the occupant of the farm building owns and farms other land whether in the same municipality or not...

-- he is eligible. I think this is a step in the right direction because previously the farm residences have not been assessed for taxation. This is a step in the right direction.

Lastly, back in '71, we had only a few months time and we did recognize that the senior citizens should get some relief. That's why we had the renters qualify for the \$50. However, we saw that there was a need for it, the people needed it, and it has been raised to \$100. Several of the members from opposite mentioned that the people with the \$100,000 homes or so forth, the people that don't need it are going to benefit most of all. I feel that the same yardstick cannot be measured for them. One man may decide to put up a new home, a fine home; another may prefer to keep his money in a jar. Yet there is nobody to say that one is much wealthier than the other.

It seems, and particularly the Leader of the Opposition had mentioned it, the 7.5 per cent guideline is taking away the autonomy. When we look back only three years ago, the previous administration had set a 6 per cent guideline for education - one segment of society. This is going to put the 7.5 per cent guideline for the entire municipality. I think this is much more equitable.

We talk about hospital costs; I think this is one step where our government has done a great deal for the hospital areas of this province. Just today I missed this afternoon's session because I was invited a second time to attend a hospital board meeting. It was not in my constituency but my neighbouring one, which is represented by a person who has the "Dr." in front of his name. I wonder why he wasn't asked. But maybe after 36 years they wanted some different blood.

However, after this meeting I did ask the board what they felt about the government taking over the entire costs of the hospitals and they stated that as far as hospital costs are concerned, they think this is the best thing that has ever been done for the hospitals. I would also hope that sometime during this debate the hon. Member for Vermilion-Viking would say what he thinks about it, because I think the biggest problem in this province is in his constituency which takes in part of the county in which I am involved.

What actually amused me -- or what else I should say -- is when the hon. Member for Spirit River-Fairview mentioned about the senior citizens' rebate on taxes by filling out their income tax. I know that a lot of the people, particularly the senior citizens, have never filled out income tax. They would be the losers because I'm sure that they would not fill them out. However, it really amused me when he stood up yesterday and showed such concern about taking away the autonomy, the 7.5 per cent, and it really makes me think when a politician who tries to advocate state control is so concerned about local autonomy.

I wonder if anybody wanted to look on the front page of The Journal of about a month ago where there was a picture of 1,500 farmers going on strike. It sure gave a good impression of local autonomy.

These are just a few of the things that I have noticed that haven't been argued too much. However, I think that this bill is one of the finer bills. It's a real breakthrough in this province -- breakthrough '71.

MR. DIXON:

Mr. Speaker, in speaking to Bill No. 48, The Alberta Property Tax Reduction Act, I would like to speak on two issues. One, I think the present government could give another 20 per cent to the municipalities and it wouldn't take as much from the budget as it did back in 1970 when the so-called freeze that we have heard so much about was put on.

However, before I get into the one or two points of the bill, Mr. Speaker, I would like to answer a few remarks that were made opposite and in particular by the hon. Minister of Telephones and Utilities.

But before I get into that I would like to touch on the remarks of the hon. Member for Edmonton Strathcona. He was bragging about how many doors he had knocked on to get into power. Now that they are in power and they go knocking on doors, I'm going to give that young Member for Edmonton Strathcona a warning. If the present Mayor of the City of Edmonton happens to be in your constituency, hon. member, don't knock on his door because it will be slammed so hard that your political career may end or you'll need plastic surgery, because if he slams the door as hard on you as I imagine he is going to, you had better get out of the way in a hurry.

[Interjections]

If the hon. Deputy Premier will be quiet for a minute I will get to him in a moment.

[Interjections]

As a matter of fact, Mr. Speaker, for the nine members sitting opposite -- I'm not including you in this, Mr. Speaker, because I'm sure the Mayor of Edmonton has great respect for you -- but apparently he was out looking for the Edmonton members tonight according to what I heard him give over TV. So maybe the hon. members from Edmonton won't have to wait till the next election to knock on his door. He's coming knocking on their door tomorrow.

Yet we heard from the hon. Minister of Telephones and Utilities, Mr. Speaker, how happy the municipalities were. We heard the hon. Member for Ponoka tonight say how terrible the taxation was in Alberta before they came to power. Now we'd better turn around and give the hon. Member for Ponoka the facts.

Alberta is a tax haven compared to the rest of the provinces in Canada both under this government and under the former government. There is no sales tax in this province under the former government and under this government. There is no inheritance tax. If the hon. Minister of Mines and Minerals and the Premier get together and decide what they are going to do with the oil companies, we are going to see this year the largest tax ever implemented in Alberta at one time if the oil companies decide they are going to let the government impose the tax on oil.

Yet we have the hon. members from the other side of the House going on at great lengths that there has been no tax increase in Alberta this year. Well, I hope they can tell the freehold landowners that own oil rights and the oil companies that when they get their assessment notice, don't pay any attention to it men and women because there isn't any tax increase this year. He's going to say, "That's fine. I won't bother sending in my tax." How ridiculous can we get?

Then, of course, I don't know how these hon. members opposite are going to explain when they are knocking on doors when the increased gasoline prices come along. They'll say, "Well, that was the former Social Credit government. They did that 36 years ago."

When the hon. members talk about the poor tax situation in Alberta they had better get the facts because many of them came here, people came here including hon. members from the other side of the House, because this was the place to come. Alberta was the place to start a business and I hope it continues that way. But to try and make out that the taxes in Alberta were horrible compared to the rest of Canada is a statement that does no good to this province and it's an untrue statement, Mr. Speaker. And I don't think there are any unparliamentary effects about that, because it is an untrue statement.

Now, Mr. Speaker, the hon. members opposite and, in particular, the hon. Member for Edmonton Strathcona --

[Interjections]

Please. Well anyway, you can read Hansard tomorrow. I am sorry the hon. member is leaving, but he mentioned the dividend, the Social Credit dividend. You know the reason people were looking toward the Social Credit dividend was because we had a Conservative government in Canada that was telling the unemployed and the people on welfare to tighten their belts. They were already so thin it was cutting into their backbone then.

We still have the shadows of that -- I can say crazy Tory thinking, but it's even beyond that -- unrealistic Tory thinking, because in 1973 in Ontario we had them putting on a tax, the energy tax, and they got such an outcry from their people that they took it off. And do you know what the minister says? "We are putting a 7 per cent tax on energy and it will mean that it will cost more money for your gas and electric power to heat your homes. But don't worry, put on an extra sweater and pay the tax." Now if that is the kind of thinking going on in the Tory ranks, I hope they improve a bit. Maybe the minister was in the sheep business, as somebody said. He has some surplus wool he wants to sell.

But in any case, Mr. Speaker, that type of Tory thinking is unbelievable and it hasn't changed much. When I hear remarks from the opposite side of the House I can remember that in 1970 the hon. Minister of Telephones, when he was an alderman in the City of Calgary, was going to lead a march along with that arch-Conservative from Calgary, Alderman Kushner. They were going to lead a march on the Legislature to do something about it. But apparently since the hon. minister has reached the high Tory ranks and now is in the front benches, he has changed his mind completely. Now he doesn't like the aldermen, even his arch-Conservative friend, Alderman Kushner, because I have here, "Farran raps city aldermen" and this is in his own paper so it must be true.

[Laughter]

MR. FARRAN:

I haven't got a paper. I don't own that paper any more.

[Laughter]

MR. DIXON:

Well anyway, I tell you, Mr. Speaker, the hon. member did own a paper until the Conservative government came in, and because he thought there was going to be a depression he sold out.

[Laughter]

Maybe he thought he had better get out while the going was good. In any case, Mr. Speaker, I would just like to make a few remarks. By the way, Mr. Speaker, this is a letter --

AN HON. MEMBER:

What's this got to do with taxation?

MR. DIXON:

I'm just getting to that.

AN HON. MEMBER:

[Inaudible]...task force?

MR. DIXON:

I'm glad the hon. member asked that. As a member of the task force, he should know that the hon. minister was the chairman of that task force. This report, hon. member, has something to do with tax reform because that is how it is headed. That is what I am going to read to you, because I think this is a gem. Before I get into that though, I was quite amused yesterday when the hon. minister himself said what a wonderful job the task force did. I'll even read it. The minister reported in this letter, Mr. Speaker:

The report has been attacked by the city councils who offer nothing constructive as an alternative. They claim the report is shallow and yet it recommends deeper reforms than any of the 10 royal commissions that have studied the problem in other parts of Canada during the last 10 years.

An amazing thing. As soon as the report was put before the people all we got was letters of protest from the very people who should be happy, the municipal people. The president of the association was recommending to the government, Mr. Speaker, that they set up another commission to tell the people how foolish the Farran Commission was and something should be done about it. I am sure the hon. Minister of Municipal Affairs, for whom I have great respect, decided that, well, we had better do something about it. I think that the hon.

minister will make some changes. He has noticed one of the reports where we are going to ask our municipalities to hold their expenditures at 7 per cent and we are coming up with this "carrot on a stick", that if you do that you will get a grant. This is like telling a little boy, "You know, if you sit up nice at the table there will be some dessert for you." This is what you are trying to tell the municipalities.

Then when the municipalities complain they say, "Oh well, it isn't 7 per cent in one year; we'll make it over three years; we'll fix it up a bit." But you know we've heard a lot, Mr. Speaker, about this great \$102 million. I think that is the highest figure that has been quoted and so I'd like to take the highest figure that has been quoted. Then they start comparing it with when the former government was in in 1970. As we all know the grant at that time was based mainly on one-third of the oil and gas royalty. I'd just like to point out to the House, Mr. Speaker, how the crude oil royalties and -- boy, they've got reserves tax on here -- I see this has been added. As I mentioned a few moments ago, Mr. Speaker, the members opposite keep telling us that there is no tax increase this year. Well, like I say, I hope they are able to convince the people who own the oil rights that there is no tax [increase] this year when they get the \$70 million from them.

Anyway, Mr. Speaker, turning to the fact that this year it is estimated that we'll get \$279 million from crude oil royalties and reserve tax, carrying that thing to its logical conclusion, we could give another 20 per cent to the municipalities and have less effect on the budget in our province than we could back in 1970 and '71.

So, Mr. Speaker, I urge this government to listen to the complaints they are getting from municipalities and in particular our hon. members for Edmonton whose mayor, Mayor Dent, is anxiously looking forward to their doing something on behalf of the citizens. I was quite surprised, Mr. Speaker. He was saying that he has to fight the battles of government policy in the Legislature and he was wondering where the other Edmonton MLAs were.

MR. SCHMID:

Why don't you read a newspaper?

MR. DIXON:

Well, Mr. Speaker, I read the papers and I also watch television and for the hon. Minister of Youth and Culture, I'd like to remind him that if --

MR. SCHMID:

Culture, Youth and Recreation.

MR. DIXON:

Now, just a minute hon. minister, just don't get excited. I'm going to get to you. You won't be left out. I'm just going to say to the hon. Minister of Culture I'm glad he's taking an interest in what is happening in the City of Edmonton because the mayor is looking for him. Now if he can convince the mayor that this is a wonderful thing and there is going to be no tax increase in Edmonton, I'm sure the mayor will go away happy and maybe move into the hon. member's constituency. But I'm just telling you that --

MR. JAMISON:

How big a constituency do you live in, Art?

MR. DIXON:

Well, I don't know but he's apparently going to have a hard time finding a friend from the members in Edmonton.

Well, Mr. Speaker, I do want to urge the government to take a realistic look at what they are doing. Look at the revenues they've got. It's a very, very buoyant economy. There is a lot of bragging going on from the opposite side about all the oil revenue they are having and all credit to them because they took over a wonderful oil policy that was -- by the way that hasn't been changed -- the only change that has been made is, well, they are going to tax them some more. You know, of course, somebody said yesterday, Mr. Speaker, in the House that taxes weren't too good; they were kind of regressive. Well I say all taxes are regressive whether they are on oil companies or anyone else because we tax the oil companies and they only pass that tax on to the consumer.

He's the one that pays. So there is no way that we can brag too much about this program.

I would give credit to the hon. Minister of Municipal Affairs. Someone mentioned tonight in the House, I believe it was the hon. Member for Ponoka, that no bill had had the discussion that this bill has had. The only trouble with that kind of discussion is that there has only been one-way discussion. There have been no meetings such as we're going to suggest here and were suggested already by the hon. Member for --

DR. MCCRIMMON:

Mr. Speaker, on a point of order. What the hon. member said is a misquote, I do believe. I said that there had been more meetings with the urban municipalities, the rural municipalities, the municipalities individually around the province, and the towns and cities around the province than on any other bill that has ever been passed in this House.

MR. LUDWIG:

Mr. Speaker, on the point of order. This bill was only introduced a couple of weeks ago. This bill as it is was never discussed with anybody in this province before. The hon. member is misleading the House.

MR. SPEAKER:

Order please. The hon. member was drawing attention to something which he considered a misquotation of what he had said in the House. It is not therefore in order for the hon. Member for Calgary Mountain View to get up and debate the point.

MR. LUDWIG:

He still misled the House.

MR. DIXON:

Mr. Speaker, in reply to the hon. member, if I have ruffled his feathers, I apologize. But what I am trying to say is that the type of hearings I would like to see are public hearings where this thing can be discussed in public. Because the task force, as far as this Legislature was concerned, was a secret force for months.

[Interjections]

MR. LUDWIG:

Political task force.

MR. DIXON:

Mr. Speaker, just today when an hon. member from this side of the House asked the hon. Minister of Municipal Affairs if the opposition could go to the meeting with the City of Edmonton school board, I believe it is tomorrow, it was "no".

AN HON. MEMBER:

Get elected.

MR. DIXON:

What do you mean, get elected?

[Interjections]

But Mr. Speaker, the thing I get a kick out of are these people with this so-called open government that all of a sudden has become very closed. The door has been slammed shut, just like the hon. Member for Strathcona will get when he goes to knock on the Mayor of Edmonton's door.

AN HON. MEMBER:

A lot of other doors, too.

MR. DIXON:

And probably a lot of other doors. But what I am trying to say, Mr. Speaker, is that we should have a meeting of this Legislature and turn this bill over to the Public Affairs Committee where a full discussion can be made, not in the fall, but in the next few days. Let's see, as the hon. members opposite are trying to convince me, if the municipalities are happy. Well, maybe if they come in here and tell me they are happy I will believe it. But, gosh, Mr. Speaker, when I turn on the TV and read the newspapers and get letters from the president of the Urban Municipalities Association, they don't sound too happy to me.

MR. KOZIAK:

Would the hon. member permit a question?

MR. DIXON:

Certainly.

MR. KOZIAK:

Mr. Speaker, perhaps the hon. member can advise us what the connection is between Bill No. 48 and the present reassessment which the City of Edmonton is going through?

SOME HON. MEMBERS:

Taxes.

AN HON. MEMBER:

Weren't you in the House yesterday?

MR. DIXON:

Well, Mr. Speaker, I can answer that quite quickly. I think if the hon. member for Edmonton Strathcona will read the hon. Minister of Municipal Affairs' speech yesterday, which I thought was a good speech defending a bill that has a few weaknesses in it, he will find out just exactly how assessment plays a great part in taxation. If the hon. member will remember, just five or ten minutes ago I reminded him when he was up on his feet saying we are doing all these things with no increase in taxes, when the oil companies get their tax notices, you tell them they are not being taxed; that's nothing, don't pay it.

[Interjections]

I can see, Mr. Speaker, too, if the hon. member doesn't feel that assessment has anything to do with it, I can see why Mayor Dent is having quite a problem getting to the hon. members opposite. And so, Mr. Speaker, getting back to the bill --

MR. FARRAN:

Will the hon. member permit a question?

MR. DIXON:

I'll permit two, if you like.

MR. FARRAN:

Mr. Speaker, I would like to ask the hon. member where he finds any reference to such problems as the City of Edmonton's reassessment in this particular act? Or is he referring to the eight-year reassessment that has taken place every eight years since 1925?

[Interjections]

MR. DIXON:

Mr. Speaker, I believe what we should do -- and I'll show it to him when we go clause by clause in the committee because we are talking on the principle of the bill; but I will be glad to talk to him at any time about assessment. But I am surprised, Mr. Speaker, that the hon. minister who is the head of a task

force that did more work, he claims, than ten royal commissions is asking me about assessment.

MR. KOZIAK:

The hon. member suggested he would answer two questions. Perhaps I can pose the second. Mr. Speaker, the hon. member is being very kind in permitting a number of questions, but I wonder if he would answer one of them?

MR. DIXON:

Mr. Speaker, the hon. Member for Edmonton Strathcona -- I think if he went to court and said that to the judge, they would throw the case out. But there have been no questions asked by the hon. member opposite. He asked about the dividend. Unfortunately he wasn't old enough. He wasn't born at the time that was around or probably he would have been able to get in. But if he keeps his patience, we may do something for him yet. But you know, Mr. Speaker, as one man said to me the other day in Calgary, "You fellows were pikers. All you offered was \$25. Now the Conservatives are offering \$50,000. All you have to do is ask. What's your problem; we'll give it to you?" So I don't see why I should be worried about a little measly \$25, because if I were as close to the inner circle of the Conservative party as the hon. Member for Strathcona, I wouldn't talk about \$25; it would be \$25,000.

MR. KOZIAK:

Mr. Speaker, on a point of order. Is the hon. member suggesting that I would, in any way, be involved with under-the-table connections?

MR. SPEAKER:

If there were any point it would be a point of privilege, which the Chair is unable to detect.

MR. KOZIAK:

Mr. Speaker, on the point of privilege, the hon. member suggested that the Member for Edmonton Strathcona, who is I, standing in my place, should not be concerned with \$25 but with \$25,000 because of my position. Now that to my mind suggests that I would be involved in something that would be illegal.

MR. DIXON:

Well Mr. Speaker, I don't know why the hon. member is getting so nervous. If he thinks that I'm implying that he's doing something under the table -- apparently you don't need to do it under the table. There is so much money around piled on top that you just have to reach in and grab it. You don't have to go under the table.

MR. KOZIAK:

The hon. member is continuing with his allegations by suggesting that this can be done above the table.

MR. SPEAKER:

Order, please. Possibly we might leave this alleged point of privilege and return fairly closely to the subject matter of the debate, which is Bill No. 48.

MR. KOZIAK:

Apologize.

MR. DIXON:

Thank you, Mr. Speaker, and if I've hurt the feelings of the hon. member in any way, I certainly want to encourage him along in public life, and I apologize if he thinks that I've hurt his feelings. But I will give him a fair warning that if I hear that he is doing something that isn't right, for his own benefit I shall tell him.

Mr. Speaker, the hon. Minister of Telephones and Utilities is trying to say that the municipalities of Alberta are very happy with this present bill.

AN HON. MEMBER:

They are.

AN HON. MEMBER:

Ha!

MR. DIXON:

If they are as happy, Mr. Speaker, as the hon. minister and the hon. members opposite seem to feel, I don't see any reason why they wouldn't have a public hearing on this bill during this session so that before the bill is enacted into legislation, all sides who have complaints can be heard here in public, not behind the closed door of a task force, but right here in public with the press present and anyone else who wants to come along.

AN HON. MEMBER:

Open government.

MR. DIXON:

This is the type of open government. That's right, hon. member.

[Interjections]

Mr. Speaker, the hon. Minister of Lands and Forests seems quite happy. He wants to know if I'm finished or not, but I've got news for him. I'm going out to his constituency on Friday night and maybe I can find out how happy they are about the bill out in his constituency. I'll come back here on Monday and I'll tell him all about it. So if he'll just bear in mind, I'll be here on Monday and I can tell him what happened and how happy they are out there.

Not only do we have the Mayor of Edmonton unhappy, but the Mayor of Calgary is unhappy. That represents 50 per cent of the population in Alberta. So in other words, we have at least 50 per cent of the people who are unhappy.

MR. FARRAN:

Mr. Speaker, on a point of order. The hon. member is casting reflections on His Worship, the Mayor of Calgary. He's happy as far as -- he's not unhappy. To say that the mayor is unhappy is a reflection on the mayor's --

MR. SPEAKER:

Order, please. Order, please.

MR. DIXON:

Mr. Speaker, I don't want to prolong this argument any longer. But I'm having a hard time convincing the hon. members opposite, Mr. Speaker, that the mayors of our two major cities are unhappy. If the hon. members, including the hon. Minister of Telephones and Utilities, had had their radios turned on this morning, they would have heard where the Mayor of the City of Calgary is supporting the Mayor of Edmonton in his protests.

AN HON. MEMBER:

Wait till he hears what the facts are.

AN HON. MEMBER:

We've been waiting for a long time for those facts.

MR. DIXON:

Well, Mr. Speaker, if we have a public hearing on this bill, then we can all hear what the hon. gentlemen and ladies in the municipal field have to say about the bill and I would accept their decision.

MR. KOZIAK:

The protest that is being raised isn't in connection with Bill 48 --

MR. SPEAKER:

Order, please. The hon. member is simply debating.

MR. DIXON:

Mr. Speaker, in closing I would just like to leave this thought with hon. members opposite: that they review, along with the hon. the Provincial Treasurer, the revenues we have coming to us this year and then take a realistic look as to whether we can't satisfy some of the extra needs the municipalities are asking for, over and above the conditions contained in Bill No. 48.

Before I sit down, Mr. Speaker, I would like to urge the hon. members once again to give consideration to urging the government to hold a meeting of this Legislature under Public Affairs. Call everyone in and hear remarks or protests or constructive criticism or praise, whatever you want, from these people because this bill is a major bill, as the government has pointed out, and I believe if it is a major bill no harm can be done by having a final meeting of the Public Affairs Committee of this Legislature in order that the bill can go through that scrutiny and can be passed by the Legislature either as it is or in an amended form. Thank you, Mr. Speaker.

MR. RUSTE:

Mr. Speaker, in taking part in second reading of Bill No. 48, I believe the Member for Highwood echoed many of the things I would have said, but I would like to reiterate again the concerns I have of three principles involved in one bill. Certainly I can support some of these principles but not all of them. I think that having them placed in this way in one bill, you could almost wonder if it isn't a manoeuvre by the government to hamstring local autonomy.

If it had been divided into three pieces of legislation then I think we could have dealt with each one on the merits of the particular case. Now we are going to have to vote on the bill as a whole. I am, as one of the members here, concerned about that principle.

We could debate fully the merits of each. Now we are forced to vote on one. Certainly it is not my idea of an open government.

Now reference has been made to the increased amount of the tax reduction and I submit, as the hon. member Mr. Dixon has a short time ago, that the budget this year of some \$1,500,000 which in 1970 was \$1,207,000 warrants an increase in some of these things. Certainly I think the hon. member, Mr. Dixon, mentioned that when you compare the revenues from the oil royalties and the oil industry to this province maybe it should be more, if you are going to carry forward the percentage principle.

I was rather interested in one of the hon. members referring to the taxes on the residents in Manitoba and in Alberta. I am just wondering what government was in power in Manitoba not too long ago when the sales tax was instituted there. Certainly I think the reason for the taxes being at the rates they are in Alberta go back over many years to the governing of this province.

I submit, Mr. Speaker, it is going to be very interesting to see how many will get the maximum amount under this bill. I have seen homes assessed down to \$1,040 and I submit, Mr. Speaker, they will in no way get anywhere near the total amount. When you get involved in taxable income we have new exemptions under the income tax because of the increased amount that is exempt; this is going to create problems in other areas. I think there is a concern here that those less able will be contributing to those who are able to pay and certainly the money that is being distributed under Bill No. 48 belongs to the citizens of this province and not to any government.

Now the minister made quite a bit about the increased amount. I would just like to point out that, as a farmer, increased price of fuels and oils will in cases wipe out the amount of the increase in the grants received. So I think that we have to look at that too because the reason for the increased amount relates back to the income by the people of Alberta from the oil industry, and here we have another tax that has been increased in the form of increased prices in fuels and oil.

Now the matter of local autonomy has been discussed and this gives me concern. Certainly where you get down to a hospital board or a school board, or whatever it might be, they negotiate with their staff for salary increases. Will the government in the overall control they are going to have here say to them -- let's take the nurses for example -- "Let's give them an increase

proportionally to what we voted ourselves as members of this Legislature just a year ago"? Even B.C. stopped at \$12,000. We went to \$13,500.

Certainly Mr. Speaker, if the government is going to regulate and pay the full amount, are they going to permit the staffs to have increases in salaries that are proportionate to the amount that we've raised our own? I think if we look and compare other provinces -- and I'm taking B.C. and maybe Saskatchewan now -- in the field of health services and salaries, I think that Alberta is behind in that. It certainly puts a crimp on the local board, no matter what field it's in, if they are going to have controls. I submit, Mr. Speaker, that in this bill there is an element of control being put on these people.

Much discussion has been mentioned about the discussion that's taken place with governments relating to this legislation. I submit, Mr. Speaker, the discussion that has been taking place relating to the whole field of taxation -- not this particular bill -- I submit that until the bill is printed and becomes available to people then what are you really discussing? Now we have the bill before us, and certainly if this is an open government, certainly this should be brought before the Committee of the Whole House so that people could make representations and we could find out what their thinking is on it.

It was rather interesting when the minister spoke on this bill. He referred to "heavy on definition." There were 3 sections heavy on definitions, procedures and regulations. In looking at the bill, Part 25 refers to Orders-in-Council and I notice there are 18 sections that are open there for regulations. The minister pointed out that he wanted it pretty flexible so that he could deal with these things as they come by and I submit that I think that this is just nonsense. When we have two sessions a year and we are sitting in this Assembly for almost four months of the year, I think it is nonsense to come up and say that we need to have regulations so instead of doing it on the floor of this Assembly, we can do it behind closed doors by Order-in-Council. So I think that these things should be left for the members of this Assembly to debate so that everyone can take part and that the public are aware of what is going on.

So, Mr. Speaker, with those comments, I would just like to suggest to the government that they consider strongly the opportunity they have of bringing this before the public by having it aired in this Assembly in the committee. Thank you.

MR. CLARK:

Mr. Speaker, in rising to make a few comments with regard to the principles involved in this bill, first of all I would like to carry on from the place that the Member for Wainwright left off when he ended by making a plea to the government that the government give serious consideration to the holding of the Public Affairs Committee of this Assembly, so that in fact the municipal leaders from across the province, the local elected municipal officials, could come before the Legislature and, in fact, outline to the legislature their problems, their glee and their disappointment as far as this particular plan is concerned.

It's interesting, Mr. Speaker, that if you look back to a period of time during the summer of 1971, if you check The Edmonton Journal of August 10, you will find a commitment made by the 'now' government that there be more public hearings in the Legislature. If you also check The Calgary Albertan of August 11, 1971, you will read of another Conservative commitment that there be more public hearings in the Legislature. It seems to me, Mr. Speaker, this would be an excellent opportunity to, in fact, make this commitment of 1971 a reality in 1973. It's a reality which I think the government should very seriously consider, Mr. Speaker, because in fairness to the local governments in this province at this time and also in fairness to the present government, it likely can be said that very, very few governments in any province in this country came to office with more good will from local government than did the Conservative government in 1971. I think it's well recognized that a number of municipal leaders across the province were less than enthusiastic about some of the things which were done by the former administration.

But let me also say, Mr. Speaker, that it wasn't more than just a very few days after this administration took office that the municipal-provincial task force on municipal-provincial relations was dissolved. It was replaced by what is referred to as the Farran task force, and the guidelines were changed by not striking out any of the agreed-upon guidelines between the municipalities and the government, but the Conservative election commitments of 1971 were added as guidelines and that really became the main thrust -- to use a Conservative term -- behind what the Farran task force did.

What the municipalities in this province looked for under the former administration, and are looking for under this administration, is for the government of the day to sit down with the municipalities of the day and clearly look at the responsibilities that have to be met by Albertans, apportion those responsibilities which can best be done by local government and then make them the responsibilities of local government, and decide what things can best be done by the province and make them the responsibility of the province. And then, for goodness' sake, give the municipalities in this province the financial capability to do those things that by legislation they are in charge of doing.

The biggest complaint I hear from municipalities, including large cities, towns, villages, counties and MDS, is that as a result of this programming they don't have any more elbow room than they had in the past. That's the real basis of the concern of municipal government and I'm sure the Minister of Municipal Affairs would admit to that. That, in fact, is what municipal officials have been saying to this government, that as a result of this program, however you slice it, it doesn't alter the fact that municipal governments in this province are in a financial strait jacket. It is a financial strait jacket which is becoming more difficult all the time because the costs of local government are increasing more rapidly than 7.5 per cent in one year or 20 per cent in three years. When the provincial government can't hold its increases to less than 13.5 per cent in one year, then how can you expect the municipalities to hold theirs to 7.5 per cent in one year? This is really the nub of why the municipalities are so disappointed at this particular time.

I was rather amused by some of the comments made by one or two of the members across the way dealing with the guidelines to municipalities. They referred back to the 6 per cent guidelines that school boards were saddled with -- if you want to use that term -- and I don't object at all to someone disagreeing. In fact, I must say that when we were discussing The School Act -- I think it was approximately in 1970 -- I respected the Premier, the now Premier and the Leader of the Opposition at that time, when he got up and said something like this: "We support local government in this province. We will not support the idea of local plebiscites. We believe local government can look after its own house." I respected him for standing in his place in the Legislature and, in fact, taking that position. But what really mystifies me is that if 6 per cent guidelines for school boards were wrong in 1970, then it seems to me 7.5 per cent guidelines for municipalities should be equally wrong in 1972 and 1973.

I think that is really what is troubling the municipalities, because municipalities thought they had strong supporters in the group sitting across the way. A lot of them had experience in municipal government. I remember when the now Minister of Telephones when and that great Conservative philosopher, John Kushner, led the municipalities of the province that were going to march on the Legislature. Now, he was the great defender of municipal autonomy at that time. To read back to him some of the comments he has made in this House about municipal autonomy, actually, very seriously makes a farce out of the whole Farran task force.

In the course of his comments the Minister of Municipal Affairs has indicated that this question of assessment is a serious and difficult question. I agree, but if they are going to go about dealing with the question of assessment in the future the same way they have gone about dealing with this question of municipal taxation in the past, then the suspicions of the municipalities in this province are going to be enhanced and we are going to get into a more difficult situation as far as municipal-provincial relations are concerned.

The same thing can be said about The Planning Act which, a year ago, we were told was going to be presented to this session. It may well be presented to this session yet. But unless there has been more meaningful dialogue and more meaningful negotiation in The Planning Act than there has been on this one to date, I don't see the municipalities being any more enthusiastic than they are at this particular time.

There is, Mr. Speaker, a group that all members of the Legislature, regardless of where they sit, should look at very seriously. The government, in the program that it has before us so far as taxation is concerned, is going some distance to help the family farm and I commend them for that. I do believe, Mr. Speaker, that now and in the future all of us had better look very seriously at the position of the small businessman, especially in rural Alberta.

He is the person who doesn't have depletion allowances. He is the person who is going to have to bear the increased taxes involved. He is the fellow involved now in having to pay the new capital gains tax federally. When the government is looking at this question of assessment in the future and looking

around at this whole question of municipal government, we would do very well to look at the position of the small family business. It's the small family business that is the backbone of most of the rural communities in this province. We had best not forget that because if it weren't for the family businesses involved, the towns and villages in this province wouldn't be a patch on what they are today.

Another area, Mr. Speaker, that I would like to comment on for just a moment is the question of hospitals. I have talked to hospital board members not only from my own constituency but from other areas across the province. They very frankly say, "Well now, if the province is going to pick up all the cost of hospitalization, if we no longer have the opportunity to say what level of service we want in our hospital, then really what is the purpose of having a hospital board?" The members across the way can talk as they would like to but at least in the past if the hospital boards didn't agree with the amount they got from the hospitals commission they had the opportunity to go to their local taxpayers to raise some money to increase the level of service in their hospitals. Now they are even losing that small bit of local autonomy. The question they are asking is, "Well, really what is our purpose now?" Frankly, I am inclined to agree with them and say that the role of hospital boards is certainly up in the air at this particular time.

In conclusion, Mr. Speaker, I would like to say this: I know it is easy for the members across the way to say, "Let's just push this through. Let's get on to the next issue. Let's use the strength we have in 49 members across the way."

AN HON. MEMBER:

Forty-eight.

MR. CLARK:

Forty-eight. Excuse me, Mr. Speaker. I apologize, forty-eight.

AN HON. MEMBER:

It'll soon be forty-seven.

MR. CLARK:

-- but the 48 members that they have across the way and bulldoze the thing through. We can sit here until midnight or a lot later to do that this evening. But the issue that we are debating here is far greater than the future of the Social Credit party or of the Progressive Conservative party. It's really the future of local government in this province. Once again I urge you to go back to the agreed-upon terms of the municipal-provincial commission that was set up in 1971. The real basis of that was to look at what the proper role of municipal government is and what kind of financial capability it should have to live with those responsibilities. With the greatest respect to Mr. Farran and to the government, this legislation we are looking at doesn't come to grips with that problem at all. If we just push this through the Legislature, don't give the municipal people and hospital people an opportunity to come before a committee of the Legislature and tell it to us as they see it, not as we think they see it but as they themselves see it, I'd say, Mr. Speaker, we're doing a disservice to local autonomy in this province; we're doing a disservice to municipal government. And any provincial government is only as strong as its municipal governments.

MR. TAYLOR:

Mr. Speaker, I want to say a few words and I'm going to endeavour not to cover the same ground that has been covered several times.

In listening to the hon. members on the back benches on the other side, I couldn't help but realize what a wonderful job the government has done in brainwashing the people who sit behind the cabinet. I haven't heard one -- in any legislation there is something that is not good, but nothing is said that is not in high praise and this sounds to me like a sounding symbol that doesn't signify very much. The backbenchers also are very anxious to say what a wonderful position the province is in today. Their references reminded me of the story of Christopher Columbus who when he started out didn't know where he was going. When he got there he didn't know where he was. When he got home he didn't know where he had been, and he did the whole thing on borrowed money.

The hon. members on the other side forget that the credit rating of this province was left in such an excellent condition, which fact was pointed out by the hon. Provincial Treasurer in his budget address, that the government can now do so many things by borrowing money. The Social Credit government could have borrowed on that same credit and done many wonderful things too, but the government was very concerned about not building up a bondage of debt around the necks of the living Albertans and the Albertans still unborn. The present government in its give-away program, and at the same time borrowing money, may well have some pigeons come home to roost in the years ahead.

As a matter of fact, the task force today is now having their pigeons come home. It was supposed to have been such a wonderful force and done a wonderful job. Actually all it did was to redistribute the available money and to increase the home-owner's grant. There wasn't any wonderful job accomplished by the task force and it was done at quite a cost. Practically all of that money was wasted money because now both municipal associations are asking that a properly constituted commission be set up to study this whole matter and come in with some sound, new recommendations. So what has the task force done except to redistribute some of the programs that were already in existence and to pretend now that they have built a brand new structure and that nothing was done for 30 years and now suddenly they are doing the whole thing. Well, Mr. Speaker, that type of thing might sound good to themselves and maybe they can persuade themselves, but it'll be a little more difficult to persuade the electorate of this province that that is so.

When the hon. members say there is no increase in taxation they'd have a difficult job persuading the people of the province in that respect, particularly the municipalities, where the municipalities, in order to carry out their services, must increase taxation. I want to come to that point later. But this is increased taxation. Whether it is federal, provincial or municipal, it's increased taxation. It takes out of the pockets of the people some of their take-home pay and they are unable to spend that money a second time because it has been taken in taxation. Whether it is spent on liquor or car licences or snowmobile licences, all of which have been increased, this is increased taxation and it takes away from the total amount of money that the worker takes home. So when the hon. members stand up and try to persuade someone that there has been no increase in taxation, and a lot of wonderful things are happening with no increases in taxation, then they are only kidding themselves, and I'm doubtful if they are even kidding themselves.

Now I'd like to deal with the tax reduction part of this bill. Actually the best description of the bill I have heard came from the hon. Member for Edmonton Strathcona when he was referring to the wedding cake with the frosting outside covering cardboard. That is exactly what this bill is doing. It has this tax reduction part which is the frosting for those who happen to get a tax reduction, but the cardboard isn't showing. It is going to show in the next few months, and that is what is concerning a lot of municipal councillors and mayors and people in this province. The people aren't completely aroused yet because they haven't got their tax notices. They don't know what is going to happen. Many of them still think they are going to have quite a reduction in taxation. But a lot of them are going to find that this is entirely not so, that the big reduction they were promised isn't going to materialize.

Many of the renters, as has already been pointed out, who are expecting to have a \$100 reduction in their rent are going to find that most of that is going to be eaten up and in some places exceeded by increased rents. This is becoming quite well known in our major cities where rents are increasing. The only thing that will stop that, and I hope it is stopped by one means or another, is that there are still some vacant suites available. As long as there are a number of vacant suites available that increase can't be too much. But I was speaking to a renter yesterday who feared that his rent was going to be increased \$120 and all he is going to get, of course, is the \$100, if he gets that. Of course, everybody isn't going to get \$100. It's going to be a portion of \$100 in the case of many of them.

The other part about the tax reduction I think is sound in this respect, that where it is based on the ability of people to pay, then I can see sound logic to tax reduction. But when it is based on -- when it is given to people who have full ability to pay, then it simply means we are taking that money from those who have not, to give to those who have, and that is not a sound principle.

I had a meeting in my constituency where the premium of Medicare came up and a man stood up with a cheque he had received and he said, "I am the richest farmer in this area. I didn't need this. Why is the government sending this back to me?" He wasn't asking for it, but it was being sent back to him. This is the part to which people are objecting. It isn't sound to take from those

who are having a difficult time to get by, who are going without proper food and proper clothing today, who fear the wolf at the door tomorrow, in order to give a reduction to people who don't need the reduction, who are well able to pay and who shouldn't be subsidized by public revenue. That's the point I object to in connection with this reduction bill -- not to those where they have not the ability to pay, but I object very strenuously to the principle of subsidizing and paying taxes for people who are well able to pay. That part isn't sound.

In connection with municipal grants and the incentive part, the act provides that the incentive grants will be provided, providing a municipality had a supplementary requisition the year before and provided they meet the 7.5 per cent guideline. I would like the hon. minister to deal with that when he closes the debate.

Will a municipality that did not have a supplementary requisition the previous year be denied the incentive grant? Because if so, they will be denied that because of good management, because they lived within their budget. If both of these requirements have to be met, as it appears to be in the act, this does require some very careful explaining on the part of the minister if those two points are going to be met as they are set out in the act and if no amendment is intended. The incentive part, too, of 7.5 per cent. I looked at the hon. Minister of Municipal Affairs' budget just to see whether he lived within the incentive himself, and I find that on the 18 votes, 8 are under 7.5 per cent where he would have qualified, but the other 10 are all above. The minister's office itself is 31.7 per cent above and the whole department has a 37.9 per cent increase.

Now what if we were in the position where the federal government has power over the provincial government and said, "We'll give you back certain parts of your own money providing you live within 7.5 per cent." There would be very few departments, if any, who would qualify for the federal money. Well, you may say it's different with the municipalities, but it actually isn't different. The money that comes into the provincial revenues comes from some municipality whether it is an improvement district or a special area or a town or village or hamlet or city or Indian reservation. They are all people and they all pay part of the taxes -- even the Indian reservations, because they buy cars, use gasoline, buy liquor, contribute to the provincial coffers.

When we say to the municipality, unless you live within a certain point, you are not going to receive this portion of your own provincial money, I say this is unsound -- it is completely unsound, because what happens to that money? That money then goes back to general revenue and the people who should have it are paying increased taxation, not because the municipal council wants to levy increased taxes but because the municipal council is trying to provide the services which the people request and which the people demand.

When we say to municipal councils you can't do what your own constituents tell you, we are making a mockery of democracy, because when a councillor is elected by the people he stands on a platform and he's expected to live up to that platform. The people hold him responsible, and for the government to suggest, in an indirect way, municipal councillors are irresponsible, that they can't be trusted to handle their own money, then they are being very unfair to the high calibre of men and women who serve on the councils of this province.

I don't agree at all with the hon. Member for Ponoka that only a few councils are capable of handling their money and handling it well. Our councils are able --

DR. MCCRIMMON:

Mr. Speaker, a point of order. I'm being misquoted again. I did not say very few councils. I said I have been on councils where it was quite in order and I felt that they were quite justified in having unlimited taxation, but I have been on other councils where this would be questionable. I felt that this was true of other members who have had a lot of experience in municipal affairs. What you quoted me as saying is just not so.

MR. TAYLOR:

Mr. Speaker, I accept the hon. member's apology and explanation and I only used it because he said he found some councils were just bad, that they weren't able to do it. So if they were bad and unable to do it, some shouldn't be trusted to handle their money.

Some provincial governments are bad, too, and we don't say to them, you can't handle your own money. Some of them handle it badly and we don't say to

them, you can't handle your own money. Because the hon. member was on a bad council, even if it was bad, each of those councils was responsible to the electorate who elected them and that is the part of democracy that I'm speaking about. He will have to answer to his constituents if he misspent the money, and that's the way it should be.

But under this bill that is not so at all, because we now find the municipal councils in between their constituents to whom they are supposed to be responsible, and the provincial government, to whom they now must be responsible. This isn't fair at all to a municipal council. This is putting the minister in a position where he has a rope around the necks of the municipal council and he can pull it, and if he pulls it and they don't march to the tune, or they don't do what he says -- he has that authority.

He hasn't given us the formula. There is no written formula that we can say, we are entitled to so much money. It's the sole judgment of the minister and as honourable as the minister might be, he can still use that discretion to give or not to give, the same as the hon. Minister of Lands and Forests used his discretion not to give the Fish and Game Association a grant because they wouldn't toe the mark, apparently. If municipal councillors are going to be in that position then they can't carry out their responsibilities to the people who elected them, and that, Mr. Speaker, is a denial of democracy. If any man can't carry out the wishes of the people who elected him and report back to those people, that is a denial of democracy.

That is the serious part of this whole matter, of local autonomy. So I think the hon. minister should take that rope away, take it off the necks of the municipal councils and say, we will provide the incentive grant but it will be as it says in the book, unconditional, without that jargon and double talk that it has at the back of the thing.

It is amusing -- I don't know who wrote this, I don't think it was the Provincial Treasurer -- I don't think he would write that kind of nonsense. But this is jargon and double talk if I ever heard it. It says: "Provides assessment uniformity throughout the Province; determines..." Oh, I'm sorry I'm on the wrong page.

[Laughter]

Here we are -- well at least, Mr. Speaker, I'm in the right church. 2131, right department I should say.

2131 where we are talking about it says: "Provides unconditional incentive grants to municipalities who maintain annual municipal mill rate increases as regulated." Now how can you have an unconditional incentive grant that is regulated? It's a conditional grant. This is jargon and double talk. No wonder the hon. backbenchers are confused. No wonder the municipalities are getting confused.

It didn't confuse us, we know what it means. It means a conditional grant, nothing more or nothing less. I would urge the hon. minister, as hon. members on this side have done, to take off that jargon and make it an unconditional incentive grant. Then we get away from three quarters of the arguments that have been advanced.

Well, Mr. Speaker, that is the part I wanted to deal with in incentive grants. There should not be intimidation of municipalities. They either have to live within the stipulations set out by the minister or else they don't get their grant. That isn't fair to the people of the municipality, and it's not fair to the councillors who are responsible to those people. The intimidation is there just as long as we don't have a definite formula set out in bold type so people will know what they are entitled to, and as long as there is that sole discretion given to the minister to deal with that particular thing.

Then another thing that concerns the municipalities and that aggravates the situation is that their road grant which is one of the main grants of our municipalities has been cut. It has been cut in our counties, cut in our rural municipalities and cut in our IDs, something in the vicinity of about \$1 million, \$968,000. This means there will be less money for roads for municipal purposes in counties, rural municipalities and IDs this year than there was last year.

If that is so, it means the people are going to be expecting the municipality to provide more local money because they want oiled roads; they want blacktop roads; they want modern roads and these are essential. If they get the \$1 million cut off, or close to \$1 million cut off in grants, then they

are going to have to make it up somewhere else. That very item may well deny a municipality its portion of the incentive grant, because the roads are essential and generally the people in our rural municipalities expect their road program to advance every year. Now, Mr. Speaker, that's another point that I wanted to mention.

Mr. Speaker, when it comes to local autonomy on hospital boards, I think that here some very definite explanations are required. Is the department going to hold a stick over the heads of our hospital boards? What restrictions will there be? Are they going to be required to live within a certain budget? Or is the provincial government going to pick up any amounts overspent from that budget? Is there going to be a reduction in the care of patients in order to live within a certain budget? Apparently the discretion is gone. I think that here the hon. minister has to give some very definite explanations.

One of the points I want to mention most of all in regard to this whole procedure is that there is a new basis for the grants. Since there is a new basis for the grants, that is with regard to this unconditional grant, this conditional incentive grant, and since there is a new program in regard to the hospital boards, there should be an opportunity for the representatives of local government, whether it's city or town or hospital, to come before the Legislature and say their piece or have their day in court.

The hon. members on the other side may well say there is no discontent and everybody's happy all over the province. The school board in Edmonton apparently isn't happy. I just read in the paper tonight that one of their members claimed they are getting the poorest deal in the province. If that is so, the Legislature should know about it. The Chamber of Commerce isn't happy. It says the whole area needs re-examination. The major cities aren't happy -- and some of our rural municipalities, while they are not saying very much at the present time, are thinking a lot, because the only way they see daylight through the tunnel is by extra means, such as using the 10 per cent payable on unpaid accounts which will help them to get their incentive grant, or taking money out of the surplus.

Now, if the municipalities take money out of the surpluses they have, eventually they are going to be the poorer. They do require some backlog or something to stand on, and these devices are not going to help the municipalities. Again, since it has been done in this way, they should have an opportunity to point out what they have to do in order to meet this conditional grant that is placed there.

Again, I emphasize that the conditional grant is completely unfair. It's unfair to the councillors, the ratepayers and the people of the province generally because it does put the municipal council in a most ridiculous position. If the province eventually wants to take over all municipalities and have no municipal government like New Brunswick, well that's one thing. Because if this thing proceeds the way its proceeding, who wants to be on a municipal council when they are jammed between the provincial government and the ratepayers and there is a ceiling put on?

I would like to see, if we are having municipalities, a program were they are given the revenues, revenues to carry out the responsibilities and the services their people want and that their people request. I think at this time, in connection with this bill, we have to give the people a chance to be heard, to have their day in court, to hear all sides and what it is going to mean to keep this conditional grant on. What restrictions will be required if hospital boards are going to meet the new stipulations in this act?

So, Mr. Speaker, I want to move, seconded by the hon. Member for Little Bow, Mr. R. Speaker, that the motion be amended to read as follows:

That the bill be not now read a second time, but that the subject matter be referred to the Standing Committee on Public Affairs, Agriculture and Education for the purpose of receiving representation on same.

MR. R. SPEAKER:

Mr. Speaker, in seconding the motion of my hon. colleague there are several points I would like to make in support of that motion.

First of all, I feel that this is a very significant bill and certainly one that affects the future of Alberta. I look at the government side of the House and less than 50 per cent of the members of the government are presently here to debate and talk about this bill. I think they all should be here, taking part in the discussion and giving their points of view.

I also feel there should be recognition of the municipalities and the counties and of the concerns they have. The government has indicated to us that they have listened to counties, municipalities, the urban body, the rural body, but really, how have they listened? Have they listened to what they had to say or did they just sit there and smile and say, fine you have said something. Go home. We are going to decide what is going to be done and you are going to hear about it.

And they did hear about it in a letter from the Minister of Municipal Affairs. They did hear about it from the Minister of Municipal Affairs at a meeting where he gave them the answers to questions without too much discussion. I asked him in the House, after a meeting that was held at the Macdonald Hotel if there were going to be any further changes or if there were any further representations that could be made where significant changes were evident. The minister indicated to me at that time that his position was final. Where does the discussion take place?

I think we also have to examine other remarks that have been heard on a number of occasions, remarks such as, "Probably we are going to rely heavily on regulations, probably we will have a number of amendments in the fall session."

Well, Mr. Speaker, if that is true, I think it is very evident that it is necessary to have a hearing in this Assembly by the bodies and the local governments that are very responsible in this province, people who give of their time and effort to do something for rural and urban Albertans. They don't receive some of the pay and the remuneration that we do. They give of their business, their time, quite freely. I've always said that municipal councillors certainly are people who give because they want to help their fellow men. I believe that here in this session before a public affairs committee they should be heard during this sitting, this portion of the session, not in the fall session but at the earliest possible time.

A number of the members this evening have raised the question of local autonomy. I would like to make a comment or two on that topic too, because we seem to be at the crossroads of the decision-making power of local government. I mentioned in earlier remarks that I note a trend in the present government toward the centralization of power. They totally ignore the fact that it's happening. They act in an arrogant manner and feel that it is not happening, and attempt to deceive the people that they are not moving in a centralized manner. But the evidence of action shows that they are.

I note one of the areas of concern with regard to welfare at the municipal level. Payments are now moving from -- not 80 per cent of the payment as it was before but the provincial government is now planning to pick up 90 per cent. The next step is 100 per cent and along with that certainly goes full control at the provincial level.

I can recall councillors -- and the hon. Member for Cypress when he was a member of a council in southern Alberta always related the situation where people would come to the council and ask for welfare help. The councillors would say, "Well, the provincial government pays 50 per cent or 80 per cent. Let's give them a little more." What kind of responsibility does that build?

I am very convinced in my mind from my experience, Mr. Speaker, that there is a direct relationship between who raises the dollars and causes the tax and how the dollars are spent. I feel that the direction that this government, the Conservative government, is moving is certainly ignoring that principle and moving towards control of power in their hands.

I also noted remarks with regard to a feeling of benevolence on the part of this provincial government. They said, "We are giving \$102 million back to the people of Alberta." Well, really the people are not getting anything back except their own money and I think we all recognize that. We are seeing the real benevolent dictatorship being formed: ministers who feel they can decide what is best for the people and hand out, with all benevolence and kindness, dollars in the manner they see most fit.

Mr. Speaker, I think the local municipalities and local bodies must have the opportunity in this House to question that and make their position very clear as to how they see the direction of local government and local autonomy and local decision-making in the future of Alberta.

It is my observation, Mr. Speaker, that municipalities at the present time are very reluctant to say very much. My hon. colleague from Drumheller has indicated that the municipalities feel they are victims of the whims and desires of the Minister of Municipal Affairs. He can control by regulation. If the

minister is crossed, he can give or take away. That is the power which he has. I think, Mr. Speaker, that has to be questioned at this point in time.

We note a letter from the Alberta Urban Municipalities Association. They are concerned about this whole thing. I would like, with your permission, Mr. Speaker, to quote just part of a sentence. They say:

We submit that we are still unalterably opposed to the limitations placed upon municipal financing as indicated in Section 30 of the above Act, and request that this provision be remedied and the proposed Unconditional Incentive Grant be issued as a truly Unconditional Grant to the municipalities as calculated for the year 1973.

Mr. Speaker, they want to be heard on that. They want to be heard in time to make changes which are significant in their spending and in their decision making.

One of the other items mentioned is the topic of flexibility. If flexibility in this program is going to be the rule, let the minister and the government and cabinet have powers to do whatever they want to do, to try and be benevolent and help the municipalities get over this difficult period. Well, Mr. Speaker, sure the government is having a difficult period but so are the municipalities, the counties and the urban and rural governments. They are having difficulties too.

I would suggest that we need this hearing to talk about these difficulties and to avoid what I would call sort of the '3-D' effect at this time, the effect that could be caused by this government and particularly the Minister of Municipal Affairs. We can avoid the deception to municipal governments. We can avoid distraction about what some of the real issues are. We can avoid what I call a diarrhoea of new excuses to meet many new situations. We can avoid these things by having a hearing.

I think that the local governments with their many responsible people, people who give freely of their time, deserve to be heard so that they know what the facts are, as one of the hon. members has mentioned, and know the direction we are going, so when we interpret the word "flexibility" it hasn't the '3-D' effect, but its meaning contains those things which have fact and those things which are going to best benefit the taxpayer of Alberta.

Mr. Speaker, I also feel that this hearing is necessary because the Edmonton members really haven't represented the people of Edmonton. We have heard nothing but a lot of backslapping, praise for a plan, but nowhere do they attempt to come to grips with some of the problems that the people of Edmonton are facing. They tried to move them or distract the attention of the people of Edmonton from the real problems that are going to face them in this plan. In that hearing maybe there are citizens who would like to make representation and I would suggest that we should make an opportunity for them to come before this House and make that presentation.

Mr. Speaker, these hearings are certainly necessary to further or bring about the concept of open government. If plans are to be made in secrecy, if plans are to be made where the people of Alberta can't hear them, only when they are going to effect them and can't change them, well I don't think we can support that.

If the people in the government back benches stand up and talk in praise and act only as rubber stamps to the cabinet and the cabinet ministers, well I don't think we can approve of that either. I think they have to hear the real story from some of the municipalities and the hard working councillors in the Province of Alberta.

What the backbenchers of government should be able to do is be rubber stamps for what the people of Alberta want. And, Mr. Speaker, we must give those people the opportunity to speak to us because we are responsible for not only making laws, but we are responsible for any regulations or any other act that does take place.

MR. FARRAN:

Mr. Speaker, on the amendment.

As I understand it, the case of the opposition is that because this bill proposes to increase assistance to municipalities from the 1971 level of \$38 million to a new level of \$48 million, an increase in less than two years of more than 25 per cent, because it proposes to pick up all the onerous costs of

hospitalization and local health, half the local costs of welfare, thus relieving the hard-pressed property owners, because it is doing this there is something wicked and wrong because it's an alleged invasion of local autonomy.

In other words, they are saying that if you offer any relief to the poor down-trodden property taxpayer, you are doing something wrong because you are invading local autonomy. In other words in order to preserve local autonomy they argue the property tax must be high, the property tax must continue to pay for endless human resource programs.

Well, I can't buy that argument and I can't buy it particularly in the light of the observations made by the Leader of the Opposition on April 17th, 1973 during the discussion of the estimates of the Department of Health and Social Development. I thought at the time that the Leader of the Opposition made for once a constructive contribution to the debate. He perhaps would be interested now for me to read back to him from Hansard some of the words he said. He said this on the subject of local autonomy and hospital boards:

...one of these is the existence of the large auxiliary hospital districts which are unrealistic. I have said they are unrealistic since the day I took my seat in the House and told the Minister of Health and Social Development at that time that I disagreed with it.

I was the mayor of the town at the time the thing went in. I refused to allow the supplemental requisition to be paid to the auxiliary hospital district in the first place. In the final analysis I had to agree to pay it...

You remember who was forcing him to pay it in those days. This was long before this government was elected, when the hon. member was the mayor of Wetaskiwin. "In the final analysis I had to agree to pay it --"

MR. HENDERSON:

Mr. Speaker, on a point of order, I think I should straighten the record that I was --

MR. FARRAN:

What?

MR. HENDERSON:

I was never the Mayor of Wetaskiwin; it was the Town of Devon. He has expanded my responsibility somewhat.

MR. FARRAN:

I withdraw that remark. I am glad to be corrected. Actually he said he was the mayor of a town at the time and I didn't know whether it was Wetaskiwin or Leduc.

MR. CLARK:

Wetaskiwin or Leduc?

AN HON. MEMBER:

It was Devon.

MR. FARRAN:

Neither. Well, let me read it from the beginning:

The first meeting I had with a minister of the Crown after my election was on the Wetaskiwin-Leduc Auxiliary Hospital District. I was the mayor of the town at the time the thing went in. I refused to allow the supplementary requisition to be paid to the auxiliary hospital district in the first place. In the final analysis I had to agree to pay it. But the auxiliary hospital districts and the large area they cover -- when a place like Drayton Valley is lumped in with the City of Edmonton for auxiliary hospital services and nursing home services -- is completely unrealistic.

It was that realization that prompted the government and myself in 1971 or 1970, I forget which, to introduce the amendments to The Hospital Act, providing the legislative vehicle to allow for the disbanding of the

large auxiliary districts, and in connection with that, the integration of the hospital and health authorities within a given area and a smaller area under one --

MR. SPEAKER:

Order please. I would respectfully draw the hon. minister's attention to the rule which is perhaps more strict in the case of an amendment than it is in the case of a motion, that the discussion must be strictly relevant to the amendment. Possibly the hon. minister could bring his remarks somewhere into the area of relevancy to the amendment.

MR. FARRAN:

Well, Mr. Speaker, I thought those remarks --

[Interjections]

MR. SPEAKER:

Order please.

MR. FARRAN:

Mr. Speaker, I accept the rebuke, but I had thought from the arguments of the Member for Little Bow that this amendment did really concern some invasion of local autonomy, so I really wanted to point out that the opposition talks from both sides of its mouth at once on occasion.

[Interjections]

I recall now that there was no meeting of the agricultural or Public Affairs Committee of those days when the unconditional municipal assistance grants were frozen at \$38 million, when a six per cent absolute limit was placed on school board budgets. They couldn't exceed it without --

MR. CLARK:

Mr. Speaker on a point of order. The hon. member is entirely wrong. There was a limit placed on school boards in the province that was included in The School Act and there was an opportunity for public representation. The City of Calgary or the Calgary Public School Board made --

MR. SPEAKER:

Possibly the hon. member would like to refer to these matters when his turn comes to debate the amendment.

MR. CLARK:

Mr. Speaker, the only point I am making is the hon. member is wrong again.

MR. SPEAKER:

As has been said many times and is plain in Beauchesne, a dispute between hon. members as to fact does not give rise to a point of order.

MR. FARRAN:

Thank you, Mr. Speaker. I was talking about no meeting of the Agriculture Committee or the Public Affairs Committee in those cases. I don't remember a meeting of that committee when hospital grants were fixed on a base relating to 1969 bed-day rates. All I notice is at the moment a kind of tortuous wriggling to avoid the point which is a major political defeat by the opposition party because of the implications of this very far-sighted act.

They try to drag in, Mr. Speaker, something which is totally irrelevant. They are saying that the City of Edmonton should appear in some public hearing before the House to discuss the problems of their reassessment which has nothing whatsoever to do with this act, with the Alberta Property Tax Reduction Plan. Edmonton's problems over reassessment are the problems that every municipality in this province has once every eight years under the ground rules that have existed here for a long, long time. They have absolutely nothing whatsoever to do with the act before us.

So that is really -- I wouldn't call it a blatant falsehood, but I would call it a deliberate red herring, because the members opposite know quite well that this has nothing to do with the Property Tax Reduction Plan. If anything, the Property Tax Reduction Plan will relieve the pain they might otherwise have suffered from a reassessment if it had still been under the old regime.

So, Mr. Speaker, I say that this painful whining, this wriggling should cease and we should vote down the amendment without further debate.

MR. HENDERSON:

Mr. Speaker, that's just the brand of arrogance that has become the trademark of this government in the few months it has been in office. I think we should get the records straight on the usual distortions of the Minister of Telephones and Utilities when he's speaking on this little pet piece of handiwork of his.

It says that we are objecting, first, to increased financial support to municipalities and local taxpayers. Obviously, the minister doesn't listen. He didn't listen to what I said in the other debate on the hospital estimates and he couldn't read back straight out of Hansard what it was I did read into the text. Obviously, he hasn't been listening to what's been said thus far in the debate, because fundamentally, nobody is questioning the allocation of additional funds from the provincial government for various local functions, whether they are hospital functions, health unit functions or local taxpayer or municipal, but there are some very serious concerns about the manner in which they are doing it.

The proposition that he has tried to put forth that local autonomy cannot be preserved if the province is going to put forth more funds is absolute nonsense. Anybody who has been a city alderman should know full well that it is within the capabilities of the provincial government to hand out as much money as it wants without putting a single string on it. Yet, we have the Minister of Telephones and Utilities who headed the exercise to come up with this brilliant piece of legislation and policy saying that they can't think of any way of putting out the money to the local councils, whether they be for health purposes, hospital purposes, or municipal purposes without limiting local autonomy. That's absolute arrogant nonsense.

AN HON. MEMBER:

That's hogwash.

MR. HENDERSON:

Reference is made to comments I made about getting rid of the multiplicity of auxiliary hospital boards. That, very clearly, was simply reshaping the form of local autonomy. It wasn't eliminating anything except the proliferation of it, and to leave more local autonomy in the total issue of hospital management.

Then we hear the statement about, we didn't hold any hearings on oil royalties and about the opposition talking out of two sides of its mouth. If anybody is talking out of two sides of their mouths at this time it's got to be the gentlemen seated opposite, particularly the Minister of Telephones and Utilities and the Minister of Municipal Affairs, because they are the ones who led the attack on the government for not holding hearings on the limitations.

We heard nothing else for days during the question period from the 'now' government ministers, the ten who were here, about why we weren't holding these hearings, why did we have the authority to do this dastardly thing and limit the amount of money we were going to pay out incrementally to the municipalities without a public hearings? They were the ones who demanded all the public hearings at that time.

Now we hear them saying there is no need for public hearings, when they turn around and are doing something in this bill which is far more sweeping in the long run than the matter of dollars and cents.

He tried to point out that there were no hearings on the limitations on school spending. Again he doesn't know what he's talking about, because there were. We had hearings staged in the House here last year to do with oil royalties, and it was quite a relevant exercise.

While I'm convinced the government was basically stalling on the thing, that it was a showpiece, we have something before us that, in the long run, is more vital to the people of the province of Alberta in many ways in the form of

Bill No. 48, in the principles that are contained in it. Yet the 'now' government who stood on this side of the House and preached the tremendous holier-than-thou statements and words; the aldermen from the city of Calgary who led the march in the Legislature, hollering for public hearings and so on and so forth; and now it's all different. There is no need for hearings.

But let's look at what's happening. It isn't the additional flow of money to the municipal councils that's our concern. It's the sugar-coating of dollar bills that has wrapped up some very serious changes in principle with some very long-range implications for the people of the province of Alberta in the form of local autonomy and authority that they are going to enjoy in the future.

In spite of all the words stated opposite about the tremendous features of this bill, there is no question whatever that there are some very serious erosions and almost complete elimination of the question of local autonomy. I suggest the manner in which they are doing it, but in a much more subtle manner, the way they are coating it with dollar bills, is reminiscent of the federal government's action in getting the provinces into Medicare. They didn't do it very subtly. They just said, "If you don't do it, you don't get the money."

This government is a little smoother than that. They have proposed in this bill some very serious changes. They have wrapped it all up in a number of major principles that have long-range consequences which are serious. As I say, they are putting it out under the guise of sugar-coating of more money for the tax payer taking a nominal amount of cost off the local tax payers or the local municipal council and hospital and health unit costs and social assistance and saying "This is a tremendous blessing; it more than compensates for the erosion in local autonomy."

I suggest to you, Mr. Speaker, when you look at the principles that are contained in the bill other than handing out more of the tax payers money to the tax payers, who own it in the first place, one has to appreciate there are some elements of intimidation in what is going on in this.

MR. SPEAKER:

There is some question whether the principle of the bill is now under discussion. The subject matter of the amendment would appear to be that the bill be referred. It would seem that the debate, not necessarily just under the hon. Leader of the Opposition, has strayed considerably from the subject of the amendment to the extent that the debate could be the same on the bill itself as it is on the amendment. Some of the points now being raised on the amendment are identical to the debate which took place on the bill before the amendment was moved.

MR. HENDERSON:

Mr. Speaker, I suggest that there may be some concern in that regard, but I think the basic argument about the motion is, why do we need public hearings? It is not possible to discuss the need for them without discussing the concerns in the bill, and the concerns in the bill we have are not dollars and cents but ones of principle.

It has been stated by the gentlemen seated opposite that there is no need for further consultation in the matter; there is no need for public hearings. They have met with their select little group of Conservative party members, behind closed doors, come up with this package; they have brought a few select people in from the public around the province. Over the last few months they have discussed it. This is all the public representation that is required.

It has been before the House nine days and there is no need for public hearings. It has been examined, all the brains in Alberta that have anything relevant to say about it, have been examining it and they are mostly members of the Conservative Party. This is absolute arrogant nonsense. When one examines why there should be the need for hearings -- they are necessary because of the major changes in principle that are contained in the bill.

There are some very serious major changes in the bill that require an opportunity for those parties who are directly affected by them to have an opportunity to make representations to the Legislature. Because when one looks at what is being done under the guise of assisting the local authorities dollar-wise, to some extent what we have is a major, significant centralization of authority in a number of areas.

We heard criticisms from the 'now' government when they were the opposition about the six per cent guideline on school costs, but look at what's happened in

this bill. They have not only imposed spending limits on health units and hospitals, but they have completely eliminated the question of any local plebiscite as to whether the local tax payer might want this and pay more, which goes far beyond the question of saying let the local tax payer have some direct say about the limitations of spending.

We now have the minister and a handful of bureaucrats who are going to make all those decisions. So when one looks at the spending limitations of the plebiscite requirements on school spending, that falls into insignificance in principle compared to what goes on in this bill under health units and hospital spending.

There is absolutely no opportunity for the local tax payer and the local electorate to have anything to say about what they think is in their own best interests. Big Daddy is sitting in here. Somebody, one of the brains in the Conservative caucus, is going to make all these decisions for him on health units and hospital spending. Then we come to the same element, and of course there is an element of intimidation in it because if they object too strongly to the arbitrary powers and centralization of authority contained in the area of health units and spending in the bill, somebody will say, "Don't get too tough about it or we won't give you that much." What opportunity is there for the local electorate to have anything to say about those local affairs?

Then we come to the question of the municipal assistance grants. The absence of any formula on which the allocation of assistance grants is to be based creates the same possibility. "Don't make too much noise or we'll cut your water off -- we won't give you what we were going to give you." The only way one can deal with that type of implication is through some meaningful formula. Maybe the Minister of Municipal Affairs has water problems, or perhaps his arrogance is bothering him too. I don't know which.

DR. HORNER:

Let's get the formula!

[Laughter]

We'll dream it up!

MR. HENDERSON:

Then we find in the bill, under the guise of giving more money to the municipalities, that we are going to penalize the counties for example, if they run their school committees and school operations efficiently.

So I suggest, Mr. Speaker, that there are some very serious changes in principle in the bill. In private, secret meetings with a handful of Conservative party members, we've invited a few select people around the province to examine those serious changes in principle, and then argue that the bill has been examined more thoroughly than any other bill in the history of the province.

I suggest, Mr. Speaker, that the significant changes in principle contained in the bill and the deceptive manner in which it's been sugar-coated, the changes in principle with an outlay of cash demands and the element of intimidation that's contained in the matter of authorities being centralized and everything -- in all these areas, almost every aspect of local authority in municipal affairs, in health matters and in education, with the exception now that there is at least the plebiscite provision in the spending limits on education.

But instead of allowing a plebiscite for spending limits on municipal cost, they are saying, "We won't give you the money, your share of the municipal assistance grants, if you insist on deciding locally whether you want to spend more money on this type of municipal service or that type of municipal service. You can have your recreation centre but if it puts you over the guideline, well, you're not going to get your share of the municipal assistance pot. You can do this improvement with your streets and so on, but if it takes you over the guidelines you're not getting your share of the municipal assistance grants."

The manner in which it has been done is fraught with an element of intimidation, and the proposition that it has been examined extensively behind closed doors in the Conservative party, with a few select people of the province, in no way indicates that the matter has been thoroughly examined nor that all the local authorities -- because one way or another practically every

form of local authority comes under the guise of local government - is going to have its prerogatives restricted one way or another with the exception of the restrictions already on education. All the other forms are now being restricted, in the health case far more extensively than in the case in the past, and they should have the opportunity to make representations directly before the House so that their objections and statements can go on record publicly -- not secretly, but publicly.

Then if the government, in its wisdom and its arrogance, has decided that they are still going to shove this down the throats of all the local authorities, they then have the voting strength to do it. But they make a complete farce out of their exercises in the House when they sit on this side -- complaints about the municipalities not being given an opportunity for public representation in the House.

After all their election propaganda about open government, they turn around and bring in changes sweeping in principle and the long-range consequences contained in this bill and do not open up discussions to allow the municipalities to make their representations. They do not allow councils, the health units and the hospital boards the opportunity to make their representations publicly before the House. And if the bill is as good as the government members think it is, fine, they should come out of the thing smelling like roses because according to them they are going to have nothing but praise heaped on them if the local authorities come in here and comment on it; if anybody comes at all.

So I cannot understand at all with any element of logic, with any element of concern for a fundamental concept of democratic government which, in my mind, starts at the grass roots level, of the lowest level of government, I can't understand their statements that there has been enough examination, no further consideration is required.

I suggest, Mr. Speaker, that the last argument for not having hearings is that it might extend the sitting of the House one or two days. If there is any concern over that it's not legitimate in any way, shape or form. If it's going to extend the House at this point in time one of the reasons is the bill didn't get into the House until nine days ago. And certainly with the raise we voted ourselves a year ago, and which I, quite frankly, voted in favour of and supported at that time, I don't think anybody sitting in this Assembly should begrudge a few more days of sitting in this House to give the local authorities a full and adequate opportunity to openly and publicly present their views on Bill 48 -- views whether pro or con. If the bill is as good as the gentlemen think it is I think they should welcome the opportunity of seeing the opposition having their noses rubbed in the mud.

So why on earth don't they go through with the public hearing? One can only conclude when they say, no hearings, it's been discussed enough open government no longer means a thing in the Province of Alberta. Big Daddy now knows what is good for everybody. The principle of local authority and local autonomy is no longer relevant in the era of the 'now' government. That's the only conclusion that any one can arrive at if the members in this House vote against this amendment.

MR. NOTLEY:

Mr. Speaker, I rise to support the amendment. I certainly feel that when we consider something as important as Bill 48 with the many significant changes inherent in it that it would be well worth the time of this Legislature to take a few extra days and hold public hearings so the municipal bodies in this province can, if they choose, come before this Legislature and make representation to us.

I was one of the people who, as almost all the members did, approved of the idea of having hearings into the discussion of our oil royalty review. It was a sensible approach; it offered the industry an opportunity to come before the Legislature; it offered groups who wanted a different approach an opportunity to come and present their submission; and it offered the MLAs, Mr. Speaker, an opportunity to question and gain knowledge from the individuals who made submissions.

Mr. Speaker, that was the right approach to take. I disagreed with the final decision the government made but I certainly don't disagree with the fact that we took three days of the time of the Legislature last year to have public hearings of the review of oil royalties.

Now, equally important, we are discussing a bill which is going to deal with a good deal of money, Mr. Speaker, but more important has within it some significant principles which strike at the very heart of the operation of local government in the Province of Alberta today. Surely if there was reason and argument a year ago for public hearings on the royalty review, there must be equally good reasons to take two, three or four days or however long a time is necessary to provide municipal governments in this province with an opportunity to make representation to us.

Mr. Speaker, we have heard a great deal from the members opposite about how popular this scheme is. Many of the back-bench MLAs over there have inferred that it has the support of local government leaders in the province. Well, of course, they are entitled to make that submission. I suppose they are entitled to say almost anything in a free Legislative Assembly.

But when we look at what the leaders of local governments say we get a slightly different picture. The letter, Mr. Speaker, that all the MLAs received today from the President of the Alberta Urban Municipalities Association says, "We submit that we are still unalterably opposed to the limitation placed upon municipal financing as indicated in Section 30 of the above Act"

Now, Mr. Speaker, how more explicit can the leader of the Alberta Urban Municipalities Association be than to say that she is still and the association is still unalterably opposed? Is there any way that she can speak more definitively or clearly? Mr. Speaker, in view of this kind of letter from the President of the Alberta Urban Municipalities Association, it seems to me that it would well behoove this Legislature to take a little bit of time to give the association and, I am sure, other groups as well an opportunity to advise us on their views and perhaps bring a different slant on things because I am sure that not even the hon. members of the task force would suggest that they have all the wisdom of Solomon. They might like to think so at times but I am sure that not even their arrogance goes that far.

Now, Mr. Speaker, that is true. There are times when I wonder.

[Laughter]

Mr. Speaker, one of the things that has disturbed many people in Alberta, especially local government leaders and members of this Assembly as well, has been the failure to table the working paper on how the government works out these municipal assistance grants.

It seems to me that since we are talking about a significant portion of local government's annual budget it is not unreasonable that we have a tabling of the working paper. We all received copies of the outlying grants, tentative grants for the different municipalities almost three months ago now. One really wonders why it takes so long, Mr. Speaker, for the minister to table in this Legislature the working papers, if in fact there are any serious guidelines for working out the formula or if there is a formula at all.

AN HON. MEMBER:

They don't have one.

MR. NOTLEY:

Mr. Speaker, one of the things that worries me when I look over some of the expenditures under the municipal assistance grants are the disparities. For example, Medicine Hat is going to receive approximately \$50,000 while on the other hand Red Deer, a city of approximately the same size, will receive \$190,000. So it is quite obvious that the system has no relationship to population at all.

On the other hand, it doesn't seem to have any relation to assessment because the assessment of the two cities is approximately the same. So one can wonder.

The members of city council in Medicine Hat are concerned: why is the municipal assistance grant to Red Deer almost four times the municipal assistance grant to the City of Medicine Hat? Is it because, for example, Medicine Hat owns and operates its own utility system, both natural gas and electrical distribution?

If that is true, then we should know because what the government is saying, in fact, is that they are going to penalize a city which has been prudent enough to acquire ownership of its own utilities so that the profits from the utility

system can be ploughed back into City Hall. I don't know whether that was a factor in computing the assistance grant or not, but the point is, none of us know because we haven't had the working paper tabled in this House.

It seems to me, Mr. Speaker, when we are talking about the large sums of money which we are going to make available under this program, certainly all of us, regardless of political stripe, are fully in favour of making substantial sums of money available to local levels of government. So that is not the issue at all.

But when we are talking about how much money is being expended, surely it is not unreasonable that the members of this Legislature as well as the local councils in this province have the formula, so we know what, in fact, the government is using as a yardstick to compute \$50,000 to Medicine Hat and \$190,000 to Red Deer even though the population and assessment of the two cities is practically identical.

Now, Mr. Speaker, I have said before and I say again that the proposals in Bill 48 represent a serious erosion of local autonomy and a dangerous centralization trend. I see that several of the hon. members got up and noted that it is rather strange for a member of the New Democratic Party to be worried about local autonomy. What nonsense. I would remind the hon. members who made this point, or attempted to make this point that in Manitoba or Saskatchewan there is no restriction placed on the expenditures of local government or the access of local government to the property taxpayer.

And the question, Mr. Speaker, clearly is, it's up to the local taxpayer to make the judgment. If he feels that the municipal council --

MR. SPEAKER:

Order please. It is difficult to apply the rules of relevance on any occasion. But clearly we are going beyond the rules of relevance and the hon. member under the guise of debating this amendment is engaging in a rebuttal of counter-arguments that have been made against his previous arguments and thereby, in effect, having a second speech on the main motion.

Could we get back to the substance of the amendment which is as to whether or not this motion for second reading should be deferred and the matter be referred to the Standing Committee on Public Affairs?

MR. NOTLEY:

Thank you, Mr. Speaker, I appreciate your ruling. I will immediately return from Saskatchewan and Manitoba to the Alberta Legislature.

AN HON. MEMBER:

And British Columbia.

MR. NOTLEY:

And come back to the major point that I was making that because of a number of these factors we should take the time to listen to the representatives of the urban municipalities. I have no doubt that were we to make the decision, Mr. Speaker, that we would have open hearings of this Assembly, we would find representation from the rural association of municipalities and no doubt from the school trustees and other representatives from local government too, hospital boards as well.

Mr. Speaker, because we are dealing with a matter which is important, regardless of the differences that we have over some of the principles involved, none of us dispute the fact that there are some important changes, and I say this again and it bears repeating, changes which really strike at the heart of the operation of local government in the province. Mr. Speaker, if we're going to do that, rather than rushing in surely the better approach would be to take the time to hear from the people who really know best the situation facing local levels of government in Alberta.

MR. RUSSELL:

Mr. Speaker, in speaking to the referral motion, I'd like to disregard, if we may, the red herrings that have been brought up such as the references to big daddies and czars and open government and local autonomy and all the rest and get back to the reasons on a factual basis by which the hon. member made the referral motion.

It seems to me from what I've heard, and I've listened very carefully, that the main argument used by the movers of the motion is that there are significant changes, important new pieces of information regarding local municipal financing included in Bill No. 48, and thus such an important bill and such new moves deserve public discussion and longer scrutiny.

I want to refer the hon. members back to January 16, when the information that is contained within this bill was made public, was sent to all municipalities, was sent in the form of an information kit to every member of this Assembly, and in fact, many of us took the time to visit various municipalities throughout the province in an effort to explain what the main points and principles contained in the plan were. At that time it was indicated that the necessary budgetary and legislative moves would be made during this session to bring the principles of the Property Tax Reduction Plan into effect for the 1973 calendar year.

There has been substantial consultation since then. I have tabled copies of correspondence I have had with many municipalities. The meetings we have held with executives of the two associations are well known and have been well publicized. In fact, I have met with several individual councils or representatives of councils of our municipalities throughout the province. As a result of those meetings, certain changes have been made.

I have been criticized during the debate for having done some fancy footstepping or for making changes, but the changes in the guidelines were a direct result of representations made by the municipal governments. So we now come to the bill which is before us, Bill No. 48, and for those of you who want to compare the information that was very widely distributed to members of this Assembly and all municipal governments on January 16 with the contents of this bill, there is one change. That is, the level of assistance to senior citizen renters which has been made a straight \$100 in preference to the formula related to income. Otherwise, all the information has been public, has been well discussed and has been adjusted because of representations made by municipal governments since the date of January 16.

So I submit, Mr. Speaker, that on a factual basis there has been very wide and very extensive discussion of the contents of this bill. There is nothing new in it from what was announced in the plan on January 16, except for one item, which I mentioned.

I know the matter of incentive grants which are tied to the percentage increase in municipal spending is contentious. I recognize that, and certainly it is no secret that there is disagreement between the municipal governments and the provincial government. But surely those members on the other side of the House will recognize that some time in the duration of a government it must take a decision that isn't popular. It's a final judgment decision after all factors have been weighed. In this case it was not popular with locally elected people. But I can tell you, Mr. Speaker, that it is very popular with the citizens who elected us and who elected those local people.

DR. BUCK:

Ask them again.

MR. RUSSELL:

And let us not overlook that.

DR. BUCK:

Ask them again.

MR. RUSSELL:

The other major reason that has been given for the referral motion is somehow, because of the fact that I went to lengths to emphasize that I expected there would be changes in the act this fall and because I purposely pointed the attention of the members to the heavy reliance on regulations that were contained in the act, there was going to be manipulation.

Mr. Speaker, this bill recognizes the fact that members on both sides of this House have asked me, by letter over a period of time, to make those exact manipulations on behalf of their constituents that we are now allowing for in the bill. I refer, and we have all dealt with them, to cases under The Homeowner Tax Discount Act, for instance, or The Senior Citizen Shelter Assistance Act whereby, for some unforeseen circumstance, somebody is denied

getting their benefit for a year. The members write to me and say, can't you do something? And because it is in the Act, until the Act is changed I can't. If it was in regulations, and the argument or the proposal that the member put forward was worthwhile, and very often it is, you can adjust to those situations. Everybody recognizes that. I said time and again that was the reason we think we have covered every situation, but in order to ensure that every legitimate claimant receives his benefit it may be necessary to rely on regulations during the early life span of the bill.

The other thing which I find fairly hard to accept is the holier-than-thou attitude expressed by some speakers on the opposite side of the House in demanding this public hearing. I can recall so very well -- and they talked about and referred to statements made in 1971 -- the spring session of 1971 when some 300-odd municipal government officials congregated at the Chateau Lacombe while this Legislature was in session and asked for a public hearing to deal with an announcement that had been made which dealt with their municipal financing without any prior notice or without any prior consultation. It would have taken a motion by a member of the government at that time, which would have taken less than five minutes, I suppose, to adjourn the House and go into a public hearing and hear out those representatives who had come from all over the province. But what was the response at that time, Mr. Speaker? Three cabinet ministers were sent over to the Chateau Lacombe in a frantic effort to prevent the march on the Legislature that has been referred to earlier in this debate.

MR. DIXON:

Led by your boys.

SOME HON. MEMBERS:

Shame!

MR. RUSSELL:

So there is a holier-than-thou precedent for this pressing need for a public hearing, Mr. Speaker. At that time municipal assistance grants were unilaterally frozen without one day's advance warning and they refused to even hear the arguments of over 300 municipal councillors who had come to the city of Edmonton to make their presentation.

We have known, and municipal councillors have known, since the fall of 1972 when I addressed both their conventions, that the days of universal municipal assistance grants were over. On January 16, every member of this House received the full information kit and, as far as I know, just about every municipality in the province was covered by an MLA in meetings with his municipal council. And I go back again. There is nothing new in this bill except the increased assistance for senior citizen renters, and if the opposition wants to vote against that move, then let them get up and say so.

MR. LUDWIG:

Mr. Speaker, when I listen to the hon. minister, he says he'd like to ignore some of the things that were said on this side and I could well understand why. He hasn't got much to ignore from what is said on the other side because they are not saying anything.

One of the main reasons why we need a public hearing is that the Conservative voice of the backbenchers is silent. The people who are telling us that there is a necessity to look at this thing carefully were being ignored. When we get letters from the association of municipalities saying that we are opposed to this, then the minister feels, well I can't be wrong. I must be right, because the hon. Mr. Farran says I'm right and everybody else on the Conservative side says I'm right, so I can't possibly be wrong. And they are saying, well we're giving them more money, what more can they want? Principles don't count any more. They are getting more money; that should make them happy. And he's saying that the people are happy. That's all that matters. Of course you have to keep the people happy.

When I said that political expediency was quite a major factor in this whole exercise, I was a little careful because I could get ruled out of order, but when the minister stands up and confirms what I say, I don't have to worry any more. Well, the people are happy; let the principles be damned and the municipal councils and hospital boards don't count too much around here any more. We gave them more money; what more can they possibly want?

But there are such things as principles, and the hon. members opposite know that there are principles. So I'm saying that the opposition has made a case for a public hearing, a very good case. Number one is the repeated statements of the ministers involved, the draftsman who was supposed to be the architect and the architect who was supposed to listen to the committee but he apparently superimposed his views on the committee, and they call that a response from the public. We did make a case for a hearing, because they are saying to each other, we are infallible. There is nothing more to be said. We have decided everybody is happy, so why the hearing? The people are happy -- but the people are not happy.

I believe that anybody who has any conception of the democratic principle has to realize that the members on this side were elected by the people and we got up one by one and spoke our views. We want the people to have reduced taxes as much as anybody there, and we started the principle. Anybody who has a speck of decency and honesty will agree that the home-owner's tax discount increase is an extension of a well-established Social Credit principle, and I challenge anybody to deny that. They don't want to admit it because sometimes it just isn't proper to admit that something may have been here before they got here.

So as far as I am concerned, Mr. Speaker, we have made the case for a public hearing, firstly because the minister stands up and says we are infallible. We have given them a kit sometime ago and that should be enough to keep them happy; they have read all about it. But anybody who stands up in this House and says there has been a hearing, that the councillors and the hospital boards have had an opportunity to review Bill No. 48 and respond to it is simply not facing the facts. Nothing is less true than that.

Bill No. 48 was introduced in this House for the first time on April 17 and this bill hadn't gone out and we have not got a response from these people on this bill. So because of the claim by the ministers of infallibility, because of the silence for whatever reason of the Conservative members, because of the fact that the municipalities have, through their associations, spoken loud and clear to the members here who stand up and speak up and get a hearing for us, they say, we are opposed to it, who is going to speak for them? Obviously the ministers couldn't care less at the present time.

If the hon. Minister of Municipal Affairs is so completely convinced that this is so terribly popular with everybody -- it must be popular even though they haven't seen or heard of the bill yet -- but he knows it's very popular with everybody because, after all, since he introduced it, what else can it be but popular? So if they are that cocksure of themselves, let them call our bluff and let them permit those people to come in and see. Maybe we could make a few important changes.

I believe we have had enough of a display of arrogance, a good display of dereliction of responsibility when not a single Conservative backbencher had one critical thing to say about this whole bill. You can't blame the ministers for thinking that it's a perfect bill and nothing more needs to be said. I'm surprised they brought it to the House to debate. They should have railroaded it through because nothing can possibly be wrong. After all, if the ministers have unanimous support of 48 members it must be perfect, but I'm saying it isn't. I'm saying we have challenged them. If you are so sure of yourself, give the people an opportunity to be heard and let's stand up and be counted.

This business of saying, we know what's right, after all the task force under the greatest architect of Conservative policy, the hon. Mr. Farran, how could he possibly be wrong? But the people of municipalities, the people who are elected also, the councillors and the mayors of cities are not to be ignored. They also represent people and they have budgets to spend. They need money; they have responsibilities which we have given them and so let's have a hearing. Let's not try to run scared because everything is so perfect that we can now ignore the people.

We are in the unusual position on this side of trying to keep this government to do what they committed themselves to do. We are trying hard to at least make them look good, to keep them honest a bit, and I see that the hon. Deputy Premier is sort of bursting to --

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

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

May the hon. Member for Calgary Mountain View have leave to adjourn the debate?

HON. MEMBERS:

Agreed.

DR. HORNER:

Mr. Speaker, I move the House do now rise and adjourn till tomorrow afternoon at 1:00 o'clock.

MR. SPEAKER:

You have heard the motion by the hon. Deputy Premier. Do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 11:09 o'clock.]