

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, April 17, 1974

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill No. 37 The Financial Administration Amendment Act, 1974

MR. MINIELY:

Mr. Speaker, I beg leave to introduce a bill, being The Financial Administration Amendment Act.

Mr. Speaker, there are two principles involved in this bill. First, it increases the Provincial Auditor's salary to \$37,500. Secondly, provision is being made to allow for limited payments on a trial basis, rather than them all being made centrally, subject to adequate controls and present pre-audit systems of the province.

MR. SPEAKER:

I have been informed that the bill which is sought to be introduced by the hon. Provincial Treasurer is accompanied by the usual message from His Honour the Lieutenant-Governor.

[Leave being granted, Bill No. 37 was introduced and read a first time.]

INTRODUCTION OF VISITORS

DR. HOHOL:

Mr. Speaker, for the second year in a row I have the pleasure of introducing two cub packs from the community of Macleod in the constituency of Edmonton Belmont. They go under the interesting names of the Sun and the Moon packs. There are approximately 68 of them, seated in the members gallery. The leaders with them this afternoon are Mr. Golinovsky, Mr. Baker and other community workers. I would like to ask them, sir, to rise and be recognized by this Assembly.

MR. STROM:

Mr. Speaker, on behalf of the hon. Leader of the Opposition, it is a pleasure for me to introduce Mr. Don Swensen, a political science teacher at the Olds Agriculture Vocational College, and four students. They are here this afternoon to observe the Legislature in action. They are seated in the public gallery and I would ask them to rise at this time and be recognized by the Legislature.

TABLING RETURNS AND REPORTS

DR. WARRACK:

Mr. Speaker, I have the honour to submit herewith a copy of the Surface Mine Reclamation Research Progress Report by the Alberta Forest Service for filing in the Legislative Library.

MISS HUNLEY:

Mr. Speaker, I wish to table the answer to Motion for a Return No. 143.

MR. GETTY:

Mr. Speaker, I wish to table the answer to Question No. 138 requested by the Assembly.

DR. BACKUS:

Mr. Speaker, owing to the interest in the Legislature in the Alberta Public Works' experiment in contract caretaking, I'd like to file, for those interested, the first report on this experiment.

MINISTERIAL STATEMENT

Department of Mines and Minerals

MR. DICKIE:

Mr. Speaker, on Thursday last, April 11, a major precedent-setting decision was made significantly affecting the petroleum industry and the economy of the province of Alberta.

The decision was an arbitration award involving TransCanada PipeLines Limited and Gulf Oil Canada Limited covering natural gas contracts. Hon. members will recall that under many contracts involving natural gas there is a provision for arbitration with respect to redetermination of the price of natural gas sold under the contract.

The decision of the three-man arbitration was unanimous and provided that TransCanada PipeLines Limited increase the price of natural gas leaving the province from an approximate average of 26 cents per mcf to 60 cents per mcf effective November 1, 1974, and one year later, to 73 cents per mcf on November 1, 1975.

The arbitration award was the first subject to the amendments to The Arbitration Act introduced last year by the government. The amendments to The Arbitration Act were a fundamental part of the Alberta Government's energy policy that Alberta should not sell its non-renewable, depleting resources below fair value. This government, Mr. Speaker, has been moving towards this objective since assuming office in August, 1971. It is encouraging that the arbitration award supports the government's efforts to increase the price of natural gas leaving the province.

It is anticipated that revenues accruing from the increase in natural gas prices plus our revised drilling incentive system will encourage drilling activity in the foothills region of Alberta which has been restricted.

Hon. members will also recall that I have recently stated that the Energy Resources Conservation Board has requested companies to file with the board the pricing provisions of their contracts involving natural gas as at March 31, 1974. As a result of the arbitration award and changes that are presently taking place in natural gas contracts, the Energy Resources Conservation Board, after discussions with the government, has agreed to extend the time for filing the pricing provisions with the board from March 31 to June 30.

It is proposed the Energy Resources Conservation Board will accordingly issue a status report on pricing provisions of natural gas contracts in July as to the pricing provisions as at June 30. Hon. members will also recall the Energy Resources Conservation Board issued a status report last year as at June 30.

[Applause]

ORAL QUESTION PERIOD

Bank of Canada Interest Rate

MR. TAYLOR:

Mr. Speaker, may I address a question to the hon. Minister of Municipal Affairs? Will the action of the Bank of Canada in hiking the interest rates mean an increase in mortgage rates on Alberta Housing [Corporation] loans?

MR. RUSSELL:

Mr. Speaker, I haven't had a chance to discuss that issue with officials of the corporation yet. I propose to do so tomorrow. But based on last year's experience, I would expect that unfortunately they will rise.

MR. TAYLOR:

A supplementary to the hon. minister. Is the government giving any thought to putting a ceiling on the interest rates for mortgage loans under The Alberta Housing Act or, alternatively, freezing the interest rate on such loans?

MR. RUSSELL:

Mr. Speaker, if I understand the hon. member's question correctly, he is referring just to Alberta Housing Corporation loans.

The experience last year, of course, when we did attempt to do that for obviously desirable reasons was that we were literally flooded with loan applications because the corporation then had the lowest rates in the province. We were just simply unable to meet our social housing programs and the entire outside market from the resources available. So I would suspect there will not be that ceiling.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister advise the Assembly whether the government is contemplating any changes in the Assisted Home Ownership Program as a result of the Bank of Canada increase?

MR. RUSSELL:

Well, Mr. Speaker, the Assisted Home Ownership Program, the provincial portion of it, is literally only one week old and it's a bit early to determine whether or not the result of increased lending rates over the weekend might affect the parameters of that program. I can only say, in trying to encourage hon. members, that the corporation is endeavouring to bring home ownership to the lower income classes as a broad objective of its programs, but it's certainly extremely difficult to compete with these unilateral decisions made outside the province.

MR. TAYLOR:

One further question to the hon. the Provincial Treasurer. Will the hike in the interest rate by the Bank of Canada mean an increase in interest rates by the treasury branches?

MR. MINIELY:

Mr. Speaker, I think in reply to the hon. member we should remember that action by the treasury branches relative to interest rates would be independent of particular action by the Bank of Canada. The assessments the treasury branches are making, in my conversations with them, are what effect the cost of money deposited in the treasury branches - what effect higher interest rates might have on that. In other words, if the Treasury Branch's cost in interest paid to depositors who deposit their funds with the treasury branches becomes higher, then there will have to be some adjustment in the interest rates on the loan side, because the two must balance over a period of time. But it's important to remember that whereas interest rates might be adjusted upwards because of factors in terms of the cost of money generally, this adjustment is not directly related to Bank of Canada decision-making.

MR. TAYLOR:

One further supplementary. Since it is not subject to the Bank of Canada regulations, has the government made any decision in regard to either of the points that you raised?

MR. MINIELY:

Well, I have asked, through the Deputy Provincial Treasurer, Mr. Speaker, the treasury branches to assess what the cost of their money will be as a result of these factors. That assessment has not been completed. Once it is completed, relative to the interest rates they will pay on deposits, then a proper assessment of what might happen to treasury branch lending rates can be made.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Cypress.

Land Speculation - Taxation

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Provincial Treasurer. In light of the special land speculation tax announced in Ontario, does the Government of Alberta plan to introduce any legislation related to a land speculation tax in the province of Alberta?

MR. MINIELY:

Mr. Speaker, that, along with other factors, are [all receiving] continuing assessment with respect to and between budgets of the province and that is an item certainly that is under consideration as well as others between budget presentations.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. Provincial Treasurer. Is the Government of Alberta studying the surtax announced in Ontario which would apply an additional tax to speculators who don't live in Canada, either individuals or corporations?

MR. MINIELY:

Mr. Speaker, we watch and we look at all budgets of other governments. In some cases, items such as these, we find that we either have now or can devise a more effective method. So while we watch the budgets of all other governments and consider what they are doing in terms of whether they might be applicable and of advantage to the province, I don't think - we try to consider what might be more effective than the particular approach they are taking. In the case of the question by the hon. member, this is another one of that nature.

Land Speculation - Public Officials

MR. NOTLEY:

A further supplementary question, Mr. Speaker, to the hon. Provincial Treasurer. Does the government support the proposition advanced by the Mayor of Calgary that public officials should not be allowed to speculate in land?

MR. MINIELY:

Well, Mr. Speaker, I'm not sure that relative to our municipal act that is one that falls into my jurisdiction. Perhaps the Minister of Municipal Affairs might ...

MR. NOTLEY:

Mr. Speaker, I would direct that question then, as a supplementary, to either the hon. Premier or to the hon. Minister of Municipal Affairs.

MR. RUSSELL:

Mr. Speaker, I am unable to comment on that. The only things I've seen, of course, are the newspaper reports and until I receive something from His Worship I wouldn't be willing to make any comments.

MR. SPEAKER:

The hon. Member for Cypress followed by the hon. Member for Camrose.

IPSCO Agreement

MR. STROM:

Mr. Speaker, I'd like to direct my question to the hon. the Premier. Will the Premier be tabling in the House the agreement with IPSCO or agreement with the Saskatchewan government in regard to his recent announcement?

MR. LOUGHEED:

Mr. Speaker, yes we will. I believe the whole matter was extensively dealt with on March 25 by the Minister of Industry and Commerce in terms of what was involved, with the exception of the two distinctions that were made in the final arrangements; one being the dissociation of the Clear Hills iron ore deposits from any arrangements regarding IPSCO and tying it into immediate research between the Research Council of Alberta and Alberta Steel, and the second one in terms of the relationship between Alberta Gas Trunk Line, Alberta Steel and the Alberta government. The documents though that the hon. member refers to will in due course, when they are appropriately closed by way of ... [Inaudible] ... execution, be tabled in the Legislature.

MR. STROM:

Mr. Speaker, a supplementary question then. Am I to take it that there is only one agreement relative to the project, or am I to understand there are maybe two or three agreements involved - and I am relating it to the reply the hon. the Premier just made when he mentioned Alberta Gas Trunk and the possibility of the new Alberta Steel Company?

MR. LOUGHEED:

Mr. Speaker, there are a number of agreements arising out of the one understanding and the one arrangement. In due course they will be tabled in the Legislature. There certainly would be the agreements between IPSCO and the Alberta government; the agreement that involves the Slater Steel Company and the Alberta government, and the third one would be, in due course, when it is finalized, the agreement between the Alberta government and Alberta Gas Trunk Line.

MR. STROM:

Mr. Speaker, just a further clarification. Was there any agreement with the Saskatchewan government or was it directly with IPSCO?

MR. LOUGHEED:

Mr. Speaker, it was directly with IPSCO in terms of written agreement.

MR. SPEAKER:

The hon. Member for Camrose followed by the hon. Member for Highwood.

Livestock Feeder Program

MR. STROMBERG:

Thank you, Mr. Speaker, my question is to the Minister of Agriculture. Due to the deep snow in my constituency, has your department given consideration to extending the time limit on invoices for the livestock feeder program so that farmers can complete these projects by spring?

DR. HORNER:

Yes, Mr. Speaker. A number of hon. members have spoken to me about this matter, including some from the other side, and we have decided to extend the deadline to receive the receipts to May 15. The deadline for applications has now passed.

MR. SPEAKER:

The hon. Member for Highwood followed by the hon. Member for Macleod.

Gas Prices

MR. BENOIT:

My question, Mr. Speaker, is to the Minister of Mines and Minerals. I wonder if the minister could tell us who else besides the government and Gulf Oil of Canada will stand to benefit by the increased price of gas, according to the Gas Arbitration Board's decision?

MR. SPEAKER:

The hon. member's question in that form could scarcely be addressed to the government. It might have to be addressed to whatever other parties might benefit.

AN HON. MEMBER:

A nice try.

MR. BENOIT:

Mr. Speaker, with all due respect, the board is under the direction of the government. It was my opinion that the government could give the information that was required because it has to answer for the board's action.

AN HON. MEMBER:

Agreed.

MR. SPEAKER:

The hon. member's question as I understood it was, what other parties might benefit from this particular arrangement, and that would not appear to be a question that would be exclusively within the ken of the government.

The hon. Member for Macleod followed by the hon. Member for Calgary Mountain View.

Baler Twine Production

MR. BUCKWELL:

Mr. Speaker, my question is to the Minister of Agriculture. Has the minister or his department made a survey of the baler twine situation for the province, which is critical?

DR. HORNER:

That is one of the input costs in agriculture that my people, along with Unifarm, have been continuing to monitor. As I think I have said in the Legislature before, the difficulty arises from outside Canada in relation to those areas which have been traditionally producers of twine. Major fall-offs in the production of jute, in Bangladesh particularly and indeed in Brazil, have caused a shortage of twine. We are hopeful that some of that shortage may be made up by the plastic polytwine production, but there again we have some shortages in relation to the amount of resin available.

All I can say, Mr. Speaker, is that we continue to monitor. We are looking all over the world for additional supplies if we can get them at reasonable prices.

MR. BUCKWELL:

A supplementary, Mr. Speaker. Could the minister ask the district agriculturists, say, to maybe take a preliminary order so that we would know there would be no hoarding, or that there would be a fair distribution?

DR. HORNER:

I can say this, Mr. Speaker. We'll be watching the situation to try to prevent that kind of hoarding. How far we can go I'm not sure as yet, but we will certainly use the services of the Minister of Consumer Affairs and other departments of government if necessary.

DR. BUCK:

How about hoarding beefsteak?

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Medicine Hat-Redcliff.

Calgary Court House

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Public Works. Can he advise if the contract with Cana Construction, which is the project manager of the extension to the courthouse in Calgary, calls for the salvaging of the marble which is being removed from the walls of the courthouse?

DR. BACKUS:

Mr. Speaker, I am happy to answer this. To begin with, I should clarify the fact that it is contract management not project management that we have with Cana Construction. There is quite a little bit of difference in the processes.

We attempted to salvage the marble and had hoped to salvage it, but it proved very porous and, in fact, the 12 years of weathering that it had undergone made it so fragile that it became obviously impossible to salvage.

MR. LUDWIG:

Mr. Speaker, a supplementary to the hon. minister. Does this mean that the end cost of the construction of the addition to the courthouse will be considerably higher?

DR. BACKUS:

I don't think that will affect the end cost very significantly, Mr. Speaker.

MR. BUCKWELL:

A supplementary, Mr. Speaker, to the minister. Would you agree then that you had lost your marbles?

[Laughter]

MR. SPEAKER:

Would the hon. member please address the Chair.

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Clover Bar.

Consumer Price Survey

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Consumer Affairs. It's regarding the consumer price survey tabled in the Legislature last week. My question is, could the minister indicate what was the approximate cost of carrying out this survey across the province?

MR. SPEAKER:

The hon. member's question would be very much suited for the Order Paper.

MR. WYSE:

A supplementary question then, Mr. Speaker. Is the government satisfied that the survey results are correct?

AN HON. MEMBER:

No.

MR. DOWLING:

Yes, Mr. Speaker. They were done by some very intelligent young ladies who are employed by the Department of Agriculture as district home economists. We notice that

there were some differences in prices. It means to me, Mr. Speaker, that there is still competition working in the market place.

MR. LUDWIG:

Not much.

MR. WYSE:

One more supplementary question then, Mr. Speaker. Could the minister indicate to the House how his department managed to obtain prices for a 17.6 cubic foot refrigerator when, in fact, they are non-existent?

MR. SPEAKER:

The hon. member's representation has perhaps been duly noted.

The hon. Member for Clover Bar followed by the hon. Member for Sedgewick-Coronation.

Ambulance Service - Paramedics

DR. BUCK:

Mr. Speaker, I'd like to address my question to the hon. Minister of Health and Social Development and it has to do with ambulance services. I'd like to know, Mr. Speaker, if the hon. minister has studied the use of paramedics in ambulances?

MR. CRAWFORD:

Mr. Speaker, whether the hon. member means a specific study or not for utilization in ambulance service at the present time or perhaps in respect to future, more comprehensive systems, I would have to indicate that naturally that sort of thing is being considered. But the hon. member would know that there has been, in the last couple of years, a development of some emergency medical courses in the province, in particular through SAIT in Calgary.

I think the position of the government and those from among the health professions interested in this area of service at the present time is to assess the suitability of that particular type of course and the graduates of that course in existing ambulance services and then draw logical conclusions from that experience.

DR. BUCK:

Mr. Speaker, a supplementary. Does the minister or the government plan to introduce legislation this session to legalize the use of paramedics in ambulance service?

MR. CRAWFORD:

Mr. Speaker, no legislation in that respect is proposed for this session.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Highwood.

Game Management - Native People

MR. SORENSON:

Mr. Speaker, my question is directed to the Minister of Lands and Forests. In light of the concerns expressed by Alberta Native people about the game population and the desire they have expressed to become actively involved in game management, is the hon. minister contemplating a program to hire and train Native people as game officers?

DR. WARRACK:

As a matter of fact, Mr. Speaker, I'm very pleased to report that we're already doing that. Also some discussion has now been initiated with respect to game management problems between the Indian Association of Alberta and the Alberta Fish and Game Association, and as I understand it, though out of my jurisdiction, also with the Canadian Wildlife Federation.

MR. SPEAKER:

The hon. Member for Highwood followed by the hon. Member for Spirit River-Fairview.

Hutterite Colonies

MR. BENOIT:

My question is to the Minister of Municipal Affairs, Mr. Speaker. Does the minister intend to facilitate the meeting of people in southern Alberta regarding Hutterian colonies which he was notified of on April 9?

MR. RUSSELL:

I'm not quite sure what the hon. member means, Mr. Speaker. He says I was notified of a meeting April 9. Is he referring to the meeting in Vulcan on that date?

MR. BENOIT:

Mr. Speaker, I'm referring to the request by the people at the meeting in Carmangay to have another meeting with the members of the minister's department.

MR. RUSSELL:

Mr. Speaker, as far as I know - of course mail has accumulated over our Easter recess - I don't think I've received that request yet.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Lac La Biche-McMurray.

Bank of Canada Interest Rate (Cont.)

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question either to the Provincial Treasurer or the Minister of Federal and Intergovernmental Affairs. It deals with the bank rate increase and my question, Mr. Speaker, is: has the government considered any overall review of the implications of the bank increase on the Alberta economy?

MR. MINIELY:

Mr. Speaker, with the Bank of Canada rate increase announcement - my department is conducting a review of the effect of this announcement in terms of development and these types of things. But I think, as I've said in public accounts committee and will say again to all members in the Legislature, this indicates the need for such things as provincial government policies that we have had in the last two and a half years - the Alberta Opportunity Company, the treasury branches, ensuring their responsiveness to needs in Alberta ...

MR. SPEAKER:

The hon. minister is possibly proceeding to debate the topic.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Provincial Treasurer then, perhaps to give him a little more latitude. Does the Government of Alberta concur in the monetary policy as evidenced by the increase in the bank rate?

MR. MINIELY:

Well, Mr. Speaker, with respect, I can't answer the question in that way because the hon. member heard me say that in fact a monetary policy which may be suitable to one region of Canada may be totally unsuitable to another region of Canada, where the demands for growth in the province of Alberta, diversification of the economy and, in fact, the development of the small business needs in the province of Alberta are as they will be in the next few years and in the next ten years.

In my view, that amount of increase in the bank prime rate is not suitable as far as Alberta's economy is concerned. But in other parts of Canada where the economy has grown and developed to a larger degree, one could argue the other way.

MR. NOTLEY:

Mr. Speaker, a further supplementary question, if I may, to the hon. Provincial Treasurer. In light of what he said, is the government at this time contemplating making representation to Ottawa with respect to the bank rate increase?

DR. HORNER:

To the Lewis government?

MR. MINIELY:

Mr. Speaker, in conversations with the federal Minister of Finance, he is well aware of Alberta's views which have been consistently stated on this subject for the last two, two and a half years. But in fairness to the Minister of Finance, we must appreciate as well that his control over the Bank of Canada is somewhat limited.

MR. SPEAKER:

The hon. Member for Lac la Biche-McMurray followed by the hon. Member for Highwood.

Beef Sales

DR. BOUVIER:

Yes, Mr. Speaker, I would like to direct a question to the Minister of Health and Social Development. I am wondering if the minister or his department is contemplating any relaxation in the regulations which control the sale of beef by the side directly from the farmer, or the rancher to the consumer, so as to bail out the Minister of Agriculture from the crisis he has precipitated?

MR. CRAWFORD:

Mr. Speaker, I would have to say to the honourable gentleman that whatever representations he wants to make to the Minister of Agriculture he should have the courage to make directly, rather than through me.

MR. BENOIT:

A supplementary. Would the Minister of Agriculture indicate to the Legislature who he was intending to assist when he made the announcement? Was it the producer, the consumer, the retailer or the wholesaler?

DR. HORNER:

Mr. Speaker, I would be delighted to answer that one because, of course, we are trying to assist the general economy of Alberta, including the beef producer in the prices that he received and the fact that he has been losing money pretty substantially over the past two months, the consumer who is having difficulty getting good buys, and the general economy which is so important to Alberta in the meat handling industry. I might only add, Mr. Speaker, that in my view, as I have said before, there are a number of small abattoirs in the province inspected by my department which can handle the situation.

MR. SPEAKER:

The hon. Member for Highwood followed by the hon. Member for Medicine Hat-Redcliff.

Women's Emergency Shelter

MR. BENOIT:

To the Minister of Health and Social Development, Mr. Speaker, I would ask, has the minister any definite plans or proposals to offer regarding the future existence of the Edmonton women's shelter?

MR. CRAWFORD:

Mr. Speaker, I have had, with one or two of my colleagues who have received representations from people on behalf of the women's overnight shelter, a fairly complete review of the financial problems and space problems that they are suffering from at the present time in the sense of the premises they occupy. I couldn't say, though, that a conclusion has been reached in respect to it.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff.

Alberta Gas Export

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Mines and Minerals, and it's concerning his announcement today regarding Alberta gas leaving the province. My question is, will this include all gas that is leaving the province, particularly the gas that is now being piped into Saskatchewan?

MR. DICKIE:

Well, Mr. Speaker, I think to answer that question one would have to examine the various contracts, because the effect of the decision on the TransCanada-Gulf arbitration award was dealing with price redeterminations, and you would have to examine the particular contracts that were involved to determine if they had price redetermination clauses. All contracts involving natural gas that have price redetermination clauses - I would certainly assure the members of the House that it would be a major precedent-setting decision.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Hanna-Oyen.

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Mines and Minerals and it follows up his announcement today.

Can the minister advise the House whether or not the 60 cent award to Gulf Oil represents the government's current thinking with respect to the fair value of natural gas produced in the province of Alberta?

MR. DICKIE:

Mr. Speaker, I believe I mentioned before that what we had intended to do was to assess the parameters again after we received the report from the Energy Resources Conservation Board and they had reviewed the March 31 pricing provision contracts.

I think the position now would be that in view of the extension of time from March 31 to June 30 - and we will receive the report some time in July - we'll again assess the government parameters in view of the status report from the Energy Resources Conservation Board.

MR. SPEAKER:

The hon. Member for Hanna-Oyen followed by the hon. Member for Highwood.

Postal Strike - Government Mail

MR. FRENCH:

Mr. Speaker, my question is to the hon. the Premier. What arrangements has the government made with respect to the delivery of government mail during the current strike?

MR. LOUGHEED:

Mr. Speaker, I was asked that question shortly before I came into the House and would have to tell the hon. member that at this point I'm not in a position to give him an answer. We're doing an evaluation to see if there is anything that could feasibly be done

by the provincial government. I'm sure we're not alone in the consternation and concern throughout the province.

AN HON. MEMBER:

Buy another couple of helicopters.

MR. SPEAKER:

The hon. Member for Highwood followed by the hon. Member for Calgary Millican.

Land Banks

MR. BENOIT:

My question, Mr. Speaker, to the hon. Minister of Municipal Affairs, has to do with rising housing costs in Alberta.

I'm wondering whether the government has any definite policy regarding government land banking, and if so, would the minister tell the Legislature what the policy is today?

MR. SPEAKER:

With great respect, the hon. member's question is one that covers a considerable area of policy such as might perhaps be dealt with in Ministerial Statements.

AN HON. MEMBER:

Or the Speech from the Throne.

MR. SPEAKER:

The hon. Member for Calgary Millican.

Alberta-Ontario Ministers' Meeting

MR. DIXON:

Mr. Speaker, I'd like to direct my question today to the hon. Premier or the hon. Minister of Federal and Intergovernmental Affairs. I wonder if the Premier or the hon. minister could outline to the House the main issues that were discussed with the Ontario government this week?

MR. LOUGHEED:

Mr. Speaker, I was not in attendance at that meeting so I will refer the question to the hon. Minister of Federal and Intergovernmental Affairs.

MR. GETTY:

To be as brief as possible, Mr. Speaker, the issues were essentially the price of various forms of energy which the province of Alberta has as a natural resource, and the government's thinking about the future of that energy development, the petrochemical development within the province, and what portion of our resources might be committed to petrochemical industries in Alberta and therefore not be available for export outside our province.

We had a discussion on the prices of other commodities that might be produced in Ontario and how they are priced in Alberta. We discussed the possibility of some type of further definition of Ontario's interest in investing in the Alberta oil sands. On that, we advised them that the Alberta government would be, as mentioned in the Speech from the Throne, presenting to the Legislature, the people of Alberta and the rest of Canada, the oil sands development policy guidelines. After those guidelines have been made public we would be able to discuss with them some further definition of how Ontario might want to invest in the Alberta oil sands.

ORDERS OF THE DAY

[Mr. Speaker left the Chair.]

* * * * *

COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of the Whole Assembly will now come to order.

Bill No. 4
The Agricultural Development Amendment Act, 1974

MR. CHAIRMAN:

Any comments or questions?

MR. BUCKWELL:

Mr. Speaker, I just want to ask the hon. minister a question. What interest rate are these loans - I believe you said they ...

DR. HORNER:

Seven per cent on the direct loans. The indirect loans or the guaranteed provisions are 1 per cent over par.

MR. BUCKWELL:

Is part of this money then, or does the government pick up any percentage - say if it were 9 per cent and these loans are made for 7, does the government pick up any interest at all as a grant or is it just straight 7 per cent?

DR. HORNER:

Straight 7 per cent. There are a few specialized programs in which we do pick up the interest for a short period of time. I am thinking of the small program in rehabilitation loans and in the dairy program in which we do pay the interest entirely for the first year or two, depending on ... [Inaudible] ...

MR. NOTLEY:

I just really wanted to ask the same question but perhaps in a little different way. I realize the direct loans are 7 per cent. I take it then there is no consideration at this time to increasing the interest rate. Are we going to stay with the 7 per cent interest rate for the balance of the year?

DR. HORNER:

Well, as far as this government's policy is concerned it is that. It would be interesting to know the NDP policy.

MR. NOTLEY:

Mr. Chairman, that's 5.25 at the land bank in Saskatchewan.

The question I would follow up with then is with respect to questions raised in public accounts. And it's the federal loans that are available vis-a-vis the farm improvement loans available, vis-a-vis the ADC-backed loans. The concern that has been expressed to me by some of my constituents is that the banks are not too anxious to allocate any funds for farm improvement loans. They would prefer to go through the ADC, but the interest rate is about 1 per cent higher. I am wondering whether or not the government has had any trouble with that particular point?

DR. HORNER:

Mr. Chairman, one of the interesting things that also came out in public accounts, of course, has been the tremendous example of the treasury branches in joint cooperation within the government and allowing the treasury branches for the first time to be in the guaranteed lending position for operating loans for farmers - gives a competitive situation which wasn't there before. And I would suggest to farmers, indeed, that they now have some pressure they can bring to bear on their bank managers to get FIL loans at better interest rates or move to the treasury branches.

MR. NOTLEY:

Mr. Chairman, just following that up. The problem as I understand it is not that the banks wouldn't make the farm improvement loans available. It's that farmers weren't aware of this program and so when they went into the bank they would say, look, I need a loan. The bank manager would simply say, well, look, by far the best approach for you to take is the ADC loan - for obvious reasons, they get higher interest on it. And so, while the FIL loans would be available, they would be available to the farmer who would sort of jump on the bank manager and say, look, I want the federal loan.

DR. HORNER:

I appreciate that and we are trying to get the information out to our extension people in a major way. And I think most farmers are pretty knowledgeable about how to finance most of the time. And others who aren't, we are trying to give them the advice as to how to deal with the financial institutions because I think it is particularly important. I do want to stress though that in the past, during periods of tight money, directives have come from head offices of banks in central Canada saying not to make FIL loans. And that is why our program had to come into effect.

MR. NOTLEY:

Just one final question. Probably the minister isn't in a position to answer this. But it would seem to me that we are going to have a problem with FIL loans as a result of this increase in the bank interest rate because it would make banks even less willing to make these loans. Now is there any leverage the province has to loosen them up a bit?

DR. HORNER:

Well, I think we are already using that leverage, Mr. Chairman, indeed in the first five or six months, in regard to the \$34 million the treasury branches have put up. We're extremely pleased with the response of the treasury branches to our program, and that has to be the leverage. But I can agree with the hon. member. This is what is happening to us through the years. Every time the central bank has raised the interest rates, then the directives came out to the bank managers not to make FIL loans.

MR. LUDWIG:

Mr. Chairman, my question is along the same line as that followed by the hon. member, Mr. Notley.

Following up what was discussed during question period with regard to increased interest rates, will there be more effort on the part of the farmers to get their loans through your department, rather than through conventional borrowing, because of the difference in interest rates? What is done to make sure that this fund is not depleted rather prematurely in light of what developed?

DR. HORNER:

Mr. Chairman, in the budget the advance to ADC for this year is \$25 million. I might say to the hon. member that perhaps he is not aware that the major lending institution for long-term lending is FCC, the federal Farm Credit Corporation. Their interest rate remains at 7 per cent for the time being. Whether or not they will raise it, of course, I don't have any jurisdiction over.

MR. CHAIRMAN:

No further questions? Title and preamble?

[All sections, the title and preamble were agreed to.]

DR. HORNER:

Mr. Chairman, I move that Bill No. 4 be reported.

[The motion was carried.]

Bill No. 5 The Industrial Development Repeal ActTitle and Preamble

MR. LUDWIG:

Mr. Speaker, in dealing with the Department of Industry and Commerce under title and preamble, I'd like to ask the hon. minister to advise the House whether the government is contemplating any further advent into commercial business. I'm talking about IPSCO and perhaps the Alberta Energy Company. Are there any other plans afoot that we don't know about?

We get these announcements via the usual channels, but this is the place to announce whether this has become government policy or whether the government has gone farther than it had intended in getting into direct competition with industry. It is an important issue because it is contrary to what this present government professes to believe in. It's contrary to the principles which it subscribes to and it is, in fact, very contrary to what it lets the people believe it is doing. So if the government ...

DR. HORNER:

On a point of order, Mr. Chairman. I think the hon. member's remarks might be better suited to Bill No. 44 which deals with the Department of Industry and Commerce. This deals with the repeal of The Industrial Development Act.

MR. LUDWIG:

Still, the bill was submitted by the hon. minister and under title and preamble we have in the past always dealt with any portion of the department we wish to.

DR. HORNER:

It's a different bill.

MR. LUDWIG:

Yes, and this would be a new restriction on the rules and practice and the tradition of this House if we were not able to take on a department under title and preamble under any of the bills submitted by the minister.

DR. HORNER:

Mr. Chairman, on a point of order, surely when you have bills on the Order Paper that deal specifically with the Department of Industry and Commerce, as Bill No. 44 does, we should be dealing with the relevant subject matter under the bill, which is the repeal of The Industrial Development Act.

MR. LUDWIG:

Mr. Chairman, with all respect to the hon. Deputy Premier, he knows what I said has been the practice of this House, and I can pick my time. I will not argue with him because he is absolutely wrong. This has been the practice in this House all this time, and when you deal with title and preamble of a bill introduced by a minister you can get up and you can deal with the department or anything that concerns you. I might have other matters by then, and the best time to raise any point concerning a department is now. Of course, if they are sensitive about it I will find ample opportunity to raise this. But this has been the practice in this House for as long as I and most members here can remember, that title and preamble of a minister's bill entitles you to deal with any part of the department. We've done it.

If the hon. Deputy Premier wishes to challenge me on this, let's look at the precedents and records in this House and see what has happened throughout the years. Now I know he is sensitive about it and he is a prime mover in restricting debate in this House. He would like to expedite everything and he is not too interested in what anybody says, because he never was. But now he stands up and we on this side have to fight this kind of attitude. They want to keep quiet as long as they can. Even the Conservatives in Parliament are getting rather up-tight about this kind of attitude, with the Liberal government being too secretive. At least in Ottawa they sometimes have the excuse that it is in the interest of public security. But what's the problem here when we have so much trouble getting information out of the - I've asked for some information - and so on that point of order that we're debating now, Mr. Chairman I'm not finished yet, is that ...

AN HON. MEMBER:

Say something then.

MR. LUDWIG:

... well when I find out who I'm debating with directly, Mr. Chairman.

I sometimes have to get down to the hon. Deputy Premier's level because he is pushing us. He is pushing us and every opportunity he gets he will take away whatever privileges we have here. Certainly he doesn't expect all of us to go along with him. He is not an authority, nor should he rule on this matter. This ruling has to be made by you, Mr. Chairman, and not by the fact that the Deputy Premier jumps up and down and digs up a new rule that we haven't heard of before in this House, never been quoted in this House before.

When I ask the minister, on title and preamble, about whether they are going into more business, I suppose they need a huddle and a caucus to determine what the minister has to answer me, so I have to wait until some further time.

So I'm saying, Mr. Chairman, there are ample opportunities to do this, but I wanted to do it now and the Deputy Premier insists on having - and I say that you don't take your cue from the Deputy Premier. You are the chairman of this committee and if you are in doubt I would like you to rule on this and we can let the Speaker decide whether this is so or not.

MR. CHAIRMAN:

The Chair would rule the title and preamble would be based on any debate on the repeal of The Industrial Development Act, Mr. Ludwig.

MR. LUDWIG:

Have you got any source of authority for this except the Deputy Premier? What is the source of your authority? Give me a citation for your decision, Mr. Chairman.

MR. HYNDMAN:

Mr. Chairman, I think there is a clear citation in the new rules under Rule 52, subparagraph 2 on page 12, which says that speeches in Committee of the Whole Assembly must be strictly relevant to the item or clause under consideration. In this case, the item is the act which we are discussing.

MR. LUDWIG:

We are dealing with clauses in the bill and not with title and preamble. That is a remote reference. It is not directly on point I am dealing with, Mr. Chairman.

DR. BUCK:

He knows it.

MR. CHAIRMAN:

Mr. Ludwig, I would rule that on the title and preamble, if you wish to debate on the question of the repeal of The Industrial Development Act this is quite proper. But as was pointed out by the hon. House Leader, the reference made also applies to the whole debate, not necessarily only to the clause. If you wish to continue your debate on the title and preamble please do, and try to apply it to the question of the repeal of The Industrial Development Act.

MR. LUDWIG:

Mr. Chairman, in dealing with The Industrial Development Repeal Act and industrial development in this province, I wish to know from the hon. minister, who has now fled the coop - oh, he's there, he is hiding behind Copithorne, of all things.

[Interjections]

Oh, just relax.

In dealing with The Industrial Development Repeal Act, I want to know whether the government is going to move into industry and development from now on, or have they had enough? Have they finally found out that the best way to have a prosperous province and a buoyant economy and have business interested is that the government get into business as little as possible?

I believe that this is as a good a time as any, when we deal with industrial development, for the Minister of Industry and Commerce, who I believe is a responsible minister of this department, to tell us whether they have now cooled their desire, their enthusiasm in getting into business of all kinds, or whether this is just the beginning; whether, as I would like to say, the worst is yet to come? Now the minister has been invited, I would like to hear his response, Mr. Chairman.

MR. DIXON:

Mr. Chairman, if I could just say a word or two before the minister replies. I wonder if the minister is giving consideration to holding up getting into any more acquisitions of private industry until at least the legislation is before the House by way of the investment company, then an energy company that the provincial government has in mind. I was wondering if we couldn't have a moratorium on getting into private business.

Now, it is not covered directly under this act, but it has to do - when we are doing away with an industrial development department which is in effect being taken over by the opportunity fund and other acts, I think it gives us lots of opportunity, or it should, to discuss the matter, whether the hon. Deputy Premier agrees or not.

You can hold the discussion down to a clause but I think the title and preamble is a much more wide-ranging opportunity to have hon. members discuss it.

Mr. Chairman, I would like the minister to indicate to the House, when we are talking about industrial development and government participation, how far this government is going to go in the acquisition of private business when there are lots of funds available by the private sector - and anxious. If any place in the world should be more anxious to invest - and this is a compliment to the government - it is right here in the province of Alberta. And if there is any place in Canada where the government should stay out of private business, it should be here in this province of Alberta. So I'm saying in all seriousness that the government should take a second look ...

DR. HORNER:

Mr. Chairman, on a point of order. You have ruled that it should have some relevance. I suggest to you, sir, and to the hon. members that they not only have an opportunity under another bill that is before the Legislature, Bill No. 44, they have the estimates of the department in which they can ask these kinds of questions, do all these things. We are now talking about the repeal of an industrial development act that is redundant because it has been replaced by the opportunity company and several other things.

I think we have to have some decorum and order in our debates in relation to committee study. Otherwise, we can go on and on and do it all over again under departmental estimates and then the departmental bill.

MR. DIXON:

Mr. Chairman, with all respect to the hon. minister and his long experience, not only in this House but in Ottawa, he knows perfectly well that a member takes the opportunity when a bill is before the House. You can cite four or five bills down the road but they may not come - I have no guarantee it is going to come before this House, and this is the opportunity we have to discuss industrial development.

So this is when we are making our remarks. If they want to cut us off, this is fine. We'll sit down and democracy will have lost again. This is fine.

[Interjections]

MR. CHAIRMAN:

Any other comments or questions?

MR. LUDWIG:

Mr. Speaker, on the point of order raised by the Deputy Premier, I believe that the bill is before the House, and the title and preamble, The Industrial Development Repeal Act, is here. The issue we are dealing with is industrial development and the minister's department. I am saying that there is no way the Deputy Premier can sort of ride roughshod over this House. He knows. He has been around. Because he stands up and can't quote a rule or citation, I'm quoting the tradition and practice in this House ...

AN HON. MEMBER:

Rule 52.

MR. LUDWIG:

... and yes, Rule 52. I heard it and it's not quite on point. You could stretch the meaning. You can stretch anything to absurdity if it suits your purpose, Mr. Deputy Premier, but this is not on point with what we are doing, so we may as well.

This business, Mr. Chairman, of trying to postpone things we want to do now should not be at the discretion of the hon. Deputy Premier who is not too tolerant of other members' views in this House. I believe for that reason you ought to rule and stick with what has been done in this House last year, the year before, and we want to do it now.

This will be a continuing battle. If the Deputy Premier says I can say it three days later, then what's the point in arguing whether I can do it now? It's going to take a certain amount of time to say what the hon. members on this side want to say. If the Deputy Premier wants to over-rule what has been the practice and tradition in this House long before he was here and after he came here, and the practice and tradition in Parliament, then he should quote some very good authority to support his views. Because I am saying in himself he is not an authority, Mr. Chairman.

MR. KING:

Mr. Chairman ...

AN HON. MEMBER:

Here we are.

MR. KING:

... the hon. member opposite, as many other people, doesn't make something so just because he says it is so. While he says there is precedent for his position, I would simply ask him to give us any one specific precedent. If he could just cite, for my satisfaction, any one case in the history of our Legislature, name me a bill where what he proposes has been done has actually been done. My memory of this Legislature is that on title and preamble we have had latitude to consider in an amending act, for example, the whole scope of the act being amended, not just those things which were the subject of the amending act. I cannot, in the years that I have been a member or in the years that I have sat in the gallery, remember an occasion when under title and preamble of a particular act we have gone into the department as a whole. If for my satisfaction he could go beyond saying that it has been done in the past and give us one specific example, I'd be happy.

MR. CHAIRMAN:

Mr. Henderson.

MR. LUDWIG:

Mr. Chairman, I'd like ...

MR. CHAIRMAN:

Mr. Henderson, please.

MR. HENDERSON:

I wonder, Mr. Chairman, if the minister or the Deputy Premier is prepared to give the House an undertaking that Bill 44 is going to come before the House this session. Because very clearly, Mr. Chairman, there is a direct relationship, as the Deputy Premier pointed out, between the two bills. I think for the benefit of the member from Calgary, unquestionably when one gets into Bill 44 it would be difficult to avoid that his comments wouldn't be in order on that bill. So I think really all that is necessary to expedite the affairs of the House without frustrating the responsibility of the Opposition is a commitment from the Deputy Premier that Bill 44 is going to come before the committee at this spring sitting of the Legislature.

DR. HORNER:

... [Inaudible] ... today, Mr. Chairman.

MR. LUDWIG:

In further comments on the point of order I have a dual problem when I'm dealing with the side opposite. I'm dealing with the hon. Deputy Premier who professes to have all the experience, a little knowledge of the rules and we turn around and I deal with the hon. member, Mr. King, who appears to be heavy on knowledge of the rules and sadly lacks experience. So I'm relying on your judgment, Mr. Chairman in dealing with problems on the

other side that I don't think are going to resolve the point I'm raising. I'm still saying to the hon. member, Mr. King, that I will review Hansard and review some of the remarks made on title and preamble to satisfy him. But this is a fact, and of course, I don't blame him for asking us for some examples because in spite of the fact that he says through his years in this House, his months in this House have not been so extensive and so I will accommodate him. But I feel that we should not be restricted in the interpretation of debating a department under title and preamble. Not only do you get a chance to debate title and preamble in committee, Mr. Chairman, you have the same opportunity if you feel that there are some matters that were raised between now and then on third reading, you could do that again on third reading. We should not have to go through this debate trying to fight for the right to express ourselves in this House at every instance.

I believe that any debate like this, any difference of opinion on the point of order should be interpreted in a more permissive manner to permit the hon. members in this House to say what they wish to say about a department. Obviously I'm quite convinced that if the minister was just bursting with information on this issue he'd be anxious to answer. But I believe that they'd like to have a huddle as to what he should answer. He doesn't know what to say so they're going to fight a rear-guard action and stall this thing and then use their majority to kill any discussion of the point I raised. That's about par for the course, Mr. Chairman.

DR. HORNER:

Well, Mr. Chairman, that kind of absolute nonsense has been spouted off by my honourable friend from Calgary Mountain View, he's got away with it because everybody wanted to ignore him anyway for a long time and frankly he should continue to be ignored because he doesn't know what he's taking about.

The situation is pretty simple, as my honourable friend from Wetaskiwin-Leduc has pointed out. It's pretty traditional practice that you deal with things that are relevant to the bill that is before you. But to suggest that the hon. member doesn't have all kinds of opportunity in this Legislature to raise any matter he likes, depends on his ability, and indeed we saw on one occasion before we adjourned for Easter three separate resolutions weren't dealt with because they weren't here to deal with them.

So, you know ... he can complain about not having an opportunity to raise certain matters then he'd better look after his own situation. But to try to foist this kind of nonsense and the kind of language that he's using, Mr. Chairman, will only result in continuing harangue and not get on with the business of the people.

MR. LUDWIG:

Mr. Chairman, in rising to comment further on the remarks of the hon. Deputy Premier, you can tell when he really has nothing to say. He starts getting irrelevant and he starts getting way back into the past about something else that bugged him. If he hasn't got anything to say on this point he should stay down instead of trying to be cute. He's not interested in winning this point of order. He's interested in digging up things to prolong debate. What has the fact that three motions were not debated last week got to do with this debate, Mr. Chairman? I think the Deputy Premier was stuck for something to say so he blurted out the first thing that came to his mind.

MR. CHAIRMAN:

Any other comments under title and preamble? Agreed on title and preamble then?

[All sections, the title and preamble were agreed to.]

MR. LUDWIG:

The hon. Minister of Industry and Commerce rose to say something. I believe he should be given an opportunity to say a few words of his own.

MR. PEACOCK:

Mr. Chairman, I move Bill No. 5 be reported.

MR. CHAIRMAN:

Is it agreed?

MR. LUDWIG:

Mr. Chairman, that's about the smartest announcement the minister has made in a long time.

MR. CHAIRMAN:

Order. Is it agreed?

[The motion was carried.]

MR. LUDWIG:

You've nothing to say, eh?

Bill No. 6
The Local Authorities Pension Amendment Act, 1974

MR. CHAIRMAN:

Any comments or questions?

MR. STROM:

Mr. Chairman, I would like to raise a question with the hon. minister in regard to The Local Authorities Pension Act. I would like to ask him on what basis the increase in the pension was made this past year? There has been a 5 per cent increase and I would be interested in knowing how they arrived at this 5 per cent.

DR. HOHOL:

Well, Mr. Chairman, the hon. gentleman asks an important and difficult question. We spent a great deal of time with the officials of the Public Service Commission, the cabinet and the caucus on this important matter. Historically, the employees of the public service have contributed 5 per cent to the local authorities pension plan, as indeed the public service pension plan. This has been fixed over many, many years. Examining the cost-of-living bonuses over the year - and please understand, Mr. Chairman, I haven't the figures in front of me, not anticipating the question - but the first cost-of-living bonus goes back possibly nine or ten years and then there is possibly a per cent and a half. Then there is a gap of approximately six or seven years in which there was no cost-of-living adjustment. I would only presume that was because the cost of living was normal, or the cost-of-living increase was normal, usual and consistent with the negotiated, or at least the salaries set by the government for its public service employees.

More recently, going back to about 1969, the cost-of-living pension adjustments, Mr. Chairman and members of the Assembly, went something like this: 2 per cent, 2.5 per cent, 2 per cent, 2.5 per cent and this year, 5 per cent. Now clearly the double increase of 5 per cent from 2.5 per cent was significant in terms of proportion but still there is the question that has been put to me, to members of government and to all members I am sure, that in view of the fact that the cost of living index was higher than that, why didn't the government make it identical?

Mr. Chairman, I am personally satisfied, and the government was, that there are two ways to approach this. [One is] to tie into the wage package a cost-of-living adjustment and many collective bargaining approaches use it. We examined this principle when we worked on the special report on workers' compensation and decided we wouldn't do it, we would use the other approach, that is the one based on judgment, dealing with the circumstances at a particular point in time.

So looking at the cost of living last October, and November in particular, looking at the precedents and looking at what is happening across the nation and in industry, we came to the conclusion that of the actions we could have taken, 5 per cent appeared to be reasonable.

Let me say, without taking too much time but I believe we are on an important subject, that the federal government's increase is somewhere in the neighbourhood of 2 per cent and that all provincial governments, other than Alberta, are well below the 5 per cent increase. Let me further say, Mr. Chairman, because it's important, because it belongs to the same kind of package - you will recall, Mr. Chairman and members of the Assembly, that last fall, when in October the cost of living rose inordinately, the government put together a package for senior citizens in the health care area in particular, and we also increased the minimum wage assignment, and there were some other things we did as well. That package, coupled with the 5 per cent increase, was the basis for the judgment, as asked for by the hon. member.

MR. STROM:

Mr. Chairman, I appreciate the answer the hon. minister has given in that he has justified the percentage on the basis of what has been done in other areas. I really am not concerned as to what is happening in other areas in the strictest sense of the term. I'm an Albertan living within the Alberta framework of our economy, as a man, and I can say this very straightforwardly, looking forward to the possibility of living on the means which I have been able to set aside for myself in the future, it looks indeed very bleak. And I say this just as sincerely as I can, that I'm sure there must be a lot of other citizens within our province who face the same situation.

It isn't good enough, Mr. Chairman, to have a minister of the Crown simply rise in his place and tell me it's better than what is happening in other jurisdictions. I'm really interested in knowing, is Alberta prepared to try to maintain it within the scope of Section 6, as listed in The Local Authorities Pension Act, which I think is rather specific. It says this:

Notwithstanding the provisions of this Act, for the purpose of maintaining an approximate parity with the cost of living, the Lieutenant Governor in Council may authorize the Board from time to time to make specific or general adjustments ...

Now, I don't think it takes any economist or any mathematician to figure out that 5 per cent would not even be considered as approximate in parity. I don't think the hon. minister is telling me that.

All I'm drawing to the attention of the House is that we have a situation whereby a class of citizens within our province are going to see their arrangements made for themselves dwindle away, and apparently - let me say, Mr. Chairman, it appears that about half the House is not interested, if my ears are right, because I hear a tremendous din of conversation.

MR. CHAIRMAN:

Can we have a little order in the House please.

MR. STROM:

Now, Mr. Chairman, what I would like to say to the hon. minister is that I am concerned, sincerely concerned. I would like to go on record as, in the strongest terms possible, urging the minister that you very seriously look at this again to try to come up with some better figure that will approximate the cost of living in the future. I would like to have some statement from the minister on this particular point.

MR. DIXON:

Mr. Chairman, if I could have a word or two and then the minister could answer at the same time. Mr. Chairman, I'd also like to ask the minister, is the government giving consideration to requiring their present contributors to a pension - the present contributors would be the ones who are currently employed whether they be elected or appointed - I was wondering if the government is giving any consideration to applying that in order to boost the cost of living? Some people think that is very unfair because they say, why should you tax the present contributors to pay for pensions of people who were awarded a pension previously?

We've gone through this, as the hon. minister is well aware, under the Workers' Compensation Board, where we've taken from general revenue to take care of any cost of living that's been going. And it would seem to me more logical to tie it in with general revenue where they have a better and a more flexible position to take care of an inflation factor, rather than contributions from the present employees, whether they be elected or appointed. I wonder if the minister could remark on that, Mr. Chairman.

DR. HOHOL:

Yes, dealing with the last question first, I would simply say that I personally, and I'm sure the government generally, would agree with the proposition and will likely perform in that way.

Dealing with the response to my response to the question from the hon. Member for Cypress, I think there was a touch of unintended and not usual unfairness about his comments with respect to other parts of the country. The gentleman did ask me what were the criteria on which the judgment was made and I simply pointed out the several things that we considered. Surely you have to look at what is happening across the province. I, too, am concerned with what is happening in Alberta. I represent a constituency here; I represent Albertans, so I accept the point. But I also make the point that it was a touch of unintended unfairness because when you ask for criteria, whether you are satisfied with the criteria or not, my duty is to give the gentleman the criteria on which we made the

judgment. I want to make that point and I'm sure the honourable gentleman will accept it in the way that I intended, and I accept his criticism the way he intended it also.

The point that is important to make is that [neither] the prior government, nor we since our administration, had taken a close look at the contribution end of pensions. It has been for 5 per cent, to the best of my knowledge, since The Public Service Pension Act, and subsequently The Local Authorities Pension Act, came into being. That can't be a reasonable kind of thing, that while wages and salaries went up, and while the cost of living went up, the contribution remained the same, and that for the same kind of money you could buy additional and more and better pensions while you are in service and expect and get, in fact, additional and extra adjustments to the pension.

Now I say, and I agree, that that doesn't answer the question. We're taking a look constantly now at the cost of living and will make the kinds of adjustments that we feel are reasonable and fair. Those can't be done overnight and we feel that a 5 per cent adjustment at that time was reasonable in view of the fact that the contributions were 5 per cent. We have to look now at possible additions to the pension in the months to come from general revenue, and at the same time take a look at the long-term effect of continuing 5 per cent as the contribution of employees are increasing it. This will take more time, but I agree with the hon. member that everything possible has to be done to maintain approximate parity.

I'm very familiar with the clause read by the hon. member. There is a zone of tolerance for judgment the way that clause is written, and it doesn't say, you know, the cost of living. I want to point out, too, that there is a lot of scholarship in the outside world and the inside world that points out conclusively to me that to tie irrevocably a cost of living adjustment that is exactly the same is a mistake, because it takes away from elected people who have this kind of responsibility and that kind of judgment to make on the situation and the circumstances prevailing in the economy at a particular time, and maybe more than once a year, maybe twice a year in unusual circumstances.

I believe this is what the honourable gentleman is recommending, and certainly it is the kind of consideration this government will be giving to retired public servants. But I do not believe that elected people should give up their intelligence or their expectations from their electorate to make important and serious judgments and place those in enactments or the statutes of the government.

I take the recommendations, and certainly government will continue to scrutinize very closely this important matter of the cost of living.

MR. HENDERSON:

I just want to ask one or two questions, but first make one or two comments.

I think really what is of concern in examining this issue is that we hear the national treasurer, the Minister of Finance - whatever his handle is - making statements that, notwithstanding inflation, the average citizen has better purchasing power than he had previously. We hear the same statement being made by the Provincial Treasurer that, notwithstanding inflation, the real purchasing power of the average citizen has gone up. Of course it is the people on fixed incomes who are in effect paying for the increase because they are not benefiting in the form of an increase in payments that's equal to the inflationary costs. So, in fact, there is a transfer of funds from these people, if the minister's statement is correct - if the treasurer's statement is correct - about the real purchasing power going up. There is no question about people on these low pensions. Their real purchasing power has gone down. If that statement of the Provincial Treasurer is correct, there is a real injustice, where we see in effect a transfer of funds from this lower income group - they are getting less than the average - to the upper income group who are getting more than the average. Because obviously the people in this category are not benefiting by the general increase in revenue that is forthcoming to the working man or employed person in industry.

I wanted to ask the Minister of Manpower and Labour, Mr. Chairman, whether there is any consideration being given to asking for additional contributions from local authorities? Because it is The Local Authorities Pension Act we are dealing with. It isn't The Public Service Pension Act. This program was set up to provide a pension service for local authorities that was somewhat comparable to [that of] the provincial public employees. I think the question comes up - it's certainly where the increase in pensions for public service employees of the provincial government - the increased cost of that comes out of general revenue, isn't financed by virtue of increased contributions on the part of employers.

I think the question has to be raised as to what is the responsibility of the local authorities who are making contributions to the pension program in the first place? Their revenues are increasing, just as the provincial government's revenues are increasing. Is there not some logic in arguing that any adjustments made for inflation in the pensions

paid under this local authorities pension fund should not, at least in part, be financed by local authorities? I think they share a responsibility in the matter.

But I think the point - one can't help but contrast what's happening with pensions as opposed to the supposed general increased purchasing power of people of the country, notwithstanding inflation. And when you look at pensions, obviously if the former is true, then there is a real injustice in this. Because there is a transfer from these low-income, fixed-pension people to those who do not suffer from those same limitations.

MR. MINIELY:

Mr. Chairman, I would just like to make a few comments in response to the hon. Member for Wetaskiwin-Leduc. What he states is correct and I agree with this. I think I have said in the House, and would continue to say, that the problem with respect to cost of living and inflation largely affects those who are on pensions or fixed incomes.

However, the rest of our citizens in Alberta - at least on an average basis, which I have indicated in the House - their purchasing power and their standard of living, based on a statistical average, has increased during a period of inflation. In fact, I am sure the hon. Member for Wetaskiwin-Leduc would say that since the post-war period of inflation, costs have gone up very rapidly. Incomes have gone up very rapidly and those people who are in a position of bargaining have, in fact, increased their standard of living substantially since the post-war years. And this has been the history of inflation.

So it is those people on pensions and on fixed incomes whom governments have to be concerned about. My honourable colleague, when he was looking at the public service pension amendment, worked with me on this and there were several factors in terms of just picking a statistical increase in cost of living. In the case of Alberta, our statistic is based on the Edmonton consumer price index which has relevance in Edmonton and the city of Calgary but which might vary in Red Deer or Lethbridge or might vary in Grande Prairie as far as some of our citizens are concerned. Also, another factor, of course, which is taken into account is that while some of our civil servants who are retired might be totally dependent upon their pension income, in fact a good number of them have investments and other sources of income beyond their pensions which reflect - in terms of whether it is, even just invested in interest as we all experience - that interest rates have risen. So there are a lot of factors that my colleague had to take into account. Basically the increase he is proposing applies to The Public Service Pension Act. It applies to the local authorities pension. In other words, the same application would carry over into these, and we felt on that basis, assessing all the criteria, this was a substantial and reasonable adjustment in pensions to our retired civil servants.

MR. HENDERSON:

Be that as it may, it still works out that a 5 per cent increase, in effect, results in a 5 per cent reduction overall. There has been about a 10 per cent increase, the way I understand it, over the last year with DBS statistics and the cost of living.

MR. MINIELY:

6.5.

MR. HENDERSON:

6.5?

MR. MINIELY:

6.5.

MR. HENDERSON:

Has the minister ...

MR. MINIELY:

6.5.

MR. HENDERSON:

I thought the national figure was around 10 per cent.

MR. MINIELY:

No, but in Edmonton and Calgary it's 6.5.

MR. STROM:

Mr. Chairman, thank you.

I want to make another couple of comments but I would like to follow this through. The Provincial Treasurer has suggested it is 6.5. For what period of time?

MR. MINIELY:

Mr. Speaker, the custom and policy in these kinds of things is to assess the cost-of-living increase on the basis of what the actual cost-of-living increase was for 1973. For 1973 the Edmonton and Calgary consumer price index rose by 6.5 and that was the figure that was taken into consideration along with other criteria in utilizing the 5 per cent which my honourable colleague is proposing. Now you are thinking in terms of - in Canada it was higher. But you might also be thinking in terms of the forecast increase for 1974. I think it would be bad public policy to base our increases on the basis of the forecast increase in the cost of living as opposed to - in other words, that would be picked up subsequently in the following year. If in fact 1974's cost-of-living increase is 9 or 10 per cent, then my colleague will have to consider that in the act next year.

MR. STROM:

Mr. Chairman, I would say the hon. Provincial Treasurer would not need to worry about getting ahead of the game. I think he was suggesting that if they pay a little too much in 1973 they might be just a little too far ahead in 1974. As my honourable colleague to my right, from Wetaskiwin-Leduc, has just pointed out, I think everyone recognizes that as far as those in the pensionable group or on fixed incomes there is certainly no gain.

Well, let us take the pensioners, where they are getting this adjustment. There is no gain. I think you will have to agree that there is a loss being suffered each year we are going along. At least I have never met one yet who has suggested to me that while they gain in one particular year since this was instituted - and I agree with the hon. Minister of Manpower and Labour that it has now been in effect for quite a number of years.

May I also say, Mr. Chairman, to the hon. Minister of Manpower and Labour that maybe I was wrong in taking him to task on simply giving me the explanation of the criteria. What I was wanting to point out was that I don't think it is quite good enough for what is happening. I have some questions on the matter of the 6.5, in maybe looking at the overall. I am not sure just what items were taken into consideration in arriving at the 6.5. But certainly that is much lower than I have seen it mentioned previously.

The other point I would like to make, Mr. Chairman, is that I appreciate that governments by and large have attempted to assist older people in meeting their responsibilities through various means such as help on taxation, help in their Medicare and there are a number of areas in which they are given special status. I think we will have to agree that we are in a transition period, have been and will continue to be for a long time. I don't know when we will reach a point where we can say that this transition period does not exist. But we have moved from a position where there were a number of people who really did not have very much help by way of setting aside cash, either by pensions or otherwise, for themselves. These people have needed the help that has been provided for them.

But we are really moving to another situation now where we find there are a number of people who feel that they have adequately provided for themselves, recognizing that there is a need for providing pension benefits, recognizing that there is a need for providing insurance benefits and so on, and at least from where I stand today and for my particular age group, I do not look forward to being in a class that would be set aside as having to receive some special treatment other than what would be coming to us under arrangements that we have made. I think that it is part of this transition that we are going through, and it is for this reason that I make my statement today. I don't intend to pursue it any further and I certainly wasn't intending to make any amendments to the act, but I want to make it very clear to the government that it is a matter that should be of continuing concern to them because of the number of people who are going to be affected.

MR. MINIELY:

Mr. Chairman, just so hon. members don't doubt my truthfulness ...

MR. STROM:

I don't doubt your truthfulness, but I don't go for the criteria you set out.

MR. MINIELY:

Table C3 of the Budget Address, which is actually the last page of the Budget Address, the last line is the Edmonton-Calgary consumer price index, which is the index we utilize for Alberta's purposes. The experience would normally be that the rise in the cost of living for Edmonton and Calgary would outpace, on an average basis ...

MR. STROM:

What page?

MR. MINIELY:

Table C3, page 61 of the Budget Address, 1973: 6.5 per cent.

SOME HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

No further questions?

[All sections of the bill, the title and the preamble were agreed to.]

DR. HOHOL:

Mr. Chairman, I move that the bill be reported.

[The motion was carried.]

Bill No. 7 The Public Service Amendment Act, 1974

[All sections, the title and the preamble were agreed to.]

DR. HOHOL:

Mr. Chairman, I move that the bill be reported.

[The motion was carried.]

Bill No. 8 The Public Service Pension Amendment Act, 1974

MR. CHAIRMAN:

Any questions?

MR. LUDWIG:

Yes, Mr. Chairman, I'd like to make a few comments when we get to title and preamble on that bill please.

Title and Preamble

MR. LUDWIG:

Mr. Chairman, I'd like to bring to the hon. minister's attention the fact that I do not believe that all people in the public service are properly taken care of insofar as pensions are concerned. I'm concerned about some of the employees of the government who are not great in number. I'd like to draw to his attention the fact that - I'll be quite specific - there are several Masters in Chambers in this province and I don't think their pensions have been looked at adequately and I would like to recommend that he look into it and see that some adjustment is made. These are new positions in the province. They are not positions that were taken on by young men who expect to be in service for 25 or 35 years, and I think a specific look has to be taken at this kind of situation and the proper thing done. I believe hon. members in this House would support such a move. I'm not singling out only the Masters in Chambers. There are other categories, but this one in particular - I'm aware of the fact that they are not in the position of judges, they are not, in effect, comparable to long-serving civil servants, and their special category has to be looked at in the interests of fairness and some scheme developed where this situation could be looked after. I'd like the minister to

undertake to do something in this regard, at least review the situation to satisfy himself that what needs to be done will be done.

MR. TAYLOR:

I'd like to raise a point, Mr. Chairman, that is in connection with the cost-of-living bonus, et cetera, in connection with public service pensions. The practice that has been followed, and I think it's according to the act, the same percentage increase is given to people whether the pension is \$20 a month or \$700 a month. This is the principle that I rather think should be changed. While the cost-of-living bonus, and maybe the cost of living is the same for everybody, it seems to me that those who are on very low pensions, who get that percentage increase, have a pretty difficult time getting by. [To] those on very high pensions, the increase doesn't mean very much. I would like to see some thought being given - I'm certainly not going to propose an amendment, but some thought being given to the idea of making these increases of cost of living, et cetera, progressive with the larger amounts being given to those with lower pensions. I think these are the people who need it the most and I would certainly like to see some study made of proceeding in that way.

DR. HOHOL:

Mr. Chairman, if I might make two brief comments. With respect to the recommendation of the hon. Member for Calgary Mountain View, I think the recommendation is properly made. There are some people who - one person in a particular kind of service, sometimes two or three or four, and through no intent, because they are not in a classification system they simply are not included in pension plans. I will make the undertaking that we will take a look at every employee in the service of this government and study the possibilities, the probable ways and means of including them in the pension benefits of this government.

With respect to the point made by the hon. Member for Drumheller, and he has mentioned that before in another context, there is a principle involved here, whether you use a proportion like 5 per cent or 6 per cent or 2 per cent on the principle that the more absolute dollars you get, the more you should get, which is what happens when you apply a percentage increase. So the effect of this is that the less money you make, the less is your benefit. To offset it, and I agree that this is what happens and it's not a particularly good thing, other benefits such as those which were outlined by the hon. Member for Cypress and myself in the health benefits, in minimum wage assistance and so on, will have to make up. So it's a question of a principle of economics and how you assign resources based on a principle. But certainly the point is well worth considering, that of inversion of the system and applying a kind of ladder approach, based on some separation of income.

MR. LUDWIG:

A further comment on pensions. I would like to ask the minister if he has become acquainted with the bill that was passed in the Ontario Legislature in 1973. It was introduced by the Minister of the Treasury, Economics and Intergovernmental Affairs, 1973, whereby each old age pensioner received - a pensioner who was entitled to, perhaps, a supplementary allowance or a special grant from the federal government because of his low income - that each pensioner receive \$50 per month. Was this considered?

In view of the fact that the fortunes of Alberta certainly are somewhat superior to those of Ontario at the present time, would it not be timely to give consideration to dealing with these people a bit along the lines of the remarks made by the hon. Member for Drumheller, that certain pensions keep going up by percentages and those who are coping are getting more and people who are on fixed incomes and - I believe it is beyond dispute that their money, their purchasing value is being cut down badly. An act like this would not only be appropriate, it would be necessary, but I think it would have public sanction. The public would support it.

These people who are complaining about the fact that they haven't got enough money - they simply haven't got it. We all know that here and whatever we can say, we can't say that perhaps we're hard pressed and there are other priorities. But once we get to the stage of ability to cope with our expenses that this province has now, then I believe that it is proper to look at those who are watching the wealth - the more affluent people live rather high and rather well, when they have to skimp. If anybody doesn't believe that this is so, all you have to do is go into some shopping centre where there a couple of senior citizens' homes, and watch how they shop. It is a painful experience for them because they see all the good things but they can't buy them. I think it is timely for this government to take a look at this to see if we can't make a specific help, not an across-the-board help to all senior citizens because I believe that some of them are rather - at least at the present time they are doing well even though their incomes and their savings are being depleted by inflation as much as anyone else's, but they can do rather well. But it is to those who have now reached the point where they can't make their dollars stretch from month to month that we have an obligation. And I think that it

is not one, as I've said, that we can say we are short, we have to do this or that. We are not short and there is an obligation here, Mr. Chairman.

DR. HOHOL:

Mr. Chairman, assuming the hon. member was speaking specifically of pensioners, then my response would be that - and I'm familiar with what Ontario did - I find that somewhat in the same category as building-in the cost of living in a fixed way. Let me repeat in all sincerity that a national cost of living simply does not reflect local situations such as ours does. And when you build that in, you're into a kind of difficulty. My recommendation and predisposition would be much more to read the circumstances as accurately as possible and pay adequate cost-of-living adjustments to pensioners.

It may be, Mr. Chairman and members of the Assembly, that one of these years soon we may have to do what we did under The Workers' Compensation Act and that's infuse rather massive funds to catch up on pensions that might have been appropriated to the people involved more equitably over the years. I think once we do that and get into a catch-up position then it is much easier to define what ought to be a reasonable and fair kind of cost-of-living adjustment to pensions that will reflect the real capacity to buy at the market square. I think that would be my view.

In the private sector, and the hon. member wasn't referring to this, but I have to comment that there you have to look at the minimum wage, make sure it is reasonable and also look to employers to make sure that they assign to employees a fair wage for a good day's effort on the job.

If there are no further questions ...

MR. LUDWIG:

Mr. Chairman, I don't disagree with the hon. minister's remarks, I am sure that he is as concerned as anyone else about the problem and he recognized the problem, but I'm saying that we ought not to be in the position with those senior citizens who just haven't got enough income and less every day - we shouldn't be in a position where they are sort of catching up.

I don't think that they are concerned about the mechanics of how they get extra help. As long as they get more money, they are not concerned whether it comes as \$50 now or whether it comes in adjustments. But these adjustments have to be looked at all ways. When you talk about a 1 per cent increase in the cost of living in March, that to them is a lot of nonsense when their groceries in some instances went up 15 cents on the dollar. And we all know this happens. Then talking to them about 1 per cent doesn't mean anything, they are aggrieved. We all know that sometimes when we are shopping in one of the major grocery stores, we are buying things over here and they are stamping the increases in front of you. You have to get ahead of this thing and buy something maybe a couple or three cents cheaper.

But these people know that the cost-of-living indexes are not accurate for them. To them, they are much more serious. You can get 10 or 12 per cent sometimes and when you talk about eggs being \$1 a dozen, that to them is a 40 per cent increase in the cost of a major item so I think we should be in a position where we are not one jump behind them. In showing consideration for perhaps the type of sacrifice they made in the past, we should perhaps be one jump ahead of the game. We should make sure that they don't have to wait three to four months and phone and write and see their MLA and phone the minister to see whether he can do something.

Now this is not as large an item as it would be to give everybody, every senior citizen, an across-the-board increase. I believe we have done well in that regard. I believe we have done better than perhaps expected. But if this particular category of people, and there are many of them who for lack of knowledge or for lack of opportunity, did not cash in on the good things that many people did. They were not astute or they sometimes had illness, they had bad luck - lack of education sometimes, but they did not benefit. We are sort of reaping the benefits of their labours now. And I think that if any province can, this province can make a proper move and let the criticism fall where it may. There are some people who, no matter how much they get, will want more, they won't be happy. But I think there is a class of people in this province that has to be helped, this government realizes it and it can - and I'm sure that the hon. minister I'm referring to is aware of the problem and I'm sure that he must sympathize with their plight.

Thank you, Mr. Chairman.

MR. CHAIRMAN:

Any other comments?

Title and preamble?

[All sections, the title and preamble were agreed to.]

DR. HOHOL:

Mr. Chairman, in moving that it be reported, I just have to say that I appreciate very much the excellent discussion on the very important matter of pensions and the cost-of-living bonuses and remind you, sir, and the Assembly that our priorities in the three years and our present programs and our future initiatives will be the kind that will be consistent with the recommendations and the debate here this afternoon.

[The motion was carried.]

Bill No. 9

The Alberta Municipal Financing Corporation Amendment Act, 1974

Title and Preamble

MR. LUDWIG:

Mr. Chairman, on the question of The Alberta Municipal Financing Corporation Amendment Act, 1974 is there any consideration being given by the government in light of the fact that you are now not worried about deficits but in view of the fact that certainly the position of the treasury is buoyant to say the least and the fact that the government budget itself indicated roughly a 29 per cent increase and that over the previous budget, I might be wrong but no - I believe that was B.C.'s, ours is a bit less, but nevertheless it was a hefty 21 per cent ...

MR. MINIELY:

16 per cent.

MR. LUDWIG:

Pardon?

MR. MINIELY:

16 per cent.

MR. LUDWIG:

Well percentages ... pardon?

MR. MINIELY:

You should get your picture straight.

MR. LUDWIG:

Well, I sometimes listen to you the honourable members on that side and when you start throwing statistics around it is quite an interesting problem to try to get figures straight.

MR. MINIELY:

Accuracy.

MR. LUDWIG:

... yes, accuracy, and we would like to hear some from the other side but even 16 per cent is a far cry from 7.5 as the - well, I quoted by error the B.C. increase in budget and I am also quoting perhaps from a newspaper report as to the increase in the Alberta budget so I may be in error, but I believe when we talk about accurate statistics that it is more important that the hon. minister be very accurate rather than be concerned about a misquote that I gave perhaps from somebody else's information.

But I'm saying that in light of what happened - and every time something happens we get another \$75 million - is any consideration being given to providing the municipalities with any kind of guaranteed formula of grants, based on the income from our natural resources and particularly in light of the fact that inflation affects them as much as it does us, if not more. In many instances their responsibilities are increasing, the prosperity in the province has added to the increase of the population of the cities

and no matter what anybody here might say or get annoyed about, there is no way of stopping Calgary's and Edmonton's rapid growth and that of other cities, in fact the prediction is that they will grow more rapidly than ever before.

Is there any plan, or any discussion of a study being conducted to give them a piece of the action - a guaranteed amount - not just the government-benevolence types of grants? When the municipalities gang up and holler harder they get more, as used to be the case when the province wasn't on a surplus but was on a deficit.

Also, is there any consideration being given to perhaps a percentage write off of municipal debt? Because every person who lives in a municipality is also a subject of the province. It's the same people, only living under a different jurisdiction insofar as local government is concerned, but jurisdiction set up by us. Is there any consideration being given to perhaps wiping out part of the municipal debt?

I am sorry that the hon. Minister of Municipal Affairs isn't here because he never let us forget the fact that our municipal debts were high. They were high, but when you compare what the municipalities had to other jurisdictions, it's like a man with a big mortgage. He had a \$40,000 mortgage but he had a big house. Of course, if he didn't buy a house he'd have no mortgage. So that's the way these municipalities were. There are some municipalities - Rocky View M.D. near Calgary is one of them - that has no debt. They have never had any debt at all, but they didn't put in any public works. They didn't put in any service. They didn't have to. But the municipality of Calgary, one of the wealthiest bits of real estate in North America, is in debt up to its ears.

Now it is timely that perhaps the government adjust its grants and take into account the fact that there may be an opportunity here to wipe out some of the municipal debt. I am not saying to wipe it all out because it wouldn't be fair. As I said, some municipalities got what they wanted and some watched the dollar. Some were not concerned about utilities and services and pavement. So those who were a little more progressive went into debt. They raised their standards of living and we are all proud of it.

But I believe now is as good a time as any to look at the situation to see if we couldn't maybe, on a per capita basis, do something for the people of Alberta, because the debt carrying charges are expensive. On top of that, they have the inflationary problem of dealing with current expenses. These are rising as rapidly, if not more so than the provincial government, Mr. Chairman.

MR. DRAIN:

Am I correct in assuming that most of the funding for Alberta municipal finance comes from the Canada Pension Plan, and also that the rate of interest is pegged in the Canada Pension Plan at 6 per cent. Is this correct? It's flexible?

MR. MINIELY:

It went up about six months ago.

MR. DRAIN:

I'm not hearing you.

MR. MINIELY:

Mr. Chairman, I thought I would let the hon. member carry on. It went up about six months ago approximately and it's no longer at 6 per cent. I would have to get the exact figure, but I think the Canada Pension Plan rate is now somewhat in excess of 7 per cent.

MR. DRAIN:

Nevertheless it represents a premium form of interest insofar as the borrowings by the provincial governments are concerned. In reality what it does represent is a plot against those who put their money into the Canada Pension Plan - in fact, a rip-off. This is what it amounts to. It's a snug little proposition for the various provincial treasurers when they get together and glom on to these particular funds. In reality those people are not protected. In fact, the provincial treasurers in the Dominion of Canada are taking advantage of the locked-in situation in this fund, because in reality those people who do contribute towards the fund could conceivably do far better in a private pension plan.

MR. BARTON:

I have just one question to ask. Has the government written any debts off in the last years to towns or municipalities?

MR. HO LEM:

Mr. Chairman, in regard to the proposed annexation by the City of Calgary involving a very high percentage of increase, I can see very soon where the City of Calgary would require additional funds to develop this new area. I want to know whether consideration is given to the City of Calgary in this request regarding additional funds through the Alberta Municipal Financing Corporation?

MR. CHAIRMAN:

Any other comments? Very well. Mr. Minister.

MR. MINIELY:

Maybe I could start with the last first, Mr. Chairman, the hon. Member for Calgary McCall in his question regarding additional borrowing for the City of Calgary. First of all I would like to point out again that through the Alberta Municipal Financing Corporation, each municipality in the province can borrow for municipal purposes up to a per capita limit which we increased about one year ago, and which we will continually review in terms of the per capita allowance.

[Interjections]

If I might just carry on, this is done specifically so that we treat all municipalities in Alberta fairly on a per capita basis.

The next part of my answer ties into one of the comments of the hon. Member for Calgary Mountain View. That is with respect to the province's position, as he puts it, with the extra incremental oil revenues that will be coming into Alberta. Certainly we stated during the Budget Address - the Premier has stated, and I think all honourable members agree - that there is a high degree of responsibility and trust on all of us with respect to these incremental revenues resulting from a depleting asset such as crude oil, and in particular conventional crude oil, and in terms of developing a policy with respect to the deployment of these funds, that it should not be done on a fragmented basis, that it should be carefully thought out and planned in terms of the actual utilization of these dollars.

One of the items, of course, that can be looked at and that we will consider in connection with the additional funds, is exactly the question which I believe is the question of the hon. Member for Calgary McCall, and that is that perhaps a portion of these funds could be utilized for further lending over and above what is provided through AMFC to our municipalities in Alberta and particularly the cities of Edmonton and Calgary, which have now the borrowing capacity and do, in fact, go offshore for some of their borrowing requirements.

With respect to the question from the hon. Member for Slave Lake regarding the write off of debts through AMFC, it had not been the custom in the past to write off debts, but just recently in the case of towns under the New Towns Act, which I think is a forward policy, we did write off some debt carried through the Alberta Municipal Financing Corporation for some new towns, the philosophy being that in the case of those new towns, a tremendous amount of their growth pressure was a result of direct provincial government action. I think we have to be careful in terms of writing off debt. If we are talking about municipal autonomy, and this government believes in supporting local autonomy, there is also a responsibility that goes with that local autonomy.

That leads back, I guess, to the hon. Member for Calgary Mountain View in talking about writing off debt of municipalities generally. Sometimes the hon. Member for Calgary Mountain View does make valid suggestions, but what I was listening to today frankly I just can't accept. First, tying municipal grants to revenues from a wasting asset, I believe, is bad public policy. The same as it would be bad public policy because \$900 million came in to provincial revenue to allow our operating expenditure of government to grow by that amount.

Certainly we have done many things to assist municipalities in the budget recently. The growth in municipal grants was related, or close to, the growth in operating expenditure of the province. Those are the kinds of parameters that I believe are valid. But to simply tie either provincial government operating expenditure increases, let alone municipal operating expenditure increases, to incremental oil revenues of the magnitude we are discussing today would, in my view, be irresponsible public policy.

The other questions the hon. members talked about, in particular with respect to municipal borrowing - and the Member for Calgary Mountain View mentioned that too - I would again say that these matters are under consideration with respect to the incremental revenues that will be available to the province and [with respect to] the use of these revenues, both in terms of developing a healthy economy in the longer term, and in terms, perhaps, of some portion of these being available for further municipal borrowings. In my

view, that kind of analysis, when the policy crystallizes, would be responsible financial policy, but, as I want to state again, to tie our operating expenditure increases or in fact, our municipal operating expenditure grants - which [is what] they are for, to the kind of dramatic increases in oil revenues we've had, would be irresponsible public policy.

I believe, Mr. Chairman, that covers most of the comments that were raised.

MR. HO LEM:

I appreciate the answer which has been given by the hon. Provincial Treasurer. I do appreciate that municipal borrowing is on a per capita basis, which I realize applies throughout the province. I was merely pointing out to you sir, that because of the influx of people into the larger urban centres, that Calgary itself had seen fit to engage in the long-range planning to make sure that there would be sufficient land at prices the people could afford and to stabilize, if you will, the price of land by additional annexation.

Now, this annexation, of course, calls for the servicing of the newly annexed areas, by way of supplying roads and other services, before you can have these areas developed. The problem is that while it's on a per capita basis, we can only talk in numbers of our present population. But if we were to look at it from the other side of the coin, the cities of Calgary and Edmonton certainly must look into the future because the influx of people into the heavily populated areas such as Calgary and Edmonton is increasing year by year. If these things aren't done at the present time then we will reach a point where we face an impasse, if you will. So, I say that certainly, while we talk about the per capita basis of municipal borrowing we have agreed to, we also must realize that there are other factors involved, particularly those in the heavily populated areas. I just wanted to bring this to your attention.

MR. LUDWIG:

Mr. Chairman, a couple more comments. I believe that whether it would be irresponsible to spend money on the people of Alberta on some equal basis is a matter of opinion. I believe not too many municipalities would disagree that now is as good a time as any to look at the municipal debt. We sometimes have a tendency to talk about increased municipal grants. That is true, the figure is bigger.

I wonder if the hon. Provincial Treasurer can sit down and figure out in actual purchasing power of the dollar how much bigger the grant is. Just knock off about 30 per cent of the value of the dollar, compared to about three and a half years ago, and we'll find out whether the city is buying more or buying less for the grants because some of the inflationary problems and buoyancy problems that have given us all the revenue, given us all the windfalls, have by the same way compounded the problems of the cities. They didn't have quite that flexibility to move in and get some of this revenue but they're still the same people of the province. So whether we can talk, as we used to in the past, about how great things are in good old Alberta, a lot of people are thinking about raising the mill rate. It won't do a city dweller one darn bit of good if the treasurer had \$2 billion instead of \$1 billion extra if he has to pay higher taxes. These are facts of life, Mr. Chairman, and so they'll get extra benefits here but the cost is going up and the cities are now looking at means of getting more money.

Somebody once stated before that this government has a difficulty. It has the money, it has the potential of a lot more money, and I'm saying that if they spent it in some equal distribution to the future benefit of the people of this province - when I say the future benefit it would be as much a beneficial investment if you could reduce the debt of every Albertan. And whether an Albertan has to pay a carrying charge in Calgary or Edmonton, or whether he would carry that carrying charge at the provincial level, the end result is the same. It's a matter of opinion.

If the hon. minister feels that my remarks were somewhat irresponsible I would appreciate him contacting all the councils throughout the province, have a powwow and see whether there might be a lot of merit. They might tell that the grants are bigger but they're not buying as much. The grants are bigger but the per capita costs are bigger. Everything is going up as rapidly as we can practically calculate. I'm not saying that we should really move into the matter of cancelling the municipal debts, but it's an issue that has to be looked at to see if some overall benefit to the people of this province could not be had from a decision from the government, which for a change got it all. It's a matter of opinion. I don't think as a Calgarian or as an Edmontonian that I'd feel we are squandering money on a fractured kind of basis. There are different ways, perhaps many ways in which this money can be used. I'm concerned about equal application of the funds we have to all Albertans.

There are different ways. We could invest, we could give every Albertan an income tax deduction, perhaps a negative form of income tax where everybody would benefit. There are many ways of doing this thing. I'm suggesting that reducing the municipal debt is one way, Mr. Chairman.

MR. BUCKWELL:

Mr. Chairman, I'd just like to ask the Provincial Treasurer - each year this corporation borrows \$100 billion which is ostensibly snapped up by the municipalities. Do the municipalities pay just the interest? Are they paying off any principal, or are they just paying the interest on the \$1 billion? If it's \$1,300 million now, is it going to raise it to \$1,400 million? Is this \$1,300 million in principal still outstanding or are they just paying the current interest on their debt?

MR. MINIELY:

They liquidate the principal as well.

MR. BARTON:

In retiring the debt on a new town status, the debts that have been retired through this corporation have only been through new town status, no other?

MR. MINIELY:

The answer is yes, Mr. Chairman.

MR. DIXON:

I wonder if the minister might have in his notes somewhere what part of the debt is now self-liquidating? I was thinking for example where they borrow money against utilities which is, in effect, a self-liquidating project, compared to where they may borrow it for an arena or a recreation centre which isn't as self-liquidating, at least it's not set up as such. Would you say 50 per cent of the debt is now self-liquidating, or 75 per cent, what is the breakdown?

MR. MINIELY:

Municipal debt?

MR. DIXON:

Yes, municipal debt.

MR. MINIELY:

Well, if you look at it from the point of view of the province, all the debt is self-liquidating as far as the province is concerned. The municipalities repay the debt. If you're looking at it from the point of view of the municipalities it would depend on the specific use to which they put what they borrowed. If they used it for a utility, in their case it would be self-liquidating. If they used it for general municipal purposes the liquidation would be based on their tax revenues, so really you can't answer that question. It depends on the use to which the municipalities put it.

Mr. Chairman, listening to the comments, I'd just have to say that I think hon. members have to realize that if we're going to move - and I've heard them on the other side say, if we're going to be talking about - particularly our larger centres, as they grow larger and their responsibilities become greater. First, I've said that the province sees a responsibility to assist them in any way we can. In the lending side, or what funds we have in terms of lending, I've indicated that in the budget in terms of the increase in municipal grants, we related that to the increase in our own operating expenditures. I might say again that in our own operating expenditures, when we sit down to develop the provincial budget, the fact that \$900 million came in doesn't mean that it should be spent on health and social development and education and what I would call government operating requirements. The actual increase in the budget in government operations, exclusive of tax decreases which are direct returns to the citizen, is 16 per cent. The actual increase that was given in the municipalities was 15 per cent, so they are relatively comparable. But I think if you are moving in that direction, at the same time encouraging through the removal of municipal debt, other than those under new town status which are unique situations, this is not responsible. If we are going to encourage responsible local government, well then surely one of the basic principles of those generally, other than those that have special pressures because of unique circumstances, is to encourage the repayment of debt.

I have no objection to increasing the lending to the municipalities within their ability to repay it. Added to that, we've got the fact that in the last two and a half years, 45 per cent of the property tax bill in the province has been wiped out. It's gone. So, I think I'd venture to say that the property taxes are lower now in this province than they are in any province in Canada. I stand to be checked on that by one or two, but I would venture to say that they are certainly among the lowest property taxes in Canada with the removal of 45 per cent which the education tax represented. So certainly

we are moving in the direction, and I say it again, of responsible local government and of autonomy with local government. Coupled with that, of course, we are looking at other revenue bases for the municipalities through the provincial-municipal finance council which Mr. Russell and I both sit on and work with the municipalities which have their own representatives, looking at other areas of potential revenue. I think it would be a tremendous mistake in public policy if we started to tie these things - either ourselves provincially, again, let alone the municipalities - to the revenues in today's existing situation from a depleting asset such as crude oil.

MR. LUDWIG:

Yes, Mr. Chairman, the hon. minister's remarks were most interesting, especially when he talks about responsible local government. I thought we always had it. And it's very interesting when you start talking about giving the municipalities a bigger break now because of circumstances in many cases beyond their control, that the words local autonomy come up. It's a convenient expression when it suits your purpose. I don't think that the autonomy is all that important to them when they are begging for money from the provincial government and the minister says, well, they have to be responsible so we'll lend them all the money they want, we'll make it easier for them to get into debt. But not too long ago they were screaming when they were on this side, look at what's happened, we're talking about things were never better in good old Alberta, but the municipalities are plunging into debt more and more and more. Things haven't changed one little bit.

I was glad to hear the hon. minister say that they are looking at means of getting some other source of revenue for the municipalities - I wish he would be more specific. And I don't mean debt revenues - to see if they can get a piece of the action, because it is the same people and the same inflationary problem. But I gathered from the hon. minister's remarks when he sort of stressed the fact that we removed education tax from property - good thing - he's hinting to the municipalities, if you have responsible government, you can move in if you need more money and take up where we left off.

Now that's a good suggestion and a lot of the people are afraid of this very thing happening, that that education tax removal is going to be an opportunity for the province to mark time and let the municipalities take up the gap because they are going to need more money. They're going to need a lot more money, especially the big centres which can't stop growth because the more hundreds of millions of dollars this government primes or pumps into the economy for expansion, the more people come into this province, the quicker the major centres grow and the bigger their problems become. So I am saying it behooves this government to take a good look at the problems and see whether the municipalities in fact are not entitled to more generous consideration than they have had till now.

I want to stress the fact that I am not at all impressed with everybody on that side jumping up and saying, well, we've given them so much more money than Social Credit did. I'm saying, let's sit down and see if that money buys more, buys more services. They can double the amount the municipalities got ten years ago and it won't buy a dollar's worth more of services than half that figure did ten or twelve years ago. So let's not create the impression that we're all that magnanimous with the people's money.

I'm saying once more that the question of municipal debt has been an issue, has been raised by ten of the hon. members on that side as one of the top priority issues. And I'm saying that the municipalities are getting into debt more rapidly now than ever before. So let's see whether we can't look at this problem and help them out because there is no doubt in my mind that they are going to be forced to take up - to move into the area where the education tax was removed. They are going to do it and the citizens are going to be very, very aggrieved that the benefits they got from the removal of the education tax are going to be eaten up by the municipalities having to move in for more revenue, Mr. Chairman.

MR. STROM:

Mr. Chairman, I'm not sure that the Provincial Treasurer may be able to answer this, but I am wondering if he would have any idea of how much of the loans that were made to towns and villages for sewer and water at 2 per cent are still outstanding?

The second part of my question and my reason for raising it is to point out to the minister that at the time of initiating that policy we also provided a grants program which took care of the loans that the towns had made under this very, very favourable interest rate. My second part of the question then would be, has the government given any consideration to instituting or reinstituting a policy of low-interest loans to municipalities that could be tied in with this particular vote?

MR. MINIELY:

I'd have to get the exact figures. I'd have to come back with those that are still outstanding from a recent policy, or a policy existing at that time is what I understand.

The second part of your question relevant to low-interest loans fits into our assessment of further lending to the municipalities which is part of determining where the additional dollars should be devoted and perhaps, as part of that policy, not only some lending to municipalities but perhaps some break in interest rates. That's something I'll have to consider and come up with.

I think my colleague, Mr. Yurko, is more familiar with the specific things he's done because he has, as you know, a pretty dramatic sewer and water program for municipalities, and that is partly financed through the Alberta Municipal Financing Corporation. The balance of it, in terms of interest and in terms of grants, is provided by appropriation of the Department of the Environment. But perhaps he would like to comment more specifically on it.

MR. YURKO:

Mr. Chairman, in regard to the sewage assistance program, we have basically attempted to equalize costs for all communities across the province by placing a ceiling of \$150 per capita carrying capacity of each community. That \$150 per capita reflects in a payment by the community of \$13.76 per capita per year over a 25 year loan, and that is calculated on the basis of 7.75 per cent interest. So basically there is a major subsidization on the interest rate of the loan portion to make up that \$150 per capita. Now, above the \$150 per capita, all costs or the maintenance of that loan, both as to interest and as to capital, is serviced by the province. So as long as the community is carrying above \$13.76 per capita as a loan, the province services everything above. I say again that that \$13.76 per year per capita is calculated on the basis of 7.75 per cent which is a major subsidization of the loan portion and then a complete carrying of that interest and repayment of the principle above the \$150 per capita. The policy, of course, also says that when the municipality drops below the \$13.76, it then contributes back to the province on the basis of the remaining life of the debenture.

MR. CHAIRMAN:

Any further questions?

MR. STROM:

Mr. Chairman, this isn't directly a question, but it's related to the point I was raising with the Provincial Treasurer earlier, when I asked whether or not the government was giving any consideration to instituting a policy similar to what we had. Certainly I wouldn't be so bold as to suggest that the Provincial Treasurer would give consideration to 2 per cent loans in light of the present interest rates, but nevertheless there is a point in principle which I think is very important, and that is in the distribution of the moneys obtained by the province from the depleting resource. I think that any level of government within the province, whether it be school or municipal - all provinces can argue with some justification that they are just as much entitled to it as the other level and should have some opportunity of using it.

I would not, Mr. Chairman, be advocating today that we provide to the municipalities or the school boards a grant that would be once paid and then, of course, it's gone. I think that when we're looking at this matter of municipal financing - and it is true that we're certainly discussing the raising of the figure by another \$100 million - it seems to me that at this point in time the government ought to be giving serious consideration to setting up a revolving fund which would be continually working on behalf of the people.

I think possibly, as was mentioned by the hon. Minister of the Environment, that in providing certain kinds of services they are going to be on a continuing basis. There will be needs within this area. Maybe this is one area where we ought to provide, through municipal financing, a revolving fund that would make use of some of the moneys we are obtaining now from the sale of our depleting resource.

MR. MINIELY:

Mr. Chairman, the hon. Member for Cypress's comments are valid and I would just like to say that with respect to several comments made this afternoon, these are matters we have had under consideration for some time, related to the revenues that Alberta will have and where they will be utilized. They will have to await - because I think each specific potential policy will have to fit a set of guidelines or be related to the fact that they are capital in nature, that they result in the objectives we all have for the province of Alberta - and will only be clarified at the time we introduce the act.

In the meantime, many of these matters have been under consideration, are still under consideration, and will be given further consideration pending the introduction of that act.

MR. HENDERSON:

Mr. Chairman, I wonder if the minister has already informed the committee - possibly if he has informed them he could reinform them - when will the act be introduced?

MR. MINIELY:

Well, I think, Mr. Chairman, we'll be introducing - because the matters, as you can see from the debate today, are very complex in terms of where these dollars are devoted - we will probably be introducing an interim bill pending a final bill. The date of the final bill I wouldn't want to tie my hands on, but an interim bill in the spring session.

MR. STROM:

Mr. Chairman, just one further question. Will this then be covering the new sources of revenue that are going to be made available to municipalities?

MR. MINIELY:

Well, Mr. Chairman, this is why I've stated during the discussion this afternoon, that first we all have a high degree of responsibility relative to the use of these additional revenues, and what our longer term objectives for the province are.

When we look at all the potential specifics what it really comes down to - I guess the best way I could describe it is that it is important that we have a balanced policy in the use of these revenues. It's the old story, you don't put all your eggs in one basket. So it is a complex issue.

The interim bill will address itself to isolating the revenues temporarily out of the operating context, but will not be able, because of the complexities involved, to enumerate all the areas that the dollars may be used for. That will have to await a subsequent bill when we have completed all the considerations we have to give to the matter.

[All sections, the title and preamble were agreed to.]

MR. MINIELY:

Mr. Chairman, I move that Bill No. 9 be reported.

[The motion was carried.]

Bill No. 11 The Corrections Amendment Act, 1974

MR. LUDWIG:

Mr. Chairman, I'd like the hon. minister to advise whether the situation of the hiring of wardens has been completed, and if not, at what stage this is at?

Also, I believe, or at least I have been advised that the terms of services of Mr. Lee, the Corrections Officer, have been extended. I'd want to have the minister advise just what were the reasons for it. Was it a question of inability to replace, or was it that his services were indispensable? What was the reason for the extension of his services when it was certainly announced that he would be retiring at one time or another? But I'm particularly concerned about the question of corrections.

I'd also like the minister to advise us, as well as is perhaps possible under the circumstances, what action is being contemplated for the provision of facilities. I mean immediate action, I don't mean something that is being contemplated or studied. But what steps are being taken to provide facilities in Alberta for segregation of prisoners, first-term offenders, young prisoners 18 and under, as has been the practice in the past to a certain extent, and as is recommended by most commissions, most studies and particularly by some of the wardens and ex-wardens, that the confinement of young prisoners, 16 to 18, with seasoned veteran criminals is not in the public interest. What is being done to perhaps make up for the fact that Bowden, the one facility we did have for years - it served a useful purpose, although in my opinion it was not adequate for the needs of this province and I was under the impression that instead of backtracking we would perhaps move ahead in this regard. I'm well aware of the fact that one remand centre is now to be in operation. This is for transient prisoners, accused persons awaiting trial, et cetera. But I'm concerned about permanent facilities for young prisoners.

I would also like to have the minister advise us whether the problem concerning facilities for females in the Remand Centre in Calgary has been corrected, or what steps

are being taken. I am well aware of the fact that the design of that institution - that building was started four or five years ago and there was a tremendous panic to have it completed in 1970 and 1971, but now in 1974 we're having problems getting going. I'm sure it's a big project and it's a worthwhile project and perhaps a very good one. But these are things I believe we ought to know from the hon. minister.

So with those four or five points, Mr. Chairman, I believe that the hon. members ought to be advised by the hon. Solicitor General or the Attorney General, as the case may be. Thank you, Mr. Chairman.

MR. BARTON:

A question I have brought up to me several times is the follow-up after major offences and the 30-day appeal through the legal aid. Are there any services that legal aid provides to see that on major offences, before they are shipped out of the province to other penitentiaries, there is a follow-up so that the individual understands the appeal process? It's very difficult in our area and I was wondering if the minister has this under consideration or is considering this type of process where for major offenders, the 30-day specific period of appeal where they can get an actual legal aid, or especially in legal aid cases a follow-through, they are just not handed over to legal aid, the lawyer does his thing and then he sits there and ponders as to which direction he goes. The probation officers don't fit into this category as near as I can tell.

MISS HUNLEY:

Mr. Chairman, in reply to the hon. Member for Calgary Mountain View, the wardens have not definitely been appointed. The applications are being reviewed. I particularly was anxious that they be held until the Deputy Solicitor General could have some input into the final selection of the wardens. We have deputy wardens who are acting and I think things are going forward reasonably well.

In regard to the present disposition, which is a poor word, or the retirement, I should say, of the present director, Mr. Lee, he has agreed to stay on a month-to-month contract basis until a new director is appointed. The new director also - that appointment was held up pending the appointment and consultation with the new Deputy Solicitor General.

I have had the idea from the beginning that in order to win a battle, you must allow a general to choose some of his forces. And I have operated along that line. I feel we will be able to fill those vacancies before too long.

The remand centre - I believe there are some units that might be adaptable, although I wouldn't like to say this until I have an opportunity to discuss it further and I also would like to make a first-hand visit to the remand centre. I have been there once, but not recently. There were some units in the remand centre intended as psychiatric units. These will not be used for that purpose now. We feel that perhaps they may lend themselves to suitable remand units for female offenders. This is a matter which will be under continuing review.

In regard to young offenders - earlier on second reading on this, I explained we have many young offenders and where they are. So what we need to direct our minds to are young offenders who lend themselves to being either in the community because of the fact they are eligible for a minimum security prison - and so they can lend themselves to day parole, which we intend to expedite.

Community residences - I am not prepared to make a firm commitment that we would have a community residence, although some units in Belmont can lend themselves to that well, which is part of our assessment. That also is part of our ongoing program.

In regard to the hon. Member for Slave Lake, I can't answer your question. I believe it comes under the jurisdiction of the Attorney General. Perhaps he would oblige on that question.

MR. LEITCH:

Mr. Chairman, for anyone who has received an appointment of a legal aid lawyer, at the end of the case, as part of a lawyer's normal duties to a client, he would make an assessment as to whether an appeal ought to be taken. If he concludes that one ought to be taken, then we have a procedure by which he applies to the legal aid committee. It's reviewed and if they feel an appeal has some chance of success, a further legal aid certificate is normally issued and an appeal would be taken.

There is a review of the type I have just described in all those cases where there has been a lawyer acting in the first instance. And that would be so, I am sure, whether it was a legal aid lawyer or one retained by the accused personally.

Now in those cases where an accused has not asked for or declined legal representation, then there would not be an automatic review by anyone of his right to appeal. But certainly there is readily available to him a mechanism for appealing and also readily available to him advice on whether an appeal should be taken. He merely needs to ask for it.

MR. HO LEM:

Mr. Chairman, I am just wondering whether the hon. minister might be able to advise at this time what is being done to accommodate people with psychiatric problems, as well as suicidal tendencies, to ensure this very unfortunate situation wouldn't occur again as happened two, three weeks ago in Calgary?

MISS HUNLEY:

Mr. Chairman, persons who require a psychiatric examination are now being examined in Oliver and that, of course, will be the site of the new forensic unit, which I think will be a great step forward in Alberta. Of course, it comes under my colleague, the hon. Minister of Health and Social Development. I believe we will need in southern Alberta a similar type of accommodation. It was, of course, originally intended in the remand centre, but this has not gone forward.

Of course, it is always a very sad occasion when there is a suicide and every effort is made to avert that. Every once in a while there is an incident which I am sure saddens and shocks the correctional officers as much as it does the rest of us. Every effort is being made to have better supervision through electronic surveillance in the new areas and, of course, we will be directing our attention towards that.

MR. LUDWIG:

Mr. Chairman, I missed one question when I spoke last. I am concerned about progress on the Remand Centre in Calgary. Now, if it is under the hon. Attorney General, I'd just let it stand for now. But I am of the opinion that it hasn't progressed perhaps as quickly as is needed. Could the minister give us some indication as to what is the present status of the project and how far have we progressed in having it built?

I have another comment to make with regard to the matter of facilities for young offenders. I believe there are all kinds of good ideas of what is ideal, but in the meantime there has to be something. If we can't have the best, at least have something better than we have now. And I will be very disappointed if the government - and perhaps on the recommendation of the hon. Solicitor General - does not come up with some kind of move, a specific move, not just nice words, because I am not at all convinced that the number of young offenders in the province has declined. The number of convictions, in my opinion, may have declined, but there is a great number. So it is hollow comfort to the public to know that for the time being we have nothing in mind except some nice thoughts.

In the meantime a parent who has a 16 year old boy convicted of something has to still shudder, wondering whether he is going to get ruined, or perhaps physically assaulted or sexually assaulted in one of these other prisons, as has happened. This is not a light matter. This is a very serious matter, Mr. Chairman. It is no use just sitting there and saying, well, we are not sure, we are not prepared to make any specific recommendations.

This is a top-priority problem. We are spending a lot of money on the system now. And we have to come up with something as quickly as possible. Now it is all right to say, well, we will wait for the ideal solution, three, four, five years from now when the damage will be irreparable. I am not just saying this, I believe the minister has a serious concern about what I am saying. But apparently being concerned sufficiently to do something is another matter. And I believe now - there were excuses in the past because when the Social Credit government was in office quite often the question of budgeting was a problem, there were deficit budgets. And sometimes you can't produce the best physical facility because the public would just not endorse it.

We are looking at a different situation now. This calls for some concerted effort, for some getting together of heads on that side. They have a lot of people involved in legal work who have the ability and they have hired extensive staffs to come up with a solution and come up with one quickly and not one that will be a sort of promise in the next election. This is not the kind of thing that should become political and I hope it doesn't. But there is an obligation on someone on that side to stand up and say, we are going to do this, this, and this as quickly as possible. There is no shortage of space. There is no shortage of ideas. And I am saying, sure, we'd like ideal circumstances, ideal quarters. But if that isn't possible, let's make the best of what we can. I am taking the position that the sale of Bowden was in the process a long time, that it isn't a situation that has sprung up today, that we are surprised and the government is justified in saying we have to do some thinking. There has been time. There has been a lot of time to do a lot of thinking when negotiations for the sale of Bowden were in

progress. But now there has to be an answer from this government this year, and perhaps some projection, something specific and not just ideas because ideas have to be put into effect. I'll be very disappointed if that other side with all its experience and knowledge, and previous experience in the Legislature and their criticism of Bowden - I'm not saying that Bowden was the answer to every problem, but at least it was something. At least some young prisoners found their way out of the prisons where they were segregated. There may be some way of solving the problem temporarily and it should be looked at because as far as people are concerned, people who have young offenders - parents expect their sons to get out, come back and be rehabilitated, and not to be bigger problems when they get out than when they go in.

These are serious problems, Mr. Chairman. I'm raising them for the consideration of the hon. minister and the government, and I believe that any delay on the part of the government to tackle this problem immediately would be an admission that they either can't or they don't care. They don't care enough, I should say, because I know that everybody on that side is just as concerned as I am right now about this problem. It can happen to anybody's family. It can happen to anybody's neighbour. This requires an answer. It requires some quick decisions.

I believe, now that the hon. minister says that she has hired her Deputy Solicitor General, that there is the benefit of past experience in the government. Something ought to be done and it has to appear on the books this year and not say that we're going to have something on the budget in 1975-76 to plan and commence and then by 1979 we'll start something. Time has a habit of slipping by and even projects that were in the making and were designed - where the architects' designs were finished and approved - took three years to finish. How long is it going to take us to finish something that is still in the thinking stage? We're looking at five or six years. I believe, Mr. Chairman, that I can't stress enough the need for immediate decisions in this regard, otherwise we're not discharging our responsibilities in this field.

Thank you, Mr. Chairman.

MR. DIXON:

Mr. Chairman, there are one or two things I'd like to say while this bill is before us. They have to do with suicides within confinement in jails. We've had a very sad situation in Calgary the last year where this lady attempted suicide twice in November when she was picked up and was subsequently sent to Ponoka. She was released and a few days after that she was picked up again and taken to the cells and that night she hanged herself. That is the one point I'd like to make.

I think that, as the jury has pointed out, there should be more notice taken of these particular prisoners with those tendencies who are taken from time to time - that they should be set aside. Apparently there is only one custodian on [duty] and she is kept quite busy. The jury recommends there should be more than one. Maybe that should be one of the first steps we take.

Basically why I'm on my feet, Mr. Chairman, and I've already spoken to the Attorney General, but I haven't had an opportunity unfortunately to speak to the Solicitor General on this particular case, because it does happen to be a family in my constituency and they are very much concerned because of the widespread publicity the case got. Unfortunately there are young people who are at a very, well, I shouldn't say a bad age, but an age where they can read the paper. The children in school read, in junior high school and older, and so they know what's going on. They can read the press. They have gone into all the great details of this thing after the inquest is called. I don't know what you can do about it because we all believe in the freedom of the press, but I was wondering if we couldn't have some kind of law that where the family had asked that the least publicity be given to the case, their request at least be given some consideration. Apparently they asked for this and it was not done. Of course they realize, and it's been explained to them on several occasions, that they can't do that under the present system. I'm not saying that the minister could do it tomorrow because he couldn't. It would have to take a legislative change. But you can see the problems and the heartache it has brought to this family after they have had two or three exposures of this case in great detail in the press. It was even brought out during the last [press] issue that the reason this lady did it was because she lost custody of one of the children.

This is the sort of thing that the children are reading and it must be hard on them. I know it's hard on this particular family. I spent considerable time with them two weeks ago, shortly after this happened, and I said I'd bring it to the attention of the minister. They realize that nothing can be done in their case, but they thought if they could save some other family from having to go through the same thing, as they suggest could be done, they will feel at least that they have done that to avoid the publicity which they claim does no good as far as the family is concerned and as far as the public is concerned. They can't see any sense in it at all. They are rightly worked up about the situation. Just when they think that the thing is about ready to break down and be quiet it comes up again.

I think one of the reasons they are using, whether this is a good argument or not, but they feel that this is a bit of pressure being put on to have more facilities for lady prisoners in Calgary. They think that their case maybe is a case that is being used to forward that proposition to the government. In any case, I told them that I would bring it before the House.

I don't know what can be done. I don't know of any legislation in Canada that can prevent the press from publishing what goes on within a jury or within a trial in Alberta. I think there are some exceptions as far as the trial is concerned. The press can be banned as far as a murder case is concerned, where it would be prejudicial to the persons charged, if that's the way his or her solicitor may feel. I just thought I'd bring it before the House. I have no suggestions myself, but I can see the agony and the frustration that this particular family has gone through. They have contacted me and others on their case and I said I would bring it before the House and to the attention of the minister.

Thank you, Mr. Chairman.

MISS HUNLEY:

Mr. Chairman, I think I would prefer to have the Attorney General speak concerning the publicity, but perhaps I could be permitted to express my own concerns. Of course, it's a continuing concern we all have, that there must be freedom of the press, and yet it works to the detriment of many people and creates much hardship. We realize that, and I don't have an answer for it. I would prefer that my colleague perhaps deal with it at some length from the legal point of view.

Concerning the Remand Centre in Calgary which the hon. Member for Calgary Mountain View was asking about, I understand part of it is open now. We have not assumed responsibility as tenants for the portion that we will be occupying. I do not have the exact date when we will be assuming responsibility for that. I don't know whether the hon. Minister of Public Works can reply to that or not.

MR. LEITCH:

Mr. Chairman, perhaps I could add a few words to what my colleague has said about the publicity that is given to these proceedings, sometimes causing great anguish to the family of the deceased person. I'm sure there is not a member in the House who doesn't sympathize with the members of the family and the anguish that they go through as a result of the publicity that is often given to these proceedings.

I think my colleague made a good point when she made reference to the freedom of the press and I think we do have to keep in mind here that it is very important to the entire system - we can use the phrase judicial system in a wide sense to include all the court proceedings, quasi-judicial proceedings of administrative tribunals and the coroner's inquiries - and the confidence in all of those bodies is, to a very large extent, dependant upon the fact that their proceedings are carried on in public. In fact, one of the justifications and one of the reasons for having the coroner's inquiry is to bring to the public all the facts and circumstances surrounding the death. It tends to dispel unfounded suspicion in many cases and I think it is absolutely essential that it be public.

Now it is true that in certain classes of judicial proceedings there is a restriction on publicity, but it is important to understand the basis of that restriction, and it is never there for the protection of people from the inconvenience, the anguish, the embarrassment that publicity might bring to them. The sole purpose for the restriction on publicity is to ensure a fair proceeding insofar as the accused is concerned, to ensure that the speculation, the evidence, is not made public before prospective jurors, thereby perhaps colouring their minds about the proceedings before they have heard the evidence. That's the sole reason for the restriction on the publicity.

Now while I'm sure all of us share the Member for Calgary McCall's feelings about the unhappiness, the anguish this family suffer as a result of this publicity, I can't think of any way - and the hon. member did raise it with me some time ago - in which we could provide any protection through legislation against that kind of thing without doing irreparable harm to the process of the coroner's inquiries or the judicial process which, as I have indicated, really rest on the cornerstone of publicity about their proceedings. And while we have spent some time considering the hon. member's suggestions, to date at least I haven't been able to come up with what I think would be an acceptable solution.

DR. BUCK:

Mr. Chairman, I would like to say one or two words on the matter of correctional institutes, especially the one at Fort Saskatchewan. And I would like to inform the members of the Legislature that there is always an unease, and there has been in the past two years, as to the future of this correctional institution.

I'm sure that the hon. Solicitor General was aware of the problems they have in staffing out there. I have, for what it is worth, made the suggestion that if she is still looking - or if the hon. Deputy Solicitor General is still looking for a warden, I think that she has one there in the deputy warden who is acting. As far as I can ascertain, there has never been better morale with the staff members as there is at present with the deputy warden acting as the warden. I know there are some problems of pensions and so on, but I don't think these things are insurmountable and I honestly think that the Solicitor General should look at the deputy being appointed the warden.

Now I think I would be remiss if I did not bring up year after year the problems that the correctional officers have as far as salary goes. And I don't think it is unique that just this government has to take the shellacking for this. I think the previous government was also not paying the fellows out there on staff what they are worth. It's not just an ordinary job like pushing a typewriter is. It's a job that requires a lot of dedication because you are subjected to an awful lot of abuse.

Members of the committee, I think we have leaned a little bit too far to protect the rights of the prisoners because we are forgetting about the rights of the correctional officers. Because I do not think that a prisoner has the right to spit in a guard's face and tell him, you are a rotten, lousy s.o.b.. I don't think that a prisoner has that right and I don't think that a guard has to stand and take that type of abuse. So I would like to say to the members of the committee I think that we should look at the salaries that we are paying these men. They are dedicated civil servants. They are working god-awful hours some of them now because there is a shortage of staff out there. And just by lowering the age to 18 - that we can hire staff below the age of 21 lowering it to 18 - is not going to solve the problem, because a job like that is a unique job. It is a job that requires maturity and I don't think that lowering the age of the correctional officers is going to solve that problem. I think it is going to, if anything, create more problems by having so many people come and go. And I can understand the philosophy that there are young offenders and maybe young people can handle them. Well, I think that father handling him may get more results than if junior, the buddy system, would handle some of these people.

I know that we like to talk about rehabilitation, but in the short time - the average stay is very short I believe - that these people are in the correctional institution, I don't think we rehabilitate too many of them. Now this may sound like a harsh statement, but I think it is a realistic statement. There are young men who are there two years less a day who can pick up their education and maybe get out on the street and stay out on the street. I think there is some hope for some of these people, but there aren't that many of them there. Their stay, as I say, is relatively short. They are 'in-and-outers', and it was quite interesting when we used to look after some of the prisoners in the office, it used to be a standing joke that anybody who had a record of being in and out about 25 times almost had a badge on his chest saying, I'm one of the veterans, I belong to this place and when it gets a little cold outside I'll throw a brick through a window and I'll be back.

And it's always quite amusing to go to the Christmas party because they have a code of conduct there and a code of ethics, I guess you could call it.

MR. HENDERSON:

...[Inaudible]... question. I was hoping he was going to tell them whether they had good teeth or not.

DR. BUCK:

If they had good teeth they wouldn't be there to see us. The thing is, that at their Christmas party it's a standing ...

MR. CHAIRMAN:

Dr. Buck, I wonder if you are just about concluding?

DR. BUCK:

Yes, I'll just conclude my story, Mr. Chairman, and then I'll adjourn. They say, we are short a drummer for the band but we know he'll be back by next week, so if you can hold the program three or four days later we know that our entire band will be there.

It has lost any stigma that has been attached to it. When you get to be a '25 time in-and-outer' you belong to a club.

Mr. Chairman, I would like to say many more things about this so I beg leave to adjourn the debate.

MR. HYNDMAN:

Mr. Chairman, I move the committee rise, report progress and beg leave to sit again.

[The motion was carried.]

[Mr. Diachuk left the Chair.]

* * * * *

[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills: Nos. 4, 5, 6, 7, 8 and 9 and begs to report same, and Bill No. 11, and begs to report progress on same, and asks leave to sit again.

MR. SPEAKER:

Having heard the report and the request for leave, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 5:32 o'clock.]

