

LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, May 29, 1974

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

PRAYERS

[Mr. Deputy Speaker in the Chair]

PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

MR. ASHTON:

Mr. Speaker, I beg leave to present the report of the Private Bills Committee.

In summary, Mr. Speaker, the report recommends that the first six bills on the Order Paper be proceeded with as is, and that Bill No. Pr. 7 be proceeded with, with some amendments.

The report further recommends that the fees, less the cost of printing, be refunded for Bills No. Pr. 5 and Pr. 6 and for the petition for an act being The Society of Industrial Accountants of Alberta Act, 1974.

INTRODUCTION OF BILLS

Bill No. 238 The Firearms Storage Act

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 238, The Firearms Storage Act. The main purpose of this bill is to enforce that retailers keep firearms in securely locked facilities at all times.

[Leave being granted, Bill No. 238 was introduced and read a first time.]

Bill No. 234

The Dominion Agricultural Credit Company, Limited, Guarantee Repeal Act

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill No. 234, The Dominion Agricultural Credit Company, Limited, Guarantee Repeal Act.

[Interjections]

[Leave being granted, Bill No. 234 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. STRCMBERG:

Mr. Speaker, may I introduce to you and through you to the members of this Assembly a group of students who have been coming up to this Assembly for the last several years. They are from my constituency, from the community of Heisler. They are accompanied by their teacher and are sitting in the public gallery. I would ask them to stand and be recognized by the Assembly.

DR. BUCK:

Mr. Speaker, I beg leave to introduce to you and through you to the members of this Assembly, approximately 40 youngsters from the Ministik School in my constituency. They are accompanied by Mrs. Dunn, Mrs. Holland, Mrs. Gray and by their bus driver Mr. Nasichuk. They are in the members gallery and I would ask them to rise and receive the welcome of the House.

MR. JAMISON:

Mr. Speaker, it's my privilege today to introduce to you and through you to the members of the Assembly, approximately 45 junior high school students from Horse Hill School in my constituency. They are accompanied by their teacher, Mrs. Linda Serink and they are seated in the members gallery. I would ask that they stand and be recognized.

MR. ZANDER:

Mr. Speaker, it's my privilege today to introduce to you and through you to the members of the Assembly, 31 Grade 3 and Grade 8 students. They are seated in the public gallery. They are accompanied by their teachers, Mrs. Shirley Cripps and Mr. Don Rever, and their bus operator, Mr. Goodall. I would ask them to rise and receive the recognition of the Assembly.

## MINISTERIAL STATEMENTS

Department of the Environment

MR. YURKO:

Mr. Speaker, there is some concern developing as to whether or not some of our major rivers will be flooding this year and I would like to read the short statement which is being released by the department today:

Spring floods which occurred in much of the province this year have raised concerns among many residents that major rivers originating in the mountains would also flood this summer.

"While the snow cover in the mountains is above average, whether these rivers flood depends largely on the amount of rain that falls in any drainage basin." says Majeed Mustapha, flow forecaster with the Department of the Environment.

"The runoff from snowmelt can result in relatively high flows, but there must be large amounts of high-intensity rainfall combined with the snowmelt before any large floods can be caused on these mountain-fed streams.

"It is not possible to issue a flood forecast at this time to identify which rivers in Alberta will have large floods between May and August simply because it is not possible to indicate weeks, or months, ahead of time."

Mr. Mustapha noted that in 1972 the east slopes of the Rockies had more snow than this year but only those rivers which received heavy rainfall in their basins had significant floods.

Because heavy rain over a short period is required for these rivers to flood, they can rise to flood stage within 24 hours. Consequently, the flood warning on these can only be of a short range.

The department's flow forecasting section is continuously monitoring the situation and will issue flood forecasts and advisories whenever necessary.

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Department of the Solicitor General

MISS HUNLEY:

Mr. Speaker, about one year ago, this government began to take a hard look at the problem caused by drivers impaired by alcohol: the accidents, the grief, the tragedy that result when people attempt to drive when their judgment and reflexes are impaired by alcohol.

Unfortunately, society still condones the drinking driver, or at least forgives him. But attitudes can change, and we believed that our citizens were not ready to accept 350 annual alcohol-related highway deaths as "normal". We felt an obligation to seek ways to reduce that terrible toll.

We recognized attitude toward drinking and driving as both the root and solution to the problem.

Our first step was to gauge public attitude toward the drinking-driver problem before the commencement of a campaign. We then instituted follow-up surveys to measure the effectiveness of the program. A professional opinion research firm was engaged for this purpose.

The results of the final survey have been received and I submit the following statistics for your consideration.

Over nine in ten respondents had a positive reaction to the Check Stop Program.

Eighty-five per cent support continuation of the program on a year-round basis, as opposed to just holidays.

Ninety-six per cent agree that Check Stop is a good thing for Alberta drivers. Almost half the population still feels that not enough is being done about the drinking driver problem.

The public advocates more public education and also stresses, educate the youth.

From November 1, 1972, to March 31, 1973 - the year before Check Stop was implemented - alcohol was a factor in 54.3 per cent of accidents investigated in Alberta by the RCMP. This dropped to 38.7 per cent for the same period while Check Stop was in operation. In terms of fatal accidents, there was an overall reduction from 91 to 62 fatal accidents during the two comparison periods.

It would be presumptuous to attribute this dramatic reduction totally to Check Stop, but it would be equally presumptuous not to give at least some of the credit to our program.

When asked if the Check Stop program had changed driving habits, 72 per cent of those surveyed in March replied that it had. Asked how their driving habits had changed, a very large segment said people now think twice before mixing driving and drinking.

That represents a change in attitude. That is the sort of change we hoped the Check Stop campaign would effect. We therefore conclude that the Check Stop campaign is working very well indeed.

Finally, Mr. Speaker, the success of Check Stop clearly indicates that Albertans want improved driver attitudes, more public education, emphasis on youth education, and a reduction in the number of deaths, injuries and accidents on our roads.

MR. CLARK:

Mr. Speaker, in responding to the announcement made by the Solicitor General regarding the Check Stop program, might I say that we welcome the information the Solicitor General has made available to the Assembly. We certainly hope we would be able to get a copy of the survey that the Solicitor General has alluded to.

I'm sure that members, wherever they may sit in the Assembly, agree that there is a need for greater educational effort in the field of drinking and driving. I think it's significant also that over half the population indicated that they felt we are still not doing enough in addition to the emphasis in the field of education.

Might I just once again emphasize the point made by a number of members on this side of the House at the end of last week when we were discussing the Attorney General's estimates, that a significant number of people, I believe, still feel there is an area for still stiffer penalties in dealing with some people in the field of drinking and driving.

I commend the government for their efforts in this area. But let me say that I would take the government's effort in the area of the Check Stop program a great deal more genuinely had it not been that at the same time they started the Check Stop program the same government approved the advertising of liquor, beer and wines on television.

Department of Highways and Transport

MR. COPITHORNE:

Mr. Speaker, my distinguished and attractive colleague the Solicitor General has said that many Albertans, particularly young Albertans, have requested that more driver education be available. In particular, education that would help a driver avoid accidents has been requested. This is one of the great benefits that our Alberta Check Stop program has given us. It has helped a great many Albertans become more aware of the seriousness of automobile accidents.

Today I am pleased to announce a further step, a step which, in part, meets the public request for more education for young drivers. The Department of Highways and Transport is ready to proceed with a new driver training incentive plan which will commence July 1, 1974.

The new course will set minimum standards for all driver training within the province. It provides for a comprehensive 20 hour course, 10 hours in the classroom and 10 hours behind the wheel. It also includes instruction on the effects of alcohol and drugs on driving skills.

Mr. Speaker, this course is based on a new driver training manual developed by the Department of Highways and Transport. The student textbook we have adopted is called "How to Drive" and it was published this spring by the Canadian Automobile Association. I am filing copies of both these books in the Legislature library.

We have received much cooperation in developing this course. Staff in my department have received advice and assistance from: the Alberta Motor Association, the commercial driver training schools throughout Alberta, the Alberta Insurance Agents Association, the Canadian Underwriters Association, the Insurance Bureau of Canada and the Alberta Safety Council.

In addition, government departments involved were: the Department of Education, the Department of Advanced Education, the Department of Consumer Affairs and, of course, the Department of Highways and Transport.

Training of first-time drivers, usually under 24, will be given priority during the initial stages of the program.

We intend that this program will provide [an] improved level of driver education, available throughout Alberta. In addition, we want to ensure that all Albertans, not just those in our large cities, have ready access to good driving instruction.

We hope the private sector will provide the facilities and the instructors. The private driver training schools have told us they can adjust and expand to meet the anticipated increased demand.

Each year approximately 70,000 new drivers take to Alberta roads. We hope that eventually every new driver will have completed the approved new driver training course that we have today.

The department will issue a certificate of driving proficiency to each person who passes the course.

The school boards with existing or planned Driver Education 10 courses can and should continue with their programs. It is our plan to cooperate fully with them.

It is our sincere hope that by making quality driver training available throughout the province, we can offer a positive influence on the driving records and driving skills of new drivers. We particularly want to help those under the age of 25 where our highest accident and mortality rate exists.

Thank you, Mr. Speaker.

MR. CLARK:

Mr. Speaker, in commenting on the announcement made by the Minister of Highways and Transport, simply let me say that we welcome the announcement made by the minister. We

hope that it will genuinely be a positive step in the right direction. We certainly welcome the private sector involvement in this program.

I might just conclude, Mr. Speaker, by saying that the announcement the Minister of Highways and Transport has made today is very much in keeping with the amendment to a motion my colleague from Calgary Mountain View has made in the Assembly, in which he urged the government to ensure the opportunity for every eligible person in the province of Alberta to take a driver education course. We welcome this move in this direction.

Department of Consumer Affairs

MR. DOWLING:

Mr. Speaker, the new plan to encourage driver training and to increase the availability of driver training throughout the province is a positive move and certainly in keeping with the proposal made by the insurance industry and by the public in general.

As of March 1, 1974, as a result of this government's initiatives, all new drivers who completed the approved driver training course received a 40 per cent reduction in auto insurance rates. This reduction applies to the compulsory portion of automobile insurance - that is, public liability and property damage coverage.

The insurance industry of Alberta is to be congratulated for indicating its willingness to extend these premium reductions to all those who have completed the approved driver training course. For the new driver, the saving in dollars is significant and more than offsets the initial training cost.

The rates for the compulsory portion of automobile insurance vary by region and with the insuring company. However, let us look at a specific example.

Let us take a 16 year old male, principal operator, in Calgary or in Edmonton. Without approved driver training, his premium as a new driver is approximately \$325. After one year of driving, accident free, his premium becomes approximately \$260. After two year's driving record, accident free, the premium becomes about \$227, and with a three year accident free driving record, his premium will be approximately \$195.

Compare this with the rates effected by this new program. That same 16 year old male driver who successfully completes the driver training program and receives his certificate will automatically be given a three year accident free status. In this case, at present rates, that is a premium of \$195, or a saving of 40 per cent. This is just one illustration, Mr. Speaker. Keep in mind the driver training discount of 40 per cent is available for all new drivers, regardless of age.

This substantially reduced insurance rate should provide a great incentive to all new drivers to seek approved driver training. Nevertheless, we must realize it means little unless we can reduce accidents and, therefore, reduce costs. After all, Mr. Speaker, insurance rates are based on the number of accidents, and the cost of those accidents. If accidents increase in frequency and severity, so likewise will costs.

In summary this new three-way program involves:

1. an extension of the best concepts of the Check Stop program;
2. a new boost to driver training all over Alberta;
3. substantial dollar premium reductions for all new drivers.

Most important, Mr. Speaker, this program will provide added protection to all who travel our highways, improve the attitude and skills of thousands of new drivers and effect major cost savings.

ORAL QUESTION PERIOD

Judicial Investigation - Civic Officials

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Attorney General. It's really a follow up to the question my colleague from Calgary Millican asked earlier during the

week, regarding the request from the City of Edmonton for a judicial investigation into certain allegations surrounding elected officials in the city of Edmonton. Is the minister in a position to indicate to us when such an inquiry will get going?

MR. LEITCH:

Yes, Mr. Speaker. This morning I received a resolution which was passed last night by the council of the City of Edmonton, requesting me to appoint a judge to conduct an inquiry within the terms of reference approved by council, in that resolution. I anticipate complying with the city's request in the immediate future.

MR. CLARK:

A supplementary question to the Attorney General, just for clarification. I assume, from the Attorney General's answer, that he is going to make the appointment and use the terms of reference which were approved by Edmonton City Council last evening?

AN HON. MEMBER:

That's what he said.

MR. LEITCH:

Mr. Speaker, the request is for me to appoint a judge as a commissioner. The provisions of The Municipal Government Act provide four of them to make that request, setting out the terms of reference with respect to the matters the city wishes investigated. We expect the inquiry will proceed in accordance with the terms of reference approved by the city council.

MR. DEPUTY SPEAKER:

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

Licensed Mechanics - Motorcycle Shops

MR. LUDWIG:

Mr. Speaker, my question is either to the Minister of Manpower and Labour or perhaps the hon. Minister of Consumer Affairs. It deals with the requirement of having a licensed mechanic in service stations that set themselves out as inviting automobiles for repairs - they provide repair services. Is the same requirement in force with regard to shops which set themselves out as repair shops for motorcycles?

DR. HOHOL:

I will probably, Mr. Speaker, have to check that particular detail. I know that a shop that sets itself up through a license to provide service has to provide it at a particular level of performance. I would have to check that particular level. I would speculate that the answer is yes, but I'll check it out.

MR. LUDWIG:

Mr. Speaker, could the hon. minister advise if there are any problems in the enforcing of the requirement, that a licensed mechanic be available at all service stations which repair automobiles?

DR. HOHOL:

No, not particularly, Mr. Speaker. It is done in two ways: first, by periodic reviews and visits by our inspectional staff to sites and shops; and secondly, by complaint with respect to lack of performance that a person feels he ought to have had for the money he paid for that particular service.

MR. LUDWIG:

Mr. Speaker, a supplementary to the hon. minister. Would he advise this Legislature at the earliest possible date what steps he will be taking to ensure that qualified licensed mechanics are available in those shops which repair motorbikes?

DR. HOHOL:

If I understood the question correctly, what steps government would take to ensure that there are qualified people? I think it's more the other way. Usually, if a shop in this particular enterprise requires a qualified person and he isn't, [qualified] he can't

perform, rather than our seeing to it directly that these shops have them. If that's the intent of the hon. member's question, I would accept it in that way.

MR. LUDWIG:

Mr. Speaker, just to explain to the hon. minister, I base that question on the assumption that at the present time motorbike shops do not have to have a licensed mechanic. I believe that's reliable information.

#### Campsites

MR. APPLEBY:

Thank you, Mr. Speaker, I have a question for the hon. Minister of Highways and Transport. Does the highways department have any plans to close out their roadside campsites and turn this type of service over to private industry?

MR. COPITHORNE:

Mr. Speaker, there was a representation made to the department by the private owners of campsites to do this. There is no intention whatsoever by the Department of Highways and Transport to close out our campsites.

MR. APPLEBY:

A supplementary, Mr. Speaker. Does the highways department plan to continue setting up campsites as the primary highway system expands?

MR. COPITHORNE:

Mr. Speaker, there will be some additional sites set up from time to time as the highway system is expanded.

MR. APPLEBY:

A final supplementary, Mr. Speaker, to the hon. Minister of Lands and Forests. Does the Department of Lands and Forests expect to continue maintaining their public campsites in the forested areas and are there any plans for expanding such facilities?

DR. WAERACK:

Mr. Speaker, I'm very happy to say that there are no plans whatsoever to turn these forest recreation areas over to anyone other than the government to operate. Also, I'm very pleased to respond that we have a substantial expansion of these campsites in the fiscal year 1974-75.

MR. FUSTE:

A supplementary question to the Minister of Highways and Transport. Is any consideration being given to enlarging some of the highway campsites? I'm thinking particularly of the one at the junction of Highways 14 and 21.

MR. COPITHORNE:

Mr. Speaker, we do from time to time enlarge some of the highway campsites that are inadequate.

MR. DEPUTY SPEAKER:

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

#### Municipal Elections - Campaign Contributions

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Municipal Affairs, in light of the controversy which has led up to the resolution last night by the City of Edmonton requesting an inquiry. My question to the minister is: is the government now giving any active consideration to the proposal to change The Municipal Act so that candidates for local office would be forced by law to disclose the source of all campaign contributions?

MR. RUSSELL:

Mr. Speaker, I think perhaps there is a misunderstanding on the hon. member's part of amendments brought to that Act from time to time. The majority of the amendments to the Act result from requests from the municipalities, usually through their municipal government associations. Presumably, if this is an issue or a current topic, the delegates would discuss it and bring a resolution to the government following their convention.

MR. NOTLEY:

Mr. Speaker, a supplementary question for clarification. I take it then that the government is not contemplating any move in this area unless it is so requested by either one of the two local government associations in the province?

MR. RUSSELL:

That's correct, Mr. Speaker. There has been no request made to us to date with respect to that matter, either from elected councillors or private citizens. Presumably the initiative would come from that source.

MR. NOTLEY:

A further supplementary question to the hon. minister, Mr. Speaker. Has the minister had an opportunity to discuss with the Mayor of the City of Edmonton his contention that there should be limits placed on the amount of money candidates can spend in local government elections?

MR. RUSSELL:

Not that specific opinion, Mr. Speaker. Of course, the hon. member realizes that a variety of mayors have a variety of opinions. It's impossible to discuss all of them with all of them.

MR. DEPUTY SPEAKER:

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

'Disguised' Resource Taxes

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. Provincial Treasurer. It's regarding the statements made last Monday by the Hon. John Turner, Federal Minister of Finance, that the provinces, including Alberta, have all sorts of 'disguised' taxes which are undercutting the federal government's tax base.

My question to the hon. minister, Mr. Speaker, is this: has the Hon. John Turner, or any federal government official, brought their concerns to the attention of the provincial government? And if not, does the government plan to ask the federal government to name these so-called 'disguised' provincial taxes that they are so concerned about?

MR. MINIELY:

Mr. Speaker, I think, of course, a lot of statements are made during the heat of an election campaign. But I think that ...

AN HON. MEMBER:

Correct.

AN HON. MEMBER:

You should know.

MR. MINIELY:

... I would like to say that it is unfortunate that Mr. Turner and the federal government do not appreciate the distinction between a royalty payment for the value of the ownership of a resource and taxation which is based on income. In my view, there is a very clear and definite distinction. To equate royalties, representing the value for a depleting resource, with general taxes which are based on income, is clearly, I think, a very major error in principle. However, I haven't seen the particular statement by the Minister of Finance but would say that if that is the case, I certainly do not agree with him.



I'm aware, through informal discussions in the past of officials of the Department of Finance in Ottawa, that they have seen the insistence of provinces, which own the resources on behalf of citizens of a province, to ensure that fair value is received. Unfortunately, many of the officials in the Department of Finance in Ottawa see that as taxation. We do not agree with them. We have told them consistently we do not agree with them. In principle, that's where we're at. But I clearly don't agree with that kind of attitude on the part of either the officials or whichever government may represent the federal government.

MR. DIXON:

I'd like to ask the hon. minister, Mr. Speaker, a supplementary question. Has the federal government ever indicated to the provincial government, since the royalty increase, that the royalties are excessive according to their calculations?

MR. MINIELY:

Mr. Speaker, not to my knowledge. Of course, there were several discussions going on between Ottawa and Alberta at the time that new crude oil prices were being undertaken.

I think the answer to that question is basically that there has been no indication to us, formally or otherwise, that they felt that way.

We must remember, of course, that it's not just Alberta's royalty system. It's Saskatchewan's royalty system, in particular, that would be of concern.

I just must repeat again that it's unfortunate, in my view, that people in the Department of Finance, at the official level, do not recognize the distinction. I say again, in my view it is a very clear distinction. It's a matter of achieving a balance between what the value of that resource is, which is paid by royalty, and then taxing income. I think all hon. members will agree with me that there definitely is a very clear distinction between those two things.

MR. DIXON:

A final supplementary then. In view of what the hon. minister has said, would it be the government's plan now to ask the federal government if they do feel that this is a tax; if they are going to consider this as a tax when they use the yardstick as far as our income, so this agreement they have with the have-not provinces will make it closer to what it should be? As I understand it, they use it as a yardstick that we have income, yet now they are arguing it is a tax.

MR. MINIELY:

Mr. Speaker, I was happy to comment on the general view of the distinction between a royalty and a tax. But I hope to comment only on the basis of a general view and not on the basis of a proposed federal budget, or the position of a federal government, whichever one that might be, on July 8. I think that question is academic.

Certainly, whoever forms the government, any concerns we have relative to their budgetary policies as they intend carrying them out, we will certainly be bringing to their attention.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Provincial Treasurer. Has the government received any representation from Ottawa that the abatement to the province would, in fact, give more elbow room to the province in reducing the supplementary royalty? Have we received any suggestion to that effect from any Ottawa officials?

MR. MINIELY:

No, we have received no definite indication of that. I know in terms of the proposed federal budget, which again I must say is academic at this stage, that one of the things that has historically built up in Canada is, as an example, that some provinces have for years used a mining tax as opposed to a royalty payment. Other provinces have chosen a royalty payment. So the Minister of Finance for the federal government has been trying, I guess, to achieve some balance depending on the systems of individual provinces.

The answer is no.

MR. DEPUTY SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Drumheller.

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Oil and Gas Exploration

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Mines and Minerals. Has the government any form of polling or monitoring system in existence to determine the current extent of private sector budget reductions for oil and gas exploration in Alberta?

MR. DICKIE:

Mr. Speaker, there is no formal way that we can receive facts and figures dealing with the budgets of companies. We have asked them on occasion if they would give us the budget, say for 1974, and some of the companies have complied. Others have not.

In this particular situation, as a result of certain recent public statements, we have been making some inquiries. Again, that isn't on a specific company basis, it's to a number of companies that we might feel are concerned and would be available to give us information.

MR. WILSON:

A supplementary, Mr. Speaker. Will the hon. minister be making the results of these inquiries public or tabling them in the Legislature?

MR. DICKIE:

Mr. Speaker, I think it's rather difficult to answer that question because it has been a problem from our point of view to try to really correlate all the information with the figures we have and to come to some conclusions from them. From that point of view I think it would be difficult to make a statement at this time.

However, if some of the statistical information we do have is very meaningful and indicates certain effects on the petroleum industry, we'd be pleased to make that information available.

MR. WILSON:

A supplementary, Mr. Speaker. Has the government any system in existence to determine the extent of the current exodus of oil and gas professional, technical and other employees from Alberta?

MR. DICKIE:

Mr. Speaker, again that's a rather difficult question, when you say a "system". There is no system. Certainly the Premier and myself have been meeting with representatives of the petroleum industry, that includes the IPAC organization, the CPA and the Drilling Contractors Association. Each of those organizations receives certain information and that is passed on to us. We do, in that way, have, I would say, a monitoring of the events that are occurring.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. As a result of the meetings you just outlined and the monitoring you have been doing, do you have a feel for the percentage, say, or numbers of employees who have left the province this year?

MR. DICKIE:

Mr. Speaker, I might say I met with representatives of the Drilling Contractors Association on Monday and of course we noted that in Saskatchewan there is only one drilling rig operating there. We asked them about the figures for drilling and they indicated to us that out of some 337 rigs, some 7 of those have left western Canada.

MR. DEPUTY SPEAKER:

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

New Driver Training Program

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of Highways and Transport. With reference to the course for new drivers that was announced today, which

is a very excellent course of 20 hours, has the hon. minister any estimate of the cost of this to the driver when put on by the private sector?

MR. COPITHORNE:

Mr. Speaker, the cost has been discussed with the driving schools. It looks like the cost could go as high as \$100, but with the significant savings on insurance, it makes it a very attractive course.

MR. TAYLOR:

A supplementary. Will the same standard course be offered in any of our high schools?

MR. COPITHORNE:

Yes, Mr. Speaker, it will be.

MR. TAYLOR:

One further supplementary. Has the department made provision to follow through the record of these people taking the driving course in order to pinpoint the benefits in years ahead?

MR. COPITHORNE:

Yes, Mr. Speaker. That's an excellent question and I am very happy to answer that. We are putting it on a computer on a five-year program. At the end of five years we will be able to have a very definite pattern of the success of the course, if it is doing what we think it will do.

MR. CLARK:

Mr. Speaker, a supplementary question to the Minister of Highways and Transport on the same topic. I would ask the minister if the Department of Highways and Transport, or any other government department, plans some financial assistance to rural school boards in the province especially, keeping in mind the cost which the minister outlined at perhaps \$100 per pupil?

MR. COPITHORNE:

Mr. Speaker, at this time we are not planning on supplementing the course, but it's a new concept, it's a new course and we want to try it for a while and see how it is accepted.

MR. CLARK:

A further supplementary question to the minister. Will there be any special assistance available either through your department or other governmental departments, for those students 16 years of age and over who simply can't acquire the \$100 to pay for the course?

MR. COPITHORNE:

Mr. Speaker, as I have stated before, the hon. Minister of Consumer Affairs has, through his negotiations with the insurance companies, made a very substantial and significant saving in insurance rates which makes the course a very attractive package.

MR. CLARK:

A further supplementary to the minister. Is any assistance available for students who find themselves in that category?

MR. COPITHORNE:

Mr. Speaker, the answer is no.

MR. GRUENWALD:

A supplementary, Mr. Speaker, to the minister. Is it the intention in the long range to make this course compulsory - for new drivers, of course?

MR. COPITHORNE:

Mr. Speaker, this government is not one to make situations compulsory.

MR. DRAIN:

Mr. Speaker, supplementary on the same subject to the Minister of Consumer Affairs. The question is, does this insurance reduction apply to those young people who have already taken driving instruction at schools and so on?

MR. DOWLING:

Yes, Mr. Speaker. If, for example, a one year driver now has a clear record, accident free, and takes the prescribed course or can integrate a portion of that into what he already has had in training, he will receive the credit as a one year clear driver rather than as coming in cold with no experience. The saving won't be as much, but it will be continued over the second and third years. What happens in effect is that for the first year the person taking a driver training course will realize a 40 per cent reduction; for the second year, a 30 per cent reduction; and for the third year, a 20 per cent reduction. So, in fact, his premium from year zero to year four is exactly the same all the way through.

MR. MOORE:

Supplementary, Mr. Speaker, to the Minister of Highways and Transport. What is the incentive referred to in the program with respect to encouraging the private sector to move into the rural areas to provide driver education?

MR. COPITHORNE:

Mr. Speaker, the incentive is actually an increase in rates and the reduction of insurance rates. In that way, because driving schools are able to charge a higher rate and give their trainees a reduction in insurance rates, it is an incentive program.

MR. MOORE:

Supplementary, Mr. Speaker, very briefly. Does the program require the private sector to have the same fee across the province, whether it be in rural or urban areas?

MR. COPITHORNE:

Mr. Speaker, that has been discussed with the driving schools and it is a kind of mutual agreement at this time that their courses will not exceed \$100.

DR. BOUVIER:

Supplementary ...

MR. DEPUTY SPEAKER:

May this be the last supplementary on this subject.

DR. BOUVIER:

It's the last one I'm going to ask.

Mr. Speaker, for clarification, does this \$100 which is visualized include the cost of the vehicle and the cost to operate the vehicle during the course?

MR. COPITHORNE:

Yes, Mr. Speaker, it includes the complete training course.

MR. DEPUTY SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Sedgewick-Coronation.

#### Impaired Driving Convictions - Statistics

MR. LUDWIG:

Mr. Speaker, my question is for the hon. Solicitor General. Would she be kind enough to provide us with figures of impaired driving convictions, say, during the last two years, on a month to month basis to indicate whether there is, in fact, any decline in the number of charges laid as a result perhaps of any programs which the government instituted.

MR. HYNDMAN:

Order Paper.

MISS HUNLEY:

I think the hon. member should put that on the Order Paper, Mr. Speaker, and I'd be glad to oblige.

MR. LUDWIG:

Mr. Speaker, I would be glad to do that. But did the minister take this factor into account when she did her studies of the program?

SOME HON. MEMBERS:

Order Paper.

MR. DEPUTY SPEAKER:

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

#### Labour Shortage

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Manpower and Labour. In light of reports suggesting a shortage of skilled labour in the province, is the hon. minister considering any scheme in which the Government of Alberta would assist in the relocation of skilled personnel from other parts of the country?

DR. HOHCL:

Mr. Speaker, the question is right at the heart of policy matters for which we have not concluded any position for government at this time. Certainly we are discussing it.

I should be fair and say that my own predisposition would not be supportive of a relocation concept or practice, for several reasons. I think the whole matter of employment, underemployment, shortages, downfalls, trends, peaks and so on has to be looked at in a total way. We are working at this. We will give information to the House. I will be tabling some reports.

But the matter of immigration, I think, is what the hon. member is asking about. It is one of those considerations. It's not one that is going to be capable of anticipation that it would be a long-term response to the needs of manpower in this province.

MR. SORENSON:

Supplementary, Mr. Speaker, to the Minister of Education. Could the hon. minister inform the Assembly whether any major expansions will be taking place in the institutes of technology in the near future, to improve the projected shortages of skilled [labour]?

MR. FCSTER:

Mr. Speaker, the Minister of Advanced Education is responsible for this, not the Minister of Education.

We have indicated an upper limit of approximately 8,000 full-time students for both NAIT and SAIT as a maximum on campus. We believe that maximum, together with the capability of the other post-secondary institutions in the province, provides us with enough physical plant to adequately prepare the kind of manpower the hon. member was referring to, to provide for the needs of this province into the early 1980s.

Beyond that, we are talking about, as I indicated during my estimates, the possible expansion of the technical capacity of certain of our public colleges, which as you know are geographically spread quite well around this province.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the Minister of Manpower and Labour. I would ask him whether or not he can advise the Assembly what progress is being made with the particular question of involving Natives in the various manpower training programs and

preparing them for the oil sands development? Not just the education aspects, but perhaps even some of the on-the-job problems such as unionization, or what have you.

DR. HOCHL:

Mr. Speaker, I think the question is very much in the context of the prior question from the hon. member. The programs are going to be generally geared in a way that might be summarized as follows:

Certainly in the place of the enterprise itself, or local labour if you wish - and that includes very much the Native people - I want to emphasize as strongly as I can that every possible opportunity for everybody is going to be made by the government, industry and by labour. I think that's the important thing, that the opportunities be developed. Then other things follow.

I should like to, in a more specific way, and only as an example - because I would have to reach into the files, which is not what you do during the question period - but Syncrude itself has at the moment 12 ladies who are training as heavy equipment operators. Another union working with the Department of Manpower and Labour is training six heavy hauler operators on its own, as a union kind of activity. These are two examples; there are many more.

To answer in another important way, the people referred to will have complete and ready access to union membership, as anybody else would, so many days following the entry into the workshop or the work site. So every opportunity will be provided, Mr. Speaker.

MR. DEPUTY SPEAKER:

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

Suffield Block - Surface Rights

MR. WYSE:

My question, Mr. Speaker, is to the Minister of Federal and Intergovernmental Affairs. It's regarding the surface rights of the Suffield block. My question is, has the federal government turned over the surface rights of the block to the provincial government?

MR. GETTY:

No, Mr. Speaker.

MR. WYSE:

Supplementary question, at what stage are negotiations at the present time?

MR. GETTY:

Active, Mr. Speaker.

MR. WYSE:

Supplementary question, has the federal government given the provincial government any indication when it will be turned over?

MR. GETTY:

No, Mr. Speaker.

MR. WYSE:

A supplementary question then, Mr. Speaker. Has the federal government given written permission to the provincial government that the block can be fully developed through the Alberta Energy Corporation?

MR. GETTY:

No, Mr. Speaker.

New Driver Training Program (Cont.)

MR. COOPER:

Mr. Speaker, my question is directed to the Minister of Highways. Would the hon. minister tell us where the new driver training courses will be taught?

MR. COPITHORNE:

Mr. Speaker, would the hon. member repeat the last portion of his question?

MR. COOPER:

Would the hon. minister tell us where the new driver training courses will be taught?

MR. FCSTER:

All over Alberta.

MR. COPITHORNE:

Mr. Speaker, the courses will be taught all over the province of Alberta.

MR. COOPER:

A supplementary, Mr. Speaker. Does that include some of the colleges in the province, including the Vermilion College?

AN HON. MEMBER:

It's part of Alberta.

MR. COPITHORNE:

Mr. Speaker, it could be. It will probably be taught in Vermilion from time to time, and maybe continually.

MR. DEPUTY SPEAKER:

The hon. Member for Camrose followed by the hon. Member for Bow Valley.

Butane Prices

MR. STRCMBERG:

Thank you, Mr. Speaker. I have a question for the Minister of Telephones and Utilities. I was wondering if the Public Utilities Board of Alberta has fixed the price of butanes?

MR. FARRAN:

Yes, Mr. Speaker. From evidence from my hon. colleague, the Minister of Highways and Transport, and myself that the highway construction program was in jeopardy because of lack of assurance of supply of butane, the Public Utilities Board issued an interim order effective May 23, fixing the price of butane at a wholesale level, for highway construction purposes, to Cigas Products Ltd. at 7.5 cents per gallon, and fixing the retail price for this purpose from Cigas Products Ltd. at 17 cents a gallon. They have advertised that public hearings will be held in the city of Calgary on June 17 for any further representations on this interim order.

Irrigation Districts - Rehabilitation Works

MR. MANDEVILLE:

Mr. Speaker, my question is to the hon. Minister of the Environment. Has the minister worked out a formula or a method, as yet, to allocate the \$3.5 million that has been committed by the federal government for rehabilitation works within an irrigation district?

MR. YURKO:

Mr. Speaker, the \$3.5 million is identified for secondary works. We have made an estimate of the need for moneys to rehabilitate secondary works. That estimate has come out to about \$7.5 million. We haven't as yet allocated the \$3.5 million, but we are thinking and examining possible methods whereby we might be able to cover more than just \$3.5 million worth of secondary works which need to be rehabilitated.

MR. MANDEVILLE:

A supplementary question, Mr. Speaker. Will this money be available for the irrigation districts to use it this season?

MR. YURKO:

Mr. Speaker, we have identified several certain priorities. It may be that we will be releasing some of this money with respect to a number of the priorities. Some of this money is, in fact, budgeted in the budget. We can discuss this matter when my estimates are up for discussion.

MR. DEPUTY SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Wainwright.

#### Orders in Council - Legislation

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Deputy Premier. Is it the intention of the government to introduce order in council and regulation validation legislation?

DR. HORNER:

Not at this session, Mr. Speaker.

MR. WILSON:

A supplementary then, Mr. Speaker. Can we anticipate that some time before the election the government will introduce such legislation for all of their regulations and orders in council?

DR. HORNER:

The hon. member can enjoy his anticipation.

#### Drivers' Insurance Rates

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Consumer Affairs. In the reduction of income to the insurance companies because of the substantial reduction to the new driver, is there any discussion of passing that reduction on in increased rates to the older drivers?

MR. DOWLING:

Mr. Speaker, the insurance industry indicated that there would be no major problem in that regard because they felt the program would have such a positive effect relative to insurance generally, that they felt there would be no major adjustment upwards in the insurance rates for other than those taking the driver training course.

MR. DEPUTY SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Sedgewick-Coronation.



Premier's Absence

MR. LUDWIG:

Mr. Speaker, my question is with regard to a very serious matter in this province at the present time. I wonder if the government House Leader could advise if the hon. Premier is on a mission in an effort to reconcile the price and wage control differences between Jack Horner and Bob Stanfield?

[Laughter]

AN HON. MEMBER:

Irreconcilable.

MR. DEPUTY SPEAKER:

The hon. Member for Sedgewick-Coronation.

MR. LUDWIG:

Mr. Speaker, in light of the answer, I'd like to pose a supplementary. Could the hon. House Leader advise whether the Premier is trying to reconcile his own differences with these two gentlemen?

MR. DEPUTY SPEAKER:

The hon. Member for Sedgewick-Coronation.

Mandatory Paid Vacations

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Manpower and Labour. Is the hon. minister planning to introduce legislation which will make three weeks paid vacation, after one year of service, mandatory in Alberta?

DR. HOHOL:

Mr. Speaker, that would have to be placed in the context of time. Certainly we considered it seriously before we brought in amendments to The Alberta Labour Act in the spring of 1972, and finally made a different conclusion. This would be a continuing kind of consideration by this government and I don't think there's any question that at some time that will come to pass.

We do not intend to bring in additional major changes to The Alberta Labour Act this session, and not likely the fall sitting either.

MR. DEPUTY SPEAKER:

The hon. Member for St. Albert.

Indian School - St. Albert

MR. JAMISON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Health and Social Development. I was wondering if the minister can inform the Assembly to what use the Indian school in St. Albert would be put, and if it is going to be used for an alcohol and drug centre for Indians and Metis?

MR. LUDWIG:

How about a driving school ... [Inaudible] .

MR. CRAWFORD:

Mr. Speaker, for some time there's been an important program known as Poundmaker, in the alcoholism area. It is operated in the city of Edmonton. In order to upgrade the facility that will be available to that program, arrangements have recently been approved by the cabinet for the utilization of provincially-owned property at the Indian

residential school at St. Albert. As soon as renovations to the site and building can be made, the program will be transferred there.

ORDERS OF THE DAY

[Mr. Deputy Speaker left the Chair.]

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COMMITTEE OF THE WHOLE

[Mr Appleby in the Chair]

MR. DEPUTY CHAIRMAN:

The committee will now come to order.

We have under consideration Bill No. 32, The Alberta Energy Company Act, Section 24 and we have some amendments by Mr. Taylor.

Bill No. 32, The Alberta Energy Company Act (Cont.)

Section 24 (Cont.)

MR. GETTY:

Mr. Chairman, the hon. member moved an amendment to actually place in the bill the preparation of an annual report of the company, the minister would get a copy and the Assembly would have a copy tabled.

I was considering that amendment but would like to point out to the hon. member that it really isn't a necessary matter to place in the bill. This is a public company. It's separate from the government. The company must provide to every shareholder an annual report. I would hope, as a matter of fact, the hon. member would be one of them. In any event, it would be a public document and available from any investment dealer or any shareholder. Therefore, Mr. Chairman, I must advise the hon. member that there really isn't a need to put that into the act.

MR. FUSTE:

Surely, in light of it being a public document, it wouldn't hurt to have it in the act that it be tabled in this Legislature. Because certainly it's tied in with government. We have passed it here as members of the Legislature. I think for our public information, whether or not we're shareholders of the Alberta Energy Company, it would be just another safeguard to have the information here in the legislative library and for public information.

MR. GETTY:

Well, Mr. Chairman, the government, which is a shareholder, will certainly have it, and I hope the hon. member will. It's not a normal requirement of the House. As a matter of fact, the Speaker has cautioned us against tabling public documents.

MR. TAYLOR:

Mr. Chairman, I can follow the argument of the hon. minister. There's one point, however, that bothers me somewhat. There is public money in this company which puts us in a little different position from other companies. Since public money is being put into the company, I would think that the Legislature should have a report of how that public money is expended. Each one of us who subscribes - and I suppose all of us will be doing it - is entitled to a report as a shareholder.

It seems that the people of the province as a whole, whose money is going into the company, should also have a report because many of them may not be shareholders and possibly their only means of getting the information would be through the Legislature. So I would urge the hon. minister to reconsider this. It simply says that the report that's

going to be made anyway is handed to the minister and then it's going to be tabled in the Legislature.

MR. GETTY:

Mr. Chairman, the act provides that there is a minister responsible. The minister is responsible in the Legislature at all times. The Provincial Treasurer, of course, is always responsible in the Legislature when public moneys are expended. So I feel that either during the question period, or during the estimates of the minister responsible - should it be me or some other minister or the Provincial Treasurer, or in Public Accounts - any hon. member may get all the information he requires. It's just an unnecessary matter in this act.

MR. STROM:

I have a question on Section 24, but it does not deal specifically with the point that was raised.

MR. DEPUTY CHAIRMAN:

Does it deal with the amendment, Mr. Strom?

MR. STROM:

Not really. But I'd like to ask a question on Section 24 if I may.

MR. NOTLEY:

Mr. Chairman, I agree with the minister that this is probably not a life and death matter because large numbers of Albertans will be getting the annual report in any event. But largely because of that, I just really can't follow the reasons it can't be tabled in the Legislature.

We are talking about \$250 million of public money which the taxpayers of Alberta, indirectly or directly, will be putting into the Alberta Energy Company. The government will be receiving copies of the report because of the \$250 million. But in view of the fact that we're voting that money, or it's money which comes from the people of Alberta, I find it a little difficult to understand why the report couldn't be tabled in the Legislature.

Now I realize that anyone who is enterprising at all, whether he has shares or not, is certainly going to be able to acquire a copy of the report. I also realize that the minister during the course of the Legislature is going to be in a position where he's going to have to answer for the company and the ongoing activities of the company.

Certainly members of the Opposition, many of us, will probably have shares in the company and will have the annual report. But I fail to see why it's so difficult for the government to insert this clause. It would seem to me that it still maintains the principle of accountability to the Legislature. Therefore, while recognizing that it's not the most major matter we've ever dealt with in this committee, I nevertheless think it has sufficient merit that it should be included.

Perhaps the old saying that it won't help, but on the other hand, Mr. Chairman, it certainly won't hurt to have this amendment in.

[The amendments were lost.]

#### Section 24 (Cont.)

MR. STROM:

Mr. Chairman, continuing with Section 24(3), "So far as it is in the public interest to do so, ...". What does it really mean?

MR. GETTY:

Well, Mr. Chairman, the public interest is something that the government of Alberta and all members must always be alert to. The minister is charged - in this broad way because there may be some time when the 50-50 ownership by the government and the public might get out of whack - that the minister should always try to maintain it at 50 per cent.

MR. STRCM:

Well, Mr. Chairman, I'm assuming then that the minister has determined that it is in the public interest to have 50 per cent now.

I ask the second question. On what basis did you make that decision?

MR. GETTY:

It was strictly a government judgment decision, Mr. Chairman, and it may well be, as one of the hon. members tried to urge an amendment last night, that there will be some time when the public interest indicates that this legislation should be amended. At this time, we feel it's in the public interest that the ownership of the company reside always in Alberta, in the hands of Albertans through their government.

Section 4 (Cont.)

MR. GETTY:

Mr. Chairman, last night I was unable to agree to an amendment, by one of the hon. members, having to do with changing Section 4. As I pointed out to the hon. member it was just a matter of flexibility that we felt should, in fact, remain with the company and not to change Section 4. Therefore we held it while I considered. I thought I had a suggestion to the House that I would like to check into.

I felt, Mr. Chairman, there was some validity in what the hon. member was expressing - the hon. Member for Cardston - having to do with the offering of shares to the public. I point out to him that we didn't want to restrict the company. For instance, it may want to issue non-voting preferred shares. There are other times when common shares might be issued by the company. For instance, many executive compensation plans these days, in fact, entail the issuance of common shares to the executives of companies as part of their total executive compensation plan.

Nevertheless, I suggested to the committee that I might like to try to work in the words "common shares". Having spent some time considering that, and with counsel advice, I would like to suggest an amendment to Section 4 that is presently being held. The amendment is as follows:

The Company shall on any offering of any of its common shares to the public at large, offer such common shares in preference or priority to residents of Alberta.

We have built in then, Mr. Chairman, the "shall" which reflects the government's policy statement, but also attempted to balance the flexibility that we feel the company needs to have in its operations in the future.

MR. DEPUTY CHAIRMAN:

Question? Is it agreed on Section 24?

MR. CLARK:

Mr. Chairman, could we wait until we get a copy of the amendment?

MR. DEPUTY CHAIRMAN:

Oh. We're going back to Section 4 now. Fine.

MR. CLARK:

Section 4.

MR. GETTY:

Mr. Chairman, when we adjourned last night two amendments had been placed before me. One was the one on Section 4 that I agreed to hold while I considered, and the other was the one we just recently disposed of, with the hon. Member for Drumheller.

MR. DEPUTY CHAIRMAN:

Well, that has no effect on Section 24. Could we get 'finalization' agreed on Section 24 then?

MR. TAYLOR:

Are we going back to Section 24, or are you going to deal with Section 4?

MR. DEPUTY CHAIRMAN:

You wanted to speak on Section 24 yet?

MR. TAYLOR:

Yes.

MR. DEPUTY CHAIRMAN:

All right. Well, we'll deal with Section 4 then.

HON. MEMBERS:

Question, question.

MR. DEPUTY CHAIRMAN:

We have the amendment to Section 4 then. It will read:

The Company shall, on any offering of any of its common shares to the public at large, offer such common shares in preference or priority to residents of Alberta.

This is an amendment. Are you agreed?

HON. MEMBERS:

Agreed.

Section 24 (Cont.)

MR. TAYLOR:

Mr. Chairman, possibly the next one will be an effort in futility because it appears that if the government is not prepared to have its annual report tabled in the Legislature, there is an effort being made to divorce the company from the Legislature to some degree.

However, I think it's rather important that in any new company there is often an attempt to spend pretty large sums of money on capital expenditures. Consequently I would move that 24(2) be inserted after 24(1) in the following words:

The Company shall not contract for any capital expenditure, the cost of which exceeds 10 per cent of its authorized share capital, unless the Legislature has, by prior resolution, approved the expenditure.

What I would like to see would be some marriage or connection between the company and the Legislature and not have them completely divorced as separate entities.

I think the fact that there is some public money there gives some responsibility to members of the Legislature in connection with that company, even though it's going to be operated by a board of directors and even though it is responsible to the shareholders of that company. One of the shareholders is certainly the people of Alberta, many of whom will not have shares of their own, but they do have shares as Albertans. Some of their money is in the company. So I would move 24(2) as I just outlined. I sent a copy of it to you last night.

MR. GETTY:

Mr. Chairman, that amendment was sent to me last night by the hon. member. I would only have to repeat the point he made himself that this company would like to operate outside of overly direct control by the government. We would like it to have as much flexibility as possible, and therefore, since this amendment does, in fact, limit that flexibility, I can only advise the hon. member that we cannot agree to that amendment.

[The amendment was lost.]

Section 4 (Cont.)

MR. CLARK:

Mr. Chairman, I wonder if you could just give us a status report as to where we stand as far as Section 4 is concerned. We've approved an amendment, the amendment Mr. Getty made, but the hon. Member for Cardston, Mr. Hinman, moved a series of amendments as far as Section 4 is concerned ...

DR. HORNER:

They were voted down.

MR. CLARK:

No, they were held last night.

DR. HORNER:

We voted them down.

MR. CLARK:

No, they were held last night, Section 4 was.

AN HON. MEMBER:

They were held.

MR. CLARK:

Much as I would like to see them passed, I think we should at least dispose of them, either pass them or not pass them.

DR. HORNER:

Mr. Chairman, I thought we had voted them down last night. Perhaps we could check and see.

DR. BOUVIER:

If we didn't last night, we can do it now.

MR. STROM:

On a point of order. How could we be discussing one section of it now if they were all turned down? They were held by the minister because he wanted to give consideration to this word "shall".

DR. HORNER:

No. The clause was held because the hon. minister said he would give consideration to making some change in regard to the "may" or "shall" proposition. But the total amendment the hon. Member for Cardston had moved was voted on, and my recollection is it was voted down. But the clause was held pending the minister's promise to have a look at it. I think that's the sequence of events, but surely Hansard could ...

MR. DEPUTY CHAIRMAN:

We will get the copy and see where we are on Section 4, as the hon. Opposition House Leader has requested. Until we get that, I think if we hold Section 4 we can continue.

SOME HON. MEMBERS:

Agreed.

MR. DEPUTY CHAIRMAN:

Are we agreed on Section 24?

[Section 24 was agreed to.]

Section 25

MR. FRENCH:

Mr. Chairman, on Section 25, I am wondering if it would be necessary to have an amendment to The Legislative Assembly Act by which members of the Legislature would be able to buy shares. Has that been checked in view of the fact that the government is putting money into the fund?

MR. GETTY:

Yes, Mr. Chairman, it is my advice from the Legislative Counsel that is no amendment is necessary. Hon. members are all eligible to purchase and hold shares of this company.

[Section 25 was agreed to.]

Section 26

MR. CLARK:

Mr. Chairman, I would like to propose an amendment really dealing with Sections 26 and 27. Section 26(1) and (3) and Section 27 deal with basically the same points the Member for Cardston raised last night, the question of 1 per cent spelled out as the maximum amount any individual or organization can hold of the total number of issued and outstanding voting shares. This deals with the point raised earlier during second reading that when we put the percentage of 1 per cent in the bill, we are, in fact, getting to the point where, I suppose, if the thing went to extremes, you could have 50, 60 or 80 different individuals or organizations holding virtually all shares in the province over a period of time. What the amendment really does is, wherever "1 per cent" appears in Sections 26 and 27, that becomes "5,000 voting shares".

While we are waiting for the amendment to be passed around, Mr. Chairman, what this would do is guarantee that no individual or organization in the province, at the outset, would be able to hold more than 5,000 shares. I think this would go some distance towards, once again, seeing that these shares are, in fact, held by the rank and file Albertans which, despite some of the differences of opinion we may have had with the minister, hopefully is the basic objective of the bill.

MR. GETTY:

Mr. Chairman, we have had even some discussion on this kind of thing, I think in second reading of the bill. Frankly, it's again a judgment decision with a new kind of concept. The government considered a variety of levels of any one individual or company being able to hold shares. But in keeping with the government's desire to have as few restrictions as possible on the shares reaching their true value in the market and therefore of reflecting their true assets in the hands, we hope, of Albertans, we felt that 1 per cent as a starting point was the right judgment figure.

We were mindful of the fact that with banks it is 10 per cent. With the Canada Development Corporation, I think in their judgment 3 per cent is sufficient. We have gone for the 1 per cent. The 5,000 I am certain would be a restrictive feature. Therefore I must recommend to the House that we do not approve this amendment.

MR. CLARK:

Mr. Chairman, just one last comment, obviously before the government votes the amendment down. I think when we are talking about this being a restrictive feature, it should be pointed out that this is a restrictive feature in favour of Mr. and Mrs. Average Albertan. In the long run, I think this would be a real step in the right direction as far as making it possible over a period of time for a sizeable number of Albertans to continue to hold shares. If we don't go some route like this, Mr. Chairman, we are going to end up in a situation where various trust companies, insurance companies and so on are going to hold the 1 per cents. That isn't, in my judgment anyway, in the best interests of the Alberta Energy Company or of the citizens of the province.

MR. GETTY:

Mr. Chairman, there is just one thing I would like to say in reply to that. First of all, the hon. member really is downgrading the ability of Albertans to appreciate the value of a company they, I hope, will be purchasing shares in and that they won't, in fact, merely be running out of the shares and letting them go to other people.

One other thing, Mr. Chairman. While it may on the surface appear to be a benefit to Mr. and Mrs. Average Albertan, in fact in the investment market as we know it today, there are many times when the small shareholder is not in the market or does not have a sufficient impact in the market to maintain the shares at a true value. In fact without, in some cases, companies being in the market which find the investments attractive, the shares would be completely devaluated and many Albertans would, I think, lose hope in the shares and sell them. As equal an argument can be made that this would hurt Mr. and Mrs. average Albertan.

So it's a judgment factor. We have started at the 1 per cent, and it is, in our minds, the right figure. Therefore I must caution the members against putting these kinds of restrictions that could do just as much harm as good, and possibly more, although their intentions are good.

MR. HINMAN:

Mr. Chairman, I just can't follow this kind of reasoning that it will affect the market materially. What I am worrying about is that when you have a little experience in the market, you find that your brokers will have a whole list of people who apply for any number of shares. They have open accounts with the brokers. Whenever these shares come, and they are going to come in small dribbles, they are just dished out by the broker to customers who have constant applications. The result is, they get into the hands of the investment buyer and the little buyer, who might be perfectly anxious to get them, hasn't a clue they are being offered. Nobody is ever going to persuade me that this is going to affect the value of these shares materially.

I think if your object is to get them in the hands of Albertans, you ought to have an equal concern about keeping them there. If you say 5,000 shares, you're still going to have a lot of people interested. You are going to have a lot of little companies, a lot of little governments and school boards - anybody else can buy these according to the definitions we have - perpetually looking for them. I think the minister has just been brainwashed by the brokers.

MR. DEPUTY CHAIRMAN:

Are you ready for the question?

[The amendment was lost.]

MR. HENDERSON:

In light of the way that amendment was disposed of, I would like to propose an amendment to this section. This once again is one of these sections [whereby] the government by Executive Council can set aside legislation. It's fast becoming a feature of this particular session of the Legislature and [of] this government.

I would like to move the amendment that went into The Parks Act to Section 26. It reads as follows:

(4) A regulation under subsection 1 or subsection 3, that varies, substitutes, adds to or makes inapplicable any provision of this Act ceases to have any effect after the last day of the next ensuing session of the Legislature following the making of that regulation.

Once again, it doesn't circumvent the government using its executive powers to tinker with the percentage ownership in the voting shares. But if it's important enough to have the percentage of voting shares in the act in the first place, I think it's important enough to have any revised percentages remain in the act and be sanctioned by the Legislature in the second place. So I would accordingly move that amendment, Mr. Chairman.

[The amendment was lost.]

MR. CLARK:

Mr. Chairman, I just can't help but comment at this particular stage. Here we had an amendment put forward by the hon. Member for Wetaskiwin-Leduc which deals pretty basically with the rights, powers and prerogatives of this Assembly, and the Minister of Federal and Intergovernmental Affairs didn't even have the decency to stand up and say why he didn't think this amendment warranted the consideration of the Assembly. Frankly, I just don't think I can permit the opportunity to go past without pointing out that we don't really need this kind of example of arrogance as far as dealing with this legislation or any other legislation.

It isn't just the Alberta Energy Company. I appreciate we've presented a number of amendments and, in fairness to the minister, he has accepted one of them. But on an



amendment as basic as this one, for the minister not even to get up and give the Assembly his usual answer of flexibility - he didn't even do that. He just looked around at his colleagues and motioned for them to vote against it. It's indeed a black day.

[Interjections]

MR. GETTY:

Mr. Chairman, just to respond to the hon. member's comment on the last vote, this matter has been debated in this session during the last few months. I didn't think it was necessary, when we've expressed our opinions on it, to raise it again with the hon. members. I felt that we should merely point out that the flexibility that is here is necessary - and I've made the argument several times.

MR. CLARK:

Then you should get together with the Minister of Lands and Forests because he accepted an amendment like this just within the last two or three weeks, so be consistent.

MR. HENDERSON:

Mr. Chairman, even though the debate is taking place now that the minister has finally found his tongue, we've even got it in the notorious Bill No. 55. They put it in the lands and forests act. So the statement the minister has made has absolutely nothing to do with flexibility. It's strictly a matter of the fact that the government has decided the Executive Council basically is not going to let the Legislature have anything to say about the legislation before or after the fact. I must admit, on the basis of the performance and the attitude of the government thus far in this session and in other exercises relating to the same principle, it leads me to conclude that bringing it back in after the fact would be a completely useless exercise because they are not inclined to look at anything with an open mind.

Their definition of open government is wide open. That's the only conclusion it comes to. They are going to do it and the Legislature is a rubber stamp. The caucus makes a decision and it's an insult to expect the Executive Council to bring a bill back before the House that they have amended by executive order. I would point out to the members of the House that they can even keep the executive order secret. They don't even have to publish it in The Alberta Gazette - and then turn around and put through such an executive order, change the share ownership. I think it makes a farce of having the 1 per cent in the bill in the first place. Why bother putting it in? Why not just leave it open? Make it wide open, this is obviously what the government wants.

As I say, when they have it in Bill No. 55, in that notorious piece of legislation, I think it's going to be an academic exercise. Once they do something, hell, they are not about to second guess themselves and be objective about a re-examination of what they've done. But at least it's in there. There is some element of courtesy attached to it. The Minister of Lands and Forests agreed to put the same thing in his, I think, comparatively innocuous bill. But in a bill like this, which has clearly developed into nothing but a political gimmick - that's all it is, and that's all it's going to get labelled as, a gimmick.

When the government displays that attitude on this bill, I suggest, Mr. Chairman, it just makes a complete mockery of the complete exercise in the Legislature. We might just as well let the Executive Council write all the statutes and be done with it, and save the taxpayers one whopping amount of money keeping all these rubber stamps standing in the Legislature that simply endorse government by executive decree, including the writing of legislation.

MR. BENOIT:

Mr. Chairman, I'm not sure that I'll add anything to it, but ...

SOME HCN. MEMBERS:

Agreed.

MR. BENOIT:

... I do want to add my expression of regret that this is the attitude that the government has taken on so many bills that have come before us this session. When you take Sections 10, 14 and 17 along with Sections 26 and 27, there is no way that you can say this is going to be handled by the Legislature. This gives the government complete carte blanche to go ahead and do whatever they want with just about any aspect of this bill that we want to talk about.

If this were the only one it would be one thing. But we have no less than six or seven such bills this year, and some very important bills, in which they have fixed it so the Lieutenant Governor in Council has complete authority to do whatever it wants with the bill, just about any way it wants to do it. So far as I'm concerned, the end does not justify the means that are being used. The authority of the Legislature is being ripped off completely and the whole thing is going into the hands of the Executive Council. I just wanted to express my regret that it's going this way. I surely hope that somewhere along the way we'll be able to stem this tide and bring back the normal situation where we don't make a farce of the Legislature by giving the Lieutenant Governor in Council total authority on all the important bills, and so many of them that have to do with the money of the province.

MR. NOTLEY:

Mr. Chairman, first of all I share sentiments which have been expressed here. I would just like to say that it seems to me the government would be in a much stronger position had they accepted the amendment. There is clearly no doubt that the Tories have an enormous stake in the success of the Alberta Energy Company. So, for that matter, do all Albertans.

But for the life of me, I can't understand why passing this amendment would in any way reduce the flexibility needed to operate the company. All it would do, it seems to me, is to make sure that where this act is going to be amended by order in council, it will be reported. As a matter of fact, as one of the members has pointed out, it is almost exactly the same proposal which was incorporated into Bill No. 55, which members across the aisle argued as one justifiable defence of Bill No. 55. I don't think it is a defence of Bill No. 55, but at least the argument was made.

The amendment here would just simply make sure that where changes were made in this act, where alterations were made or where it was varied in any way, it would have to be reported to the Legislature, otherwise those regulations would not exist after the next session of the Legislature. Mr. Chairman, I don't see how that is going to undercut the flexibility of the board in operating the company. What it would do, it seems to me, if anything, is strengthen the company.

It would be, I think, a serious mistake for this government to look upon the Alberta Energy Company as just something which is the preserve of the government, as opposed to the Legislature. I know it may be tempting to use this as a little goody in the next election, you know, this is our Tory energy company. But if the thing is really going to be a success, there has to be some real confidence in it by all the people and you don't, in my judgment, engender that confidence by reducing the authority of the Legislature.

Mr. Chairman, the debate so far on committee stage has - in my judgment on this side of the House anyway - recognized the need for some sort of flexibility. We have recognized that it's not a Crown corporation. It's not the same thing as AGT. I frankly wish that it would be but I'm a minority of one on that particular score. It is a company so it's not like a Crown corporation.

But that's not the point in this amendment. The point in this amendment is to make sure that where the Executive Council does vary or change an act, and we're talking about changing the 1 per cent or having the right to change the 1 per cent which is incorporated in this bill, it at least will be reported to the Legislature. Mr. Chairman, I find it impossible to fathom why the government isn't prepared to at least go that far. In my judgment, as I said before, it would strengthen the bill rather than weaken it. It would, I think, make more acceptable the whole concept of the Alberta Energy Company to all the people of Alberta.

MR. STROM:

Mr. Chairman, I used to listen with a great deal of interest to the hon. Minister of Agriculture when he sat, I believe, almost in the chair in which I am sitting now. He used to get to his feet and berate the government for having government by order in council. I just happen to have a speech of his which he made in the House on March 5, 1971 at 5:08 p.m. I even have the time.

AN HON. MEMBER:

Ghosts of Christmas past.

MR. STROM:

He says here:

We have the Director of Water Resources saying, publicly, that he as the Director of Water Resources was putting before the Cabinet a proposition that would tax water

uses. You know, Mr. Speaker, if that isn't contrary to every tenet of basic democracy I don't know what is.

AN HON. MEMBER:

Great speech.

MR. STROM:

For a civil servant to announce publicly that he's putting a program before the Executive Council - not before the Legislature - oh no, that wouldn't be proper - not before the Legislature, but before Cabinet ...

Mr. Chairman, we have here in this bill and in several other bills, as has been pointed out, just the very thing that the hon. minister when he sat on this side was so eloquently advising us we shouldn't do. But now it is perfectly acceptable to do it. I suggest that we are seeing a change of heart that I just wouldn't have expected, not even in the Deputy Premier, the Minister of Agriculture.

I wish he would lean over to his associate and give him a little bit of the advice which he gave us at that particular time. Mr. Chairman, I would like to think they do recognize the importance of the Legislature and that all we are asking is that the Legislature be recognized in a bill as important as this one.

MR. RUSTE:

Mr. Chairman, watching the minister in his silence when the amendment was made and hearing the question being asked, I couldn't help but think that here we had the ultimate in arrogance and conceit. The question was called before they had even seen the printed amendment. I suggest, Mr. Chairman, that when we get to that state of affairs in this Legislature it's a dark day.

I suggest also that ...

DR. HORNER:

Point of order, Mr. Chairman, really - the honourable gentleman is talking about himself because he had every opportunity to get up and speak to the amendment. We have now had a debate after the fact. I've got no hesitation in allowing the honourable gentlemen to express their opinions, even the hon. Member for Cypress.

[Interjections]

I'm glad he has got back to reading some of those better speeches which were made. Perhaps his performance will now improve.

MR. RUSTE:

Mr. Chairman, speaking to the point of order, I think the debate has been allowed to go fairly wide by yourself, Mr. Chairman, and I'm just continuing with that. If the Deputy Premier wishes to interrupt, well that's his prerogative. But I will continue.

DR. HORNER:

Mr. Chairman, on a point of order, I would like to know what clause the honourable gentleman is debating.

AN HON. MEMBER:

The bill.

MR. RUSTE:

Mr. Chairman, I'm debating the bill. We are in committee and it's a pretty wide-open bill. I think it is pretty evident.

MR. CLARK:

Very flexible.

MR. RUSTE:

Very flexible, yes. There is another word which has come into this session quite often and that is the word "concept". I would suggest, Mr. Chairman, that the conception rate for the word "concept" has been pretty high as far as the other side goes this year.

I think the hon. Member for Cypress referred to some of the changes which have taken place in the attitude of at least eight or nine on the other side. One member on the other side who was on this side earlier hasn't shown up in this House for more than about a quarter of this session. That's the Premier. I think that he should be here to take part in some of the major - I think he made the major announcement regarding this company outside the House.

[Interjections]

That is my understanding as well.

But the hon. member referred to the fact that this has been debated before and that's why he didn't get up on his feet. I submit, Mr. Chairman, that every time there is another piece of legislation, whether there have been 100 pieces since that particular principle has been debated, I think we should have the minister explain to us in this House the reasons for turning it down instead of just saying, boys, rubber-stamp it, down it goes.

I did a little bit of research and this goes back a little bit to the 1972 statutes where some 23 pieces of legislation have provision for 182 sections or subsections dealing with orders in council or regulations. I just point this out to back up what the hon. Member for Cypress has pointed out and that's just in one section. Now, we are getting in and we are seeing more and more government by order in council, by rubber stamp on the other side. I think it is pretty evident, Mr. Chairman, that the supremacy of the Legislature isn't as such, it's just a thing they have to go through to pass laws.

[Section 26 was agreed to.]

#### Section 27

MR. STROM:

Mr. Chairman, just a question on Section 27. Will "No voting shares ... may be held in the name or right of or for the use or benefit of an agent of Her Majesty in right of Alberta". Now, does that mean the government will not have any voting shares?

MR. GETTY:

No, Mr. Chairman, it's an agent of Her Majesty in the right of Alberta. What we are attempting to do is to make sure that the government doesn't, by using agencies such as Alberta Government Telephones or the Alberta Petroleum Marketing Commission or some other agency, hold shares in addition to the government's 50 per cent; in other words, break the policy in principle that we had developed when we developed this legislation.

MR. HENDERSON:

... [Inaudible] ... the minister why the government would have agents holding shares. Well then, what's it in the bill for?

MR. GETTY:

Mr. Chairman, it's really in to make it clear that agents of the government will not hold shares in any portfolios they might have. Therefore, we wanted it to be clear to everybody that the government could not get around the 50 per cent clause by having agents in addition to the 50 per cent shares which we have said they will hold.

MR. DRAIN:

Mr. Chairman, wouldn't 50 per cent be effective control under any circumstances? I just can't even visualize why it would be necessary to have this section.

MR. GETTY:

Mr. Chairman, 50 per cent is effective control. But we don't want other agencies of the government taking more shares out of the market, because those shares are there for the people to hold.

[Section 27 as amended was agreed to.]

[Sections 28 through 38 were agreed to.]

Section 4

MR. DEPUTY CHAIRMAN:

This takes us back to Section 4. Our information is that we did not deal with the amendments proposed by Mr. Hinman before we held the section.

[The amendments were lost.]

[The title and preamble were agreed to.]

MR. GETTY:

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

[The motion was carried.]

Bill No. 56 The Alberta Property Tax Reduction Amendment Act, 1974

MR. DEPUTY CHAIRMAN:

Any questions or comments? Are you agreed on the sections?

MR. LUDWIG:

Mr. Chairman, in dealing with Bill No. 56, I made a few remarks the other day as to my concern about whether we ought to go the way we are in the matter of the reduction of taxes. It's a very misleading title because although we are reducing taxes, we are not using the money we got from the people involved by giving back their money in reducing taxes. We are taking money out of general revenue. In fact we are taking money that belongs to everybody equally. It's money that we perhaps got through the oil windfalls or whatever the source might be. But whatever we are doing we are distributing what I like to refer to as trust funds.

The most equitable way to distribute this money would be to allocate so much to each individual. But that cannot be done with any degree of fairness. It's pretty hard to distribute funds unless you go the route of a dividend to everybody. The Conservatives used to say, well you are wasting money. You are buying votes by giving people dividends.

You have to go this far with that scheme, that everyone gets some of the general revenue of the province equally. Maybe that principle is no longer of interest to anybody, but I say that if you take general revenue - money that came from an entirely independent source from property ownership - not a single dollar, as far as I am concerned, of the money that is intended to be distributed in this case to reduce education tax was taken by way of taxation of the property of individuals. So I am not at all accepting the position that this is a property tax reduction scheme in that it is fair in any sense.

I would like to know and I would like to have the minister stand up - I am going to pursue this question until we get some kind of answer as to what the ceiling is. What is the most anyone is going to get in Alberta? Give us 25 or 30 of the top taxpayers and see who they are and what property they have, and maybe what incomes they have - if we can go that far - to see whether we are not, in fact, giving more to people who may be in the million dollar bracket.

Yesterday the hon. Provincial Treasurer jumped up very readily to accept some proposal from this side that this gasoline tax reduction is inflationary. Wasn't that a gem? But now I'm saying it appears that if we are going to spread more money to the poor people that has to be debated as being inflationary. But if we are going to give much more to those who have a lot more, then that is logic. That is the way they want to go.

I am completely opposed to this attitude. I think it borders on perhaps - well I shouldn't say immorality - but under any system, when the government has money to give an overall tax reduction and it uses as the basis, as a yardstick, how much you have, then I am saying we have to look to see who is represented here. Who is going to get his just share? Who is going to get 5, 10, 20 and maybe 50 times as much? I want to know, for purposes of this bill, whether I should support or oppose this bill. What are the top people going to get? Will some of the hon. members in this House get \$5,000 or \$6,000 or \$7,000 or \$8,000 or \$10,000? Maybe not in this House, but I am sure some will get several thousand dollars, and some will get \$100.

Let's go beyond the property owners here. Let's go to a typical workingman's constituency. Let's find out, house by house, how much they are going to get. Perhaps the hon. minister has these figures because he studied this very thoroughly. I am saying

many people are going to get much less. People who need it are going to get less than some people who maybe would like to get it. I haven't seen anybody who is so wealthy that he would refuse a government handout.

I remember the days when we declared a \$20 per capita dividend. There was a tremendous political howl but everybody, whether he needed it or not, lined up and got it. Some politicians took advantage of accusing the government of wasting money by giving money back to the people - money that was theirs. I am saying that this is a much more flagrant violation of the principle of distribution of the wealth of the people than declaring an across-the-board dividend to everybody. I am not advocating that we go the dividend route, but one of the ways of tax reduction is an effort to even up the differences between those who are well-to-do and those who are not able to make things go.

I see that the hon. Provincial Treasurer couldn't care less as far as the workingman of this province is concerned. He doesn't give a damn because he's not even listening. That is an obvious attitude of arrogance towards the concern of those people whom we represent in this Legislature, Mr. Chairman. There are many people in this province today who, because of inflation, are struggling to pay their taxes, struggling to pay their needs, struggling to make ends meet. If anybody doesn't believe this he hasn't been around enough. I think the hon. members in this Legislature ought to be concerned about this problem.

So I am going to take the stand and I am going to continue to take the stand that this government ought to revise its figures in this bill. The question of giving a minimum of \$100 is a step in the right direction and giving those who need supplementary assistance, perhaps the pensioners or people 65 and over who are on some supplementary assistance from government will get \$200. This establishes a principle, a principle that I subscribe to.

But I am not satisfied with the figures, Mr. Chairman. I am not satisfied with giving these people \$100 today. It's like \$50 four years ago. That is a step backward from what the Social Credit government did. I believe everybody got \$75. The hon. Minister of Municipal Affairs got up and said we're buying votes. It was his privilege to say that, and now I'm saying that if we were buying votes, then this government is prepared to pay much more. It's prepared to pay millions of dollars to buy votes. I am saying they will be condemned in due course for the inequity of this program.

I am completely in favour of the principle because the province can afford it. I am completely in favour of the principle of a tax reduction, but I will not become reconciled with the fact that those who have 10, 12, 20 or 30 sections of land should get several thousand dollars while the poor man who has a poor house will get \$100. I don't think you can reconcile this with equality of treatment. I am going to take the stand that if this was money that was collected from these people by way of taxation and the government felt we don't need it, then by all means give back every man his just dues. But I am not at all becoming reconciled with the fact that somebody who has 6 or 8 or 10 apartment blocks and can sell out and retire, has to be given 50 or 100 times more money than the man who has a home and is struggling.

We are not trying to redistribute government funds to create some equality. We are widening the gap between those who have more and those who have less. This principle is not easy to refute. Calling it a tax reduction act is one thing, but showing the people of this province that the man who has less is entitled to a lesser gift or dividend from general revenue than the man who has more simply does not make sense in the eyes of anybody but perhaps a Conservative. They will be influenced by their own and they will act accordingly. It takes a lot of courage, I think, on the part of those who are perhaps well-heeled and swinging in a slightly higher social level with people who have \$100,000 homes, like the hon. Premier for instance. It's very hard to convince him that people east of the tracks, as it were, are not doing so good.

All is well, all is great in good, old Alberta, but not for everybody. We have not reached a lot of pockets of poverty in this province and I'm saying that if this government can afford to pay people an unlimited amount of money, depending on their wealth, as a tax reduction, then we can afford, Mr. Chairman, to take the bottom level and revise the bottom level so the least any ratepayer can get is \$350, and the least a person on supplementary assistance gets as a home-owner will be \$450.

The hon. minister might stand up and [say he] feels that is not right, that I'm injecting a new principle. I'm injecting no new principle into this bill at all. The minister saw the folly of his previous tax reduction scheme [when he] found out many people are going to get peanuts, so he put on a minimum base level, below which you can get nothing - you will not go below a certain level.

I have an idea that if this were a Social Credit government today the people of this province would witness a more equitable distribution of general revenue. When the government launches on this program of distribution of general revenue it is saying, we have money we really don't need at the present time and it's only good, sound management of your business by reducing taxes. But I think that not too many political parties, not

even the Conservative party in the opposition in Ottawa, would support the principle of giving those who have sort of got it made, more because of the circumstance that they have more property. I believe this is improper and unfair distribution of the people's money. You're penalizing those who - maybe through no reason of their own - worked hard, who perhaps did not inherit property, people who did not know how to juggle and manipulate investments, but honest, hard-working people who deserve an equal share of the money of this province. You are penalizing them, Mr. Chairman.

I simply will not become reconciled to this position and you may laugh all you like about the previous principle of a dividend [but] it was fair.

AN HON. MEMBER:

Agreed.

MR. LUDWIG:

Yes. I believe that many people who are well-to-do in this province, in the past - when it was announced that everybody gets a \$75 across-the-board tax reduction, there were very few complaints. There were virtually no complaints because it was fair. But when the people of this province find out that some of those who have lots, get 10 or 20 times as much as some of those who haven't got lots, you are going to have an embarrassing situation to face. I'll be very surprised if no one on the Conservative side will stand up and feel he has just that kind of constituency where the people are not happy. I have discussed this with people in my constituency and others and not a single person agrees that there should be a windfall, as it were, to the man who has got it made. A man with six apartment blocks who might be worth \$4 or \$5 million will get a tremendous amount of tax reduction from the general revenue of the province that no more belongs to him than to the man who owns a shack in a small town. How can you justify, on the principle of fairness, giving more to the man who has got it made because he happens to pay more taxes?

The title of the act is not, in my opinion, reason enough to go that way. I think some of the hon. members here, who appear to be indifferent to the remarks I'm making, will have to perhaps face this kind of issue in their constituencies. I have already decided to petition every homeowner in my constituency to have them declare their position on this. I am of the opinion that you will have an overwhelming majority of people tell you that this was unfair and you should not have done it.

So, Mr. Chairman, I think the hon. minister will get up and say, well, if we give \$350 as a minimum that might hurt our revenues, but even last year they were talking about \$250 to everybody on a formula that was scaled down. At least it was fairer and some people had a minimum of \$100. But since then that \$100 has been reduced by 25 per cent in purchasing power, so the minister says that we've now got money which came in from unexpected sources and we are going to launch a program to distribute the wealth. We are, in fact, giving dividends to people from general revenue and this is not a tax reduction scheme because we didn't take that money from the land to begin with, not from the land or the property of the people who are now getting that money. We're going to distribute the general revenue in accordance with how much you have.

It might appear to be a small problem. It might appear that we are saying, well it's a tax reduction scheme and we're not going to penalize the rich. Let it be then. If you can afford to give money away to those who really are not asking for it and don't need it, that is your prerogative. Give it away. But at the same time we have a moral and bounden obligation to make sure that those who need it desperately and those who perhaps haven't paid for their homes - and may never pay for them - get more.

I'm surprised, Mr. Chairman, in making these remarks, that there do not appear to be too many ministers interested in this at all, least of all the minister who prepared and sponsored the bill. There are some who are interested. There are some hon. members on that side who are concerned about this, but they are smug in the belief that it's a tax reduction plan. Let the man with a million get \$25,000 and the man with a mortgage get \$100.

I will never subscribe to this and I'm going to continue to push this issue at every turn until we see the folly of this bill. Once more, I'd like to tell the hon. minister we can afford it, if we can afford to splurge at this time.

I'm surprised that it follows so quickly on the heels of the argument about the fuel tax reduction - where there was going to be a disaster because I was going to cause inflation by removing the fuel tax. That is a slightly different problem because the people are buying gasoline and you're redistributing the fuel tax in accordance with what they are spending. But you are not redistributing land tax in accordance with what they are paying to the government. So if this were carried to a logical conclusion, if we were increasing the amount - for instance, if we were going to reduce all the land taxation - the principle is the same. If we find we can pick up all the education taxes then we are going to pay those who have more, more money, if it turned out that the province was

getting more and more revenue. For instance, if we picked up \$2 billion a year, which is possible from the windfall oil revenues - for instance if the Arabs doubled their price of oil we could end up getting \$2 billion a year - and the province in its wisdom decided to abolish land taxes in the province.

How can you possibly go to the people and justify the abolition of land and property taxes to those people who are extremely wealthy when those who have less will get less? Maybe it's simple. Maybe the Conservative thinking is different. Maybe the concern does not reach to those areas where there may be poverty or borderline poverty. I think it does.

I think a lot of hon. members are well aware of the problems that exist here, otherwise we wouldn't have programs all over, from the government, to help people. So I'm making a plea to the hon. members. There should be some serious concern given. If you don't want to disappoint those in higher property ownership levels that is your problem. I'm saying we have an obligation and I would like to urge the minister to consider extending the principle he has established; for those who are smaller property owners the minimum should be \$350.

I know the hon. minister is scratching his head, and wondering where we are going to get the money from. Take it from the top levels of those who may get \$25,000. I don't think this bill can be adequately dealt with unless the minister gives us the figures I am requesting - in fact, I ought to demand them. In the cities and in the country we should get the maximum figures of what people will get because if we don't get the figures now we will get them later.

We'll have to scheme and pressure the municipalities to give us these figures. But when a minister brings in a bill which is tantamount to declaring an overall dividend to Alberta property owners, then we ought to know who is getting the money.

Now somebody may feel that my concern is not all-encompassing. It isn't. The renter will not benefit from a large education tax discount to the apartment block owner. He might in some smaller instances of four-plexes and small apartments. But when you get into an area where they have maybe several hundred apartments in a big block and the relationship is more impersonal, there is no obligation on the part of the landlord to pass anything on to the tenant. In fact, rents are going to go up gradually as inflation increases, whether we give them a grant or not.

So there ought to be, perhaps, a reversal of the position where apartment block owners are going to get money handed to them. Maybe we can increase the contribution to the renter. Once again, the minister can't stand up and say, we can't afford it. I say we can. If we can afford this bill, we can afford to do it properly. We can afford to redistribute money in keeping with the principle of equal rights to the general revenue of the province, within limitations as everyone knows.

One might also say, well, if I'm so concerned about the home-owner, then how about those who have no homes at all? Where do they come in? They're Albertans and they may be renting a small house some place in a small town. Do they deserve any interest in the general revenue of the province? That's a good question. I'd like to have the minister declare whether we can give something to these people. It's a good question.

Of course, the hon. Provincial Treasurer will stand up and say, well, there are so many benefits we got for these people from the wealth of this province, from the buoyant economy, from all the things we're doing for them that maybe they don't deserve anything. He might say that, but I don't think that will stand up. Because everybody today without a dollar being given to them directly benefits more or less from the good things that happened in this province, from the additional revenues we have. So I am not going to deal with those who have no homes. That's a different problem. Let the minister put his people to work and come up with an answer in that regard. Maybe somebody else ought to.

But as far as this is concerned, although the hon. Minister of Municipal Affairs is pondering, I am of the opinion that he would increase the bottom level of grants, or tax reduction in this case, if an election were called. And he would yield to pressure. This government has been known to yield to pressure. And I hope that it does. I'm going to continue to do what I can to bring pressure to bear on the government. This is not really, in fact, a property tax reduction plan. It's in fact a dividend based on a principle to which I do not subscribe, Mr. Chairman.

MR. BATHURST:

Mr. Chairman, would the hon. member permit a question?

MR. LUDWIG:

Yes, I would, Mr. Chairman.



MR. PATIUK:

The hon. member, in the last 15 minutes, stated at least a dozen times that this is coming from the general revenues of the province. Could the hon. member tell us from what revenues the \$50 and \$75 home-owner grant came, when the previous government was in office?

MR. LUDWIG:

Mr. Chairman, it came from general revenue, but it was an equal distribution. That's the point I'm making. I'm glad that at least one Conservative was listening. But this is the principle. I'm saying that if you gave everybody \$500 across-the-board - everybody - I would not quarrel. But I think that some ministers in here would get several thousand dollars by way of an education tax discount. Maybe I'm wrong.

[Interjections]

Do you want to challenge me, Mr. Deputy Premier, or not? I've done some checking. I know one minister who confessed that he's got 30 sections of land. How much will he get? And how much will the man beside him get, who has a quarter?

Now, if you think that's fair, let's have the figures on the table. I'm concerned about these things. I did a bit of checking. How much will the man get who has six apartment blocks valued at about \$5 million? And how much will the old couple get who live beside him and have a house worth \$15,000?

If this is the principle of the Tory government, they'll have to stand or fall. Because eventually this thing is going to catch up to them. This is where I part company from the question of a tax reduction plan as it's set up here.

I'm going to repeat, because I don't think that everybody was listening but there are more listening now, that if you're going to go that route and you can afford it, raise the minimum. If you can't afford it, get out of the scheme.

Thank you, Mr. Chairman.

MR. DCAN:

I think the Member for Calgary Mountain View misses the principle of the thing. The idea, Mr. Chairman, is that we are trying to get the cost of education off property. This is a step in that direction. It might not be 100 per cent, but it's an effort anyway.

MR. LUDWIG:

Yes, Mr. Chairman, and I understand that the hon. member who just spoke is a pretty well-heeled property owner. I don't think that I expect him or a few others like him to speak against ...

SCME HON. MEMBERS:

Order, order.

MR. DEPUTY CHAIRMAN:

Order.

MR. LUDWIG:

I didn't think you were listening. Where did you all come from?

MR. RUSSELL:

Mr. Chairman, I do think that the hon. member doesn't really understand the philosophy or the principle behind the act.

If he's more interested in chattering while we give him the answers he asks for, then let him chatter. He asked some questions which I'll attempt to answer.

MR. LUDWIG:

On a point of order. If standing up and fighting for the little guy is chattering, then let it be so. But I wasn't chattering. The hon. member should try not to be insulting.

MR. RUSSELL:

Let's talk about that. You know, I know somebody around here who drives around in a gas-gobbling Buick Riviera, and stood up and wanted to wipe out the gasoline tax altogether. And then seeing ...

MR. LUDWIG:

Mr. Chairman, on a point of order. I had to sell the Riviera ...

MR. RUSSELL:

Yeah.

MR. LUDWIG:

... When I became a minister.

MR. RUSSELL:

And he wasn't concerned about the little working man who rode the bus to work or who drove a Volkswagen. He wanted to wipe out the tax altogether. But that's something else. I know it's easy to change your spots as you hop from one bill to another.

Mr. Chairman, I think that the hon. members, perhaps, don't appreciate the full philosophy behind The Alberta Property Tax Reduction Amendment Act. And that is to try to get the province to move out of a source of taxation and make it available to the municipal governments. So although there may be a short-term benefit - and I mean very short term, perhaps one year or even less as the mill rates come out - the fact of the matter is that the municipalities are moving into that source as the province moves out of it. It has given the municipal governments a very substantial source of revenue any time they need it, via the property tax reduction plan.

So let us take the fellow with the \$15,000 assessed property, the lower income working man, if his education tax, which is based on the assessed value of his property, is fairly modest, and is removed completely, at the same time the municipal government moves into that with increased municipal taxes. But the increase again is very modest. Let us then go to the other side of the tracks, as the hon. member says, and look at the millionaire. It's true that his tax decrease and his tax increase by the municipality are based on the same thing.

So the tax is removed. It's taken off on an assessed value by the province and the taxation room is given to the municipality to move into. I think it's a fair principle. If you're going to remove a tax, you don't remove it partially for somebody because he's successful in business, not at all for others and 'jimmy' around with various amounts for other people.

So that's the philosophy of the thing. The education foundation levy is a provincial tax levied by the province, collected on its behalf by the municipalities, rebated to the province and put into the education foundation fund. If we give up that source of taxation, it means that the general revenues of the province must give a higher contribution to the fund. That's what this bill does. I think it's important. It means that the general revenues are supporting a larger share of the costs of education and at the same time, a very important source of revenue, that is property taxation, is expanded insofar as the municipal governments' availability to it is concerned.

With respect to the minimum, in a way some of the things the hon. member says are true. We inherited a scheme whereby everybody in the province got \$75 if they owned property and occupied it. We said that if the property tax reduction plan was going to at least see that everybody was as well off or a little bit better off than they had been under the old scheme, we would obviously have to increase that level. We increased it to \$100, or \$200 for those on the guaranteed income supplement, in order to at least maintain their position. In some cases you could wipe out the entire property tax, not just the education portion of it, and you still wouldn't achieve the \$75 or the \$100 minimum.

The other weakness or facet, I think, that was missing from assistance for Alberta residents on their places of residence was some recognition of the renters. For that reason the income tax rebate scheme was introduced. I have to emphasize that is still in effect. So don't say there is nothing for the renters in this scheme, it's just the wealthy landlords. There is still that piece of legislation on the books. That's something to remember.

I believe it's fair to say that many landlords, because of the current rental vacancy situation in the province, the drop in apartment construction, and the competitive situation, will pass on part or all of the benefits to their tenants. They will have to

if they want to keep them in some instances. But that's a condition which is quite strongly related to market conditions.

In any event, Mr. Chairman, I think the principle behind this is good. A substantial tax has now been removed. It allows the municipal governments to move into it and you know, from the newspaper accounts you have seen in Edmonton and Calgary, that they are moving into it in a very substantial way. So let us not forget that although somebody up at the top of the scale might see a big reduction, he's also going to see a very large municipal increase.

The hon. member asked for some indication of the numbers of persons who might benefit by this. I have some preliminary figures to the end of the last calendar year, and they are fairly up-to-date with respect to the 1973 property tax reduction plan. On a province-wide basis 14.7 per cent of the residential property owners were cut off at the \$216 limit. So roughly 85 per cent of the population with respect to home-owners - and in this case they had to occupy those homes - were below that.

MR. LUDWIG:

How many?

MR. RUSSELL:

85 per cent.

The largest category, and these go up in \$10 increments, is at about the \$180, \$165 range. These are broken down but they go up at 10 per cent increments. I have similar figures for the cities of Calgary and Edmonton. They are close to the provincial averages, but in the case, for instance, of Edmonton, the credits paid up to \$216 were 18.2 per cent of those applying, and in the case of Calgary, 12.6 per cent.

So I'm rather surprised that the hon. member would attack the bill on that basis because, first, I think if you have a tax and you want to remove a tax, that's what you do. You don't remove it partially for some people and not at all for others. I think the recognition of building in the minimums is a good one, especially for those on guaranteed income supplements.

MR. LUDWIG:

Mr. Chairman, I believe that the hon. minister tends to resort to the debate, well I don't understand. I understand very clearly.

It is interesting that he mentioned I drove a Riviera. I was able to afford one before I became a minister of the Crown, and I sold it. I don't drive a Riviera today, but I drive a car that perhaps burns every bit as much gasoline. I need it in my day to day business like 99 per cent of the people in this province and that's why a gasoline tax reduction plan would do the most good to the most people.

But when the hon. minister gives us facts and figures, he avoided giving those which might not be quite as complimentary to his bill. I know that a lot of people are not going to get very much, that's the big complaint. If there is a breakdown of communication on anybody's part in this Legislature, it's that the Conservatives can't communicate with the people who are not doing so well in this province. They don't hear him so good. They communicate, but their lines of communication are open more to those who perhaps can lobby them a little bit better. But the average person - the thousands and thousands of home-owners who live in constituencies all over the province - their MLAs are silent. I wonder if the Conservative MLAs are going around to their constituents saying, we're going to keep you down there because you haven't got so much. Maybe I'm using these remarks for emphasis, but that's about the way it is, Mr. Chairman.

I still want to know whether there are, say, 25, 30, 40 people in this province who are going to cash in real good, and I'm going to use the figure of \$10,000 for some property owners just as a round figure, just to emphasize the point I'm making that the minister doesn't seem to understand. If there is a taxpayer in this province who will benefit to the tune of \$10,000, in ten years he will have received \$100,000 from general revenue in this province. He will receive \$100,000 by way of a grant out of the oil revenues of this province and the man who lives beside him who is going to get \$100 a year will receive \$1,000. There are some people who are going to get more money through this scheme than some people earn in a whole year. Maybe this is wrong.

I suppose if I'm pointing these things out that this is attacking the bill. I'm attacking the bill on that very principle and I'm attacking the attitude of a lot of hon. members in this House. As long as you can get in on the scheme, it's a tax reduction plan and let the devil take the man who hasn't got anything.

I'm saying there is a trend in the world of redistributing some of the wealth that belongs to everybody, and by redistributing in a manner that those who have, those on top will get more. If you carry this to a logical conclusion, in many instances it's grossly unfair. I use that one figure of \$10,000 a year, in ten years \$100,000 to a man. Some people have to live on less than that. It's privileged to him because he has more property.

I suppose, as I represent an area where there are many retired people, many older people, many working people and young people who have just bought their houses, I suppose I ought not to make these remarks because it isn't in keeping with fair play. I didn't know the day would come in this Legislature when the Conservatives would tell me that if I stand up for the man who isn't doing so well I don't understand. I'm saying the Conservatives do not understand the plight of those people who are not doing so well, in spite of unprecedented revenues. Now, today in 1974, we're saying that the Social Credit ... [Inaudible] ... was a lot more moral and a lot more equitable than anything the Conservatives are doing in regard to the distribution of the wealth of this province.

You can cut it any way you like, but I'm saying you are going to give money to people that they did not pay as a result of their wealth and their property. You can argue until you are blue in the face. That is one opinion and I'm saying this is an opinion that the majority of people in this province are going to buy.

Thank you, Mr. Chairman.

MR. TAYLOR:

Mr. Chairman, I wonder if I could just mention two points in connection with the bill. The first one is in connection with the benefit that the government has provided for renters. I do think there is some responsibility on the part of the government, possibly through the municipalities, to do everything possible to make sure that the benefit the government is providing for renters is going to be received to the maximum degree by the renters. I don't know exactly how this is going to be done, how it could be done, but certainly I think there is some responsibility to follow through to see if the renters are receiving that benefit. I would hope the minister has some plan in that connection.

The second point I would like to mention is that the property tax reduction I think is welcomed by all property owners. But if the municipalities move into that field as quickly as the province moves out, the aggregate effect to the people is not going to be very much. I think this is something I am a little discouraged about. It seems like there is encouragement for municipalities to move into the field and fill it up again. If that is done, of course the people aren't going to be the benefactors, particularly if services are being provided which could have been avoided. If the people in any municipality, of course, ask for increased services they naturally expect they are going to have to pay for them.

I would hope the Minister of Municipal Affairs and his department would discourage municipalities to the greatest possible degree from moving in and taking over the full amount of property benefits which have accrued because of this bill and because of the action of the government. If that is not done, in three, four or five years down the road, the same situation will exist in regard to property. It doesn't make much difference to the property owner whether the property is going to education or to something else. If that tax is that high, it is a tax on property and I thought that is what we were trying to avoid.

So I would hope the hon. minister would discourage municipalities, unless it is absolutely essential, to stay out of this field and to give the taxpayers the benefit which was intended when this bill was brought in.

SOME HON. MEMBERS:

Question.

MR. DIXON:

Mr. Chairman, just two points I would like to ask the hon. minister. Was there a letter written by the Alberta Association of Municipal Districts and Counties requesting that no levy for school foundations be levied on any residential or farmland property owned by individuals or by private family corporations? I was wondering, Mr. Minister, what your answer was to that. I was wondering, in your amendments, if part of that is taken care of? I couldn't quite make out whether it would be or not so I thought you could maybe comment on that.

The other was, Mr. Minister, as a member for Calgary, I am quite interested in the remarks which have been going on in the last few days in Calgary as to whether the proposed split mill rate levy is going to be legal in our city. We are getting a lot of feedback from the people in Calgary just wondering where it is, with the department saying

one thing, the city council saying another. I am sure once the notices go out, especially to those people who are affected by the higher rate, we are going to be asked now just where the government stands on this issue. I wondered if the minister has had an opportunity to study that a little further. I understand - I heard your remarks yesterday, Mr. Minister - but seeing the thing is fairly fresh in the minds of the people in Calgary, owing to the fact it was just passed on Monday night, have there been any further discussions on this situation? A number of people are saying, is it legal or isn't it? I would appreciate any information I could receive from the minister, Mr. Chairmar.

MR. RUSSELL:

I could deal with those last points first, Mr. Chairman. I am passing on now the advice I have had from the department officials and that is the Calgary split mill rate does not conform with Section 93 of The Municipal Taxation Act. So in that regard it could be deemed illegal.

We had the same discussions with the City of Edmonton and in that case their city solicitor agreed with our department solicitor and they adjusted their proposed mill rates.

In the case of the City of Calgary, their city solicitor did not agree with our department solicitor and Legislative Counsel and city council, on the recommendation of their officials, has passed the split mill rate. It does the kind of thing the hon. Member for Drumheller was talking about. It allows the municipality to move into a tax base which affects one group of residents in a way we had hoped to discourage. I discussed this with Mayor Sykes in Calgary at the end of last week, excuse me, I discussed it with him on the telephone, and I think we agree it is now an argument among lawyers. We have each given our opinion and taken our stand. The elected city council of Calgary has gone ahead and passed its by-law.

I am a little bit puzzled by the remarks about discouraging the municipalities moving into this and about the fact that a rebate won't be fully realized by the home-owner. I think the net effect will be, if you take the case of a fellow's taxes, let's say, being \$400, the property tax was \$150, he is paying \$550. If the municipality increases his tax this year by \$50, he is now paying \$450. We have removed \$150, so he is \$100 better off than he would have been. So you have to gauge the benefit on a would have been basis, if I can put it that way.

But insofar as making sure or trying to encourage that the municipalities don't move into this, we tried to do this and the pressure to remove that came from that side of the House. That's what the 7.5 per cent municipal spending guidelines were all about. The pressure primarily to remove those guidelines came from that side of the House. We've seen what has happened this year with respect to some municipal budgets by removing that. But that has to remain a matter of local decision.

The experience of other provinces, primarily Ontario, has proven that we can successfully guarantee that this rebate is going to be passed on to the renters. I have had correspondence and discussion with some apartment owners and several apartment tenants. The only thing that will help us is the very high vacancy rate and the very low existing competitive rents which now exist in the province of Alberta when they are compared to the national scene. So that is something which will work in favour of the tenant. But I must emphasize again, responding to the hon. Member for Drumheller and also to the hon. Member for Calgary Millican's inquiry, that of the 26 mills or the 24 mills of education tax which was removed from rented properties in Calgary this year, the municipality has used up 19 of those mills in one gulp. This is why the province is disappointed and discouraged, because it certainly doesn't conform with the intent or our interpretation of the taxation act.

MR. DIXON:

Mr. Chairman, to the minister. There was one point about the Alberta Association of Municipal Districts. I received a letter and I am sure the other members did. I am just curious as to what suggestions or actions were forwarded to the association?

MR. RUSSELL:

The letter which I think you are referring to just came very recently?

MR. DIXON:

May 14.

MR. RUSSELL:

Yes, that was on AAMDEC letterhead, although that resolution came out of the administrators' convention, not the convention of the whole association. And the administrators, I think there were 27 out of 48. So this was really an administrative concern of the secretary-treasurers, the rural secretary-treasurers. Their concern was, unless the tax was removed from all farmland, it would be difficult for them to administer the plan. On a policy basis we are not prepared, at this time, to take it off all farmland. It's just family farmland. That is the reason for the amendment, the xeroxed amendment. So it will be by application for family farmland only. That's the answer to that.

MR. BUCKWELL:

Mr. Chairman, I'd just like to say a word to the hon. minister. He talks about the 7.5 per cent guideline to the municipalities which was taken off due to pressure from the Opposition. I didn't think he listened. I didn't think he cared what we said.

It reminds me of an old uncle I had who was a fighting Irishman. When he got older a chap came around to see him quite often and every time he came he would say to him, would you have a beer? This fellow said, no, no. The old man would get mad and say, what's the matter, aren't I good enough to drink with? Oh, all right, I'll have a beer. Then, after he left he said, I don't like that fellow. Every time he comes around here he drinks my beer. We're in that position right now and I think we are concerned.

I'd like to ask the Minister of Education at this time for the supplementary requisitions on schools. These are quite a burden on some municipalities. It is their prerogative, I suppose, that they can put on supplementary requisitions, but while we are taking off the 28 mills, some of them are paying up to 19 mills in supplementary requisitions. Maybe in fairness to the property owners we should raise the 28 mills, that the government would, say, take off 32 mills and level this thing out, because some of the municipalities which are paying the higher requisitions are the ones least able to afford them.

I'm thinking particularly of the ones in the North, say for school busing and all the rest of it. If we could raise fairly across the province - if the school foundation program was raised even to 32 mills levelling the thing out these people could pay less. Because, as the Minister of Municipal Affairs pointed out, if the municipalities are going to fill this vacuum very quickly and get up to the 28 mills, then any relief the government has given today has been very temporary.

Do we then turn around and start giving a series of grants back to the municipalities and get into this whole bind again where the government is not giving enough, where every year you've got to try to raise it up to the cost of living? I realize the problem the government is in. It's part of our problem and it's also part of your problem, but you have the responsibility for it - this tremendous cost of inflation.

I just wondered if there was anything we could do on the supplementary requisitions, say either to hold the line, or can we raise the grants or services on the school foundation program so that some of this could be picked up by the Department of Education?

MR. HYNDMAN:

Mr. Chairman, I think the question is a pertinent one. Certainly the requisitions average across the province in a supplementary way - perhaps 10 per cent of the cost. The moneys from the government, the 90 per cent, have been increasing substantially.

The point was made as to whether there could be some way that the line could be held in terms of the rate of increase of supplementary requisitions. The guideline which the government now has is 7.5 per cent. On the rate of increase of supplementary requisitions each year - unless the board wants to go to a referendum; incidentally eight of them have and eight of them have succeeded in going above that - for the moment that would remain.

I think that for future planning after the existing three year education finance plan runs out, which is at the end of 1975, the question of whether or not the 28 mills could be changed and the proportion of supplementary requisition of provincial funding is one which we could very well look at.

MR. CLARK:

Mr. Chairman, to the minister. Dealing with your comments about the removal of the 28 mills from farmland and the concerns raised by the municipal administrators, will the actual practice be that, in fact, a municipal administrator, namely a secretary-treasurer, will have to make the decision as to whether a farmland is part of a family farm operation

or whether it isn't? That, as I understand the concerns of the administrators, is basically the reason they sent a letter to all the MLAs.

MR. FUSSELL:

No, it's for that reason, Mr. Chairman, that the portion of the plan for farmers is exactly the same as it was last year. The applicant makes the decision and swears that he is eligible for it.

MR. CLARK:

... [Inaudible] ... from municipal secretaries will simply be the question of administration having to handle the thing at their own offices.

MR. RUSSELL:

That's right. They get paid a fee for each application handled and that fee is under review. It's quite possible that it will have to be raised because of increased costs but it will work exactly the same. They'll forward them to the province in batches and get monthly bulk cheques to cover it.

MR. BENOIT:

Are some municipalities ...

MR. DEPUTY CHAIRMAN:

Would you care to address the Chair, Mr. Benoit?

MR. BENOIT:

Yes, I'm sorry. I would like to ask the minister if some municipalities are affected differently from others because the 28 per cent equalized assessment, which constitutes the education tax, requires in some municipalities say 26 or 25 mills as a live assessment, and in other municipalities 30 or 31 live assessment. Does that mean that they have to adjust accordingly in some municipalities, or would they be losing 25 mills where others would be losing 30?

MR. RUSSELL:

Mr. Chairman, the process of assessment equalization still has to be carried through because all the jurisdictions use it for levying their supplementary requisitions. It's used for purposes of the provincial planning fund. There may be one or two other minor uses for it, I'm not sure. But those are the two that they're all involved with, in any event. So the equal ...

[Interjections]

... senior citizens, yes - requisition.

So that is done in any event and on the tax bill it will show the levy, both in mills and in dollars.

MR. RUSTE:

Mr. Chairman, to the minister. I believe earlier he referred to the fact that there were some 85 per cent - as I understand - of the home-owners who were at \$216 or below. What is involved in the moneys of the 15 per cent above that in dollars in relation to the total amount that is going to cost the government?

MR. RUSSELL:

Well, Mr. Chairman, I can't answer that question because that would mean adding up individually all the applications, and they number approximately 330,000, until you get to a certain level. The grand total for the program at the end of last year was \$47.7 million, representing, at that time, about 320,000 applications. Of those, some 15 per cent had been cut off at the \$216 maximum so I can't answer your question beyond that.

MR. RUSTE:

Further to that then, what is in the estimates this year for the program, or have you made an estimate at all?

MR. RUSSELL:

Yes, it's in my department estimates, Mr. Chairman. I believe it's \$64 million.

MR. LUDWIG:

Mr. Chairman, just a couple of points. I was asking the minister if he could give us - he apparently has the figures for these different levels of taxation and different levels of grants to these people.

I'm quite anxious to get perhaps an overall picture. I believe since we're voting money on it that is the proper place to ask for this information. I would like to know, with a breakdown as to location et cetera, because we ought to have this information with, say, the top 10 per cent of property owners, I mean those who have the highest assessment, the highest levy of education tax. I would like to get a meaningful breakdown all the way down to those who are getting only \$100 for the purpose of comparison to assess this program because the principle the minister works under and the one that I advocate are completely at odds. There may be some level of adjustment that perhaps the Legislature can agree on. I'm sure that if I haven't got these figures perhaps the hon. members on the other side have. But the figures are important in this case and perhaps there may be some serious inequities.

I would like to ask the minister if he could provide me with some breakdown of figures, meaningful figures, right from the top to the bottom. If he doesn't want to table them because of expense or some other reason I would not insist on it, but I feel I have the right to request and perhaps the right to insist that I get these figures.

I know that the minister can say, well go to the municipalities. We have a department working for the people of this province and perhaps some people in my constituency may ask me for this information. It would be wrong to say, well go and spend a few hundred dollars and get your own. That's always possible but I would think that it ought to be done. I would like the minister to commit himself to provide these figures for us as soon as possible.

Mr. Chairman, was the minister going to - you know, his silence intrigues me. I don't know whether he is in agreement or whether he's going to say no, or what.

MR. RUSSELL:

Well, no. There is no way I could get those figures, Mr. Chairman. As I said there are over [330,000] separate applications. There will be more than that this year in the province. I would think it is very simple for any hon. member, if he is interested in a particular property in his constituency, to get the assessed value off the assessment roll and apply the 28 mills. That gives it to you very simply.

Really all I have here is a breakdown of numbers and percentages of the total, which were included, sort of, in each \$10 incremental group. But that does not give you the kind of information the member is asking for, Mr. Chairman. I couldn't get it.

MR. LUDWIG:

Mr. Chairman, I believe that in arriving at a decision like this - and they have had all sorts of studies, they have had task forces studying the taxation problems, education taxes, et cetera. Certainly the minister might not be able to give me all the details I want. But I have an idea that the minister based his studies not just on the fact they have money to give away, that they are redistributing the wealth of the province. I'm saying that the minister must have some figures, but if he hasn't got them, it's a lot better for his department, which deals every day and has good communication with every municipality, to be able to tell us how much this will cost.

Certainly, in due course, budgeting will have to be a lot more screened and a lot more, perhaps, investigated. He is not saying, well, it doesn't matter if it costs us \$56 million or \$100 million more. I don't know the figures. I think that in this kind of program there ought to be some basis on which the decision is made.

Now if the minister says, I don't think I want to give you these figures because it might embarrass some of the best friends I've got, well there is no way that tax rolls - they are not secret. What the minister is telling me is that you're an MLA and so you go to all these municipalities, spend the next year finding out for yourself.

I don't think that is the right attitude, Mr. Chairman. We should have those figures here. I know if the minister was anxious to provide me with figures and everything he would give it to me over their news wire. I would get four or five reports of the same thing, if he were anxious. But I have an idea the minister is reluctant to give me the top figures because they could be embarrassing. They could make his scheme look not so good. So he is saying, there is no way I can get it. I'm saying he can because if he



says I can, then he has got the machinery, he has got the department and he has got lots of staff. They could get this thing. They could send out correspondence. They have this information now, I presume. I would just love to get it.

Now, it might be that I'm not quite accurate about what some people would get. There might be a few surprises. There just might be a large group of people who are going to get \$10,000 each from the general revenue. I'm not at all reconciled that the name of the act is all that matters. I'm saying we're not redistributing tax dollars in any sense of the word, as it relates to all home-owners and residence owners and landowners. So this is pertinent. This is the information we should have.

If the minister has no facts and figures then I say the hon. Premier has placed a lot of faith in the minister which I don't have at the present time. You are going to fly blind and hope that the weather is good. So we should have facts and figures. I think that if a member of the Opposition does not demand these facts and figures he is endorsing something for the minister which he himself doesn't know.

So, I'm going to insist on getting these figures and I'll keep on. I might have to put it on the Order Paper but we are dealing with an expense and the minister can't even tell us what it is going to be right now. If he knows, then he has the figures I want, Mr. Chairman.

MR. RUSSELL:

Mr. Chairman, I'll repeat again. There are over 330,000 applications that are eligible for this benefit. If you are asking for the amount of each one of those applications, I am saying there is no way I can supply it. Just sit still and get the answer. He's good at asking questions but he doesn't like to get the answers.

MR. LUDWIG:

I want the answers but he doesn't give them.

MR. RUSSELL:

The total value of this program with its various components - the other segment that is not a part of this act - and that is the reduction of the non-residential urban land from 35 to 20 per cent into the education foundation levy, the total of all components of the program is worth \$75 million. That reduces the contribution from Alberta property taxpayers into the education foundation fund this year from an estimated \$125.1 million to \$50 million - a reduction of \$75 million. I have indicated that on the basis of the first year's experience of the program that the data centre has been able to give us some indication of the groupings and percentages in about \$10 increments, but those deal with percentage groups and with bulk numbers.

It's true that if you are interested in a particular property you can go to the municipality and get it and do the arithmetic. If the hon. member isn't capable of doing that, if he will give me the properties he wants, I'll get it for him, but I cannot get all 330,000 for him.

MR. LUDWIG:

Mr. Chairman, I think the hon. minister is trying to be even more evasive than he was before. I didn't say I wanted the whole 330,000 individual properties.

MR. RUSSELL:

You did.

MR. LUDWIG:

Why doesn't the minister table the figures he has before him right now. That would be a good start.

MR. RUSSELL:

Will you tell me what it is you want?

MR. LUDWIG:

Yes, Mr. Chairman. But I know in advance that the hon. minister is reluctant to sort of provide this. He says, if I know what I want go and find it myself. I don't need him to tell me that. In fact, I did some searching today and I found out a few things. That is why I am after him now to come clean and give me the top 5 or 10 per cent. Can you get them then, Mr. Chairman? If you can't get them then it's a pity that the hon. minister is

a minister because I can get them. It's too costly for me to do it that way. The minister says he can't get figures of assessed property in the municipalities.

I am going to tell you, Mr. Chairman, that I'm amazed that the Minister of Municipal Affairs is barred from getting information about property and about money he is going to spend. He says you've got to endorse my spending but I can't tell you who is going to get it. This is his line of reasoning and he says I'm unreasonable. He says that I want information but I don't wait for it. I'm begging for it and he's not giving it, Mr. Chairman.

AN HON. MEMBER:

Put it on the Order Paper.

MR. LUDWIG:

Put it on the Order Paper. That's a brilliant shot, Mr. Chairman. We're dealing with a bill here and I thought the minister knew what it's all about. If I put it on the Order Paper he will still tell me he hasn't got it.

I've got a bill coming up next week that is going to keep you fellows honest on that side to see if you will give information that we are entitled to. If you want to take a shot at me, it's a bill that Baldwin - one of the greatest Conservatives in the West - proposed in Ottawa, because those fellows over there like to hide things like you do here.

I'm asking for facts and figures as to where this money is going to go and the minister says, I'm sorry I can't give it to you.

MR. RUSSELL:

I'll give you this.

MR. LUDWIG:

Well, please. That's a good start, Mr. Chairman. That might reduce my research by about 280,000. Yes. We are getting closer to home. If the hon. minister would just agree to cooperate and discharge his responsibilities and circularize all the municipalities and get me the 10 or 15 per cent top receivers - this is not a draw for a lottery but it might as well be for some people. So find out how much the biggest property owners are going to get. I'll find the rest. These figures that the minister has submitted, I want them, and I would appreciate getting them. I believe they ought to be tabled.

So there is no real dispute between me and the minister, Mr. Chairman. I just want something that he can get and he doesn't say I'm not entitled to it, he just says he can't get it and I disagree with him, Mr. Chairman.

MR. DEPUTY CHAIRMAN:

There are some amendments that have been circulated.

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

MR. RUSSELL:

Mr. Chairman, I move the bill be reported as amended.

[The motion was carried.]

MR. HYNDMAN:

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

[The motion was carried.]

[Mr. Appleby left the Chair.]

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[Mr. Deputy Speaker resumed the Chair.]

MR. APPELBY:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills, namely Bill No. 32 and Bill No. 56, and begs to report same with some amendments and begs leave to sit again.

MR. DEPUTY SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, tonight at 8:00 o'clock we will start with second reading of Bill No. 46, The Alberta Gas Trunk Line Company Amendment Act on which debate was adjourned by the hon. minister, Mr. Dickie. Then we would proceed to Committee of the Whole for Bill No. 47, The Oil Sands Technology and Research Authority Act, and in addition, Bill No. 54, The Natural Gas Rebates Act, and Bill No. 13, The Assessment Appeal Board Amendment Act, 1974, and No. 21, The Legislative Assembly Amendment Act, 1974.

MR. DEPUTY SPEAKER:

The House stands adjourned until 8:00 o'clock tonight.

[Mr. Deputy Speaker left the Chair at 5:32 o'clock.]

