

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday, June 4, 1974

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

PRAYERS

[Mr. Speaker in the Chair]

NOTICES OF MOTIONS

MR. HYNDMAN:

Mr. Speaker, I wish to give notice of two motions. I will move them both on a subsequent day.

First, I will move that when the Assembly adjourns for the summer recess, it shall stand adjourned until 2:30 o'clock on the afternoon of Wednesday, October 23, 1974.

The second motion in respect of which I wish to give notice today, Mr. Speaker, I will move the hon. Premier report to the Assembly respecting the operations of the government during the period of the adjournment of the Assembly for the summer recess to the 23rd day of October, 1974, and that the said report be received and concurred in.

DR. BUCK:

The date of election, 39 days after ...

AN HON. MEMBER:

Are you scared?

INTRODUCTION OF BILLS

Bill No. 241 An Act to amend The School Act

MR. PURDY:

Mr. Speaker, I beg leave to introduce a bill, Bill No. 241, An Act to amend The School Act. This amendment allows the Indian residents of Indian reserves to have representation by election to a local school board if 10 per cent or more of the pupils enrolled in the jurisdiction are Indian residents and reside on an Indian reserve.

[Leave being granted, Bill No. 241 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. BATIUK:

Mr. Speaker, it gives me pleasure to introduce to you, and through you to the members of the Legislative Assembly, 40 Grade 6 students from the Mundare School in my

constituency. They are seated in the public gallery. They are accompanied by their teachers Mrs. Morozuik, Miss Cerman and bus operator Mrs. Stadnik. I would ask the students, teachers and bus operator to rise and be recognized by the House.

TABLING RETURNS AND REPORTS

DR. HOHOL:

Mr. Speaker, I wish to table a reply to Question No. 182 requested by the hon. Member for Calgary Millican on May 16, 1974.

Further, sir, I should like to table the 56th Annual Report of The Workmen's Compensation Board for the Province of Alberta for the year ended December 31, 1973.

MR. MINIELY:

Mr. Speaker, I'd like to table a reply to Question No. 176.

DR. HORNER:

Mr. Speaker, I would like to table a return to Question No. 190; also to table the Annual Report of the Alberta Agricultural Research Trust.

MR. GFTTY:

Mr. Speaker, I would like to table Sessional Papers 172 and 173.

MINISTERIAL STATEMENT

Department of Education

MP. HYNDMAN:

Mr. Speaker, I wish to announce seven significant improvements to the Early Childhood Services Program initiated last year.

First, increased operating grants effective September 1, 1974: for typical children these grants will be increased to \$300 per pupil from \$280. For children in disadvantaged situations it will be increased to \$405 per pupil from \$365 per pupil. For handicapped children - of which there are about seven categories - the general increase in the grants is about 13 per cent overall.

Second, faster payments to early childhood services operators: starting this fall, grants will be paid on a monthly basis rather than a quarterly basis.

Third, simplified forms: for new applicants the forms will be simplified materially as will be the case for renewal applications by existing programs.

Fourth, removal of the age ceiling on eligibility for ECS funding: the former ceiling of five and a half years is removed so that children over that age will now be funded if their parents feel that the best educational experience for their child is in the ECS program.

Fifth, ECS teacher upgrading will be facilitated: the time allowed for upgrading by ECS teachers who don't have the required special ECS qualifications is extended from three to five years.

Sixth, starting dates where Early Childhood Services programs operate with a modified Grade 1 entry system: the mesh of both programs will be continuously evaluated so that hardships which might result to private ECS programs can be minimized in 1975.

Seventh and last, increased capital grants for renovation and furniture and equipment grants will be increased from \$20 to \$35 per registered child. There will be a new \$700 minimum for these grants. This is especially to assist early childhood programs with small enrolments in rural areas.

In conclusion, Mr. Speaker, these substantial improvements will further upgrade the quality of existing early childhood programs and will more easily enable new programs to be started.

ORAL QUESTION PERIOD

Meat Industry - Labour Negotiations

MR. CLARK:

Mr. Speaker, I would like to direct the first question to the Minister of Manpower and Labour and ask him if he has got some good news or some bad news for Alberta consumers and Alberta farmers regarding the negotiations between the packers and meatcutters?

DR. HOHOL:

I suppose the news is neutral rather than good or bad, Mr. Speaker, in the sense that the final offer, or what the management people say is the final offer, is being voted on at this time. The vote will continue as it is a vote that, while not on a national agreement, is on agreements across the nation. We do not know for certain when the final vote will be in and counted, likely toward the end of this week.

MR. CLARK:

A supplementary question to the minister. Will the votes be counted in time and the results known prior to the shut-down, supposedly at midnight tonight, or are the packers going ahead with their plans of not accepting cattle as of, I think it's noon today?

DR. HOHOL:

I believe, Mr. Speaker, that the hon. Leader of the Opposition is correct in his last statement that no more animals are being taken. In fact, it's my information that the quarters are fairly clear, if not completely clear, of animals at the present time. I wish I could say that the vote would be in in time to avert a possible strike and the consequent lockout. Some usual or unusual thing could occur to make it possible. I'm not aware of that kind of thing.

In terms of the physical time that is left - I'm in the area of estimating, but, with the dates proclaimed, and if the parties to the proclamation of those dates for a strike and lockout stand firm on those positions, I cannot see, regretfully, how the vote could possibly physically get in in time to avert a strike or a lockout.

MR. CLARK:

A further supplementary question, Mr. Speaker, to the minister. As a result of the negotiations, is the minister in a position to indicate to the House whether two of the three plants plan to go ahead with their lockouts as of 12:01 this evening? Is it still their intention?

DR. HOHOL:

I would have to respond that that is my impression, and qualify it by saying that one company specifically made it known to government that it would, in fact, lock out. The people close to the situation feel that the others would follow suit and follow the first company with the lockout procedure.

MR. CLARK:

A further supplementary to the minister. Would the minister undertake to attempt to intervene as far as that particular company is concerned, in light of the voting which is taking place now, to somehow persuade them not to go ahead with the lockout until the results of the vote are known?

DR. HOHOL:

Mr. Speaker, I can undertake to do this because I'll try anything to make things better. But in staying very close to this particular dispute, as the government and I try [to do] in all disputes, it seems to me that every possible thing has been done. The issues have been placed fully before the parties. We've had what I would assess as outstanding capability in the area of mediation of this dispute.

I think one of the regrettable things which occurred was the fixing of dates in advance, in terms of saying that if we don't get a settlement by a particular date we will strike; and the other side responded by saying, we will lock out. It seemed to me within two or three days, assuming a favourable vote - who knows, it may not be. But the evidence seems to me that it might well be.

It would be regrettable indeed if the procedure that these people use in collective bargaining were such that it intervened between the no-strike and no-lockout situation and the possibility of both occurring.

MR. CIAPK:

Supplementary to the minister. Will the minister then undertake this afternoon to get hold of the company which has threatened to lock out their employees, and try to get them to hold that lockout until the results of the vote are known?

DR. HOHOL:

I can certainly try to do this. What I was saying the last time I was on my feet, Mr. Speaker, was that all the efforts in that direction have been made and the response still was the same, that the company would, in fact, lock out.

Bill 55 - Citizen Discussion

MR. CLARK:

Mr. Speaker, a second question, to the Minister of Municipal Affairs. Is the Minister of Municipal Affairs prepared to indicate to the House that the government would have representatives of northeastern Alberta come before a committee of the House, in the waning hours of this spring session, to hear their points of view as far as Bill No. 55 is concerned, prior to third reading?

MR. FUSSELL:

The answer is no, Mr. Speaker.

MR. DIXON:

Mr. Speaker, I wonder if I could ask a supplementary question. Has the hon. minister had any direct communication from the people in the area within the last day or two showing their interest in this bill?

MR. RUSSELL:

The only communication I've had, Mr. Speaker, was the presentation of a petition by a private citizen this morning - against the bill.

MP. SPEAKER:

The hon. Member for Hanna-Oyen followed by the hon. Member for Lethbridge West.

Game Bird Regulations

MR. FRENCH:

Mr. Speaker, my question is to the Minister of Lands and Forests. Has a decision been made as to whether or not there will be a season on sharp-tailed grouse and pheasant this year?

DR. WAFRACK:

Mr. Speaker, the answer is no. I had indicated on an earlier question from the hon. member that it would be some time before we'd be able to deal with that matter. It may in fact be that the matter of bird seasons might better be handled separately from that of big game seasons, and I'm assessing that possibility at this moment.

MR. FRENCH:

Supplementary question. Assuming that the answer is no, the decision has been made, will this infer that there will be a delay in the publication of the usual regulations which come out about the middle of June?

DR. WARRACK:

Mr. Speaker, after the decisions have been made there will be no delay relative to publication of the material the hon. member is suggesting. It may very well be that it would be useful for the public, as a matter of fact, to have these publications separated as to big game seasons from the bird game seasons, just as they presently are separated between the fishing seasons, which have already been issued, and the game regulations. That separation has occurred for some years and it may be that it would be helpful to the public to have a further separation of those matters.

MR. FRENCH:

Final supplementary question, Mr. Speaker, to the minister. In view of the concern in this whole area, would it be possible for the minister to make a press release so the people will be aware of the decision as soon as the decision has been made?

DR. WARRACK:

Yes indeed, Mr. Speaker, we do do that. We shall surely do so with regard to the topic the hon. member brings forward.

MR. SPEAKER:

Would the Assembly give leave to the hon. Member for Edmonton Ottewell to revert to Introduction of Visitors? I assume that we would not count this as part of the question period.

SOME HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS (CONT.)

MR. ASHTON:

Thank you very much, Mr. Speaker. I wish to introduce some 20 young Albertans from Campbelltown School in Sherwood Park. They are accompanied by their teacher, Mr. Miskiw, and I will ask them to all please stand and be recognized by the Assembly.

ORAL QUESTION PERIOD (CONT.)

MR. SPFAKER:

The hon. Member for Lethbridge West followed by the hon. Member for Lloydminster.

Tire Shortage --- Farm Machinery

MR. GRUENWALD:

Thank you, Mr. Speaker. My question is to the Minister of Consumer Affairs. Is there anything that the minister or the Department of Consumer Affairs can do that might be of assistance in alleviating the serious farm implement tire shortage that seems to be prevalent in Alberta?

MR. SPEAKER:

Is the hon. member requesting proposals of the minister?

MR. GRUENWALD:

I asked some action. Is there anything he could do to alleviate the shortage or give assistance to alleviate the shortage?

MR. DOWLING:

Mr. Speaker, I thank the hon. member for giving me notice of his concern relative to the supply of farm machinery tires.

Last February 11 we did have notice that there would be this problem arising for three major reasons: the greatly increased anticipation of farm income by the farmers and therefore the increased demand for farm tires; the shortages of various types of materials at that time and a problem relative to a strike which was developing at the Firestone plant in Joliette, Quebec.

We did talk to the principals, the western regional managers of both Goodyear and Firestone, at that time and indicated our concern. They said at that time they would do everything they could to alleviate the supply problem. They felt that as far as the major suppliers within the province of Alberta were concerned, there would be no major problem and they could possibly get through this year.

There would, however, be no supply shortage with regard to motor vehicle tires.

MR. GRUENWALD:

Supplementary to the minister, Mr. Speaker. Could the minister give us an idea about how much backlog there is now in shortages?

MR. DOWLING:

In some cases, Mr. Speaker, there is a considerable backlog, in view of the fact that it takes some two years to acquire the molds necessary for the development of a new tire when it is needed.

MR. GRUENWALD:

A further supplementary. Are there any markets outside of Canada that possibly could be utilized to satisfy the market at least on a temporary basis to get caught up?

MR. DOWLING:

Mr. Speaker, our branch is not aware of any. Perhaps the Minister of Agriculture, who also has this knowledge at his disposal, might have something to add. We have not been able to determine that there are other suppliers that could supply this type of machine tire.

DR. HORNER:

Mr. Speaker, there has been some inquiry with regard to the Japanese tire makers to see whether or not they could supply. But as my colleague has pointed out, it is a question of getting the right mold to fit the right kinds of machines. That's the problem at the moment in trying to get an offshore supply of tires. As my friend may know, there are a number of different tire sizes and the tire must fit the wheel or it won't work.

MR. SPEAKER:

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

City Transportation Policy

MR. J. MILIER:

Yes, Mr. Speaker, I have a question for the hon. Minister of Highways and Transport. I should like to ask the minister if his new city transportation policy announced yesterday will provide any money for maintaining major highways running through the eight smaller cities in Alberta? In other words, will there be anything left after Edmonton and Calgary have divided up the pot?

AN HON. MEMBER:

Good question.

MR. COPITHORNE:

Mr. Speaker, there are two ways in which we are providing funds for the eight smaller cities in Alberta. Out of the \$108 million, Mr. Speaker, the group of advisory boards

that we are planning to set up for planning the usage of the funds will be providing funds for the arterial roads in the eight smaller centres.

We will also be increasing the maintenance fund, which is now \$500 a mile, to those eight communities to \$2,000 a mile which certainly should help them in their maintenance problems.

MR. LUDWIG:

A supplementary to the hon. minister, Mr. Speaker. When was the decision first made to proceed with the program that the hon. minister announced yesterday?

AN HON. MEMBER:

Yesterday.

MR. COPITHORNE:

Mr. Speaker, we announced it yesterday. I guess that's the start of it.

MR. LUDWIG:

Mr. Speaker, in light of the hon. minister's answer, how does he account for the fact that the money for the program announced yesterday is provided in the budget?

AN HON. MEMBER:

He's smart.

MR. SPEAKER:

The hon. Member for Calgary Mountain View is clearly inciting to debate, but perhaps the hon. minister might wish to answer briefly under the circumstances.

MR. COPITHORNE:

Mr. Speaker, I was going to ...

DR. BUCK:

No speech written for you, Clarence.

MR. COPITHORNE:

... tell the hon. Member for Calgary Mountain View that I'll be proceeding with my estimates this afternoon and will give him an opportunity then to incite debate.

MR. LUDWIG:

Mr. Speaker, in light of the answer, that could hardly be termed an ...

MR. SPEAKER:

Order please.

MR. CLAFK:

Mr. Speaker, a supplementary question to the minister. The amount of \$220 million plus - is that a fixed amount the government is committed to for the next six years, or will that amount be increased yearly in light of inflation?

MR. COPITHORNE:

Mr. Speaker, that's a fixed amount but it's cumulative as well. The proceeds from the interest accrued can be used for transportation purposes.

MR. CLARK:

Mr. Speaker, a supplementary question to the Minister of Highways and Transport. It's \$220 million over the six years with no additional factor for inflation?

MR. COPITHORNE:

No. Mr. Speaker, the interest from that money can be accumulated. It doesn't have to be spent in one year. It can be accumulated and the interest from that accumulation also goes to the cities.

MR. CLARK:

A supplementary question to the minister. The interest the minister talks of deals with the interest for that year's allocation that is not spent, that's all. Not the \$220 million though?

MR. COPITHORNE:

That's correct, Mr. Speaker.

MR. NOTLEY:

A supplementary question then for clarification, Mr. Speaker, to the hon. Minister of Highways and Transport. That \$220 million does not at this stage take into account the escalating costs of providing urban transportation?

MR. COPITHORNE:

Mr. Speaker, that's kind of a hypothetical question. There may not be escalation or inflation of the transportation systems as such. We are experiencing that now. But it may not continue.

MR. P. SPEAKER:

Mr. Speaker, a supplementary to the minister.

MR. SPEAKER:

Might this be the last supplementary. We are really encroaching on the committee stage of the hon. minister's estimates.

MR. P. SPEAKER:

Mr. Speaker, to the minister. I understand, if I remember - I was trying to look in your release - the initial amount of money available in the first year is \$34.5 million. Is that correct? If my recall is correct, then what factor is built into the program as an increase each year? Is it a 6, 7 or 8 per cent factor built in?

AN HON. MEMBER:

One per cent.

MR. COPITHORNE:

It's spelled out pretty clearly in the policy from a year to year basis. It's cumulative and if they don't spend it the first year or the second year or the third year, they can spend it all in the fourth year, and they can accrue the interest which also goes to the city with the funds that are left over.

MR. SPEAKER:

The hon. member for Spirit River-Fairview followed by the hon. Member for Clover Bar.

Auto Insurance Rates

MR. NOTLEY:

Mr. Speaker, I'd like to direct my question to the hon. Minister of Consumer Affairs and ask him whether or not the proposed 16.6 per cent increase in insurance rates has been referred to the Alberta Automobile Insurance Board?

MR. DOWLING:

Mr. Speaker, the Alberta Automobile Insurance Board deals with that portion of the insurance which is compulsory in nature, being the public liability and property damage portion. They have for some number of weeks now examined the so-called green book relative to statistics gathered in all the provinces of Canada that have a private enterprise system of insurance.

There was obviously an indication that when their rates were examined there would be a proposal by the companies for an increase during this year. I have no idea whether the 16.5 per cent mentioned by the hon. member is factual. We had indications early on that it would be about 10 per cent. Bearing in mind, Mr. Speaker, that there was an increase

of that amount in the province of Manitoba which has all these hidden costs, I think that would be a fair increase.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Can the hon. minister advise the Assembly whether there are any provisions in the Alberta Automobile Insurance Board so that citizens who oppose the increase can make representation to the board?

MR. DOWLING:

Mr. Speaker, the Alberta Automobile Insurance Board is an autonomous body. Any proposals for rate increases made to that body by the private sector insurance company must contain in that presentation a justification in terms of all costs relative to insurance. So before they do approve a rate increase for that portion which is compulsory it must certainly be justified down to the finite details.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. He didn't really answer the question I asked. My question was, is there any provision in the operation of the Alberta Automobile Insurance Board so that citizens who oppose a rate increase, quite divorced from the companies, can make representation to the board?

MR. DOWLING:

Yes, in a government such as we have, Mr. Speaker, they would welcome, I'm certain, any representations by letter, either through the Minister of Consumer Affairs, whoever that might be at the time, or through the Alberta Automobile Insurance Board directly.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Is it the hon. minister's intention to ask the Alberta Automobile Insurance Board to publicize its meeting dates, so that citizens who do want to make representation on auto insurance rates will have an opportunity to do so and appear in person?

MR. DOWLING:

Mr. Speaker, I didn't indicate at all that there would be any meetings of any kind. I did indicate that the Alberta Automobile Insurance Board would welcome representations in writing to that board and I think that's just. There are a number of associations that might want to do that and I'm sure they would welcome them.

MR. NOTLEY:

Mr. Speaker, a final supplementary question. If there are going to be no meetings of the Automobile Insurance Board, how, in fact, can they monitor the 16.6 per cent increase?

MR. DOWLING:

Mr. Speaker, the hon. member is being very - well, I'm not going to say it - he knows better than that, Mr. Speaker.

AN HON. MEMBER:

No.

MR. DOWLING:

I've already indicated that there are to be meetings of the Automobile Insurance Board. I'm sure any autonomous board doing an effective job of regulating the insurance rates for that portion which is compulsory will obviously have meetings.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Is it the intention of the minister to ask the board to have some public meetings or to notify the people of Alberta when they are having meetings so that representations can be made by people who oppose the increase?

MR. DOWLING:

No, Mr. Speaker.

MR. MOORE:

A supplementary to the Minister of Consumer Affairs, Mr. Speaker, on automobile insurance. Has the minister had an opportunity yet to review the decision announced yesterday by the Government of British Columbia relative to putting public funds into the insurance industry so as to bring the cost of their insurance more in line with Alberta's?

MR. DOWLING:

Yes, Mr. Speaker, I have. I have also examined the same sort of principle that follows in Saskatchewan and Manitoba where they further subsidize the insurance rates.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Drumheller.

Cardinal River Strip Mine

DR. BUCK:

Mr. Speaker, I'd like to address a question to the hon. Minister of Mines and Minerals. After the announcement that there will be a third strip mine in the Cardinal River Coal project area, I'd like to know if the minister is in a position to enlarge upon the project.

MR. DICKIE:

Mr. Speaker, I don't think there was an announcement of a third strip mine being confirmed. I think yesterday's question dealt with whether there had been discussions.

The application is presently before the Energy Resources Conservation Board. After the disposition of the application by the Energy Resources Conservation Board, it would come to the Executive Council for consideration.

MR. SPEAKER:

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

Spokane World Fair

MR. TAYLOR:

Thank you, Mr. Speaker. Two pleasant questions, for a change, to the hon. Minister of Manpower and Labour. Does the hon. minister have any comments on: one, the new airline service between Calgary, Edmonton and Spokane, and two, the Canadian exhibit and the Alberta exhibit at Spokane?

MR. SPEAKER:

With great respect to the hon. member - and admittedly we have had considerable debate in the question period thus far, but the hon. member is clearly asking the hon. minister to indulge in an extended expression of opinion.

MR. TAYLOR:

On a point of order, Mr. Speaker, I understand the hon. minister represented the government and the people of Alberta, on this flight, in Spokane. I thought the people of Alberta would be interested in his comments.

MR. SPEAKER:

If the hon. member is asking the hon. minister to share with the House information he obtained on the flight, no doubt the question is in order.

DR. HOHOL:

Mr. Speaker, I'll have to be brief and selective in my response. I think the addition to the airlines is, without question, a good thing for the people of Edmonton and the people of Alberta generally. There is no question about that.

MR. LUDWIG:

What about Calgary?

DR. HOPOL:

And certainly Calgary because the non-stop flight from Edmonton to Spokane stops at Calgary.

[Laughter]

With respect to the Alberta contribution to the exposition at Spokane, the people of Spokane who are in charge, the mayor and the president of the exposition, assured us, and we saw plenty of evidence, that it's one of the most popular, one of the most human pavilions because it's just an open-air place where people present cultural activities in the way of music, drama and dancing. We watched some of our own people perform. We had exchanges of good will between the City of Edmonton and the City of Spokane, and the Province of Alberta and the State of Washington. I was most proud and pleased to represent this Legislature and the people of Alberta on that occasion.

MR. SPEAKER:

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

Licensed Mechanics - Motorcycle Shops

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Manpower and Labour. In light of a question I put to him several days ago, will he be proposing regulations that repair shops that hold themselves out for repair of motor bikes will have licensed mechanics on the premises at all times?

DR. HOHOL:

Mr. Speaker, I'll have a reply to that question in written form tomorrow.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Leader of the Opposition.

Tourist Promotion

MR. SORENSON:

Mr. Speaker, my question is to the minister responsible for tourism. In view of the mushrooming popularity of winter sports, such as skiing, in Japan and Europe and the increasing crowding of resorts there, will Travel Alberta initiate an intensive campaign to promote our excellent, uncrowded winter resort areas in these places this fall?

MR. DOWLING:

Mr. Speaker, what we have done, in view of the delicate nature of the tourist industry and the fact that a great contributor to the economy of the province can be easily destroyed, is maintain a minimal position in Japan. It costs, I think, in the neighbourhood of \$500 per month to maintain a public relations officer there and to write the occasional story.

Our priority among the overseas markets is the United Kingdom. However, there is a possibility that that may expand into the European market. Our position, in all cases relative to the tourist industry, Mr. Speaker, is to promote it only to the extent that we can stand the traffic.

We believe there has to be a considerable number of facilities developed outside the national parks in the way of skiing and other facilities in order to accommodate the number of visitors who want to visit our beautiful province. Until those are developed our promotion will be rather minimal in nature, bearing in mind that there is an amount we can stand without it doing any damage to our province.

MR. SORENSON:

A supplementary to the minister. Could the minister explain to the Assembly why the Government of Alberta does not see fit to advertise in the Canada Travel section of a national U.S. newspaper or to ensure that the editors at least mention Alberta's attractions in the text.

MR. SPEAKER:

The hon. member has made a second very clear recommendation to the minister which he would have to assume the minister has taken account of.

The hon. Leader of the Opposition followed by the hon. Member for Spirit River-Fairview.

Government Advertising

MR. CLAPK:

Mr. Speaker, I have a question for the hon. Minister of Federal and Intergovernmental Affairs. I wonder if the minister could advise the House when it will be possible for him to table Sessional Paper No. 107? Approved, I think, on March 13 it was regarding the advertising of public relations firms retained to do work for the government, the moneys received and moneys spent on advertising by the government.

MR. GETTY:

Mr. Speaker, I think when that motion for a return was placed before the House I drew to the attention of the hon. member that it would take a considerable amount of time to bring all that information together, particularly, as I recall, our problem now is the boards and agencies that are involved. Having told him that when we agreed to the motion for a return, I can only say that we are preparing it as quickly as we can.

Fish Creek Provincial Park

MR. CLAPK:

A supplementary question, Mr. Speaker, in the same vein to the Minister of Lands and Forests regarding a motion for a return on March 26 concerning the correspondence giving all particulars on the Fish Creek park in Calgary. Could the minister give us some indication as to when he expects that to be tabled in the House?

DR. WARRACK:

Mr. Speaker, that matter related to the land assembly program is handled by the Minister of the Environment. I would ask him to respond.

MP. YURKO:

Mr. Speaker, the information that was requested is correspondence prior to the date that the park actually became a reality or some of the information was prior to that date. There was some correspondence that came into government with respect to the park prior to it being announced.

We've reviewed this correspondence amongst the various departments, compiled it and then written to the various people involved requesting their permission to make their letters public. We haven't as yet received all the approvals in this regard. I think we may not receive them until the fall so perhaps it will have to be tabled in the fall.

Ethno-Cultural Groups -- Grants

MR. CLARK:

One further supplementary, Mr. Speaker, to the Minister of Culture, Youth and Recreation regarding a question on May 1 concerning portions of grants which ethno-cultural organizations received. Is the minister in a position to indicate to us when he hopes to be able to table that information?

MR. SCHMID:

Mr. Speaker, I'll be tabling that return tomorrow.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview.

Bill 55 - Citizen Discussion (Cont.)

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Municipal Affairs. It's a follow-up question to one asked earlier about the 600-signature petition he received today. My question, Mr. Speaker, is whether the minister or any officials of his department have had an opportunity to discuss the implications of Bill No. 55 with the Fort McMurray town board or either the school board or separate school board subsequent to committee stage of Bill No. 55 in the House?

MR. RUSSELL:

No we haven't, Mr. Speaker. I indicated to Mr. Morgan when I met with him today what we would probably be doing with respect to the establishment of a commissioner, insofar as he works in cooperation with locally established boards in the Fort McMurray area [as to] the best approach we might take with respect to setting up the advisory committee and other such matters.

I think the hon. member is making a mistake that many are tending to make, that is, relating this primarily to Fort McMurray. I emphasize again, it is a regional commissioner we're establishing by this bill.

MR. NOTLEY:

A supplementary question, Mr. Speaker. Is it the government's clear intention, then, to convene a meeting of all the affected local boards or the advisory board of the ID in question before the commissioner is appointed?

MR. RUSSELL:

No it isn't, Mr. Speaker.

ORDERS OF THE DAY

QUESTIONS

193. Mr. Notley asked the government the following question:

1. (a) What proportion of provincial judges in Alberta do not have legal training - i.e. graduates of law schools?
- (b) What proportion of the provincial judges in Alberta who do not have legal training are former police officers?
- (c) How many of the provincial judges, who are not graduates of law schools, practice in rural and urban areas respectively?

MR. LEITCH:

We accept the question.

194. Mr. Clark asked the government the following question:

What was the total number of employees on the payroll of the provincial government, its boards and agencies, including salary earners, full-time and part-time wage earners and people being paid on a contractual basis on the dates of August 1, 1971, and August 1, 1973?

MR. MINIELY:

We accept the question.

195. Mr. Dixon asked the government the following question:

1. What was the date of the settlement between the Government of Alberta and James R. Landsky, former Executive-Director of Alberta Housing Corporation?
2. What were the terms and amount of the settlement between the government and Mr. Landsky?
3. Were all the files of the Alberta Housing Corporation, in Mr. Landsky's possession, returned to the government? If not, which files remain unreturned as of May 31, 1974?
4. Who negotiated on behalf of Mr. Landsky in the settlement?
5. Who negotiated on behalf of the Government of Alberta in the settlement?

MR. RUSSELL:

We agree to the question, Mr. Speaker.

MOTIONS FOR A RETURN

196. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a Return showing:

Table copy or copies of the agreement between Foster Economic Consultants and the Government of Alberta concerning consulting work by said firm relative to the agreement between Syncrude and the Alberta government.

MR. DICKIE:

[Mr. Dickie's reply not recorded; question accepted]

197. Mr. Clark proposed the following motion to the Assembly:

That an Order of the Assembly do issue for a Return showing:

A copy of all reports or studies done by the following MLA Caucus Committees (Task Forces) during the fiscal year 1973-74:

1. Needs, opportunities and responsibilities of the Individual.
2. Task Force on Agriculture.
3. Decentralization of government operations.

DR. HORNER:

Mr. Speaker, in view of the fact that there are no reports as such which can be tabled, and indeed, the three task forces mentioned are ongoing policy-formulating groups within the government, we do not feel we can accept this motion.

MR. LUDWIG:

Mr. Speaker, it is rather unusual that we have public funds expended on committees moving about the province and that we can't get a report on what they are, in fact, doing. I feel that it's taking advantage of a situation. We objected to this procedure in the first place. Now we are told we can have as many task forces as we like in the field and that we don't have to report. This is not at all in keeping with the oft-pronounced and oft-advertised attitude of the government that they are an open government. Are these task forces literally bird dogs for the government and nothing else? After all, if we vote funds for them, we have a responsibility to ask to see what they are doing.

It isn't at all unfair, Mr. Speaker, to say that they are nothing more than political task forces and that they ought not to be paid by the government if that's all they are. If we are paying elected representatives to be going around the province doing whatever

they are doing, I believe, it's only fair and proper that we request some type of accounting. The hon. Deputy Premier can laugh all he likes because he has a majority to say that's the way it's going to be, whether you like it or not.

I think, on the other hand, he must recognize the right of any MLA, any member in this House, to request what is happening. I think that if this were made a test that the government would be hard-pressed to give reasons why it ought not to be given. Just merely saying we're not going to give it to you because we haven't got the reports - will there ever be reports? Can the hon. Deputy Premier tell us that when the report does come in we'll give it? In all fairness to that kind of report it will be politically screened and perhaps edited. One hardly expects them to tell us everything. I believe it's a reasonable claim and the Deputy Premier ought to explain if it's his intention to ever give us any replies or any reports on the activities of these task forces. Otherwise they're strictly political and we ought to ban them, Mr. Speaker.

DR. HORNEP:

Mr. Speaker, on a point of information for the honourable gentleman ...

MR. SPEAKER:

Order please. The Chair is unaware of any rule that provides for a point of information.

MR. CLARK:

Mr. Speaker, just in closing the comments regarding Motion for a Return No. [197], we're just seeing another chapter in the story ...

MR. SPEAKER:

Is the hon. Leader of the Opposition closing the debate?

SOME HON. MEMBERS:

Agreed.

MR. CLARK:

In closing the debate, Mr. Speaker, on Motion for a Return No. [197], we're just seeing one more chapter in the government story as far as task forces are concerned. When it is in the government's interest, it makes public the reports of the task forces. A good example is the one that was done on property tax a year ago. When there is going to be some flak from the work that a committee is doing, then they try to share that with other groups across the province.

As far as we're concerned here, the Task Force on Needs, Opportunities and Responsibilities of the Individuals, the Task Force on Agriculture, and the Task Force on Decentralization of Government Operations - the members of these task forces are receiving taxpayers' money, and here is another example of completely and absolutely no accounting to this Legislature for that funding.

We realize the government can vote this down and in fact is going to vote it down, but this is just another example not of open government but, in fact, closed government, behind-the-doors government, a government which is not prepared to make the information [about what is] done by these members of the Legislature available to the Legislature and to the public of Alberta.

AN HON. MEMBER:

Under the table.

SOME HON. MEMBERS:

Question.

[The motion was lost.]

MR. HYNDMAN:

Mr. Speaker, I move the Assembly now move to government business till 5:30.

[The motion was carried.]

GOVERNMENT MOTIONS

3. Hon. Mr. Hyndman proposed the following motion to the Assembly:

Be it resolved that the Report of the Select Committee on Alberta Regulations be received and concurred in.

[The motion was carried.]

4. Hon. Mr. Hyndman proposed the following motion to the Assembly:

Be it resolved that the Report of the Select Committee of Foreign Investment be received and concurred in.

[The motion was carried.]

GOVERNMENT BILLS AND ORDERS

MR. HYNDMAN:

Mr. Speaker, on a procedural matter, I'd like to move that Bill No. 24, The Social Development Amendment Act, 1974, be not now read a third time, but be recommitted to the Committee of the Whole for a further amendment.

[The motion was carried.]

[Mr. Speaker left the Chair.]

* * * * *

COMMITTEE OF SUPPLY

[Mr. Diachuk in the Chair.]

MR. CHAIRMAN:

The Committee of Supply will come to order.

Department of Mines and Minerals

MR. TRYNCHY:

Mr. Chairman, Subcommittee B has had under consideration Vote No. 20, the Estimates of Expenditure for the Department of Mines and Minerals and begs to report the same. I therefore submit the following resolution:

Resolved that a sum not exceeding \$7,300,000 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Mines and Minerals.

This appropriation is all chargeable to income.

SOME HON. MEMBERS:

Agreed.

MR. DICKIE:

Mr. Chairman, just a few short observations. First, I think during the committee stage we did have representatives of the Alberta Petroleum Marketing Association committee

there and I think we had an excellent discussion on the prices of crude oil. At the same time we had discussions on the supply of crude oil.

During the sessions of the House, during the questions and so forth, we have had good discussions on the prices of natural gas, the steps and natural gas policies of the government. On the coal, we had reports on coal from our Energy Resources Conservation Board and we outlined where we were proceeding with coal on the question of royalty and dealing with the reports. There have also been questions on the price and the supply of sulphur. So I think we have handled many of the hydrocarbons.

However there is one area, Mr. Chairman, I would like to comment on because it was raised during the committee's discussion on the estimates of the Department of Mines and Minerals. That deals with the question of the Alberta oil sands, the interests of companies, large and small companies, independent companies in the oil sands, the type of dispositions in the oil sands that relate to oil sands leases and bituminous sands leases. Those questions were raised by the hon. Leader of the Opposition as well as other members both on the government side and in the Opposition. There was also a question raised in the House on April 25 by the Member for Spirit River-Fairview. I would just like to phrase the question again, if I might, Mr. Chairman. The question was:

Mr. Speaker, in light of the statement in the ERCB report that further development of the tar sands projects will be hindered by present lease ownership in the oil sands ...

Mr. Chairman, I think the hon. member was referring to the Shell application and the report by the Energy Resources Conservation Board. I don't believe there was a statement such as that in the report and I would like to make sure the record clearly shows that. But I think he did raise this question of ownership.

Again, with the question of ownership and the position of the leases in the Alberta oil sands, our department has completed a very detailed report. I would ask that the pages now distribute those reports to the hon. members.

Mr. Chairman, this report does show the question of the reserves, what the undisposed interests in the Alberta oil sands are and the different types of dispositions. When the hon. members receive their copies, I would like to indicate some items I would highlight for them as they read the report so they will answer some of the questions raised, particularly by the Leader of the Opposition, on the question of the study group by officials of the Department of Mines and Minerals dealing with the renewable leases. Hon. members will note that most of these leases are for a period of 21 years. They do contain one important clause and I'd like to draw it to the hon. members' attention. In doing so I would refer to the section described as A-3.

I'm sorry, Mr. Chairman, my understanding was these were all available for distribution. I'm not sure where they are.

For that reason, perhaps I could just read the clause in the actual lease form which was used because the oil sands lease and the bituminous sands leases did not deviate from this clause. The leases are subject in each case to the terms and conditions prescribed at the time the renewal is granted and to the provision of The Mines and Minerals Act, 1962, and the regulations in force from time to time.

Mr. Chairman, the first lease becomes renewable next year, 1975. If hon. members will make a note and refer to page 3-8, they will see when the leases that have been granted in the oil sands area expire and the date they were issued. That shows graphically at what time the renewed leases will come into effect.

The point I wanted to make was that the committee of the Department of Mines and Minerals which is studying this question will be looking at what the terms and conditions will be when these leases are renewed. I think it is an important question. I raise it today, Mr. Chairman, to acquaint hon. members with the work of the department. I also invite them, as they go through the document, and as they review what is actually happening in the Alberta oil sands, that if they have suggestions as to what some of those terms and conditions might be certainly I as the minister, or members of the department, would welcome their suggestions before we finalize the report. So as hon. members go through it and consider the facts and figures, please make a note of any suggestions and pass them on.

I think that concludes my preliminary remarks, Mr. Chairman.

MR. PUSTE:

Mr. Chairman, I don't want to prolong the work of the committee. There is talk of the different set-ups that are going in now to export natural gas or natural gas by-products. What is the procedure for the application to get a pipeline to take it out? I am thinking

of the one that is proposed to go through the area near where I live. There is some concern of the landowners in the area about the compensation they can get.

Not only that. We've had the spill in the Killam area. I understand one of those took place somewhere in January and there has been no settlement as yet. Certainly as a landowner, I am pretty concerned about granting permission to a pipeline to come in, without knowing exactly what protection I have some place down the road. I don't think anybody can tell me that you can get a spill of the magnitude that we have had in some of these without doing permanent damage to the soil.

MR. DICKIE:

Mr. Chairman, that's a good question. It will involve a lot of the hon. member's constituents. The application will be made before the Energy Resources Conservation Board. Over the last year or two we have done a great deal in making sure that there is coordination between the input of various departments of government into the Energy Resources Conservation Board. We have also looked at the question of whether there would be another way of putting the pipeline, because members in the rural area have expressed concern as to the route the pipeline may follow. With the public hearings by the Energy Resources Conservation Board there is opportunity for input by various landowners to make suggestions along those lines before the plan is finalized.

MR. RUSTE:

There can be a lot of survey work though and, in fact, the route can be determined before the hearings even take place, as I take it?

MR. DICKIE:

Mr. Chairman, my understanding would be that there would be discussions with the various landowners before the route is finalized so that they have ample opportunity to make their presentations if they have a desire that the route be changed.

MR. RUSTE:

What about the protection? Say I grant permission for a pipeline to go through and, as happens with metal pipe and so on, 20 years from now maybe my son is farming and there is a break. Now what protection will he have at that time? I've granted the permission now. I'm just using this as an example.

MR. DICKIE:

Mr. Chairman, the Department of the Environment sets up certain rules and regulations dealing with these kinds of problems. I know over the last year or so they have really tightened them up and have given every security possible for a landowner in the event of these contingency plans for oil spills.

MR. RUSTE:

Just a final question. I think there is a lot of controversy now over which project should go ahead and where the pipeline goes. In the event there was a group of farmers who said they were going to oppose this, would the government back them?

MR. DICKIE:

Mr. Chairman, that is one of the advantages of having an independent Energy Resources Conservation Board. They can consider those kinds of questions and make those decisions.

MR. CHAIRMAN:

Are you ready for the question?

HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

The resolution before us as moved by the Chairman of Subcommittee B, Mr. Trynchy:

Resolved that a sum not exceeding \$7,300,000 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Mines and Minerals.

[The motion was carried.]

Department of Municipal Affairs

MR. ASHTON:

Mr. Chairman, Subcommittee D has had under consideration Vote 21, the estimates of expenditure for the Department of Municipal Affairs and begs to report the same. I therefore submit the following resolution:

Resolved that a sum not exceeding \$124,556,213 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Municipal Affairs.

SOME HON. MEMBERS:

Agreed, agreed.

MR. CHAIRMAN:

Are you ready for the resolution?

As moved by the chairman of Subcommittee D, Mr. Ashton, resolved that a sum not exceeding \$124,556,213 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Municipal Affairs. All those in favour say aye.

MR. LUDWIG:

Mr. Chairman, lest the hon. minister feel neglected, I would like to ask whether it is his intention in the future to review the minimum grant of \$100 to home-owners and \$200 to those who are receiving supplementary assistance, in light of the fact that inflation has already depleted that \$100 to not such a meaningful sum.

In my remarks previously I had objected to the manner in which the government is dispensing general revenues. The minister can argue until he is blue in the face about the fact that it's a tax reduction scheme. The source of the revenue is public revenue. It is general revenue. It does not come from the properties and therefore, in giving it back, it is a most unequal and unfair distribution of the people's trust funds.

I wonder whether the minister would consider raising the minimum from \$100 and \$200, to \$350 and \$450 in keeping with the province's ability to pay and its principle of distribution at this time of the moneys which apparently it does not need for budgetary purposes?

MR. RUSSELL:

Well, Mr. Chairman, I guess we'll always have this problem if the hon. member doesn't accept it as a tax reduction program, which is what it is. However, I'd just like to say that the program plus the companion one, that of municipal assistance - direct financial assistance to the municipalities - is one which has been undergoing a change each year since 1971 and no doubt will continue to be reviewed and changed where desirable.

MR. NOTLEY:

Mr. Chairman, I would like to ask the minister a question relative to the consulting services of Cohos, Delesalle and Evamy, vis-a-vis the new town of Fort McMurray. Can the minister advise the committee of the conditions of the contract between the Government of Alberta and Cohos, and what role, if any, the town board of McMurray played in arriving at the arrangement?

MR. RUSSELL:

Mr. Chairman, The New Towns Act provides for three methods of planning services to be provided. They can be provided by the government department, as had been done until the time Cohos was hired, or else a private consultant can be hired, which was done in this case, with the agreement of the town board. It is paid for by the provincial government but there is the standard client-consultant arrangement, a line of communications between the consulting firm and the town board, so that they make the decisions and meet with the consultant and the province pays for it.

MR. NOTLEY:

A further question to the minister. Was there any suggestion by the town board or any members of the town board that this matter should be put up for tender, as to who the planning or consulting firm would be?

MR. RUSSELL:

Planning services are not tendered, Mr. Chairman. Like other professional services, they are not tendered in the true sense of the word.

MR. NOTLEY:

Well, Mr. Chairman, the question I'm trying to get at is, was there some suggestion, Mr. Minister, from the board that some method should be devised to obtain bids from various consulting firms with some expertise in the area, and that the town board would then decide which consulting firm it would choose as best suited to undertake the planning?

MR. RUSSELL:

Mr. Chairman, I can't answer that question. The matter of the Cohos contract was one of considerable discussion and it may well have been that that suggestion came up. However, the terms of reference and the duties which that firm was to perform were contained in a report which was submitted to the town board. After lengthy debate and discussion, it was agreed to. Presumably those items were agreed to between the province, the consultant and the town board during those discussions.

MR. NOTIFY:

A further supplementary question. Is it true then that the proposal was made to the town board by the government that the government had, in fact, agreed to engage the consulting services of the Cohos firm, and that if the town board were to agree to this the province would pick up the cost, otherwise the town would have to pay its own way?

MR. RUSSELL:

Well, Mr. Chairman, a major decision was made before then. That was the kind of growth direction that the town would take. The government was not willing to endorse the plan of expansion that had been produced by the provincial planning branch for a series of reasons which they considered valid.

As an alternative, we proposed to the new town board that we go the other way, as recommended by the Cohos report, and indicated to them that the cost of planning would be picked up by the province. But that was done after the agreement was reached following discussions which went on over a period of several months.

MR. RUSTE:

Mr. Chairman, I just want to deal a moment with the home-owners education tax refund. I think that all of us who are taxpayers have received - I think there were three communications from either the Premier or the minister or the department relative to the payment. As I have it here, the Premier had sent one:

I'm very pleased to enclose your application for the Homeowner Education Tax Refund under the new Alberta Property Tax Reduction Plan.

Property taxation has become a serious burden for many Albertans and this plan is designed to reduce the taxes you pay each year. This new Property Tax Reduction Plan has been made possible through a greater return to the people of Alberta from New Oil and Gas Policies for Alberta.

Signed by the Premier.

Then there's a later one, a memo from David Russell, Minister of Municipal Affairs:

I am happy to confirm that we have received your application for a Homeowner's Education Tax Refund.

The amount of your property tax refund has been calculated by your municipality and forwarded to us for payment.

Your tax refund comes under the Alberta Property Tax Reduction Plan - and was made possible by the additional revenues which resulted from your Provincial Government's new oil and gas policies.

Signed David Russell.

And then there's another one, as follows: "A refund for you has been processed in the total amount of ... " so many dollars. "A payment in the amount of ... " so many dollars will be sent to your municipal district " ... and credited to your tax account."

So I submit, Mr. Chairman, that there were three communications there at least. I may have missed some.

If the Premier is going to send another one out this year, I suggest one for him. In addition to what he said last year - ... propose to increase " ... your application for the Homeowner Education Tax Refund under the new Alberta Property Tax Reduction Plan." and with reference to " ... a greater return to the people of Alberta ... ", I'd add the following:

I must apologize that the amount is not higher, because I've been outmanoeuvred by the federal government in that we're now not getting the world price for Alberta crude. We're getting about \$6.50 a barrel versus the world price of some \$10.50 a barrel.

The previous Social Credit government did get more than the world price for Alberta crude ...

[Interjections]

MR. BENOIT:

It's a matter of information, Mr. Chairman, with regard to senior citizens lodges. Now I'm not sure whether it comes under this department or under the Department of Health and Social Development. In capital expenditures under the Alberta Hospital Services Commission we have additions to senior citizen lodges and six are named there. I can't find the expenditures for the 12 new lodges, Mr. Chairman. I would like the minister to explain that.

MR. RUSSELL:

They are in the vote for the Alberta Housing Corporation, 2135. It's capital but it receives its provincial funds through a statutory appropriation under The Alberta Housing Act. So it's not in the budget.

MR. BENOIT:

Then it's not in the budget?

MR. RUSSELL:

No.

MR. R. SPFAKER:

Mr. Chairman, to the minister. I believe this can be answered here. There are four senior citizens projects to be built in Calgary. Has the minister or the housing corporation decided the locations of those projects at the present time?

MR. RUSSELL:

No we haven't, Mr. Chairman. Those will be selected by the Metropolitan Calgary Foundation. They have a number of sites throughout the city of Calgary that they are trying to acquire. None of them are in government members' constituencies, if that's what you are wondering.

AN HON. MEMBER:

Not a bad idea.

MR. R. SPEAKER:

No, there was a request by some of the service clubs as to whether they could participate in any way - you know, operation of the building or activities in the building. I was wondering, is there consideration such as that? I'm sure the answer is the local foundation would be involved at that level and that they should make the representation to them. Is that correct?

MR. RUSSELL:

Well, the one that is proposed for the Calgary North Hill region, under last year's program, is a kind of experimental pilot project in that it incorporates a neighbourhood senior citizens recreation centre in the lodge building. Because of the sloping site, they are able to take advantage of the full development of the basement and have a separated yet physically connected recreation centre with the lodge.

In that case there is a local volunteer group that is related to St. Giles Presbyterian Church which will operate a recreation centre which will be built by the government.

In any other case it's just a standard lodge which is run by the foundation. I'm not sure, I think the activities of local service clubs vary throughout the province for those.

Where service clubs can get better involved is in the self-contained units, not the lodges. If they'll sponsor them as a non-profit organization, then the government will pay 100 per cent of the capital cost.

MR. R. SPEAKER:

Just to follow up a question to the minister. Who does the minister recommend that the service club make representation to, to look at the plans at this stage; can they get that type of information at this point, and just who would they talk to?

MR. RUSSELL:

They would contact the Alberta Housing Corporation directly.

MR. CHAIRMAN:

Are you ready for the resolution?

[The motion was carried.]

Department of Highways and Transport

MR. YOUNG:

Mr. Chairman, Subcommittee C has had under consideration Vote 15, the estimates of expenditure for the Department of Highways and Transport and begs to report the same. I therefore submit the following resolution:

Resolved that a sum not exceeding \$29,926,683 chargeable to income account and \$156,905,672 chargeable to capital account for a total sum of \$186,832,355 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Highways and Transport.

Mr. Chairman, the committee requested that I draw to the attention of this committee that Appropriation 1593 in the Capital Account section identified as Major Urban Transit in the amount of \$15,000,000 was not considered, awaiting the announcement of the policy which was announced yesterday.

Appropriation 1593 Major Urban Transit

MR. CHAIRMAN:

May we first deal with Appropriation 1593 that was apparently not resolved in committee?

Any questions?

MR. LUDWIG:

Mr. Chairman, I believe, in light of the announcement and in light of the fact that this is not an entirely new program, there was a real effort made on the part of the minister to make it look as if it were some kind of startling new concept that originated with his department. I think the minister ought to stand up and explain when this whole thing was reviewed, when they decided to upgrade the amounts and perhaps give us a few words about the previous grants that were available to both Calgary and Edmonton in dealing with transportation and the many millions of dollars that were spent in this regard when funds were not that plentiful, and perhaps give us a good explanation as to

why he feels there ought not to be some kind of factor built into this grant to deal with inflation.

When he announces there will be \$220 some odd million, five years from now it may buy very little. It may buy half as much, and he's saying, well we don't know. It's hypothetical. I think right now it's not all that hypothetical. Every indication is that inflation this year will be just as serious as it was last year and everything points - unless there is some drastic breakdown, if I may use that word - there is no prediction anywhere in informed circles that there will be a reversal of the trend of inflation. So why not sort of speculate, well it's hypothetical. You might say that life itself may be hypothetical if you wish to carry that to an extreme. Nobody knows for certain what might happen tomorrow but budgeting still goes on. We are now moving into a longer range type of planning for the growth of cities.

It's easier to pull back and say, well we have deflation in the country and money is a lot more valuable now. It buys much more so we can always reduce the grants. Perhaps the ministers might feel that by the same line of reasoning we could increase the grants. But the cities must plan for the future. They must know that these funds are available.

I would like the hon. minister to give us a few words on this issue. I take the stand that this is not a new concept at all. It was a good effort and a good political announcement but the grants [were] to deal with purchase of land, building of bridges, highways and ring roads in the cities.

Funds were made available by the previous government for a number of years - perhaps not as generously. I don't know the exact figures, but I'm of the opinion that money in those days bought as much as the grant announced by the present government.

Thank you, Mr. Chairman.

MR. NOTLEY:

Mr. Chairman, just a few brief remarks on this particular estimate. I listened, as I'm sure we all did yesterday, with a great deal of interest as the minister gave us his announcement. Over the period of six years the \$220 million seemed indeed like a very impressive program and a bold, exciting one; the kind of program one would expect from a 'now' government.

But, Mr. Chairman, what strikes me as rather interesting is that in looking over the estimates we find a number of these features have been here before. The grants to cities for transportation facilities - we already had \$18 million budgeted in the estimates. Last year the estimates called for \$16 million. Then we have Appropriation 1593, \$15 million for financial support for the first year of a multiyear program.

I have to say, Mr. Chairman, that it always impresses me how the government is able to work both sides of the street for full public relations value. They get all the public relations they can squeeze out of this when the Provincial Treasurer submits his budget. Then yesterday we had the very impressive speech by the minister and they get the same public relations the second time round. That, I tell you, is really showing great skill in public relations. I could only suggest to them that perhaps they should send a few of the boys down to Ottawa to help Mr. Stanfield because he needs a little help with public relations these days.

AN HON. MEMBER:

What about Lewis?

MR. NOTLEY:

Mr. Chairman, the other aspect of this estimate here is that we also have \$1.5 million set aside for planning. You add up what we already have in the budget, Mr. Chairman, and we're allocating \$34.5 million this year, times 6, works out to \$207 million. So the commitment of the government is to increase it by approximately \$13 million over 6 years which is about 1 per cent a year.

Mr. Chairman, I really question whether or not the government is being Santa Claus. I suspect that perhaps Ebenezer Scrooge might be a better way of describing this approach, that is, over and above the first announcement on which, as I say, they have already squeezed maximum public relations.

Mr. Chairman, I think the question of urban transportation is one of critical importance and I found it a little difficult to follow the minister today when he said in the question period that there would not be any solid commitment from this government to increase the grants under this program as costs go up. The minister suggested that it was a hypothetical question as to whether or not inflation was going to push up the cost of urban transportation.

Well, Mr. Chairman, I have a great respect for the minister's judgment here but I suggest that if he's saying that he doesn't see inflation having an effect in the next six years on urban transportation, he is indeed the only authority in North America who would make that suggestion at this stage. I think it's almost universally accepted, and I'm sure the cities recognize too that these costs will be going up.

I think the point made by the Member for Calgary Mountain View is certainly a valid one. I would second it that there has to be some built-in escalation, not as the minister tried to explain in the estimates, that if money isn't used the first year it's carried over and the cities gain the interest from it, but, in fact, that during the six-year period of time we build in some sort of cost increase escalator, so that at least at the end of the six-year period the urban areas of the province will be able to do as much as they could in the first year of the program.

MR. COPITHORNE:

Mr. Chairman, in answering the negative approach of the honourable gentlemen on the other side, I'm a little amazed. Certainly they haven't given much study to the former programs if they say this one isn't new, because it is new. It covers the areas in which the cities were having great difficulty in urban transportation in the past.

Certainly all the aspects of this program are pretty well new, inasmuch as the funds are cumulative. When the hon. Member for Calgary Mountain View speaks about the need for planning, this gives the cities over a six-year period an adequate time to plan, as well as having that planning well programmed, well coordinated with the province's thinking and surrounding the needs of the communities, as well as having those plans financed for them. That in itself, Mr. Speaker, has to be both innovative and new, as well as being tailored to the needs of the cities today.

The arterial road system is something new to the cities of Calgary and Edmonton. In the past, Mr. Speaker, a sum of money was set aside each year which was on a 75 per cent sharing program, but did not include the cost of land which the new program does include. This also leads to the ability of the city to plan ahead, to acquire land and rights of way. These are certainly new and responsive policies for transportation in the cities.

The deficit financing is new. The former government of Alberta certainly did not provide for this problem with which the cities were continually plagued. As a matter of fact, Mr. Chairman, it is possible that if the cities choose not to spend all the money, the interest from their accrueement could well cover the deficits which they incur in providing public transport.

I hope that with the announcement I was able to make here in the House yesterday on the new program, with the coordination we're going to have with the cities, with the department, for the needs of the cities and the province, the planning and research will be able to provide planned facilities for all citizens including senior citizens and the crippled and handicapped.

Mr. Chairman, almost every form, almost every item is new. I cannot understand the honourable gentlemen opposite when they say there is nothing new about this. Certainly there is. There is help for the smaller cities in Alberta, both for arterial roads and public transportation. They never had this before.

MR. BENOIT:

Mr. Chairman, I would like to ask the minister how he defines arterial roads in contrast with existing main thoroughfares which go through the cities? The second point I'd like to raise is with regards to the comparison of the spending. Will this \$220 million be considered over and above what is now being spent, or will it be a part in comparison with what is being spent?

For instance, according to this we are spending some \$25 million this year for urban transit and urban roads. This program of \$220 million for six years amounts to approximately \$37 million a year. Would that \$37 million be over and above what would normally be spent like this, or will that be part of it?

MR. COPITHORNE:

I missed the first part of your question.

MR. BENOIT:

You mean the very first part; a definition of the arterial roads.

MR. COPITHORNE:

Mr. Chairman, the arterial roads are the feeder roads from the outside of the city into the city. They are also roads within the city, the main artery roads such as the Deerfoot Trail or the Blackfoot Trail in the Calgary area with which I'm sure you are quite familiar. Those are the areas.

Certainly the amount of money set aside in the announcement I made yesterday gives a commitment of the provincial government to the cities of Calgary and Edmonton so they can plan in the future. It's possible, Mr. Speaker, that if inflation becomes as bad as those criers of human ruin predict - you never know, we may get a very shrewd government in Ottawa for a change, that could come about too. There may not be elements of inflation, but if there are, certainly we are not that inflexible that those areas cannot be reviewed.

MR. RUSTE:

Mr. Chairman, to the minister. He is talking about arterial roads. I'm thinking of the one which is close to Edmonton. You go out on Highway No. 2 and east at the propane tanks or gas tanks that are out there. Would that be considered an arterial road connecting Highway 14 and Highway 2 on the south side of the city?

MR. COPITHORNE:

Yes, Mr. Chairman, it would be considered an arterial road.

MR. RUSTE:

Are we dealing with that one particular road?

MR. CHAIRMAN:

I'd like to finish Appropriation 1593. Any other questions?

MR. NOTLEY:

Just a final comment. I think the minister really satisfied my concern with his statement a moment ago. If the government is prepared to recognize the increasing costs, which I think most of us recognize are inevitable regardless of whether we like that or not, regardless of whether we have any 90-day wage and price freezes or not, the fact remains that we are likely to see higher construction costs. As long as the government continues to recognize the need for flexibility so that more money is made available, I think that's fine.

As a matter of fact, it seems to me that the need for flexibility ties into your planning and research function. There is not much point in having coordinated planning if there isn't at least some flexibility on the part of the provincial government. So with that commitment from the minister, I certainly accept what he has to say and would support the appropriation.

Appropriation 1593 agreed to:

\$15,000,000

MR. D. MILLER:

Mr. Chairman, I would like the minister to make a statement or comment, if he will, on Highway No. 3, and [on] the six miles south of Chin Coulee on Highway No. 36 that remain unfinished.

MR. COPITHORNE:

Mr. Speaker, last year we completed approximately 13 miles of Highway No. 3 west of Medicine Hat to Seven Persons and widened it. It has parking shoulders on it. I don't know whether the hon. Member for Taber-Warner has been over it or not, but I'm sure if he has been over it he would find it in excellent condition. It is one of our major projects and we are continuing this year with another project on that road. If I'm not wrong, Mr. Chairman, it should be under construction as of now.

MR. D. MILLER:

Just one question on Highway No. 3, Mr. Chairman. How many miles do you anticipate doing on Highway No. 3 this year?

MR. COPITHORNE:

Mr. Speaker, I think approximately 12 or 13 miles again.

MR. SOPENSON:

I wonder if the hon. minister would ...

MR. CHAIRMAN:

I wonder if Mr. Miller would finish off.

MR. D. MILLER:

I'd like to get the minister's comment on Highway No. 36, six miles south of Chin Coulee.

MR. COPITHORNE:

Mr. Speaker, the hon. Member for Taber-Warner has been after me for this commitment almost, I guess it has been perennially or annually or both. I rode over this road with him and he pointed out how narrow it was, but it is actually quite a good road compared with some of the other roads in the province, so we haven't given it quite as high a priority as the hon. Member for Taber-Warner would like.

Probably next year, and I said that last year, we would see if we couldn't maybe get something done on it. But we've had some other higher priorities in the area. I think the hon. Member for Wainwright would agree that Highway No. 41 should have a higher priority, and the hon. Member for Sedgewick-Coronation would agree with this as well. But in that area on that road we also have a project from Consort north. If the weatherman is cooperative and so forth, we may even get that highway pushed through between Highways 12 and 13 this year, between Consort and ... That's on Highway No. 41.

MR. D. MILLER:

Mr. Chairman, I appreciate the minister's remarks, but just to refresh his memory, does he realize that he sent a letter to me after opening the airport at Taber that he would complete that six miles of Highway No. 36 in 1974?

MR. COPITHORNE:

Well, that makes it tough, Mr. Speaker. I'd be the first to agree with it. I know they are not in complete separation. At that time I thought we could do it. You know, we may still be able to get at it.

MR. D. MILLER:

I appreciate that, Mr. Chairman. I was just about to accuse the minister of speaking with a forked tongue.

MR. SOPENSON:

I'd like to hear if the minister has any plans for Highway No. 12, the only east-west portion of highway in Alberta approaching the Saskatchewan border that is not hardtopped. Also, moving farther north on Highway No. 36, from Killam south there is a portion I think we should rename the suffering highway, because you suffer every time you drive over it. At the annual 36 meeting last fall, the hon. Member for Taber-Warner lost a wheel. He hit a chuckhole. It's just a real cause for concern in east-central Alberta.

MR. COPITHORNE:

Mr. Speaker, I share the concerns of the hon. member and certainly we are going to be doing some work in the area. It was under contract last year. I don't know how much of it got done, but if I recall rightly, from about September 1 on it rained almost continually and some of the crews in different parts of the province had as much as 60 days down time from rain. That's not very conducive to completing the projects we have out on contract.

MR. GRUENWALD:

Are we on a particular vote or just in general now?

MR. CHAIRMAN:

In general.

MR. GRUENWALD:

Just in general. I would just like to - in reference to what we were talking about earlier about new programs, Mr. Chairman. Certainly the announcement the minister made

last week regarding the driver training program, I just feel I would like to comment on that.

Most certainly that is not a new program. It may be new to the government but it certainly is not new to the industry. I'm sure the minister knows that. It's not new to the people and it's not new to underaged drivers. I think that the minister in making that announcement last week and specifying it in the way he did, maybe I shouldn't tell him now, but he is just going to lose all the votes of those new drivers during the next election because he has hurt them drastically, as a matter of fact.

The program the minister announced - this 40 per cent reduction - has been in effect at least since March 1, when the industry said that any person, any new driver who undertook a driver training course and passed it would qualify immediately for three years experience and could get this reduced premium. So I'm just wondering why the minister made that announcement last week as though it were something new and specified the minimum ten hours? If you take the situation where a driver has had experience, say for one year, say a 17 year old person, even right now if he wanted to take driver training and pass that driver training test, with two hours of training he could immediately move up to that three year experience category which would give him a big saving.

Under the new program, he won't be able to do that. So I just think it's important to relay to the Legislature, and to the minister in particular, that the program announced, if it becomes legislation, if it becomes law, is going to do more by far to increase the costs for underaged drivers than it will reduce it.

MR. COPITHORNE:

Well surely, Mr. Chairman, the hon. Member for Lethbridge West is not advocating that we give our drivers less training? It's the general consensus that they get more training.

Yes, the program is new. It's the first time in any province, in any state, that there has been a uniform standard of driver education requirements. It's true that there has been a good deal of negotiation between the Minister of Consumer Affairs, the insurance people, ourselves and the people who are training young people to drive in coming up with this program. It is new. It's imaginative and it's a first, in spite of what the hon. Member for Lethbridge West tries to say. Certainly if it saves lives in Alberta by having better trained people, having them acquire habits in driving which are conducive to good practices on the highway, doing away with some of the carnage that we are now faced with, it would be well worth the effort.

By being able to put it on a computer system, in five years we can certainly evaluate it very well to see its value. It may be - it's very possible - that it will not do what we intend it to do or think that it will do. But if it does what the Alberta Safety Council suggests, the Alberta Motor Association and other safety-minded organizations throughout the country - if it does what they say it will do, then it's going to be well worth every bit of money that people put into the program, not only in insurance savings, but in the saving of a life, maybe their own.

MR. GRUENWALD:

That's just a bunch of garbage. That's all there is to it. Number one, you talk about the lives saved. It just makes me laugh to hear you say how important it is to save a life by this type of training. Sure, saving lives is important, but let's save them in every aspect. For crying out loud, if you want to get into that aspect, we killed 3,600 in abortions last year.

As for saving dollars, it doesn't save dollars. The only part that's new about it is the government intervention in the industry. Now if they would keep out of private enterprise, let the industry look after it, then of course the right things will happen and the program will develop on a basis of experience. But the government doesn't have experience in it, therefore they don't know. So there is just no way you will ever convince me or anybody or any driver that the program you prescribe will necessarily do anything to eliminate accidents or to save premiums. It will do the opposite.

MR. MANDEVILLE:

Mr. Chairman, under the appropriation for Alberta growth roads and the secondary road systems, will there be any change in the formula which was used last year for distributing these grants to counties and municipalities, or will counties and municipalities with higher assessments be getting less money than those with lower assessments?

MR. COPITHORNE:

Mr. Chairman, there has been a change of the allotment of those grants. This year there is no municipality that gets less money for the grant than they did a year ago.

However, there is a portion of that money allocated for the use of oiled roads. We are hoping this will promote more dust-free roads throughout the province. Also it saves on the gravel and pollution.

MR. MANDEVILLE:

Mr. Chairman, under grants for urban and rural roads, that's Appropriation 1594, who qualifies for these grants and do they have to make a specific application for grants under this appropriation?

MR. COPITHORNE:

Appropriation 1594 - I'll have to look at that one.

Mr. Chairman, every municipality qualifies for these grants and they are allocated on a basis of ... no, all the municipalities have received notification of the amount of money they will receive this year for both the road development and for the oiling development. In fact, they were notified quite some time ago of the amount of money they would receive for oiling so that they could make plans to reserve their allotment for oil. It's going to be in very short supply this year. Consequently we wanted to give both the oil companies and the municipalities as much time as possible in order to make their plans for the coming year.

MR. MANDEVILLE:

Just one final question, Mr. Chairman. I see under primary highway construction there's an increase of 36 per cent. Will there be a continuation of the four lanes from Calgary east and if so, how far will it be going east with the four lanes?

MR. COPITHORNE:

Yes, Mr. Chairman, there will be a continuation of the four lanes on the No. 1 going east and it should go just about to Strathmore this year.

MR. LUDWIG:

Mr. Chairman, in light of the fact that the hon. minister is very adamant that anything that ever happened in Alberta in his department was always new - I can understand his concern for wanting some recognition as having innovated something, but I think we ought to keep the record straight. We've been here quite some time and we have a record of everything that's said and done. So when a motion was proposed to provide some scheme for increasing the facilities for training drivers in Alberta, when I moved a motion that this be made rather more universal than just restricting it to high schools, the principle was very strongly opposed by the hon. minister. He flipped in midair and accused me of twisting things.

I have to tell him that he is now trying to twist out of a situation that he will never succeed in. He might wiggle all he likes but what he is doing and saying he is doing - and my thought on that motion were fairly well the same. I'm not saying that he is going to solve all the problems of driving, but I'm in favour of increasing the opportunity for more driver training. At least it makes them conscious that the car can be a rather dangerous thing to handle if you don't do it properly.

I would advise the hon. minister not to try to feel that he has got his brand on every idea that ever originated in this province, because he hasn't. He's far from it. At best he is stumbling and fumbling around and trying to make it look like he is the originator of all things that are worth while, and everything that is bad is a hangover from bygone days.

It isn't quite that way, Mr. Chairman. He can and has the opportunity, both financially and otherwise, to improve matters. That is a constant program in all governments, to try to do better than has been done in the past. Just spending more money does not mean that that is exactly what is happening.

While we are on [the subject of] taking credit for all things that have been happening way before our time, I would like to tell him I wish to voice my strong opposition to the wide opening of the Kananaskis area. Unless the hon. Minister of Lands and Forests will move quickly and declare some of those areas as wilderness areas, we will witness the worst desecration of a wonderful country that has ever happened any place in the west.

Thank you, Mr. Chairman.

MR. NOTLEY:

Mr. Chairman, I would just like to make several brief comments with respect to two roads in my area. I know the minister would perhaps prefer that we not discuss roads from

our various constituencies but I seem to remember reading a piece of literature put out in 1971 which talked about the highways commission. Among other things, one of the features of that brochure, Mr. Chairman, was the suggestion that the MLAs should be brought in to discuss the various roads in their areas.

The first road is Highway No. 49. There are about 26 miles left of Highway No. 49 between the Moonshine Lake corner - a little west of that - and the B.C. border. I would hope that the minister would advise us as to what schedule he sees for rebuilding the road, first of all because a good part of the road has got to the point where I would question the wisdom of paving it unless it is rebuilt in places and then, ultimately, the paving of it. I would ask the minister whether or not the department has worked out its schedule for this road?

The second road is what is known as the Fairview-Fort St. John road. I received a letter from the minister, and I welcome the re-oiling of the road from Highway No. 2 to, and through, the community of Hines Creek. But, Mr. Chairman, there are two other parts of that road I would hope the government would give greater priority to than they plan this year, at least as indicated by the minister's letter. The first is the construction of the new piece of road from the Clear River through to the B.C. border. That was brushed a year ago this winter. I would hope that the government, especially if supplementary revenues are made available to the Department of Highways and Transport, would let the contract to construct that piece of road this year.

The second area is perhaps even more important. As the minister knows, a good deal of money was spent constructing the Clear River road from the river through to the Hines Creek turn-off. It's approximately 35 miles. I would suggest that now is the time when it would be prudent to oil that road. I am not suggesting that we are at a point where the traffic volume is heavy enough to warrant paving, but I think oiling would certainly be useful in terms of its impact on maintaining the quality of the road. Also, Mr. Chairman, it would have a tremendous impact on the people of that area who have been living in a community like Worsley since the early 1920s and still have to go over some of the most incredible roads. When it has rained or when it's wet, the road conditions are absolutely impossible. Oiling that stretch of the road, Mr. Minister, would I think certainly go a long way toward improving the quality of transportation in that part of the province.

I wouldn't want the minister to be embarrassed by local residents renaming that stretch of the road the Clarence Copithorne Freeway, so I would hope we would have some action fairly soon - and preferably this year - on at least oiling that stretch of new road from the Hines Creek turn-off through to the Clear River. I realize the stretch of road from that portion of the road to Hines Creek itself has to be rebuilt. There is no point oiling it, but on the new stretch of road, approximately 35 miles, I think it would certainly be a practical investment at this stage and one which would bear a lot of fruit as far as the people of the area are concerned.

MR. COPITHORNE:

Mr. Chairman, the points the hon. Member for Spirit River-Fairview brings out are well taken, but there are just hundreds and thousands of miles in this province and the remarks he has made certainly fit those roads as well. As I pointed out several times during the Estimates, the availability of asphalt this year has been stretched to its full capacity. It was last year as well. Certainly one of the roads that we put a very high priority on is the Mackenzie Highway. This year we plan to extend the pavement on it another 25 miles north of High Level which has a very high priority to the general welfare of the economy of Alberta.

I have no argument with the hon. Member for Spirit River-Fairview on the needs of roads in his area, as in many other areas and certainly in all of northern Alberta. But it takes some good weather. It also takes some time and adequate materials to be able to accomplish all these tasks.

MR. RUSTE:

Mr. Chairman, there are several points I would like to raise with the minister. One goes back to the driver training manual. I believe you tabled a copy of it; did you? It's in the legislative library so we can see it. How does that compare with the course that has been given over a period of time by the Alberta Motor Association? I know several young people who have taken that course thereby reducing the premiums on their insurance. You might comment on that.

I would like to express my appreciation to the minister for the work that is going on on Highway No. 14, from 21 and east. Certainly we are looking forward to some more of the curves being cut out there.

On the matter of Highway No. 41, I notice a tender has been called to come in later this month. I would hope that the minister might indicate when he foresees completion of

that, because until the last few miles south from Consort are completed on Highway No. 41, the highway, in effect, isn't really useful in that it's not even like the highway on 36. You have a north-south artery from the southern part of the province that runs way up into the Cold Lake country.

Also, I wonder if the minister has any plans on the matter of Highway No. 17, which is a joint project between Saskatchewan and the province of Alberta, also on the matter of the expansion of the grid system or the moneys involved for that? I asked him, I believe in the question period, whether he had any plans for the expansion of the campsite at the junction of Highways 14 and 21. This was reduced considerably in size by the building of the four-lane highway.

Another point I would like to raise is the matter of the gross rate for, say, farm plates. An ordinary driver's licence will permit a person, a farmer, his wife or children, to drive a truck up to a certain amount - 24,000 gross pounds - but beyond that you have to take another plate. I am just wondering whether there is any consideration being given to raising that because farm trucks are getting bigger. It would certainly help if the ordinary driver's licence would [cover] above the 24,000.

The second last one I would like to mention at this time is the matter of tires for commercial vehicles. I have had questions asked of me as to what steps the Department of Highways and Transport takes to ensure a proper thread on the face on these tires. I understand there is a thread depth involved and I understand also that some of them have had these deepened thereby weakening the cord underneath. I would like to know if that has been brought to his attention? I am just mentioning it has been brought to my attention. If it's true, I think it's pretty serious.

My last one would be in the matter of grade crossings on railroad tracks. I might just expand on that. We had a sad case down our way where a young chap took a week's holiday from his work to help out on the farm. A highway tank car was sitting - stopped right on the highway - right on the grade crossing. His lights didn't show the car and he just went right underneath and was killed.

So with those [comments] I would like the minister's comments please.

MR. COPITHORNE:

Mr. Chairman, on Highway 41, I can assure the hon. Member for Wainwright that we won't be 37 years finishing it.

DR. BUCK:

Then I think you had better get started.

MR. COPITHORNE:

We don't plan any further upgrading on the meridian road this year, other than maintenance and probably re-oiling. This is a joint program between Saskatchewan and Alberta.

The grid system is continuing in both grading and paving in various parts of the province. As a matter of fact, just for interest, for a kind of summary of the construction throughout the province last year, I'll give you this after I've finished the questions.

The question about what parts of the driver training program were from the AMA driving program; very extensively as a matter of fact, as well as from all of the other driving schools. The whole trade was called in and there was complete discussion in putting together that training manual. They had a very major part, as they have the largest training program in the province.

A summary of the construction throughout the province last year might be of interest to the hon. members. We completed 174 miles of grading throughout the province, 185 miles of base course, 402 [miles of] asphalt concrete pavement, 193 miles of sealcoat, 646 miles of dust control.

On the secondary road program we completed 141 miles of grading, 151 miles of paving and 254 miles of dust control. I think, under the conditions that prevailed in Alberta last year, that is a pretty respectable effort on the department's behalf.

MR. RUSTE:

To follow up, you didn't refer to the campsite on Highways 14 and 21. On the AMA course, will the AMA course as it has existed, qualify under this new one or does it have to be upgraded? Then there's the matter of the gross vehicle weight and driver's licence ratio, and the tires.

MR. COPITHORNE:

No, the AMA, as well as some of the other driving schools, will be using the new course that I filed in the library here the other day.

It might be of interest to the hon. Member for Lethbridge to note that to qualify for the 40 per cent discount in insurance rates, a student taking the driver training will receive a card upon successful completion of the course which will permit him to qualify for the reduction.

MR. GRUENWALD:

Mr. Chairman, just getting on driver training for a minute. That isn't new either, as a matter of fact. They've been doing that since March 1. And anyway, if it is such a good idea, is it going to be available to all drivers throughout the province? If it isn't, it certainly should be.

Getting back to highway construction. On the program in Lethbridge on the approaches to the bridge in which the province is taking part, is it too early to know whether the project will be completed in line with what the estimates were when it was first started? Is it going to run away over the cost or is it going to be within the cost estimated when it was started?

MR. COPITHORNE:

Yes, we are having inflation problems with long-term contracts such as building bridges throughout the province where one, two or three years is involved in the construction.

[Interjection]

I beg your pardon?

[Interjection]

No, not off the top of my head.

MP. HINMAN:

On this matter of the driver training course, most of us are aware that you can train some drivers for 60 or 80 hours and they won't be good drivers. Other youngsters whose parents have taken a lot of time with them are good drivers. They have driven a lot with someone beside them, they have driven on the farm.

I would hope that you can devise some way of evaluating these youngsters so that just taking the course and the mere passing of that first examination aren't the criteria. One of the things we have worried about in education all these years is, how valuable is it to sit at the feet of the master if you don't absorb anything.

AN HON. MEMBER:

Agreed.

MR. HINMAN:

I would hope we could finally come to some means of getting the insurance companies to recognize something outside this kind of training.

MR. COPITHORNE:

The point the hon. Member for Cardston brings forth is really a very valid one. Statistics rather show that after approximately two to three years, although a driver has a reasonable record, he seems to get into a period of carelessness or maybe overconfidence. It might be down the road somewhere that driver would be required take a defensive driver course. Certainly it has a very marked effect on those who have taken it and on their driving habits. Sometimes, that kind of further education at a time of experience when they can absorb the problems, when they've had some life experience with the dangers, would do a lot of good for them.

MR. RUSTE:

Mr. Chairman, I'd like to get back. I think the minister missed the matter of the expansion of the campsite on Highways 14 and 21 and the matter of the gross vehicle weight for drivers' licences with the ordinary driver's licences.

MR. COPITHORNE:

On the campsite, off hand I can't tell you what the situation is there. However, I would be happy to investigate it and report to you.

Would the hon. member repeat the question on the vehicle.

MR. RUSTE:

The legislation says the driver's licence a farmer and his wife may hold now will entitle them both to drive a vehicle weight up to 24,000. When you get beyond that you have to have another driver's licence. I was just wondering if the government has given any consideration to increasing that gross vehicle weight to, say, 30,000 and still permit that licence?

MR. COPITHORNE:

Farmers today can get a class 3 licence if they ask for it. That will permit them to be able to carry a truck over 24,000 pounds.

MR. DIXON:

Mr. Chairman, I'd like to ask the minister two or three points that I'm sure he would like to give to the House. I wonder if the minister could give us a breakdown of the number of drivers who are banned from driving in Alberta at the present time because of the demerit system that we have, and the number of drivers who are presently under court suspension?

And while I'm on my feet, Mr. Speaker, I wonder if the minister could also inform me as to whether the government pays for the ads telling about the road bans? I am just wondering if this shouldn't be done by the news media as a public service.

MR. COPITHORNE:

Mr. Chairman, the road ban ads are paid for by the department. I must say the news media, particularly radio and television, are very generous and cooperative in assisting in dealing with this.

I think the policy we are carrying out now is working quite well. It's always a problem. Some guy doesn't hear it. But we try to have a pattern that they can be well-informed on bans and how they are happening.

What was your other question?

MR. DIXON:

The other two, Mr. Minister, are these. I want to know how many people you or your department have taken off the highway in the last few years? And [second], how many people are suspended at the present time through the courts?

MR. COPITHORNE:

Mr. Chairman, I'd have to give truly horseback figures on this one. It varies quite a lot from month to month and unless I had the figures actually in front of me, which I certainly would be happy to supply, they vary quite considerably. The suspension list runs anywhere from something over 400 to pretty near 900 a month.

MR. DIXON:

I'm wondering, Mr. Minister, to follow that up, in the research you have done with the department - I'm sure you've done some - what is the major cause? Is it speeding, suspensions through the demerit system, or some other reason?

While I'm on my feet, I wonder if the department, when they're giving the road ban - they're going to pay for the ad anyway - couldn't give out one or two safety messages. I think if you follow the statistics, in the press reports in particular, they indicate that many of the people who have been killed in Alberta in the last few months were trying to overtake another car and got caught out in the middle of the road.

I'm just wondering if we couldn't include a safety message so that you wouldn't only be giving a message to the people regarding road bans, but sort of have a trailer in there. We should certainly do whatever we can. I'm sure the minister is interested in saving lives, the same as anyone else. I think some good could come out of that, especially when you see that a lot of the people who have been killed in the last few months on our highways have been overtaking another car. They don't seem to realize that

all vehicles are fairly high-powered today and there's no way you can take that chance any more.

MR. COPITHORNE:

Mr. Chairman, we have been considering doing just what the hon. member is suggesting. Also, Mr. Chairman, we've been considering, along with safety slogans, safety messages, bans and information on the highway, imparting some of the rules and regulations of the highway that people are governed by.

MR. MANDEVILLE:

Mr. Chairman, just a brief comment. It's in regard to the regulation changes for school bus drivers that were put in this spring. I've had many complaints as a rural member and I'm sure other members have had complaints. They're not serious complaints. But as far as spare bus drivers are concerned, I think the authorities are having a problem hiring school bus drivers where they have to get this driver to have an examination every year. I think in the past where they had to have the medical examination every year, especially of our young capable drivers, this determines whether they are able to drive our school buses or not. I was wondering if the minister has given any consideration to making any changes, to setting an age limit where they have to have a driver examination. But not for all our drivers to have it, because I think it will create a problem in getting spare drivers for our school authorities.

MR. COPITHORNE:

Mr. Chairman, the point the Member for Bow Valley has made is a very valid one. I don't know whether he's seen the submission that was made by the Home and School Association on their recommendations for the operation of school buses. This was one of the recommendations.

We put this recommendation into effect last January 1. There is no question about it. It is causing some problem, particularly in rural areas, in acquiring spare bus drivers for when the regular ones are not available.

We're going to be reassessing this whole program in the near future. It's my own personal belief at this time that a driver who has a very good record, an excellent record, need not be examined for maybe a two or a five-year period, unless maybe he's had an accident. Certainly if he's had an accident.

The health examination, I think, is pretty necessary when you're transporting people.

MR. COOPER:

Mr. Chairman, just two short questions for the hon. minister, one general and one rather specific. Besides supplying the funds, what part does the department play in the selection of the roads in the secondary or the rural growth road system?

Secondly, will Highway No. 41 from Vermilion to Wainwright be hardtopped this year?

MR. COPITHORNE:

I don't believe Highway No. 41 to Vermilion will be [hardtopped].

The selection of which road is being done by the department is made by the development of rural centres that have potential for development of industry. We're trying to have a paved road to every community, some paved road to every town and village in the province.

I might also point out that the program of street improvement has been a very popular one. Last year we did about 25 towns in the province. This year we're doing about 70 more. It's a very popular program and certainly has given them incentive. Not only do they use the money the grant supplies, but they also add to the kitty and it certainly improves the quality of life in the villages and towns of Alberta.

MR. COOPER:

Mr. Chairman, these secondary roads are developed on a regional basis, not just a county basis?

MR. WYSE:

I'd just like to ask the minister if there is any construction planned for Highway No. 1 through Medicine Hat this year? I understand the council were pretty concerned with at least establishing an underground tunnel or crosswalk for Highway No. 1.

MR. COPITHORNE:

Mr. Chairman, I'm meeting with the Mayor of Medicine Hat this week.

MR. WYSE:

I'd also like to ask the minister, has the shortage of butane held up any highway construction this year?

MR. COPITHORNE:

I didn't catch the last part of your question.

MR. WYSE:

The shortage of butane or the oil for hard surfacing, has it actually held up any highway construction this year? And what is the cause of it?

MR. COPITHORNE:

Yes, Mr. Chairman, the shortage of butane has held up construction. I think we've got that all ironed out now.

MR. WYSE:

What is the actual cause of the butane shortage? I understand some of the construction companies claimed it was because of the environmental regulations.

MR. COPITHORNE:

No, I don't think that caused it at all, Mr. Chairman. I think they were just shipping it out of the country by pipeline.

MR. RUSTE:

Mr. Chairman, to the minister, I certainly appreciate his comments on Highway No. 41, that it won't be 37 years. I would also ask that he look at the extension of Highway No. 17 or some similar connection south of Provost that connects into it.

When he referred to 37 years, he reminded me of looking back at some figures. Twenty-nine years ago, the budget of this province was \$28 million. So you don't build too many roads. When you look at the budget of 1971, it was about \$1.2 billion. When you look at the windfall income this year of \$2.8 billion, well, I suppose there should be some roads built.

DR. BOUVIER:

Just a few questions to the minister for information. I was wondering if the minister could advise what the policy is on gravel from government highway stockpiles to farmers or to private residents? I understand they can purchase some gravel but that the policy has been changed recently.

MR. COPITHORNE:

No, Mr. Chairman, we're not in the business of selling gravel throughout the communities. On the odd occasion we help out the odd person, or the odd situation, but we like to have a local business supply the local people with that kind of service.

DR. BOUVIER:

I understand that in the past, in the Lac La Biche area anyway, the farmers who wanted to gravel their driveways and private citizens who just needed a few loads of gravel have been able to purchase it from the government stockpile. I'm referring now particularly to crushed gravel. I understand that recently they have been advised they can get pit run, but they can't get crushed gravel unless there is a crusher in the area. Then they can purchase it directly from whomever is crushing. Is there some particular reason for that?

MR. COPITHORNE:

Well, as I stated before, Mr. Chairman, we try to be accommodating to the people in the area. We're not in the business of selling gravel. Certainly when the crusher is there, that is a good time for the farmer to buy crushed gravel. You know, if a farmer wants some pit run to use in his driveway to keep him out of a bog hole, we're not a nigger in a bush.

DR. BOUVIER:

Just to follow up. I wonder if the minister would like to outline the program on Highway No. 63 for this year.

MR. COPITHORNE:

Mr. Chairman, Highway No. 63 has the highest priority of any road in the province. With some good weather and good luck we're going to have it finished.

DR. BOUVIER:

How about good management?

MR. COPITHORNE:

Mr. Chairman, it already has the good management.

MR. P. SPEAKER:

Mr. Chairman, to the minister. A number of MLAs have asked about road construction and so on. I was wondering at what stage of development the plans are for a highway commission for the province of Alberta.

MR. COPITHORNE:

I think that question was asked the other day in the House. It was asked a year ago, it was asked two years and three years ago. There is no plan at this time for a highway commission.

MR. R. SPEAKER:

Prior to the session, in establishing his priorities, has the minister attempted to bring the MLAs together to assist in establishing priorities, or are the decisions on the priorities across the province pretty well decided between the minister and his department or the minister by himself?

MR. COPITHORNE:

The decision is reached and the priorities are set by the measurements of traffic, the priorities of municipal councils throughout the province ...

DR. BUCK:

And the MLAs.

MR. COPITHORNE:

Yes, the MLAs as well. As a matter of fact I think the hon. Member for Clover Bar has made submissions to me as has probably every MLA in this Assembly.

MR. DIXON:

Just two short questions, Mr. Minister. Regarding the city of Calgary, the other night at the nominating convention at Calgary Bow, the hon. the Premier mentioned that he was going to see that the proposed road didn't go through the Bowness area. I wonder, what is the alternative to that situation? If the main artery doesn't go through the Bowness area, what is the alternative route the minister has in mind?

Getting closer to my own constituency, I was wondering at the same time if the minister could bring me up-to-date about the new bridge on the road that is going to lead eventually into the Macleod Trail and also hook into the Blackfoot Trail in the southeastern part of the city.

MR. COPITHORNE:

Well, the road the hon. member is talking about through the Bowness area has been under consideration, and it's been long talked about in various newspaper reports and so forth as being part of a ring road. There has been no decision made on either the location or the value of a ring road at this particular time.

The bridge the hon. Member for Calgary Millican is talking about, on 901, is under contract and should be started almost immediately. That will tie into Highway No. 22 and ultimately into Highway No. 24 as a road that leads to some diversification and as a traffic spreader in that area.

MR. DIXON:

Further to the minister's answer, which I appreciate, I was wondering, Mr. Minister, on Highway No. 22 are you going to start the new construction from the Macleod Trail west on 22 or are you going to do the section from the cutoff at the turn there at Highway 22 into the Priddis area first? It's in your own constituency.

MR. COPITHORNE:

I don't follow you.

MR. DIXON:

Well, where are we going to start the new construction for the proposed improvement to Bragg Creek road? Are you going to start from the cutoff on Highway 22 towards Bragg Creek? Are you going to start the widening from the Macleod Trail? It's a real problem there. People can't pass. It's a very narrow highway [and] it's heavily used. It's in your own riding so I'm sure you are familiar with it. I've had people ask me if they are going to widen the shoulders there so people can at least pass, with all the traffic that is coming into the city now.

MR. COPITHORNE:

Mr. Chairman, Highway No. 22 from Priddis will start at Priddis west. As the hon. member perhaps knows, that road is in very poor condition. It's quite below the level of the land, made primarily of black dirt and has to be built up to highway specifications before anything can be done with it. Certainly we're making alterations. The other part of the road was resurfaced, I believe, about four years ago. At this time there are no plans for widening that part, but ultimately it will have to be, because of the increase of traffic.

DR. BUCK:

Mr. Chairman, I would just like to ask the minister a very short question. This has to do with a problem area that concerns me and the hon. member, Mr. Jamison. It is from the Redwater fertilizer plant to Fort Saskatchewan. It's a problem, not only to commuter traffic but to truck traffic, to get from that area down. Are there any provisions for that in this year's budget, or can you remember off the top of your head?

MR. COPITHORNE:

Yes, we're planning on doing some construction.

MR. CHAIRMAN:

Are you ready for the resolution?

MR. WYSE:

Just before we do, I'd like to ask the minister one or two questions regarding the government's policy for transferring licences, say an automobile licence, from one party to another. Is it possible to do this at the present time and is there any refund on automobile licences?

MR. COPITHORNE:

Mr. Chairman, there is no refund on automobile licences. The transfer, I think, amounts to \$2.

MR. WYSE:

Is the government contemplating any change? I had an incident in my constituency where a husband bought a new 1974 licence. He passed away and this licence couldn't be transferred to his wife. She had to buy a brand new licence. I think this is a bit of a government rip-off as far as I'm concerned.

MR. COPITHORNE:

Well, Mr. Chairman, I have to laugh at this rip-off thing. Everything's a rip-off ...

AN HON. MEMBER:

Don't worry about the poor people.

MR. COPITHORNE:

It wasn't actually necessary under the provincial laws for the wife to change or transfer her husband's licence. That has occurred once or twice before in the time I've been in office. But it's not necessary for her to change it. She could operate with it this particular year and have it changed at the end of the year.

MR. DIXON:

I wonder, Mr. Minister, while I'm on the subject of licences, what are the future plans of the government as far as the plates are concerned? Are we going to continue with the tags?

MR. COPITHORNE:

Next year, Mr. Chairman, there will be a new licence plate. It will be completely 'reflectorized'. It will be black on yellow and will be a multi-year licence. At this time we're not sure whether it will be for three years or longer because, first of all, some of the plates take quite a beating.

MR. CHAIRMAN:

Ready for the resolution? The resolution before us moved by Mr. Young of Subcommittee C:

Resolved that the sum not exceeding \$186,832,355 be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Highways and Transport.

[The motion was carried.]

Treasury Department

MR. ASHTON:

Mr. Chairman, Subcommittee D has had under consideration Vote 27, the Estimates of Expenditure for the Treasury Department and begs to report the same. I therefore submit the following resolution:

Resolved that a sum not exceeding \$35,000 capital and \$78,801,805 income be granted to Her Majesty for the fiscal year ending March 31, 1975 for the Department of Treasury.

MR. TAYLOR:

Mr. Chairman, I wonder if I could bring one item to the attention of the hon. minister. It's too late to do anything about it this year, but I would hope that the hon. Provincial Treasurer might look into it for another year.

I have the 1973 income tax form in front of me. Just to make it clear, you work out your income tax until you get the basic federal tax. Then the federal government, after that, provided a tax reduction. If the basic federal tax is less than \$100, the reduction is the amount of the basic federal tax. If the basic federal tax is between \$100 and \$2000, the reduction is \$100. If the basic federal tax is over \$2000, the reduction is 5 per cent of the basic federal tax with a maximum of \$500. That brings you down to the reduced basic federal tax. Then when we come to working out the Alberta share, it's 36 per cent of the basic federal tax.

I would think, with the attitude of the present government and with its financial resources, that if the federal government can give the taxpayers of Canada a break on the federal tax by reduction of a reasonable amount, Alberta should do similarly by basing the 36 per cent not on the basic federal tax, but on the actual amount paid or the reduced basic federal tax.

This isn't going to do wonders in the income tax field, but it is certainly going to show that the provincial government is just as liberal as the federal government in regard to income taxes.

I think there is a lot of concern today among people who are working in regard to the amount of income tax they are paying. Many people feel they are paying too much. I personally think that income tax is one of the fairest taxes. You certainly have to make it before you are required to pay it. But when the percentage gets too high, it does kill

initiative. I don't know, I suppose every hon. member of the House has had people say, if my income tax doesn't get smaller, I'm going to stop working. When I fill my income tax out, it almost drives me to marriage. It's about the only time of year I feel that way. But the taxes do kill initiative.

But if the provincial government even went that far, which wouldn't amount to a very large aggregate sum of money, it would certainly show the people of Alberta that the provincial government is going at least as far as the federal government in trying to keep their taxes low.

MR. RUSTE:

I would certainly support the hon. Member for Drumheller. When he mentioned that it almost drives him to marriage it reminds me; in the spring a young man's fancy turns to what the girl has been thinking about all winter.

Certainly I would like to have the minister's comment on it. It's something that has hit many Albertans today who just barely had to pay provincial income tax, yet they didn't have to pay federal. I would advise the minister to look at this for next year if there is a move made by the federal government at the later moments, say, of the taxation planning. I think this is where Alberta got caught this year. I don't think it was the intention of the minister to charge that.

MR. LUDWIG:

Mr. Chairman, I would like to also request that the hon. Provincial Treasurer review the income tax situation. There is not really a strong case for keeping the provincial income tax at the level that it is now.

When we talk about bachelors and deductions I think they ought not to despair. Some of the bachelors do manage to get the odd deduction. I heard a story from Ottawa where a bachelor filled out his income tax return. It says marital status, he said bachelor - dependants, one son. The reviewer pencilled in [a comment] and said this must be a stenographic error. The bachelor returned the document and said, you're telling me! So some get by while others don't.

Thank you, Mr. Chairman.

DR. WARRACK:

Is that a joke?

MR. CLAPK:

I was amazed by the brevity of my colleague to my right. But as usual the Minister of Lands and Forests didn't catch the joke.

DR. WARRACK:

Yes I did.

MR. CLAPK:

Just two comments, Mr. Chairman. First of all, I would like to ask the minister in the course of his comments if he will relate to us what the government is thinking now as far as the fuel oil tax is concerned? Several times we have pursued the matter in question period and the minister indicated when we asked him to hold the legislation in committee, that the government hadn't finalized its thinking yet. Basically across the province we're in a situation now where gasoline has gone up a minimum of 9 to 10 cents in most cases - in some cases a great deal more than that.

I had hoped the minister would be in a position to give us some indication of what the government's thinking is as far as the fuel oil tax is concerned. I had hoped he would be able to go a little further than simply to say that we hope Alberta will have the lowest fuel tax in Canada in due course.

The second area I would like to mention relates to the area my colleague from Drumheller touched on. That's the question of provincial income tax. I think all hon. members will be aware that there is a motion on the Order Paper now by the Member for Hanna-Oyen dealing with some rather basic changes in the provincial income tax, whether you go the route of reducing the rate or whether, in fact, you go the route of increasing the exemptions prior to provincial taxation. The end result may well be the same.

The last point I would like to make is, I'd like to have the Provincial Treasurer explain in, unfortunately, perhaps a bit of detail how he arrived at the table, it's table

C3 in the budget speech, dealing with the Edmonton-Calgary consumer price index for 1973 being 6.5 per cent.

MR. RUSTF:

Mr. Chairman, I thought maybe he would want to answer. There is one other question I would like to ask him. Is it possible to tap lines on the data processing computer system and obtain confidential information? I think we had a bit of discussion on that in the public accounts, but I would just like to ask him that question.

Another one is, in assessing and establishing family allowance payment rates, did the government consider the amount of taxation that the federal government would remove from Alberta in giving the higher amounts to the - well, we'll say across-the-board to higher income families? I realize certainly that some of the families getting the higher amounts are in the low-income class.

What I'm getting at is, by and large, in increasing the amounts to the older children, the federal government would be collecting more income tax from Alberta, because that would add to their income and their taxation rates are higher; whereas the low-income families would have benefited more from that. I would just like to ask the minister whether or not they looked at that in establishing the rates they did?

Another one goes back to the publication Today's Taxes - Tomorrow's Agriculture that was provided to me by the Minister of Agriculture, at least a loan of it. It's a publication, a study published at the request of the Canadian ministers of agriculture. In it there is reference to the fact, and I'll just point out as follows:

Even so, the impact of the capital gains tax is expected to place twice the burden on agriculture, than on other sectors of the economy.

I would like the minister to comment on whether or not they had made any representations to the federal government in light of this study which implies a substantial increase in taxation as far as the farm economy goes. That will be all at this time.

MR. BENOIT:

Mr. Chairman, I would just like to ask the minister if a detailed breakdown of income for each department is available? In the appendices at the back of the Budget Address there are details, but not by department. They are detailed by subject for income. We used to get the estimated income on each department fairly detailed. I was wondering if those are available at the present time.

MR. NOTLEY:

Mr. Chairman, I'd like the Provincial Treasurer to break down Appropriation No. 2715, General Government Insurance, with specific reference to a little matter which was discussed in November of 1972 dealing with the disposition of insurance for the government fleet. Shortly thereafter, the Provincial Treasurer committed the government to the principle of self-insurance, at least as far as the government fleet is concerned. I would like the minister to perhaps give us an accounting of just what progress has been made in this field.

MR. MINIELY:

Those are all the questions, I take it, Mr. Chairman?

I'd like to say, I think two or three members raised the question of the payment of provincial tax in the initial calculation on the federal tax form. It is true that in working through his income tax calculation, a situation can result where a person pays provincial tax where no federal tax is paid.

I'd like to explain that a little bit by saying that this is one of the difficulties that arises because of the fact that we are in a tax collection agreement. Whereas the federal government can incorporate, right on their own tax form, the specific and special reductions they want to make, the provinces don't have the same flexibility in terms of incorporating the particular reductions we want to make right on the initial tax calculation.

I've had some conversation with the present Minister of Finance - and of course, at the present time we don't know whether he will be in another month or so - on the subject, and have indicated to him that it does create difficulty, I think, for citizens of our province when they work through this calculation and find that they pay provincial tax but no federal tax as a result of the fact that the federal government has passed what they've called a temporary tax reduction which, in fact, I think was passed in about 1972 and was carried forward budget by budget in each federal budget. So rather than

initiating it in all the rates - that's the \$100, 5 per cent, \$100 minimum, \$500 maximum which is still temporary legislation in the federal statutes which is to be approved on an ongoing basis from year to year. Nevertheless, the commitment I make is that I'm going to explore this along with other areas in terms of if we are going to reduce, in effect, income tax to some of our citizens or all of our citizens, along with other alternatives

I think the overriding responsibility all hon. members would feel is that if we're going to devote public funds to income tax reduction, we want to make sure the impact is where we want it. There is more difficulty in this for a province because of the fact that we are in a tax collection agreement. Therefore we have to have the agreement of the federal government, even if we are talking about the suggestion of the hon. Member for Drumheller, which I think is certainly worthy of consideration.

If we wanted to incorporate that, the federal government would have to alter their form so that, in effect, if you paid no federal tax, you'd pay no provincial tax. That is deceptive for some of our citizens, because as the hon. member also knows, in 1973, of course, we have a renter tax credit which then comes off that again.

So it's possible that on the first calculation it looks as though you are paying provincial tax and no federal tax, but when you take your renter tax credit, you pay neither provincial nor federal tax. I hope I'm explaining myself on the question. Nevertheless, I think in principle you raised something that is a difficulty and something I hope to pursue with whomever is the federal Minister of Finance after the next federal election. Mr. Ruste raised the same thing and I hope that that gave you [an indication of] where we are on that particular problem.

On the matter of computer confidentiality, I've had several discussions with the Provincial Auditor and I'm satisfied, from conversation with people all across Canada and, in fact, some we've had an opportunity to speak with who have knowledge of computers in North America, that we have one of the best systems in terms of confidentiality of our computer system.

Mr. Rogers, as many hon. members know, is one of the leading people in computers, not just in Canada but in all North America. He has written books on the subject of computer applications and, in fact, computer confidentiality. I'm satisfied that our system is very secure, that the risk of any confidential information on citizens being obtained by unauthorized parties is negligible, if at all.

On family allowance payment rates, I think the question was whether or not, in determining how the payments would be spread by my colleague, Mr. Crawford, and the cabinet, we gave consideration to the impact of taxation. I think the difficulty in the hon. member's question, Mr. Chairman, is the fact that in Alberta's case whereas we allocated the family allowance payments on the basis of age, we didn't, nor did we intend, to do it on the basis of income. The income factor is only taken into consideration by the fact that the federal government requires the allocation of whatever the family allowance payment is, or the reporting for purposes of income tax when they file their returns.

Our decision was made on the basis of the proper cost of living assessment, depending upon a child's age, as best we could, that it would be more expensive for an older child than it was for a younger child, and that the income position of a particular family, Mr. Ruste, would be automatically taken into account by filing an income tax return. I think it's valid and fair to say that that would be the case. As an example, if it were a low-income family, when they file their income tax return they would pay no income tax on their family allowance receipt. If it were a high-income family, they would pay income tax on their family allowance receipt.

MR. RUSTE:

On that point, I didn't want to interfere with the minister, but what I was getting at was that, we'll say, if there was a \$20 across-the-board payment to all families for all children, then the federal government wouldn't get as much income tax out of the province of Alberta as they do under the present system. I think all of us who are getting up into almost the end of the child raising years are seeing where most of this goes into taxation, whereas when we started raising our families our incomes were relatively low and we could retain more of it. I'm looking at the overall picture. I believe the hon. member who brought the bill in referred to the fact that Alberta was getting about \$11 million back out of this. This is the point I raise.

MR. MINIELY:

I see what the hon. member is getting at. It may seem to be a very easy initial assumption that the older the age of the child the higher the income of the family, which is what your assumption is based upon. This might have some application, but the difficulty with going the route you say would strike me that then you are not really allocating the family allowances on a proper basis. I think that is the overriding

consideration. Certainly my colleague, the Minister of Health and Social Development, and the cabinet, in making this decision, felt that the overriding consideration had to be where the impact of the actual family allowance payments should be, related to the cost of raising a child at a certain age. Whereas the hon. member's comment may be valid, the first decision should not be prejudiced by the fact which the hon. member has indicated.

SOME HON. MEMBERS:

Question.

MR. CLARK:

The minister is not finished yet.

MR. MINIELY:

I just have one more, unless I don't answer all the questions on the other side.

Very quickly to the hon. Leader of the Opposition, the government's thinking on fuel oil tax is that we are committed to ensuring that the price of gasoline at the pump is the lowest in Canada for our citizens on an average basis. I think where he and I disagree is that he mentioned the word that we should be more committed than "hope". We have consistently been more committed than "hope". We say our commitment is to ensure that the average price of gasoline at the pump for Albertans is the lowest in Canada.

Mr. Benoit: detailed breakdown of revenue by department. I don't have the budget address. Oh yes, I do right here. I'm not sure what you are referring to. We have fairly detailed breakdowns of revenue in the appendices in several different ways. We have them by source. I think on pages 29 and 30 we have them by source, by department ...

MR. BENOIT:

But not by source and department.

MR. MINIELY:

But basically if the hon. member wished this to be done, I'm sure we could do it. We provide it by source and in some cases by department. We could provide that kind of information. If you wish to contact me I could get it for you.

Finally, Mr. Notley asked about Appropriation 2715, self-insurance. Basically the breakdown of the costs within the appropriation are as follows, if the hon. member would like to write them down. Of the total appropriation budgeted for 1974-75 of \$900,000, 56.7 per cent is for insurance premiums; 10 per cent is for fees and commissions, and 33.3 per cent is the self-insurance aggregate component. So, in other words, of that appropriation, if you like, 56.7 per cent is being insured and 33.3 per cent is being set aside for self-insurance purposes.

MR. CLARK:

I would like to ask the minister one other very specific question and then perhaps later some more.

The very specific one: how much money is included in the budget for task forces, and can you tell us in which department the money is included?

MR. MINIELY:

I thought we had a return on that, Mr. Chairman.

MR. CLARK:

You did for last year, but I don't believe for this year.

MR. MINIELY:

I think in the current year they are the same task forces and the same amounts. We haven't altered them.

MR. CLARK:

In other words, as a result of the legislation we now have before the House in Bill No. 21, you don't expect there are going to be any changes in the amount of money that's spent on task forces, or MLAs doing individual tasks?

MR. MINIELY:

No, less. It will be less.

MR. CLARK:

What basis is less?

MR. MINIELY:

Mr. Chairman, I think if the hon. member recalls, as a matter of fact, the first budget we presented, the amounts we budgeted for expenses of task forces, as I recall, at that time totalled around - and I might be \$50,000 [out] one way or the other - but around \$150,000.

Hon. members would notice when we tabled the actual expenses of MLA task forces for the year 1973, I believe it was, that the actual expenses were considerably less. The actual work of the task forces - some major task force work was completed. As an example, the provincial and municipal task force, of course, which was a very major one, had completed its work.

The main task forces now outstanding are the [Task Force on] Needs, Opportunities and Responsibilities of the Individual; the ongoing Task Force on Agriculture, which is not incurring a great deal of cost; and the Task Force on Decentralization of Government Operations, which also is not incurring a great deal of cost. I think the major cost of a task force thus far has certainly been the Task Force on Provincial-Municipal Financing which has concluded and wound down.

MR. CLARK:

Well can you give us some indication in a ball-park figure? How much money do you have in the estimates for this year, and in which departments? Are you telling us that they are only going to be in Agriculture? Where do we find the money for the task force on decentralization? Where do we find the money for the Task Force on Needs, Opportunities and Responsibilities of the Individual?

MR. MINIELY:

My honourable colleague, the Deputy Premier, is responsible for the coordination of task forces and, without digging them out specifically, advises me that the total amount in the estimates is \$16,000. Some are in the general appropriation of the Department of Manpower and Labour, and some in Health and Social Development, and Agriculture.

MR. CLARK:

So there is only task force money for the three, Manpower and Labour, Health and Social Development, and Agriculture? That's all the task force money there is in the budget this year? You say the total amount is \$16,000?

MR. RUSTE:

Mr. Chairman, I believe you overlooked one point I raised. That was the matter of the capital gains tax. It's this report I referred to.

MR. MINIELY:

Mr. Chairman, I wrote a letter to Mr. Turner with respect to the passing of the resolution by members of this Assembly some time back. I think there was another resolution on the Order Paper - that is still on the Order Paper this year - which has not been voted upon. I haven't received other than a general acknowledgment from Mr. Turner on the first resolution on capital gains tax, but it is something I am pursuing with him and will continue to do so.

MR. RUSTE:

Mr. Chairman, it's pretty evident that the minister missed the point of this whole thing. This deals with capital gains as it relates to the farm operation period. It doesn't deal with the family farm as the resolutions pointed out. I appreciate the letter he filed at this session.

This deals with a report that was requested by the ministers of agriculture for Canada. It is entitled Today's Taxes - Tomorrow's Agriculture. I am going to quote a few parts from it for the information of the members. It deals with the '73 amendments, and says:

Even so, the impact of the capital gains tax is expected to place twice the burden on agriculture, than on other sectors of the economy.

It goes on:

The present Income Tax Act is expected to strengthen three trends: Consolidation of a 'landed aristocracy' within the commercial farm community, more extensive use of land to transfer wealth, and increased off-farm employment by bona fide farm families.

One other part I would just like to quote is on page 12 of the report under Section 15. It says:

Even under the amended Income Tax Act of 1973, the tax on realized capital gains in primary agriculture may eventually reach 20 percent of the total income tax paid by individual farmers, about twice that expected in other sectors of the economy.

My question to the minister was, have you made any representations in light of this, or do you intend to do so?

MR. MINIELY:

Mr. Chairman, I'm sorry. Yes, I was thinking of the resolutions on the Order Paper, et cetera. The particular report the hon. member refers to has not come to my attention as yet. My colleague, the Minister of Agriculture, advises me that he is about to refer that to me. I assure the hon. members that I will look at it and will take an opportunity to study the report. I can then comment on it.

MR. RUSTE:

Just further to that. I asked the Minister of Agriculture for a copy of it. I had one loaned to me by the library and I understood that was the only copy they had. I still haven't got my copy.

DR. HORNER:

Mr. Chairman, on that recent report put out by the Canadian Agriculture Economic Research Council, I am having the people in my department assess it and then they will be getting together with officials of Treasury because, as my honourable friend is aware, that is an opinion. We would like to get some more background into it and then we will be dealing with it jointly.

MR. NOTLEY:

Mr. Chairman, just one quick question before we close. This is a supplementary question to the Treasurer on task forces. Am I to take it from your answer, Mr. Treasurer, that in the government's view Mr. Lee's task force on gasoline pricing has completed its work?

MR. MINIELY:

Yes, for the time being. I should comment that as far as the task forces are concerned, whereas we anticipate in this particular year the expenses may only be about \$16,000, some of the task forces are ongoing and we don't anticipate that much in a particular budget year. That doesn't mean that in future years, if there were an item that should be referred to one of the task forces or to a new task force, we would not be budgeting additional amounts.

MR. NOTLEY:

A further supplementary. It is not the government's intention then on the whole question of gasoline marketing, the fuel oil tax rebate and what have you, to refer any of those questions to the task force for continued study during the year?

MR. MINIELY:

Mr. Chairman, I think we have the interim report of that task force. It is ongoing. We might look to them for certain comments and observations with the government looking at this whole question, if we wish to look at the whole question. I think that's the only way I can answer the question for the hon. member.

MR. CLARK:

Just one comment. I asked the minister if he would explain how he arrived at the increase of the consumer price index of Edmonton and Calgary during 1973. His figure here is 6.5. Now, I don't really want to get involved in an academic exercise of sleight of finger with the Provincial Treasurer as far as an accountant is concerned. Nevertheless

I'm going to make the point, and that is that the Treasurer here has used year over year percentage changes which I suppose is one approach one can use. By using that he has come out with a figure of 6.5 per cent increase in the consumer price index of Edmonton and Calgary. But if you take the January to January figures, there is a 24 per cent increase.

[Interjection]

Yes, there is. Using the consumer price index from January to January you will find [that] in December '72 it was 135.8, [while] in December '73 it was 146.8 and if you subtract that and do the arithmetic you will find that there is an 8.1 per cent increase from December to December.

The only point I'm making is that where we may have, by using the year over year percentage change, a consumer price index going up 6.5 per cent, you can use the same figures from the same organization and get a 25 per cent higher increase in the cost of living. I don't want to become involved in a long argument, but simply to say that it's a good example of how two people can use figures put out by the same organization and get a 24 per cent difference as far as the result is concerned.

MR. MINIELY:

Well, Mr. Chairman, if the hon. leader would take out his pencil so that he will know how we did arrive at it. The consumer price index on December 31, 1973 for Edmonton and Calgary was 141.8, if he will write that figure down. The consumer price index at Edmonton and Calgary for December 31, 1972 was 133.2. If you deduct the 133.2 from the 141.8 and take the difference applied to the base, you will find an increase of 6.5 per cent.

In comment to the hon. leader's suggestion about mathematics, that is presented on the accepted and recognized basis that statisticians look at these. It is presented on the basis of actual results for all quarters of 1973. While people can play around with figures and statistics if they wish, the figures presented in the budget were presented on a recognized and accepted basis among statisticians. That is the point I would make.

MR. CLARK:

Well, I would just have to say that the mathematics the Treasurer used are accurate, but he started from the wrong assumption because if you take the information, Alberta Statistics Review, March 1974, you'll find that the annual averages are the exact figures that you just used - for 1972, 133.2; for 1973, 141.8. Those are the annual averages. And that's where you've made your mistake. If you go to the information, Table 2, Consumer Price Index for the region and for the cities, in January 1974, you'll find that in December 1972, it's 135.8. That's the figure that you quoted. But you've been using the yearly averages.

DR. HORNER:

What was the other figure?

MR. CLARK:

The other figure for December 1973 is 146.8. That's for the cities of Edmonton and Calgary. So if you go from December to December using the same mathematical approach that you indicated, you'll get an 8.1 per cent increase. I asked the Provincial Treasurer to go back and check the information because he has used the annual averages. Someone in the department has suggested to him that those are the December to December figures. They're not. You've used the annual averages and that's how you come up with 6.5. What you intended to use, I'm sure, from your explanation, is the amount in December 1972 and December 1973. The result is a 24 per cent error, in my judgment.

MR. MINIELY:

Mr. Chairman, I don't want to get into a long discussion about this, but I can say this, the preparation of statistics by the Alberta Bureau of Statistics and the ones published in the budget are done on a basis of cooperation with Statistics Canada, and done on a basis that statisticians across Canada acknowledge and accept as a reasonable approach to statistics. Certainly people can play with statistics. Certainly people can arrive at different conclusions from statistics.

But I would not accept in any way the hon. leader's suggestion that what is published in the budget address is arrived at on a basis other than what is comparable with previous years, because the credibility of statistics is also based on them being presented in a way which is comparable with previous presentations. The presentations that are provided in the budget address are prepared on a comparative basis so that people can see that 6.5 compares with something arrived at on the same basis in the previous year, and something

arrived at on the same basis two years before that, and something arrived at on the same basis three years before that.

I can only repeat again that there are several ways of arriving at it. The hon. leader has taken one. As far as I'm concerned we in government have to rely on the accepted and recognized way of statisticians, both in the Alberta Bureau of Statistics and in Statistics Canada which is prepared on a uniform basis for the purpose of public communication and on a uniform basis as far as government is concerned. That is the only way that statistics have any validity.

MR. CHAIRMAN:

At this point, the committee stands adjourned until 8:00 o'clock tonight.

[Mr. Chairman left the Chair at 5:38 o'clock.]

