

## LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, October 30, 1974

[The House met at 2:30 p.m.]

## PRAYERS

[Mr. Speaker in the Chair]

MR. DIXON:

Mr. Speaker, I rise on a point of privilege.

Mr. Speaker, I would request that the Legislature go on record as extending condolences and sincere sympathy to the families and loved ones of the 32 people who lost their lives in the crash last night of the Panarctic Exploration Company of Calgary plane near Rea Point in The Northwest Territories. I am sure the thoughts and prayers of the hon. members go out to the two survivors of this tragedy for their complete recovery.

HON. MEMBERS:

Agreed.

## INTRODUCTION OF BILLS

Bill No. 76

The Cancer Treatment and Prevention Amendment Act, 1974

MR. CRAWFORD:

Mr. Speaker, I beg leave to introduce Bill No. 76, The Cancer Treatment and Prevention Amendment Act, 1974.

Mr. Speaker, the central principle of this legislation will be to create and regulate a system of reporting and record keeping in regard to cancer in order to allow for more adequate research as well as follow-up of individual patient's cases in the best possible manner, and throughout to provide for the necessary confidentiality of any records which are kept.

[Leave being granted, Bill No. 76 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. HYNDMAN:

Mr. Speaker, on behalf of the hon. Premier it is my pleasure today to introduce from Calgary some 48 senior high school students from Ernest Manning High School in Calgary. They are in the members gallery and they are accompanied by their teachers Mr. Dyck, Miss Brown and Mr. Martin. I would ask that they stand at this time and be recognized by the Assembly.

MR. TAYLOR:

Mr. Speaker, I have great pleasure in introducing to you and through you to the hon. members of the Legislature, Mr. Tony Velber who was for a long time mayor of the village of Rockyford and is now retired and living in Calgary. Mr. Velber is in the public gallery.

## TABLING RETURNS AND REPORTS

MR. FARRAN:

Mr. Speaker, I beg leave to table the Annual Report, 1973-74 of the Department of Telephones and Utilities.

MR. SCHMID:

Mr. Speaker, I beg leave to table the Annual Report of the Glenbow-Alberta Institute as required under Section 20 of the Act.

## ORAL QUESTION PERIOD

## Peter Bawden Drilling Services

MR. CLARK:

Mr. Speaker, I'd like to direct the first question to the Minister of Mines and Minerals and ask if the Minister of Mines and Minerals had discussions with the president or general manager or the major shareholder in Peter Bawden Drilling Services Ltd. prior to the announcement that this Canadian company would be moving its head office from Calgary to Houston, Texas?

MR. DICKIE:

Mr. Speaker, I personally haven't discussed it with any representative of Peter Bawden Drilling, but our office has been in contact with a number of the drilling companies to verify various figures and perhaps some member of our office has been in touch with them.

MR. CLARK:

Mr. Speaker, a supplementary question to the minister, just so I don't misconstrue his answer. The minister had no discussions with the president or the general manager or the major shareholder, Mr. Peter Bawden, prior to the announcement that Peter Bawden Drilling Services Ltd. would be moving their head offices from Calgary to Houston. Is that ...

MR. DICKIE:

Quite correct, Mr. Speaker.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. Is the minister aware of any other drilling companies that are presently giving serious consideration to the moving of personnel, or their head offices, or equipment from Alberta at this time?

MR. DICKIE:

Mr. Speaker, as I mentioned we are continually assessing the situation in respect to drilling rigs. I can't say that there has been a specific company, in addition to the ones that had been announced, that will be leaving. It's my understanding they still will be maintaining offices here. But there are rigs moving from time to time and I think that we have brought the hon. members up to date on the number of rigs that have been moving.

MR. CLARK:

A supplementary question, Mr. Speaker ...

MR. GETTY:

Mr. Speaker, I wonder if, inasmuch as I was able to discuss this matter with a member of the drilling industry, I might supplement my honorable colleague's answer by pointing out to the hon. member asking the question that Peter Bawden Drilling Ltd. has not moved its head offices from Calgary to the United States at all, but in fact it has moved that portion that it considers its international drilling office from Calgary to Houston because it feels that there will be better opportunity there to handle the increased U.S. drilling. But Peter Bawden is keeping its head office in Calgary.

MR. CLARK:

Mr. Speaker, a supplementary question then to whichever minister would like to answer the question. Is it true that the president and the general manager of Peter Bawden Drilling Services Ltd. will be moving from Calgary to Houston?

MR. GETTY:

Ask the company.

MR. LUDWIG:

Nobody knows.

## Gas and Oil Wells

MR. CLARK:

A further supplementary question, Mr. Speaker, after that deafening answer. A supplementary question, Mr. Speaker, to the Minister of Mines and Minerals in light of the exodus of drilling companies. Is the minister in a position to indicate to us what percentage of the wells completed in this portion of this year have been gas wells as compared to exploration oil wells?

MR. DICKIE:

Mr. Speaker, I don't have the actual figures. If the hon. member would like them I could certainly get them for him, but by my recollection when I did check the nine-month figures the majority of wells is gas wells.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. Would the minister agree that it's as high as 80 per cent gas wells and only ...

MR. SPEAKER:

Order please.

The hon. Member for Calgary McCall followed by the hon. Member for Cypress.

## U. of C. - Sex Lectures

MR. HO LEM:

Thank you, Mr. Speaker. My question today is directed to the minister responsible for advanced education. Can the hon. minister advise whether or not he has received information regarding several sex lectures to be held at The University of Calgary on the dates of November 4 to 8?

MR. FOSTER:

Mr. Speaker, I just received the information.

MR. HO LEM:

A supplementary, Mr. Speaker, to the minister. Is it true that the Department of Advanced Education is funding the costs of the following lectures: Margo St. James speaking on the topic "Prostitution is Respectable", and two homosexuals speaking on the topic "Homosexuality Another Lifestyle" and Tobi Klein speaking on "When you can't get it on"?

MR. FOSTER:

Well, Mr. Speaker, I really do not quite know how to answer that question, but let me try. Surely the hon. member realizes that the Department of Advanced Education, by appropriation of this House, is providing this year some \$108 million for the funding of universities in this province. We are responsible for the allocation of those resources among the four institutions and they are responsible for the division within their institution, and the program, and the activities on campus. I do not have the authority, I do not seek the authority nor should I have the authority, to tell the universities what lectures they should conduct and what lectures they should not conduct.

If the hon. member is offended by the lectures that are apparently being presented at the University of Calgary campus I would encourage him to contact the board of governors and the president of that institution and make his views known to them and, of course, I would be happy to have his personal contact made with my office as well.

MR. HO LEM:

Supplementary, Mr. Speaker. Can the hon. minister advise whether or not credits will be given leading to degrees to those students attending these lectures?

DR. WARRACK:

You have to take the lab.

MR. FOSTER:

Mr. Speaker, if the hon. member would like to provide me with the details of the lectures or courses to which he was referring, I would be happy to ascertain whether or not they are transferable for credit anywhere.

MR. SPEAKER:

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

## AEC - Chairman's Salary

MR. STROM:

Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs. Can he advise the House if the salary for Mr. Mitchell, the chairman of the [Alberta] Energy Company, has been determined as yet?

MR. GETTY:

I can't, Mr. Speaker, because that is a matter that would be determined between the board of directors of the company and Mr. Mitchell. Perhaps the hon. member might direct his question to the board of directors because that is something they might consider confidential between themselves and the president.

MR. STROM:

Mr. Speaker, if I may ask a supplementary question to the hon. minister. Is he suggesting to us or stating to the House that there have been no discussions with Mr. Mitchell and the government in regard to a possible salary level for himself, and that it was totally left to the board of directors?

MR. GETTY:

Mr. Speaker, I think in talking to Mr. Mitchell there may have been some general discussions as to his responsibilities with the company for which he presently works and the level of salary he presently obtains, and that therefore he would be trying not to damage his family earning capacity. But the matter of his salary is something he is going to work out with the board of directors.

MR. SPEAKER:

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

## Crude Oil Production

MR. DIXON:

Mr. Speaker, I would like to direct my question today to the hon. Minister of Mines and Minerals. It relates to the Alberta crude oil production which is approximately 200,000 barrels a day below capacity.

My question to the hon. minister, Mr. Speaker, is: is the demand for Alberta oil continuing to decrease?

MR. DICKIE:

Mr. Speaker, it is quite true that the capacity for the production for the month of November was some 200,000 barrels under. That's as a result of the nominations, and reflecting back to October and September it was also under. It is anticipated that for December, January and February it would be somewhat the same. That, I should say, is for light and medium crude oil.

There is a very serious problem in heavy crude oil and, as I recall the figures, I think the productive capacity is about 60,000 barrels a day in heavy crude oil. That for the month of November was down to I think about 35,000 barrels from a previous month's allocation of some 41,000 barrels.

MR. DIXON:

Mr. Speaker, a further supplementary question. In view of the fact that apparently the Americans are slowing down on imports, has the minister or any other government official been in contact with the National Energy Board to get its plans as to whether it is going to favor a decrease or some way of increasing sales to the United States?

MR. DICKIE:

Mr. Speaker, there is presently pending a report by the National Energy Board. I understand that it will be tabled very soon, within the next two weeks or so. The hon. members will recall that the National Energy Board did conduct a study by going across Canada looking for the figures on the requirements and the supply.

I would say to the hon. member that as soon as we have received a copy of that report we will be able to assess that in relation to the Alberta needs with our own Energy Resources Conservation Board.

## U. of C. - Sex Lectures (Cont.)

MR. FOSTER:

Mr. Speaker, I wonder if I might respond to the question from the hon. Member for Calgary McCall with respect to the lectures provided at the University of Calgary campus. I have just been informed that The University of Calgary Students' Union is the body sponsoring those lectures and they are paying for them from their own separate funds.

## Gas and Oil Wells (Cont.)

MR. DICKIE:

Mr. Speaker, I would also like to respond to a question by the Leader of the Opposition dealing with the drilling activity. That is in respect to figures for the oil and gas wells. I have them for the first nine months.

In the exploratory wells there were some 84 oil wells and some 381 gas wells; in development wells there were some 395 oil wells and some 854 gas wells.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc with a supplementary followed by a further supplementary from the hon. Member for Spirit River-Fairview.

MR. HENDERSON:

Mr. Speaker, I just wonder if the Minister of Mines and Minerals could possibly clarify what he meant by his words to the effect that they are waiting for a report from the National Energy Board and then are going to look at these implications so far as the province of Alberta is concerned. Is the government giving serious consideration to curtailing oil production out of the province in the foreseeable future?

MR. DICKIE:

Mr. Speaker, I would like to be clear that we're not waiting for a report but there is a report in the making by the National Energy Board which will deal with this question. I was suggesting that after we receive a copy of that report, we will then assess it in respect to Alberta's needs through our own Energy Resources Conservation Board.

MR. HENDERSON:

Mr. Speaker, I wondered - I would just like to make it clear - I was asking the minister if the government of Alberta is acting in investigating the matter on its own initiative at this point in time.

MR. DICKIE:

Mr. Speaker, we are continually having our own Energy Resources Conservation Board look at the question of the Alberta situation and what the requirements are in relation to supply for Alberta needs.

## Oil Export Tax

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Does the government have any information from the Petroleum Marketing Commission as to the impact of the present export tax on the nominations for November, December, January and February oil; that is, whether or not the export tax is slightly higher than it should be to facilitate our oil being competitive in the Chicago market?

MR. DICKIE:

Yes, Mr. Speaker, we have information from the Alberta Petroleum Marketing Board both in relation to light and medium crude oil and also the heavy crude oil.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister advise then just what the comparative position of our oil is in the Chicago market as a result of the current level of export tax surcharge?

MR. DICKIE:

Mr. Speaker, I'm not sure I can give you the exact information because it is quite a detailed report we have received on it and relates to the heavy crude oil. I think that the price would be \$2.00 differential.

Under the National Energy Board they have passed a provision now whereby the companies can apply for a rebate of some 50 cents, so that would bring the differential to about \$1.50. In relation to the light and medium crude oil, in particular in the Chicago market, I understand it varies with refineries and there may be about a 50 cent differential in that market.

MR. NOTLEY:

Supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. Is any representation going to be made to the government explicitly on this question of the level of the export tax in relation to the competitive position of Alberta oil in the American market?

MR. GETTY:

Mr. Speaker, I'm not sure that you could refer to it as representations. However, the level of the export tax has been discussed with the federal Department of Energy, Mines

and Resources, and as a matter of fact with the Minister of Finance of the federal government on another occasion, and will be the subject of further discussions between officials of the Alberta Government and the federal government.

MR. NOTLEY:

Further supplementary question, Mr. Speaker. Is the hon. Minister of Federal and Intergovernmental Affairs able to give us any report on the position of the federal government on this matter? Are they prepared to look at a reduction of the tax to the level necessary to make our crude oil competitive in the American market?

MR. GETTY:

Mr. Speaker, it's often difficult to tell with any degree of certainty as to the position of the federal government. However, on this one I would say they recognized, as pointed out by my colleague the Minister of Mines and Minerals, that there was some need for assistance on the heavy oils and therefore they built in the rebate system. In terms of the export tax itself, they review it from month to month to determine that they will be able to get a fair price, in their minds, for Canadian crude oil.

MR. SPEAKER:

The hon. Member for Calgary Millican with a final supplementary, followed by the hon. Member for Drumheller.

#### Crude Oil Production (Cont.)

MR. DIXON:

Mr. Speaker, I would like to ask the hon. minister a supplementary question. Does the Alberta government have any plan of action in order to bring about more stabilized oil sales as far as Alberta is concerned? Apparently Alberta oil is known as the swing barrel in the United States; if they find it cheaper or if there is a more abundant supply we are the first ones to be cut. I wonder if any representation has been made?

MR. DICKIE:

Mr. Speaker, the hon. member is referring to comments made by the Chairman of the Alberta Petroleum Marketing Commission in relation to the problem as he would look at it when you refer to the swing barrel of oil. That really deals with the question of marketing, the export tax and a number of other considerations. That has been reviewed by the Alberta Petroleum Marketing Commission. There has been no decision reached as to a policy matter now. These are areas that are just under consideration.

MR. SPEAKER:

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

#### Land Purchases

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Deputy Premier. Does the hon. minister have any figures or percentages as to the amount of land in Alberta which has been purchased this year by corporations other than Canadian corporations?

DR. HORNER:

Mr. Speaker - just off the top of my head, for the first six months of 1974, I believe, I gave the figures a few days ago in the Legislature. The figures are for foreign corporations, 1.3 per cent. For other corporations, that is Canadian or Alberta corporations including the family farm type of corporation, the percentage figure is 6.7 per cent.

MR. TAYLOR:

A supplementary. Are those percentages on all land that has changed hands during that period?

DR. HORNER:

Those percentages are on all lands which have changed hands with the exception of the periphery of Calgary and Edmonton.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Wetaskiwin-Leduc.

## Energy Corridor - Hardisty Facilities

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of the Environment. Have any studies been undertaken of the effect the proposed energy corridor would have on educational and hospital facilities in the Hardisty area?

MR. YURKO:

Mr. Speaker, none that I know of. Perhaps some of the other ministers may know whether or not studies have been done specifically in regard to Hardisty.

MR. SORENSON:

A supplementary then to the Minister of Health and Social Development. I would ask him if any studies have been undertaken and if he is prepared to support the request of the Hardisty hospital auxiliary for a new hospital in the town?

MR. CRAWFORD:

Mr. Speaker, it so happens that this morning I had a discussion with one of the hospital boards from the district, also representatives of one of the volunteer hospitals which is in the area and not operated by the board. The board in question covers a very large area and there are at least four hospitals in the area. I was discussing another matter with them, but was able to say to them at the time that in the event the corridor resulted in increased population, of course there would be a response to those additional demands that would be fully adequate in the circumstances.

As to studies, no study has been done on that specific point.

MR. SORENSON:

A supplementary to the Minister of Education. I am wondering if he is prepared to support the expansion of educational facilities in Hardisty in light of the announcement of great things to come there?

MR. HYNDMAN:

Mr. Speaker, I would think that the advice of the elected school board in that area would be very important to our decisions. Should there be an increase in student population that is seen by the board, based on the best information they would have, I think we would certainly be prepared to look favorably upon additions to or expansion of school facilities - as appropriate in order that there be proper housing for all the students in the area.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Macleod.

## Child Abuse - Reporting

MR. HENDERSON:

Mr. Speaker, I want to address a question to the Minister of Health and Social Development. I wonder if the minister could advise the House what intentions the government has relative to proclaiming the portion of The Child Welfare Act which makes it an offence not to report a child beating. The act was passed by this House in the spring of '73.

MR. CRAWFORD:

Yes, Mr. Speaker. The House will recall that at the time of the debate on that bill I think all hon. members agreed it would be desirable if we adopted a wait-and-see attitude as to whether or not that sort of clause was going to be required. It was stated to be a preference that the new legislation be worked along with by the department and various interested agencies and the public on an educational and preventive basis rather than with any particular reference to punishment.

Mr. Speaker, I think it's too early to say whether or not what you might call the soft approach as opposed to the hard approach to enforcement of this legislation has succeeded or failed. I certainly would have to say that the approach hasn't failed, therefore there is no immediate intention to proclaim that part. I would conclude, I suppose, by saying that there is always a possibility that it would have to be proclaimed but I don't foresee that at any date in the next year.

MR. SPEAKER:

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

## Rapeseed Plant - Sexsmith

MR. BUCKWELL:

Mr. Speaker, my question is to the Minister of Agriculture regarding the rapeseed crushing plant at Sexsmith. Could the hon. minister inform the House of the amount of money collected or pledged to date toward the capital cost of the rapeseed plant by the co-op?

DR. HORNER:

Mr. Speaker, I think from the most recent figures I have that their objective is 1,000 members with production units. They have reached the figure of 600 and, I believe 60, but I wouldn't want to be held to that exact number. But it's well over 600 production units and shares in the co-op.

MR. BUCKWELL:

A supplementary, Mr. Speaker. Has the government given any assurance, either verbally or written, as to the amount they would underwrite either by loan, grant or guarantee?

DR. HORNER:

Only on the basis of the individual farmer, in that we guarantee up to \$4,000 per farmer for shares and/or production units in the co-op.

MR. BUCKWELL:

A further supplementary, Mr. Speaker. Has Moller-Consul, in West Germany, received any financial commitment from the Alberta government on this project?

DR. HORNER:

Well, it has received the commitment we would make to the farmer co-op and in essence the financial structure is the \$4 million the co-op would put up once they have sold their objective of 1,000 production units. Just off the top of my head now, there was \$3 to \$4 million in machinery credits that would be part of the financing and the additional money then would be put up by the German partners with a buy-out provision for the co-op.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Edmonton Kingsway.

## Calgary Court House - Carpets

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Public Works. Could he advise why the tender for supply and installation of carpets for the courthouse in Calgary was awarded to the second lowest bidder?

DR. BACKUS:

No, Mr. Speaker, I don't have that information in front of me, but I will certainly check that out and let the hon. member know.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway followed by the hon. Member for Vermilion-Viking.

## Nurses Training Program

DR. PAPROSKI:

Thank you, Mr. Speaker. My question is to the Minister of Advanced Education. What is the present policy of government or status regarding registered nurses training in hospitals, relative to college training which is largely out of hospitals?

MR. FOSTER:

Mr. Speaker, there are something like 90 education programs in Alberta affecting the training of health personnel and one of them is nursing. The government made a decision this past summer that the jurisdiction for these programs should [be vested] in the Department of Advanced Education rather than the two or three other jurisdictions which were previously involved. This may have been read by some people as an automatic decision to phase out the six hospital-based nursing training programs. That's not necessarily the case. I have no doubt that the college-based programs and hospitals will be involved in the training of nurses in the future.

In order to plan and implement properly a new nursing education training program involving both educational institutions and the hospitals, we have created a task force representative of various organizations involved, including the professional associations



and the department. I can assure the House, Mr. Speaker, the parents and students in the nursing program, that if they enter a program in a college or a hospital, we will certainly guarantee the continuation of that program. They are in no way in jeopardy of losing their program because of a change in the training program in the future.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway with a supplementary, followed by the hon. Member for Wetaskiwin-Leduc.

DR. PAPROSKI:

Mr. Speaker, to the minister again. The minister then recognizes the concern expressed by the Alberta Association of Registered Nurses that in-hospital training is most important and should be ...

SOME HON. MEMBERS:

Order.

MR. SPEAKER:

The hon. member is making a recommendation coupled with a request for an opinion.

MR. HENDERSON:

Mr. Speaker, now that he has made it, I'll second it. But I'd like to ask the minister if the terms of reference of this review committee are going to extend to examining what has happened in other political jurisdictions in Canada where this policy has been pursued?

MR. FOSTER:

Yes, Mr. Speaker, we have spent some time examining other health education delivery systems. Incidentally, it's the view of the Alberta Association of Registered Nurses that we should shift from hospital-based nursing programs to college-based for advanced education institution-based training programs. That was the basis of some concern.

I am simply saying that I have no doubt that hospitals will be involved in the training program. Whether it's as a primary carrier in that sense, or whether it's simply a basis for practical experience - that's the question, among others, being addressed by this task force committee.

MR. GRUENWALD:

Supplementary, Mr. Speaker. Will the task force that the minister refers to try in some way to assess the difference in performance of hospital-trained nurses as against college-trained nurses?

MR. FOSTER:

Well, Mr. Speaker, there is considerable debate and there are many learned people on both sides of the debate as to whether or not hospital-based training programs are better than college-based training programs. Frankly I'm not really interested in that debate. I am concerned with devising an excellent training program, hopefully taking the best aspects of the hospital-based activity and the university- or college-based activity and coming up with something that recognizes that we need a first-class nurse dealing with the sick in our society. We can go into this at some length and, if members would like, I'd be pleased to.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise the Assembly what timetable he has in mind for the reporting of this task force and when the government might make some definitive policy decisions on this matter?

MR. FOSTER:

Mr. Speaker, if I were to say, tomorrow, I would be accused by the committee and by all involved of trying to hurry these people. It's a priority that I think we all have. And certainly nursing education is critically important.

I am hopeful that in a matter of months the committee can come to grips with the unresolved issues and make some recommendations to me that all of us are prepared to act on. I don't want to suggest that it will be July or November. The sense of urgency is there and the committee members, I am sure, will address themselves with diligence.

MR. BENOIT:

Mr. Speaker, a supplementary. How will this change in the program affect the Alberta registration of registered nurses who are coming from the United Kingdom?

MR. FOSTER:

That really is an entirely separate question, Mr. Speaker. I am at the moment referring to the delivery system that is used to train nurses. I am not talking at the moment about how we ensure standards or how we provide for the reciprocal registration of nurses, for example, who are trained elsewhere.

MR. SPEAKER:

Might this be the last supplementary on this topic.

MR. HENDERSON:

I'd just like to clarify whether the minister said the Alberta Hospital Association is represented on that review committee?

MR. FOSTER:

Yes, it is.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Calgary Bow.

#### Ingram Report

MR. COOPER:

Mr. Speaker, my question is also directed to the Minister of Advanced Education. Would the hon. minister inform the House if the Ingram Report has been completed?

MR. FOSTER:

Yes, Mr. Speaker, the Ingram Report concerning adult education in northeast Alberta and northwest Saskatchewan has, in fact, been completed. It has been in my hands and we are still in the course of reviewing and assessing the report.

MR. COOPER:

A supplementary, Mr. Speaker. Will it be released to the public and if so, when?

MR. FOSTER:

Mr. Speaker, I am not in a position to say that it will be released to the public, only because the report belongs to the Alberta government and the Saskatchewan government and both governments have not yet come to be of one mind on that question. I am hopeful that the matter of the report, its release, its contents and its follow-up in terms of recommendations for the future of, for example, Vermilion College will be a matter we can deal with in the course of the next couple of months.

MR. COOPER:

A supplementary. Is a copy available to MLAs, one in particular?

MR. FOSTER:

Mr. Speaker, I have a copy of the report in my office. No doubt there are copies in the department and with the Saskatchewan government. For the moment it is a report which is being considered by the Saskatchewan government and by the Alberta government and, as I say, when we have made a decision on our recommendations arising out of that report, we will then discuss with Saskatchewan the matter of making that report public.

MR. COOPER:

A supplementary, Mr. Speaker. Is the Department of Education of Saskatchewan still interested in a cooperative effort in post-secondary education along with the Alberta Department of Advanced Education?

MR. FOSTER:

I think I could say yes. That was certainly the reason for the report, to explore ways in which Alberta and Saskatchewan might well cooperate in the provision of college and adult education services in that region of both provinces. I think it is fair to say both governments are anxious to cooperate. We are now in the process of finding ways in which we can do so.

MR. SPEAKER:

The hon. Leader of the Opposition with a final supplementary, followed by the hon. Member for Calgary Bow.

MR. CLARK:

A supplementary question to the Minister of Advanced Education. Is it possible for the hon. Member for Vermilion-Viking to receive a copy of the report at this time?

MR. FOSTER:

Mr. Speaker, if the Member for Vermilion-Viking were a member of the government, a member of the cabinet, I would say yes. The problem is that it is a report which has been provided to the Government of Saskatchewan and the Government of Alberta and I am simply not in a position to release that report to anyone outside the governments of those two provinces without the concurrence of the Saskatchewan government. Once that concurrence has been obtained, no problem.

MR. CLARK:

A further supplementary, Mr. Speaker, if I may, in light of the minister's answer. Is the minister prepared to recommend to the Government of Saskatchewan that the report be made public at an early date?

MR. FOSTER:

Mr. Speaker, generally speaking, particularly in this portfolio, I am in favor of having everything public ...

SOME HON. MEMBERS:

Hear, hear.

MR. FOSTER:

... you know, all reports and what have you. Because I think in that way you avoid suspicion, you avoid the anxiety that is created by uncertainty. I am simply saying that in this case, this document was provided to a government other than the Government of Alberta, and I can't speak for them. But recognizing my general attitude on these matters, I think people know what my position is. But I am not at liberty to stand in this House and say I'm going to demand this or that of my colleagues in Saskatchewan. The Saskatchewan government and I are discussing it. I hope to have the matter resolved in the course of the next couple of months and, when we do, the results will be fully public to the members of the House.

MR. CLARK:

Does the hon. minister understand what the word "recommend" means? Is he going to recommend to the Government of Saskatchewan that the report be made public?

MR. SPEAKER:

Order please.

The hon. Member for Calgary Bow followed by the hon. Member for Lethbridge West.

#### Truck Route Closure - Calgary

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Highways. Would the minister advise on what basis the provincial government's agreement to close the truck route on 34 Ave. N.W. and 77 St. N.W. in Calgary, as requested by Bowness residents, was granted on only a trial basis?

MR. COPITHORNE:

Mr. Speaker, in regard to that question the City of Calgary makes its own decisions generally. They have a registered plan with the Department of Highways on the routes throughout the city. We think that shifting the traffic route to where they propose to shift it will only move the problem to another section of the city. There are also some problems with a bridge that is involved.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. Could the minister explain the purpose of granting the closure on a temporary or trial basis only?

MR. COPITHORNE:

Well, Mr. Speaker, it's a little difficult for the hon. member to again probably understand that it's done on a trial basis to see how many are going to object from that area as well. I am sure the Mayor of Calgary will get some objection from that route too because it's on a major truck haul.

MR. WILSON:

A supplementary, Mr. Speaker. Would the minister advise if the provincial government or the City of Calgary will be doing the monitoring during this trial period?

MR. COPITHORNE:

Mr. Speaker, there are several ways of monitoring. There will be a lot of letters on my desk, as well as on the mayor's desk in Calgary, if it's not a very satisfactory route.

MR. WILSON:

A supplementary, Mr. Speaker. Has the provincial government made a decision yet as a result of its long-term study on ring roads for northwest Calgary?

AN HON. MEMBER:

The answer is no.

MR. COPITHORNE:

Mr. Speaker, the answer is no.

MR. SPEAKER:

Might this be the last supplementary on this topic.

AN HON. MEMBER:

Agreed.

MR. WILSON:

A supplementary, Mr. Speaker. Would the hon. minister advise when the government might be tabling or releasing the deLeuw Cather report pertaining to ring roads and transportation corridors in Calgary?

MR. COPITHORNE:

Mr. Speaker, I can understand the great anticipation that the hon. Member for Calgary Bow has in regard to the release of that report. However, it will not be released for a while.

MR. SPEAKER:

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

#### Municipal School Boundaries Report

MR. GRUENWALD:

Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. Has Interim Report No. 1 of the Municipal School Boundaries Committee been filed with the minister as yet?

MR. RUSSELL:

Yes, I have received Report No. 1, Mr. Speaker.

MR. GRUENWALD:

A supplementary, Mr. Speaker. When will this report be made available to MLAs or to the public for study or perusal?

MR. RUSSELL:

I don't know, Mr. Speaker. That's difficult to say.

MR. GRUENWALD:

A supplementary. Will the report be made available, Mr. Speaker?

MR. RUSSELL:

I would think in time it would be, Mr. Speaker. The way the work of the committee is progressing - it's trying to deal with specific problems and then to go on examining alternatives and eventually get the province as a whole done.

At that time, of course, all the recommendations that are accepted by government will be made public, but in the meantime it's very difficult to say when these interim suggestions that are being considered, accepted or turned down should be made public.

MR. SPEAKER:

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

#### Fertilizer Shipments to U.S.

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture and ask him whether or not his department has had an opportunity to investigate reports from NFU officials in the Peace River block that fertilizer produced in Alberta is being bootlegged by an American trucking company to the United States?

DR. HORNER:

Mr. Speaker, there has been some transfer from various areas of Alberta, indeed of British Columbia, of fertilizer made in both Alberta and British Columbia by, as I understand it, an Alberta truck carrier into the United States. In the instances where we have been made aware of it by contacting the major supplier we have been able to curtail that transfer from our area.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister assure the House that the transfers in question are just normal business procedures and not an attempt at supply management which would in effect drive up the price of fertilizer next spring?

MR. SPEAKER:

Order, please. The hon. member is clearly asking for an opinion which he is also capable of forming himself.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Has the Department of Agriculture given this matter any investigation?

DR. HORNER:

Well, Mr. Speaker, we've had an ongoing monitoring of a variety of input costs of farms in a joint arrangement with Unifarm; in addition to that, a joint committee with the other western provinces on the fertilizer supply situation was set up at the premiers' conference in Saskatoon, I believe. That is an ongoing committee. I would expect as soon as the other ministers agree, that we might make available their consensus of the fertilizer situation in western Canada. There is no doubt that with the present prices on grain and the general situation, there is going to be a demand for fertilizer in the coming year which is going to be very difficult to meet.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the House on the details of the mechanism used to monitor fertilizer production vis-a-vis domestic sales versus export sales? What procedures are used to monitor and keep this in check?

DR. HORNER:

Well, the procedure used, Mr. Speaker, was primarily the appointment by each of our governments of a senior member of our departments to a fertilizer panel, as it's called. This panel is using a variety of means to monitor the requirements, monitor the manufacturing of fertilizer and developing with the - I think it's called the Western Fertilizer Institute - a working relationship so that both could be in a position to know what the requirements are and whether or not the requirements can be met.

I would like to clear up the situation by saying this, Mr. Speaker: we've had excellent cooperation from the fertilizer manufacturers in relation to what some people might call, perhaps, a not very useful transfer of fertilizer to the United States from some of the private dealers.

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Lethbridge East.

#### Royal Commission - Government Employees

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Manpower and Labour. Is it the intention of the government to establish a royal commission to study legislation affecting government employees and employees of government boards and agencies?

DR. HOHOL:

Mr. Speaker, to that important question from the Civil Service Association of Alberta, our response was that we are most prepared and ready to examine the problem of anomalies, of discrepancies, between and amongst the various statutes of this government as they relate to its employees. We were not clear that the best approach would be a royal commission. It's my personal view that very often a royal commission, with all proper respect to royal commissions when that is the best approach, is a sort of dereliction or abdication of the proper function of elected people.

Our response to the Civil Service Association request has been, and is today, that this matter of import to our employees and to the members of the CSA would be best dealt with, examined and concluded mutually by the two parties which hold very important responsibility for the employees and the members of the government and the Civil Service Association. So we have presented this resolution capability to the CSA and presently we are discussing the possibility of working this approach rather than that of a royal commission.

MR. R. SPEAKER:

Supplementary to the minister. Is one of the alternatives being considered by the minister to introduce amendments to The Alberta Labour Act which would bring the civil service negotiations under that particular act?

DR. HOHOL:

Mr. Speaker, the list of concerns that would be brought to the table should be able to get agreement with the CSA. For example, a task force made up of people from government or the public service commissioner's office and those of the CSA would include many matters. Certainly that would be one of them, but it wouldn't be the sole one; it would be one of a great number. But if you would permit me sir, I wish to give the information to the Legislature that it is our view that a task force of government officials and

officials of the CSA, working together on mutual concerns and problems, because one side has responsibility for its members and another group for its employees, would be in our view the best resolution to the problem.

MR. R. SPEAKER:  
Supplementary ...

MR. SPEAKER:  
Might this be the last supplementary. We are running short of time.

MR. R. SPEAKER:  
Has the minister established a date, time or period by which the task force would bring in recommendations and possibly have changes for legislation? Is there consideration for legislation in the spring session?

DR. HOHOL:  
Mr. Speaker, would you permit me to respond in about two ways. One is, I am clear, that amending any one particular statute would fall short of meeting the requirements of the CSA or of the government or the satisfaction of the hon. member. This is more in response to his second question. Secondly, we have not yet had agreement. We are working on the possibility, we're exploring the possibility, of a joint task force to examine this problem. Any dates or any future activities, of course, would have to be following a resolution of the task force should that resolution be forthcoming.

MR. SPEAKER:  
The hon. Member for Lethbridge East.

#### Price Fixing

MR. ANDERSON:  
Mr. Speaker, my question is to the Minister of Consumer Affairs. Has the Consumer Affairs Department made any attempt to fix prices or influence the same?

MR. DOWLING:  
No, Mr. Speaker, we have made no attempt to fix prices at all because with the fixing of prices, of course, there has to be the obvious fixing of wages and I would hope that that's not the policy of the opposition members.

MR. ANDERSON:  
Supplementary, Mr. Speaker. Has there been any attempt made to publicize the instances regarded as unjust pricing?

MR. DOWLING:  
Mr. Speaker, if the hon. member has any instances available that he knows of, I would be happy if he would inform me and we would examine them together.

MR. ANDERSON:  
Supplementary - the last one. Is there any consideration being given to standardizing the packaging of food in regard to size and net weights?

MR. DOWLING:  
Mr. Speaker, there's an ongoing program by the federal government relative to labelling and packaging. As might be expected the drug industry is leading the way in this regard. They are now packaging toothpaste in 50, 100 and 150 milligram packages. This is ongoing. As I've said, Mr. Speaker, there's a considerable amount of cost involved in changing of packages, changing of labelling. However, it is proceeding in the normal way.

MR. LUDWIG:  
Mr. Speaker, has the hon. minister found any instances of unfair pricing of commodities in this province?

MR. DOWLING:  
Not, Mr. Speaker, in any of those business establishments which I frequent on weekends or at other times.

MR. LUDWIG:  
Does that include liquor stores too, Mr. Speaker?

MR. CLARK:  
Further supplementary, Mr. Speaker, to the Minister of Consumer Affairs. Has the Department of Consumer Affairs in the course of the last year found instances where there has been unjust pricing?

MR. DOWLING:

Mr. Speaker, that is a definition that I have some difficulty with. I would appreciate any assistance from the hon. Leader of the Opposition.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Has the Department of Consumer Affairs specifically investigated the complaints of service station operators that the wholesale pricing tactics of the major oil companies represent unjustified prices?

MR. DOWLING:

Mr. Speaker, both the Department of Consumer Affairs and the Department of Industry and Commerce have had a continuing number of discussions with both the retailers and the wholesalers of gasoline. I'm pleased to report, Mr. Speaker, that the posted tank wagon price as the tax, the gas tax, in Alberta is the lowest in all of Canada.

MR. NOTLEY:

Mr. Speaker, a final supplementary question. Is the government at this time giving any consideration to legislation dealing with the question of wholesale pricing by the major oil companies as witnessed by recent reports to that effect?

MR. DOWLING:

Mr. Speaker, we are not. However, as the hon. member may have noticed on the Order Paper, we are proposing fair trades practices or unfair trades practices legislation to be introduced this fall.

DR. PAPROSKI:

Final supplementary, Mr. Speaker, on the topic of labelling. Is the hon. minister considering labelling of ingredients on products and their associated hazards and treatment?

MR. DOWLING:

I am not sure I got the import of the question correctly, Mr. Speaker. If the member is talking about food and drug labelling, that of course has to have some federal implications of responsibility. Perhaps he could explain further what he means.

DR. PAPROSKI:

Mr. Speaker, to clarify: labelling of products with their respective ingredients and the associated hazards that may be associated with those ingredients and possible treatments. In other words, labelling of hazardous products.

MR. DOWLING:

Oh yes, Mr. Speaker. Now I understand. That does in fact come under the Hazardous Products Act of the federal government. It is now being done.

DR. PAPROSKI:

Mr. Speaker, one supplementary on that topic. Is the minister aware ...

MR. SPEAKER:

May this be the final supplementary. We have gone beyond the time limit for the question period.

DR. PAPROSKI:

Is the minister aware, and I am sure he is, that there are many products on the market that are not labelled as such.

AN HON. MEMBER:

And are not hazardous.

MR. DOWLING:

Mr. Speaker, one I can think of right off the top of my head is ethanol which is alcohol and is sold over the counter in some places. It can be dangerous if taken internally in excessive amounts.

Calgary Court House - Carpets (Cont.)

DR. BACKUS:

Mr. Speaker, I wonder if I may now answer the question from the hon. Member for Calgary Mountain View. The lowest bid was disqualified because it was incomplete. They had failed to submit the scheming schedule and had incorrectly estimated the total area by 900 square yards. Also no prices were included on page 9 of the schedule of quantities. It was estimated that had they completed it correctly, their bid would have come in \$20,500 higher, which would have made it the second lowest bid.

MR. LUDWIG:  
Mr. Speaker ...

MR. SPEAKER:  
Perhaps we might save this for tomorrow if it isn't of extremely burning urgency because we are encroaching on the time which should be devoted to Orders of the Day.

#### Price Fixing (Cont.)

MR. DOWLING:  
Mr. Speaker, if I might make a correction. I understand I said milligrams in referring to the size of a package. In each case the size should have been grams.

SOME HON. MEMBERS:  
Agreed.

#### ORDERS OF THE DAY

MR. HYNDMAN:  
Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into Committee of the Whole for consideration of certain bills on the Order Paper.

MR. SPEAKER:  
Having heard the motion by the hon. Government House Leader, do you all agree?

HON. MEMBERS:  
Agreed.

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:  
The Committee of the Whole Assembly will come to order.

#### Bill No. 64 The Department of Public Works Amendment Act, 1974 (No. 2)

MR. LUDWIG:  
Mr. Chairman, I wonder if the hon. minister can give us some details as to what is the real purpose of this additional need for funds? What in particular are we going to stockpile? I am sure we must know what we are doing rather than just sort of hope we might be able to stockpile.

What does the government need to stockpile? What are we afraid we might be short of, except money of course? What and where will this material be stockpiled? The minister must have some very clear ideas as to where he is going, I hope. Let's have the specifics, please.

DR. BACKUS:  
I can't list the whole collection of items right at the moment but the types of items which might be a guide are: certain steel items, possibly cement; electrical fittings is another area where there seems to be a fair amount of uncertainty in variety and price.

In our tendering experience we have found that many firms are unable to give us an accurate tender because they tell us they can only quote a firm price on certain of these items for a matter of about two weeks. Also, there is generally a good deal of uncertainty about the ability to obtain these items, particularly in the area of



structural steel and reinforcing steel. It is therefore our intent, if this bill is approved, to stockpile some of these items which we know are slow in coming through. There is sometimes as much as a six-month waiting period for some of the items. We would therefore stockpile some of these items in anticipation of difficulties in obtaining them at a later date and in order to be able to provide a firm price to the subcontractors when they come in with their bids, because of course we wouldn't be intending to make any profit on this. It would be available to the contractor at cost and would be detailed as to the availability and the cost of these items in the specifications.

With regard to storage of these items, we do have space available already in the main shops, which could store a good number of these items. We anticipate it may be necessary to provide additional sheltered storage space. This can be achieved by what are called air support buildings, that is, buildings of plastic which are held up by maintaining air pressure inside. These are relatively inexpensive. In this way we can store a great deal of additional equipment which has to be kept under cover and can't be stored in the open.

MR. HO LEM:

A question, Mr. Chairman, to the minister. I believe that stockpiling at this particular time would be a very bad time insofar as prices are concerned. When we take a look at the lumber market, we know that the prices now are going on the decline. I feel that careful consideration should be given in this regard. We are talking about stockpiling in a period of high inflation and we are hoping that some day very soon, perhaps, things will be stabilized and prices will be more stabilized. So that again is a point that should be considered very carefully by your department.

The overall concern I have regarding stockpiling is that it sets a precedent, particularly by governments when they are going to stockpile certain materials that are listed as shortages. This sets an example to other departments outside of government and this may have the effect of hoarding, in other words. We all hate to use that word "hoarding", but in effect it is some part of hoarding. So when I think of that I have great concern regarding this type of procedure being adopted by our government at this time.

I feel that your explanation of certain products which are on the short-item list, items such as cement and steel - I believe that in the projects we are about to embark upon in Alberta, certain priorities should be given to the project itself. In other words, if we're going to build a hospital, I think that should receive priority over building an apartment house. Also, if we are going to build schools in certain new districts, that should take priority over others.

These are the things that I feel the government should give very careful consideration to. Because of that, and until I get some more definite answer, I cannot support the recommendations.

DR. BACKUS:

I appreciate very much the views of the hon. member. I think one should point out that major construction companies are already able, because of their size, to carry on a certain amount of stockpiling; they can have a stock advance. Therefore in periods of shortage this does place them in an advantageous position over smaller construction firms that don't have the finances, or the available space for that matter, to stockpile or provide a stock advance themselves. I certainly agree that we don't in any way want to carry this to an extreme by sort of going out and trying to grab everything available on the market.

I think the department is also very much aware of the fact that there is fluctuation in price and a possible downtrend, as has occurred in lumber. I think that in this area it would be quite possible for, in fact, the department to help the industry as a whole. In the lumber industry when they are running through a period of short demand and the prices are down, by purchasing a certain amount of materials from them at that time one can stabilize the market a little bit for them. I don't think it can be a very significant factor, but it could certainly be a factor in helping the lumber industry as a whole, not any firm in particular.

We're certainly very aware of the fact that prices do fluctuate. This is one reason we would like to try to get them possibly at the time when the prices are lower. Although I hope [for] a stabilization of prices, that is the prices stabilizing in the area of steel, not continuing to go up every day, I don't anticipate that in some of these things, like steel in particular or in electrical products as well, there is going to be a significant downtrend in prices. But I hope that in the future the present uptrend is going to be stabilized.

I think though it does make a very significant difference to the ability for small construction - and I don't necessarily mean just the little fly-by-night ones - but some of our very respectable and very reputable construction firms don't always have either the finances or the space to stockpile something unless they know they have definitely got the bid. That is, they can't stockpile in anticipation that they might get these tenders from the government. Therefore, this does give them very significant help.

Once they've been given the bid, the materials are transferred over to them. But until they know whether they get the bid or not - and if they have to wait until they know whether they got the bid and then go out and try to order the steel that they see they're going to need, it's going to delay construction by as much as six months in steel and maybe even longer.

MR. HO LEM:

Am I to understand, Mr. Minister, that the stock that you have will be priced, with a price figure on it, so that the smaller contractors may base their bids on that price?

DR. BACKUS:

Yes, we would write into the specs when we put them out that steel, reinforcing steel, would be available for this construction at this price. And that would be the price we had paid for it.

MR. BARTON:

I'm not quite sure whether this is going to achieve the ultimate goal you have in mind. I appreciate the situation that the government is in, but I also appreciate the situation of a lot of smaller contractors who are in the housing trade, building farms and machine sheds. That type of demand on the market today is not going to warrant the suppliers filling those small orders. I'm afraid you may achieve a little bit of relief on a bidder in the results of having a stockpile, but the bottom end of the scale is going to pay through the nose because he's not going to be able to get the work. It is this way today. If you have a big contract they'll talk to you. If you don't, for the little things you wait your turn.

I think the government should show leadership and do this very slowly and go into it - especially in the wiring, the steel, in some aspects of the construction trade. Because you're going to just throw the market sky-high and you're going to double the price on the little guy. I really think that if this is hoarding, nothing is. I think it has to be done very slowly and thoroughly.

DR. BACKUS:

Well naturally anything the Department of Public Works does, is done very thoroughly ...

MR. BARTON:

And slowly.

DR. BACKUS:

This is the very thing that actually we are trying to help, your small firm. We do small jobs as well as big ones. On the small bid, the small firm is unable to get priority in obtaining reinforcing steel. Whereas by our assessing that there are going to be 15 small jobs, for example, all of which require reinforcing steel, we can put in an order that would cover all 15 of them and then sell the steel at cost to the small firm that would get the contract. In other words, exactly what you're saying, we recognize as a problem and we hope in this manner to help that very situation.

On the other hand, the other problem you speak about, [that] by making bulk purchases [we] create shortages that the little builder who is building houses is going to be faced with, I agree with you. I think this is something we have to watch very carefully. But I think there is certainly quite a little bit of difference between the type of construction work that the government does and the type of construction work that the small builder does. The small builder is primarily working on houses. We're not working against each other. We may be a little bit in competition with the builders of high-rise apartments or office buildings and so on. This is the area where we may be creating some degree of competition. But generally those are the large construction companies with which we are competing and they are pretty good at looking after themselves.

MR. RUSTE:

Mr. Chairman, to the minister, who will be the ones who determine what they buy and when they buy? Another point is, what happens on these materials as far as the sales tax goes?

DR. BACKUS:

A very good question. It will be the department that will assess what needs to be bought and what doesn't need to be bought. Normally in construction for the government the builder gets sales tax off the materials he buys. That is, sales tax is rebated therefore the sales tax problem really doesn't enter into it. We would be able to buy the materials direct without the sales tax. If the builder bought it, he [would] get a rebate of the sales tax as long as it is for government use.

We are not proposing to stockpile any of these materials so that private companies can get them from us and then build private apartment houses or something like this. It would only be, of course, for government construction.

I might say the very existence of a stock advance in public works is already doing this and has been doing so for many, many years. The only thing is, we have tended to do it for our smaller jobs such as renovation work and repair work. We already have a stock advance which gets the material in bulk and then issues it in quantities as required. All we are doing here is expanding this service already in existence in order to cover new construction as well as the renovation aspect of it.

MR. RUSTE:

Mr. Chairman, just further to that. There are many buildings for which, until the architect and/or the engineer or both determine the construction and the type of construction, you won't be in a position to know what materials you need.

This is what I was getting at in the definition of what you are going to buy. You are going to have somebody, an official, professional individual, whether architect or engineer or both, determine the construction so that you will be able to buy that. I might mention also that this is going well over three times what you had before and I certainly appreciate the stock advance which has been [provided] both in your department and highways as far as some of the odds and ends [are concerned]. But this is getting into a field that goes far beyond that.

DR. BACKUS:

Yes, certainly professional people in the department will assess the type of stock advance to build up here. It won't just be left to the man who manages stock advance but it will be in cooperation with the professional people, the estimators and the quantity surveyors within the department to come up with this.

It is certainly not our intention to go in for vast purchases for the next five years construction or something of this type, although this might be a good idea. We would be looking at building up a stock advance which would cover construction perhaps for the next six months.

MR. RUSTE:

I take it then, Mr. Chairman, that all these purchases would be on a bid basis. You call for tenders for it.

DR. BACKUS:

Yes, that is correct.

MR. LUDWIG:

Mr. Chairman, the more I listen to the minister, the more I know he has got himself into rather tall grass in this issue. There is nothing more alarming to industry than to have government say, we are going to stockpile cement. There is a shortage now. This news is already out, that the government is going to take care of itself. As far as its needs are concerned it is going to stockpile some of it.

The larger firms have a fair amount of influence in purchase of materials and they will take care of themselves because the government will not be helping everyone in the construction industry but only those very select few who may get a contract, who may be lucky to bid and get work.

There is a very clear-cut case that the squeeze can be accelerated. There is a bit of a squeeze now on the little man and there will be. It's no use saying this is nothing. It is rather innocent. We are going to be very intelligently advised by the professional civil servant who has no concern and often not much appreciation of the private sector anymore. They are going to take care of the minister's needs and the government's needs. It's like a big line-up for food where there isn't enough to go around for everybody and those in front, the government first, get a full plate. The man at the back can go home and lose his business maybe.

But this is a bad thing to do, for government to get into announcing - not even doing but announcing - we are going to stockpile steel, cement and electrical fittings, like the necessities of life, as it were, in the construction industry everywhere. Everywhere in larger construction, steel particularly, but [in] cement and electrical fittings there is knowledge in the business that there is a shortage. We are not going to alleviate the situation by saying we are going to do something to help move these things, get them in here. Regardless of the rest of Canada let's get our share, regardless of industry let the government get its share. This can snowball.

There is a rumor the cost of sugar is going to go up or there may be a shortage. All of a sudden everybody has a basement full of the stuff because we are going to be out. They will buy a three-year supply and aggravate the situation. The minister may not agree with this, but this is a more likely development.

I think the opposition has no business standing here and treating this thing lightly. I took the minister at his word. He may want to downgrade it now and downplay the significance of this thing, but the opening remark was that he doesn't really know how wide this whole thing will be. But steel, cement, electrical fittings and I gather anything else we may be caught short of, will be the subject matter of stockpiling.

I remember the hon. Minister of Telephones and Utilities indicated one day there is a shortage of plastic pipe and resinous materials and they are going to stockpile some. Good business. But the shortage became apparent throughout the whole industry. And there is a shortage now.

I am saying that when big industry and big business, somebody who is anticipating bidding on a big contract - a \$10 million contract for instance is not unusual now - that they are going to move fast. They are going to move awfully fast to assure themselves of a supply. I know there is a problem in steel supply and for the government to say we are going to stockpile in my opinion will emphasize or, for want of a better word, will aggravate the situation.

The minister might say no. It's his opinion against mine. But it is like telling everybody all of a sudden that we are going to be desperately short of hay by next spring

even though we're bulging all over the place. The price will go up and those who have it are going to stockpile and the little guy can starve.

Maybe the minister doesn't feel this is quite so. His opinion is that this will have no impact on anything. My opinion is that it already has. It already has an impact on the attitude of some of the big buyers who are here to stay. The big contractors have overheads of hundreds of thousands of dollars. They are not going to jeopardize their position by getting caught short with a supply of cement, especially if they have a \$5 million contract all buttoned up. So let's start the race going. Maybe the federal Department of Public Works will decide, well, we've been stockpiling a bit but let's wake up because Alberta is on the move, and other governments. Maybe city hall, the municipalities, will get concerned. But I am saying we are starting something we may be sorry for.

I am not looking at \$5 million worth of money as something that will disrupt our industry. But the principle of government stockpiling short materials has to be based on urgency only. If we needed cement and steel and electrical equipment for pillboxes, because we are being attacked or something, we'd all go with it. But this business of saying, well, there is a line-up for food, there is a shortage of food, but the government is going to stand first - we are going to get our plate full. I am seriously making these remarks. I think this was ill-advised.

It would be different if the government quietly decided we have some urgent construction. But there are hundreds of millions of dollars of construction in Alberta and the government is going to set a trend by saying we had better stockpile because we might be in real trouble. That is exactly what every intelligent and progressive type of businessman is doing today and maybe they have been doing it anyway. But I am saying that the little fellow who has to borrow his money from the bank and buy his cement tomorrow and hopes he gets paid in three or four months on the job he is doing, is going to be caught out and he is going to be hurt.

It is about time the government quit preaching that it is a people's government and then doing things that appear they don't know the people, they only know the people who matter, the people who are in the upper level of industry and financing. And they can take care of themselves. But there's no one here, there's no one on the Conservative side who has taken a stand and said, let's tread gently; we're a bit selfish, we want to take care of ourselves but let's tread gently lest we hurt more people than we intend to.

Maybe the hon. Minister of Industry and Commerce will tell me that if you start a rumor based on some reliable information, there's going to be a shortage of antifreeze for instance - look what happened. The consumer got hurt. He'll get antifreeze but he's going to pay more for it than he will for top-grade whisky. Now there's a problem.

And anything else - you talk about fertilizer. We seem to have more material to manufacture fertilizer in the west than the whole world put together, but there is a problem. We've got sulphur, we've got potash deposits, we're reasonably well off, but there's going to be a shortage. And the suggestion that maybe there might be some swapping or some hauling out of the province can create a situation where fertilizer is going to cost a lot more unless the government intervenes.

I want to emphasize the problem that this business of stockpiling cement - I want the minister to stand up and tell us if there is a shortage. Is there fear of a shortage. If there is either one, will the fact that the government now - the government has lots of money; they can store the thing for years, it costs the taxpayer to store it but it doesn't have to show in the books as a cost item, and we'll sell it to whichever contractor is the lucky bidder. He's the one who's going to get in. He'll have this thing ready for him. The fact that some contractor much smaller than he bid on a private building and is going to lose his shirt because the government pulled rank on it - I've seen this happen. We've seen it happen here. I bet if somebody spread the rumor that there's going to be a shortage of some vegetable, by Christmastime the price will rocket to what the traffic will bear, but particularly with these three. I can't emphasize this too much.

I'm certainly going to be in touch with some of the people in industry and it's a big industry in this province, awfully big. An awful lot of small people, a lot of wage earners, make a living from it, and they are not going to be happy knowing that the government cashed in because they had the foresight - not the foresight so much, they had the money.

I am sure the reason this bill was brought here today is that the minister - and he is right in the thick of the construction business. I often wondered whether the Minister of Public Works was not primarily a construction foreman and everything else was secondary - but he is right in the midst of building and contracting, land-buying, and this kind of thing will aggravate the problem. I wonder whether we shouldn't hold this bill and talk to the little guy to see whether he's happy.

It's much better that there be less to go around for everybody than none for a portion of our society. I'm not saying this because it's going to win me any plusses. I'm saying this because the people I deal with, the people I mix with, are going to wonder, are we getting to the situation, are we going to have one of these scare kinds of situations, shortages of this. And this is nothing new. Already you come to a store and see some item that's found everywhere, and they'll tell you there's a shortage. I want to buy a suit of clothes. The tailor has more cloth in there than he knows what to do with and he says, the price has gone up, there's a shortage of cloth. It's all over the place. It's a psychology, marketing psychology of creating an attitude that there's a shortage.

I think we have to - I will emphasize this and I'm going to hang tough on this one because I think we are making a mistake. If you don't think so, Mr. Minister, let's get a bunch of small contractors who are sort of making a good living, supporting a family; maybe a small family company which relies on the next loan from the bank to carry on. As soon as the bank cuts them off they're in trouble. They rely on credit. They haven't got reserves of money and credit that they can go on indefinitely or shut down for six months. The kind of man who, if his owner doesn't pay him on time his subtrades are liening everything and jumping on him and putting him under, is the man who is going to be hurt. It would be interesting to note how many such people there are in this province. Even then, in competition with the bigger industry, the bigger construction outfits, a lot of smaller outfits have gone under anyway. There were 840 bankruptcies in Alberta last year. These were recorded bankruptcies. There were 2,500 more who never got around to it. They went so broke nobody would bother putting them [into] bankruptcy because there was nothing in it. This is loading the odds against the little man.

I think that not only the opposition but every hon. member here has a responsibility to stand up and declare whether he feels this is a right move or not. I am saying that the disadvantages to the people of Alberta as a whole far outweigh the advantage of the government stockpiling material.

I am not satisfied when the minister states that we are going to just stockpile steel, cement and electrical fittings. There have to be details and specifics on this and I am going to urge the minister to do a bit of a survey. I know the cabinet travelled all over the province, they did a hit-and-run job on everybody, but they never talked to the small businessman to see whether this would be all right. Why talk to him. Some go broke and some start over again and the thing keeps going. But you'd be surprised how many people are hurt when a small company goes broke. Many people get hurt.

So this is not something I will support even if the minister can come up with more details that I'm going to insist on. I'm satisfied that [by] creating the atmosphere, creating the feeling, look out fellows, we're heading into troubled waters, the government is stockpiling. Why don't we stockpile food that may be short. Why don't we stockpile fertilizer for the people. Why don't we stockpile all sorts of things that may be short. We could be short of grain for feeder cattle, maybe not short of grain for them but maybe short of grain at a proper price.

So these principles are important. They are not compatible with our way of doing business. It's not enough for the minister to say, well, we've been doing it right along in a minor way. It was never known that the government would be stockpiling materials which may be short. I'm saying, and I will repeat - the hon. Minister of Telephones and Utilities is here now - that when it became known in the province that AGT was going to need a lot of plastic pipe and resinous material, there may have been some effort to corner a bit of the market; that there was a shortage; that the shortage was accelerated in this province. What the situation is now I don't know, but that's the information I got.

MR. FARRAN:

... Mr. Chairman ... [Inaudible] ...

MR. LUDWIG:

Well, Mr. Chairman, the minister has to trot down to his chair and stand up properly and announce it from there, please.

AN HON. MEMBER:

Don't fall over on the way.

MR. FARRAN:

Mr. Chairman, I was here, and I'd just like to correct the hon. member's remarks.

AN HON. MEMBER:

Oh.

MR. FARRAN:

Of course, stockpiling of forage and fertilizer and that sort of thing has been going on all the time to meet emergencies. But just a minute ...

MR. LUDWIG:

Mr. Chairman, on a point of order. The hon. minister wanted to correct something. He's not allowed to debate with me now, he has to wait his turn, and I insist on that ruling being enforced. He doesn't want to correct me, he wants to get into the debate. He's got lots of time. We're not going anywhere today.

Can I continue, Mr. Chairman?

MR. CHAIRMAN:

Carry on, Mr. Ludwig.

MR. LUDWIG:

Now if the hon. minister, Mr. Farran, wants to stand up and say that when the government starts stockpiling material it doesn't affect the rest of industry, I'd be

pleased to entertain him on that because I don't think he'd be foolish enough to take that stand. But on the other hand, if the government decided to stockpile cement today ...

MR. FARRAN:

Mr. Chairman, can I make my point of order?

MR. CHAIRMAN:

Please.

MR. FARRAN:

My point of order is this: the hon. member said that Alberta Government Telephones, through me, has been stockpiling plastic pipe. Well, Alberta Government Telephones has not, so far as I know, been stockpiling any plastic pipe nor does it have any great need for it because it's usually used in the rural gas system. What actually did happen was that we used persuasion with the suppliers of polyethylene to direct more resin into the province of Alberta. No stockpiling of polyethylene resin or pipe took place within my department.

MR. LUDWIG:

Mr. Chairman, I am pleased that the hon. minister stood exactly behind me [in] what I said, not necessarily his department but in some area of influence and operation by the minister.

If the minister wants to deny that there was any concern about shortage of plastic material - resinous materials - in this province as it relates to laying of gas lines, et cetera, I stand to be corrected. But I think there was. I think if the minister didn't intend to stockpile, somebody got the wrong information out because that's the impression I got.

So, Mr. Minister, I appreciate the fact that you met me half way and agreed that what I said was by and large correct, if not technically correct.

Mr. Chairman, I would like the minister or someone else on the other side, perhaps the Minister of Industry and Commerce or the hon. Minister of Agriculture, to tell us whether we are concerned about shortages of supplies. Are we concerned about shortages of cement. I say we are. But we're not so concerned about the shortage of cement with industry, the little fellow. They forgot about the people's problems shortly after the election. But we're concerned here about our problems, the government's problems. And if we're not, what are we doing with this bill. What are we doing with stockpiling cement. If the minister says we're not going to stockpile cement, then he misinformed us because he said he was.

What is the particular concern about electrical fittings, the tremendous demand for electrical fittings in Alberta. How will the construction industry feel if the government is going to set the example, press the panic button, as it were, and stockpile the stuff. Is it going to help the picture or is it going to deteriorate the situation a bit. I say this is going to end up by hurting a lot of little people, perhaps not with malice aforethought but [through] lack of depth of thinking and concern about the private sector that we ought to have, Mr. Chairman.

I'd like to hear the minister's response because I don't think we should let this one go without someone taking a stand on this issue.

DR. BACKUS:

I'm afraid, as usual, I find the logic of the hon. Member for Calgary Mountain View difficult to follow, which shouldn't be so when we have a legal mind addressing us.

First he asks, what are you stockpiling, what are you going to spend this money on, what are you going to build up in your stockpile or in your stock advance ...

MR. LUDWIG:

You told us.

DR. BACKUS:

... so I gave him certain items which I think everybody knows are in short supply. He then gets up and criticizes me for saying what it is, challenges me to get up and say that we are short of cement, and then in the very next breath says it is terrible the way people start these rumors of short supply and cause all this trouble. This to me is very illogical in that he is demanding something on the one hand and then saying, don't tell me because you are going to start a nasty rumor.

I'm delighted to hear that he is concerned about the small businessman. Certainly I'm very happy he is going to go out and inquire from them how this is going to affect them, because I have already been doing this for several months. In fact I met with a number of groups in the construction industry and discussed the matter of this whole policy with them and it has met with very good reception on the part of the industry.

I'm sure the hon. member will say, ah, but the people you talk to don't represent the small construction man. This is possible but it is the Alberta construction association and their various chapters in Calgary and Edmonton and in other areas. On the whole [their reaction] has been very favorable I can assure him, and I am sure he will find when he goes out and discusses it with them that they are favorable towards this policy.

I think they would be concerned if we were talking about hoarding of materials. I think there is a very great difference between a stock advance which has been in existence

for a long time and was, in fact, put into the original Department of Public Works Amendment Act as a reasonable method of purchasing in bulk rather than purchasing each item individually as required.

The only thing we are doing is expanding this concept to purchase a larger stock advance, but this isn't the same as hoarding. I certainly would greatly condemn any action on the part of the government to go out and start hoarding.

Any purchase by the stock advance will be carefully considered and will be carefully based on the needs of the department over the reasonably short future. In fact, it is exactly the same process as has been going on for many years in many departments, particularly the ones like Highways and Public Works. All I'm saying is that we need to expand this facility because we foresee problems that arise in the construction industry where, exactly as was suggested by the hon. Member for Slave Lake, small companies that could normally go out and obtain what they needed from the suppliers at relatively short notice are now being faced with real problems in wanting to go out and get these things. When they in fact try to do so they find they are put on the bottom of a long waiting list. We have already had experience that many of the people who have bid, and bid very successfully, on some of our projects are put way behind on construction for the simple reason that they were unable to obtain the materials that were required.

All we are trying to achieve is to make it easier for these people. We are not purchasing materials that are not needed and would not ultimately be purchased. We are really trying to resolve a problem that is being faced by the very people the hon. member is championing, that is the small construction companies and not the large ones which don't require the facilities of the government to prepurchase some of the materials they will be using.

MR. NOTLEY:

Mr. Chairman, perhaps this question was asked while I was out for a few minutes, but I was wondering if the minister could advise us just what rules, guidelines or criteria are used under this advance program to determine who will receive advances. Presumably they are not going to be available to every contractor who is successful. Presumably it is set up to help or assist the smaller contractor as opposed to the larger one. So my question really is: what will be the criteria for determining the advances under this program?

DR. BACKUS:

I think the hon. Member for Spirit River-Fairview misunderstands. We're not advancing anything or any funds. We are simply prepurchasing some of the materials that they want now. The criteria I imagine will probably be on our smaller construction jobs and particularly construction jobs in areas where supplies tend to be short anyway.

I would also suggest that in doing this, in putting out the specifications, we'll provide the alternative of either putting in a bid in which they supply the steel themselves, for example, or putting in a bid in which we supply the steel at the preset price. That is, we'll give the opportunity for the small company to tender, knowing that they can obtain the materials through us at a set price or the big company bidding, if they think they can get the materials at a lower price.

At least the position will be equal for the big firm and the small firm in that the one won't have to sort of say, well, I doubt if I can get it, therefore I won't bid on it. The small firm always faces this problem of having to decide whether it can get the material or not, particularly as some of our projects ask for a certain deadline as far as finishing is concerned. Here again, nobody can bid on specifications that ask to be completed, say in three months time, if they're not sure whether they're going to be able to get the steel at all in that period of time for the work.

MR. NOTLEY:

Mr. Chairman, a supplementary. I realize the purpose of it. It is not a case of advances. It's a case of prepurchaser stockpiling. But I really wanted to pose a question. It's my assumption that in determining the \$5 million you're assuming a very substantial percentage of the contracts that are successfully undertaken; the contractors who bid successfully will not use the provisions of this act. Is that correct? The second question really is, it is not precluding large contractors. In other words, if a large contractor is successful in getting a particular contract to build x project and chooses to take this route, he can take this route, he doesn't have to work out his own arrangements privately.

MR. BARTON:

Just to follow up as far as steel, and I'm just using it as an example, I think the area we should be really looking at is - raw steel as we know it in I-beams and V-bar really isn't that short of supply. You can buy the V-bar at pretty nearly any outlet. You can buy the I-beams in bulk pretty nearly at any outlet. But when it comes to getting a structural engineer and getting 24 [beams] at a certain height with a plate and a bolt on top, you have to go to the same supplier of the steel to get that manufactured. And that's where the holdup really is. I'm sure, Mr. Minister, if you checked around you could get any amount of steel in bulk-type form and I mean a 24 foot long I-beam, but it's the structural end of it where industry sort of has a captive audience. They supply the steel, they prefab the steel for the job. So I'm just not so sure that you're going to be able to tackle this unless you loosen the regulations on the structural end of it, where you can manufacture that I-beam 16 feet long, hire a local welder and put the holes in it

right on the job. I think that's the approach to cut time because that's the approach that's the snag in industry, prefabbing the product to the job. I'm just using steel as an example. With steel there may be a week or two, but you can always get V-bar, you can always get channel iron, but the fact [is] that you have to go to the same supplier or the same outfit to prefab it for those particular jobs which are six and eight months behind. I think that if you are going to look at it you'll be able to cut the costs a lot more by hiring a couple of good structural engineers and doing the prefabbing right on the job.

MR. LUDWIG:

Mr. Chairman, I would like to make a few more comments with regard to the minister's stand. He mentioned the word "stockpiling" and I took him for his word. I'm expected to in this House.

He states that he talked to the construction industry. He may have to some of them, but only a fraction of the contractors in the field will ever get a government contract and hope to benefit as the direct result of the stockpiling.

Now, I'm glad the minister didn't try to take issue with me over the fact that it will get out that the government is going to stockpile those materials which it considers are going to be difficult to supply - and these are the minister's words - he said that steel is long in coming sometimes. I'm assuming that we will not be stockpiling everything just for the sake of stockpiling. We're going to be taking certain measures to prevent tie-ups. That in itself is not bad, but have we considered the repercussions. Are we going to set ourselves ahead of everybody else because if I were a small contractor today - and a lot of the small construction work is cement work. Say, for instance, if the government said, we're going to buy a few million, maybe 100 million board feet of lumber, the price has to go up. The small contractor who has to buy some to build houses is going to pass it on to the consumer. Perhaps I'm overemphasizing the problem. But it's no use talking to the minister and just saying, no I don't think there will be many people hurt, it's a good idea. I don't think that's good enough. The minister can say what he likes but I'm sure he hasn't got a complete grasp of the ramifications of this kind of move.

Now it might not be as bad as I say. Something might happen outside the province and there will be all the steel we can handle. The odds against that happening are very bad, very low. I've read stories that Japan is having trouble meeting its commitments in steel. This kind of thing can sort of push people to be on guard.

I'm stating that the government, when it announces a stockpiling program, is apt to - and none of this is certain but more likely than not - set up a chain reaction. I'm quite convinced, and some of the hon. ministers might take issue with me, that if the Department of Agriculture stated, we are going to need \$50 million to stockpile fertilizer right away, for those who are not in on the program, the prices will go up just for that reason alone. The same maybe with industry and tourism. Just get a good rumor going that there is going to be a shortage of something, as we've started here. And it isn't I who started it.

The minister has stated that we are going to be stockpiling those things which are slow in coming. Well, you don't need to start a rumor that there is a shortage of cement. That has been around a long time. But this brings emphasis to bear on the problem, that the government is concerned and is going to lay in a few bags just in case. I'm stating that you are raising the odds against the little man who is going to have to compete with something that you are going to sit on, just in case we need it. The fellow who is going to build 10, 15, 20 or 30 houses isn't going to be able to get it. Maybe this is unreasonable. It is a likely development. Maybe we won't stockpile that much steel. But I'm of the opinion, Mr. Chairman, when the hon. minister mentioned looking at electrical fittings, there have been stories going around that these things are in short supply. You can't build much of anything - you can't build a garage or a home - without getting electrical fittings. It's a tremendously large volume of business. If the government is going to say, well, we're going to make sure of ourselves, then we will raise the odds against the little man. Maybe we won't raise it by much - other factors come into the picture - but I'm not buying the fact that this won't affect the attitude of most of the people in the construction industry.

Now there could just be, Mr. Chairman, a situation in the immediate future where there could be a dire shortage of cement. The construction business in this province is absolutely overwhelming. This could be looked at by people as one of the factors. The government moved, why did they move, why have they done this. Before everything was fine. Now they are going to stockpile, we don't know how much of a stockpile but stockpile something. I'm stating that in those three major items in the construction industry I wouldn't be a bit surprised if there will be the feeling that there will be a shortage. I would not be a bit surprised if prices went up as a result of that feeling. Under the system they will charge what they can get without gouging. But if one person could tie up most of the cement right now, don't anybody tell me the price won't go up. It has and it will. The same way with everything else.

So these are my remarks. I'll stand by them. I'm not at all concerned that somebody might say I'm starting a rumor. I didn't start it. This bill did and the minister's remarks did. If the minister says they are not going to stockpile, that this is not quite the way to put it, let him say so. But I am not prepared to stand by here and say, well, I'm the - I am saying one thing and then starting the rumor. I'm not starting one. I'm bringing this matter to the attention of everybody. That's the way I believe it's going



and I believe it is the more logical position to take. Just repeat this thing 10 times over and you could create a situation in Canada.

Thank you, Mr. Chairman.

MR. DIXON:

Mr. Chairman, there is just one point I would like to bring out. Maybe this is an unfair question to ask the minister. Maybe it should be directed really to the Minister of Industry and Commerce. I am a bit concerned when we, as Alberta taxpayers, put hundreds of thousands of dollars into Interprovincial Steel & Pipe. Where does this fit into this overall program? Was this money invested in order that we would have a steel industry and supply here? This is where I think Interprovincial Steel & Pipe should come in.

While I'm on my feet, maybe the Minister of Industry and Commerce could enlarge on my question. I understood in the House last year, from the hon. Premier and the minister, that there was going to be sort of a working agreement with the western provinces so far as steel was concerned. They were going to negotiate different deals and agree on certain locations.

I wonder what is happening to that agreement, because if you read the local newspapers and in particular the British Columbia papers, apparently there is a deal between interests in Japan and British Columbia that doesn't seem to have any bearing with Alberta or Saskatchewan. I am wondering if that agreement has gone by the board.

My main question, Mr. Chairman, to the hon. minister is, are we getting any help from Interprovincial Steel & Pipe? Can they say, well, we will be able to supply the steel that's going to be in short supply? Don't we get any preference just because we've got hundreds of thousands of dollars invested in this particular company? What advantage is it to the average Albertan? What has putting this money in done to either stabilize steel prices or ensure a supply? This is the question I would like to have answered.

DR. BACKUS:

Mr. Chairman, I really don't think the advantages of IPSCO have too much bearing on the bill we are discussing, but I would be very happy if the Minister of Industry and Commerce would like to give you one or two assurances. I certainly believe our object in getting IPSCO and participating in IPSCO was to develop a steel industry in Alberta with the very significant advantage that at present when anybody, small or large, requires steel in Alberta, the major firms in eastern Canada tend to satisfy the eastern demands first and then what they have left over is sent out west.

We certainly anticipate that with the development of IPSCO in the province our demands for steel will be met first in the West. This will not only help develop a very important industry in Alberta but it will help to provide us with a very much needed raw material, at least a manufactured material, here in this province. But I don't know if the Minister of Industry and Commerce will speak further on it.

MR. PEACOCK:

Mr. Chairman, in answer to the member's question regarding steel and the steel capacity of IPSCO, we must appreciate that basically and primarily the capacity for this mill was directed towards pipe production. What we are talking about in structural steel and rebars is a different application. However, I think the concerns were very well expressed regarding the shortage of supplies because we have experienced it.

One of the reasons, of course, that we moved into IPSCO was to assure once again that the corporate decision-making was invested in western Canada where the needs and sensitivity of the market needs would be related and that the small operator - as members across the floor have suggested - would, in essence, be in line to receive fair and due consideration for their requirements regardless of the position or condition of the market, whether it was bullish or bearish.

Having said that, what are we doing as a development, as a catalytic action or [as a] department in helping the development of steel and steel products for the construction industry itself? We have had numerous meetings and assisted through the fact that we have a basic steel-making industry here, the opportunity to expand the steel making capacity so that we have induced into the province two new manufacturers or expansions thereof of the fabrication for building products. That comes into the reinforcement bar and the wire mesh, et cetera. Those things have been announced in the paper.

Stelco has increased its capacity here. We hope, through these means and developing this environment, that the private market place will take up the slack and eventually the building shortages we have experienced in steel will be overcome as far as Alberta is concerned.

I would like, Mr. Chairman, if I may, to speak of the problem that we in Alberta and the construction industry are experiencing in the shortage of cement at this time and just comment accordingly.

In the projection of the private sector to take care of the growth of the economy - we refer to Alberta particularly at this time - they have lagged in their programs to expand their plant capacities so there wasn't a lag between the time the increase took place and the ability to come into production to take up that lag. Consequently, we find ourselves in a position where the plant equipment in Inland [Cement Industries Ltd.], as well as in Canada Cement, has not moved and responded as rapidly as the market demands. However, it is now on the drawing board, both in Inland and actually going into placement in Canada Cement [Lafarge Ltd.] in Exshaw. The production increase that both these cement

manufacturers predicted of approximately 3 to 5 per cent of market increase per year will be taken up.

However, in order to once again meet the immediate demand and the shortage between the supply and the market, we have moved in association with Inland to the combines people in order to relate a common market while the shortage is going on from import and out-of-province cement. What we are saying is, when the cement is brought into the province it's allowed to equalize its price so that we are not getting into a gouging position, referred to in the House a few moments ago, where a shortage exists and, because of that shortage, they use a black market tactic and increase the tonnage price beyond the capability the market can normally absorb and consequently cause an inflationary trend. So we are moving in both these areas.

MR. DIXON:

Mr. Chairman, if the hon. minister would touch on the remarks I made regarding the agreement between the three western provinces on steel capacity. I was wondering if British Columbia has pulled out of the agreement.

While I'm on my feet, Mr. Chairman, I was interested in what the Minister of Public Works had said; the hon. minister said that we came second best. If they filled the demand in eastern Canada then we got what was left over.

Then I think we should look at the statement the hon. Premier made when we took over IPSCO, when he claimed that IPSCO would not get any preference as far as Alberta construction projects were concerned, the free market was going to prevail. Is it not about time we took a second look at that type of thinking if ...

MR. MOORE:

Mr. Chairman, on a point of order. I don't in any way underestimate the importance of a steel supply in western Canada, but surely under committee study of The Department of Public Works Amendment Act, which raises the stock advance fund, we ought to try to restrict our discussion as close as we can to that particular item. It has ranged far and wide this afternoon and it seems to be getting a little wider.

AN HON. MEMBER:

Agreed.

MR. MOORE:

I would frankly like a report from the Minister of Agriculture on the supply of fertilizer that is used to seed lawns in front of public buildings, and from the Minister of Telephones and Utilities about plastic pipe and a great number of other areas. But I don't think we should do that under committee study of Bill 64.

MR. DIXON:

Mr. Chairman, speaking to the point of order, as far as fertilizer is concerned I think we have more than our fair share coming from over on that side.

But anyway, Mr. Chairman, the hon. minister himself brought up the supply of steel. We, as a province, have hundreds and thousands of dollars invested in the steel industry. If there is a shortage, I think we should look to our friends who put the money into the steel industry. I think the thing is certainly relevant, Mr. Chairman, to what is going on. I want to know who is getting the preference as far as the supply of steel is concerned, in particular from a company where the taxpayers of Alberta have an interest by the hundreds and thousands of dollars that were invested.

So all I'm saying is, are we going to get special preference from IPSCO as far as seeing that Alberta's needs are met first before they start exporting to other people?

MR. MOORE:

Mr. Chairman, I presume the hon. member spoke to the point of order which I raised. I would really like to hear your thoughts, as Chairman, on whether or not we should be carrying on on that line.

MR. CHAIRMAN:

The comment raised by the hon. Member for Smoky River is quite valid, but it has been given a certain amount of extra latitude today because the discussion did centre around supplies. Questions were asked of the Minister of Public Works, and then the Minister of Public Works in a way suggested that the Minister of Industry and Commerce reply. But I think maybe we could get back now to Bill 64 as it is before us.

MR. DIXON:

Mr. Chairman, a point for clarification. Are we not speaking on things that are going to be bought from this fund? This is my impression and, if it isn't, I stand corrected. But I believe steel was mentioned by the hon. minister. This would be part of the government's intention, I'm sure, through the hon. minister's department, to purchase steel if it is in short supply and needed, in order that smaller contractors can take advantage of the fact that the government is going to stockpile some steel through this fund.

DR. BACKUS:

Well yes, it was a request. When we brought this in for committee I didn't say anything until I was asked, what are you proposing to put in your stock advance, and I specified one or two items, in fact three items.

On the other hand, on the point of order, I don't feel that really this necessarily opens up the debate to discuss everything from shingle nails to plastic pipe and everything else that has been mentioned in the course of the debate. Because what we really are discussing here in committee is the stock advance of the Department of Public Works, not the steel industry of Alberta or the plastic industry of Alberta or the eastern manufacturing industry of electrical things - even though these items may have been mentioned in the course of discussion in committee.

MR. RUSTE:

Mr. Chairman, in listening to the point of order raised I think what we are looking at here is what this money might be spent for. Certainly if we can't as an opposition group ask some questions on this and get some answers - I think it's pretty far-reaching what the Department of Public Works uses this fund for in this field. I certainly appreciate the fact that here we are getting the request from this Legislature to spend these funds. There are many cases of funds being spent by this government and the request comes after the fact, and I don't appreciate that.

One question I would like to ask the minister is, would an agency such as the Alberta Export Agency be used in acquiring supplies? I understand here that that agency is in the position to negotiate between, we'll say, the Alberta end of it and maybe some foreign supplier.

DR. BACKUS:

Well, it would be the Alberta Purchasing Agency that would be involved in obtaining these products. Normally most government purchases are handled through the Alberta Purchasing Agency which comes under the Treasury Department.

Certainly I'm sure there would be cooperation between the export agency and the purchasing agency in possibly obtaining out-of-country markets. Primarily I think the export agency's efforts have been directed toward exporting rather than importing. On the other hand, I could certainly appreciate that the export agency might be able to work some deal whereby we would get steel in exchange for wheat or beef or something like that.

AN HON. MEMBER:

Or PWA.

DR. BACKUS:

But I feel we are not talking about the sorts of vast imports that such a manoeuvre would involve. We are talking about normal purchases carried on in government and normally handled by the purchasing agency on a basis of tendering. As far as importing and so on is concerned the tendering would be to a local retail outlet or a local sales supply outlet in Alberta, or possibly in neighboring provinces, for the supply of the items we would be purchasing. But it would be on a tender basis there.

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

DR. BACKUS:

Mr. Chairman, I move that Bill 64 be reported.

[The motion was carried.]

#### Bill No. 68

#### The Highway Traffic Amendment Act, 1974 (No. 2)

MR. BENOIT:

I have a couple of questions on the highway act. Number one, I wanted to find out when it is proposed that they will begin the issuance of licences on a five-year basis or if that is including the one that has already been issued.

And the last section in the amendment, Section 11.8(1), the powers and the duties and functions delegated to the board by the minister "shall be exercised, performed and administered by the Board". Is there any appeal from that decision of the board in a case of that sort?

MR. COOKSON:

Mr. Chairman, I missed the last part of the question.

MR. BENOIT:

I wanted to know if there was any appeal from the decision which a board makes, in the very last section referring to the board on page 4, Section 11.8(1).

MR. COOKSON:

I think, Mr. Chairman, that the right of appeal is pretty well laid out in that section and there is no appeal beyond that point.

As to the plan to initiate drivers' licences on a five-year basis ...

MR. BENOIT:

No, not drivers' licences, licence plates.

MR. COOKSON:

Perhaps the Attorney General would like to respond, but I understand that is in force now.

MR. COPITHORNE:

It gives the right to issue multi-year licence plates and they will start next year, 1975.

MR. RUSTE:

Mr. Chairman, in the matter of number 2, there is a change there to "certified". Now is that the same as when we had the registered, where you have to sign to get it so you're sure the recipient has received it?

MR. COOKSON:

Mr. Chairman, "certified" goes, as I understand it, just a little bit further than "registered". It's a new program initiated by the federal government. It goes further in that notification through certification results in the mail going to the individual or the violator. If it's not picked up within a defined time, the information is channelled back to the person who issued the notice to start with. So actually it goes a little bit further and is a little more efficient than the way in which it was done before. Before that, as I understand it, the mail was registered but there was no assurance and no communication back to the department as to whether in fact the notice had been picked up. Certification makes possible the communication back to the department that, in fact, it has either been picked up or it hasn't.

MR. RUSTE:

Surely, Mr. Chairman, in registered mail there is no guarantee the individual it was sent to on a person-to-person basis received it. But certainly as far as the post office goes, they would report back to the sender, in this case the Department of Highways. I take it this would be the same as double-registered where the person to whom the notice is sent has to sign it personally and take it out.

MR. COOKSON:

Perhaps the Minister of Highways would like to respond further on that. But as I understand it, it's not quite the way you phrased it.

MR. COPITHORNE:

This has to do with the registrar now having to sign each application. This would be just certifying that he okays it and it saves him signing them all.

MR. RUSTE:

Mr. Chairman, another question deals with Section 187(1) where "a peace officer may require the owner or operator of a motor vehicle to submit the motor vehicle, together with its equipment and the trailer, if any, attached thereto, to examination and tests". My question here is - and I'm looking now at some of the farm implements and tractors that are licensed with trailers - does this mean that the inspector could require them to go a certain distance for the inspection as they do, say, where there is a weigh scale [and] a truck may be required to go a certain number of miles to the weigh scale? What is meant here? Does it cover agricultural implements at all?

MR. COPITHORNE:

It doesn't actually cover agricultural implements. It's related to trailers on the highway. That whole section deals with several things that haven't been accomplished before. One is in regard to impaired driving. If they find somebody who is on the border of being impaired or under the influence of drugs, they can take his licence and impound his car for 24 hours. Before there were no provisions to do that other than to charge him, and they were very hesitant about doing that unless they were pretty sure he was over the .08. I think this will help. Also if the fellow didn't have insurance and had no proof of insurance, they could also do something about that. Quite often the inspectors would come upon cars they were pretty sure were stolen and the fellow had no evidence of ownership but they weren't able to do anything because there were no laws governing that. But under these new amendments, they will be able to do it. It's strictly in relation to the Check Stop program we started a year ago.

MR. RUSTE:

Mr. Chairman, further to that though - as I understand it, a tractor that is licensed for use on a highway comes in the category of a motor vehicle - wouldn't it be wise then if this doesn't apply to farm equipment as such to exempt that here?

MR. COPITHORNE:

Well, also in the act there is a clause that exempts all farm equipment, or equipment of husbandry unless otherwise specified.

MR. R. SPEAKER:

My questions are in the same line as those of the hon. Member for Wainwright. This is with regard to what is considered a bale wagon. A number of the farmers, as I travelled around the constituency, were concerned about travelling from one quarter of land to home or from one quarter to another quarter and crossing a number of highways in particular. They were very concerned about that. Now in order to do that legally, they would have to obtain, I understand, a commercial licence - you can explain that to me. This commercial licence to travel from one area to another was costly. Now that's one item. That's the farmer himself with his own vehicle, his own bale wagon, and he's pulling his own bales. There is also the fellow who is in a commercial business and is hauling bales, mostly down a rural road or very short distances. I understand that he is placed in a category as a commercial vehicle and also pays a fairly high licence. They were concerned about that. Maybe you can explain that to me and maybe there are some changes being made.

MR. COPITHORNE:

Mr. Chairman, the advent of the bale wagon is something that hasn't been covered at this time. This year we have new sophisticated devices of moving feed by motorized vehicle. This is done by permit, and on a commercial basis it's done on a permit basis at this time. We are reviewing all the regulations in this regard. Last summer we had two third-year university students cross-examining them and so forth on the regulations. I hope in the coming year we'll be able to complete that review. It's ongoing and we'll be able to present a new set of regulations that will cover all these situations. We're very lenient towards all types of agricultural husbandry equipment which are operating.

MR. R. SPEAKER:

What is the cost of the permit? Or is it just a matter of making application and then they're issued by the local enforcement office?

MR. COPITHORNE:

It's just the cost of the permit.

[Messrs. Speaker and French rose.]

MR. CHAIRMAN:

I believe Mr. French had the Chairman's eye.

MR. R. SPEAKER:

It's on the same subject.

MR. FRENCH:

Mr. Chairman, if the statement is that the certified mail is superior to the registered mail, it raises a question in my mind: why are we using both systems? Why don't we eliminate the registered mail and just use the certified mail?

MR. COPITHORNE:

I thought I answered that question, Mr. Chairman. It has nothing to do with the mail at all. It has to do with the Registrar of Motor Vehicles down in the Highways Building. Every licence had to be certified and we have well over a million of them now. You know, the registrar would have no time for doing anything in that regard at all if he just signed every one. So it's certified that he has okayed it.

MR. FRENCH:

Mr. Chairman, I understand the post office people have a new type of mail delivery, called certified mail, that costs so much money. This apparently is not coming in that category then.

MR. COPITHORNE:

Mr. Chairman, I've tried to explain to the hon. Member for Hanna-Oyen that it didn't have anything to do with mail at all. It has to do with the Registrar of Motor Vehicles, a special, categorized person who is a registrar. If you look at your driver's licence you will see on it the Registrar of Motor Vehicles. Instead of having to personally sign each one of those, it's certified that he can use a rubber stamp, you might like to say.

MR. FRENCH:

Mr. Chairman, I don't like to delay the committee, but in reading the bill it says, "sent by registered mail or certified mail". So I'm just reading the bill the way it reads.

MR. COPITHORNE:

Either way.

MR. RUSTE:

Mr. Chairman, I am just following up the matter raised by the Member for Little Bow on the matter of permits. Do I understand from the minister that for - we'll take stackmovers or some of the things that are being used now that are fairly wide. I believe one of the farm implement companies is advertising cultivators that are up to 60 feet 5 inches that fold up, so they become quite wide when they're on the highway. Is he saying that as an individual farmer I have to get a permit to use these, or is it just under commercial purposes?

MR. COPITHORNE:

Mr. Chairman, the width on highways is up to 14 feet and you have to have a permit to use anything over that. We are very reluctant to give permits, particularly on primary highways. Particularly on primary highways - we are more lenient on secondary ones.

MR. STROM:

Mr. Chairman, there is a new clause added to Section 187 and it is (1)(b). I was wondering what the purpose of 187 (1)(b) is. It is: in the case of an accident to determine whether or not the condition of the motor vehicle, its equipment or trailer, have contributed in any way to the accident. It refers to peace officers having the right of demanding an inspection. I am wondering what the purpose of (1)(b) was.

MR. COPITHORNE:

Mr. Chairman, actually that is for a special purpose. We've had an ongoing study in the last three years on certain sections of highways which contribute to accidents. One of the interesting ones we have carried out, which the hon. Member for Lacombe wouldn't know about, is a study which was done between Leduc and Red Deer. Every automobile which left the road or was in an accident was investigated. Certainly it showed many things.

First, the majority of the automobiles which were in accidents, which left the road, were small automobiles such as Datsuns, Volkswagens and Volvos. It also showed that they were all quite new. All the drivers were asked why they thought they left the road. It was a kind of comprehensive study to see why the vehicles had left [the road]. There was a small percentage who had had a drink. That was one of the questions which was asked. I am just relating some of the questions which were on that particular questionnaire. This is to allow them to do a similar study in other areas where we are having more accidents than the safety engineers figure there should be.

MR. STROM:

Mr. Chairman, I noted the minister has suggested that the driver was asked whether he had had a drink or not. My question to him then is, is he saying there was a pretty thorough assessment made of the driver as well? Because I suggest that when the peace officer has the vehicle examined, if he does not have the driver checked out pretty closely to the time of accident, the information gathered could in fact be slightly misleading. I would think, in fairness to the manufacturers, there should be a rather careful assessment made of the driver as well.

MR. COPITHORNE:

Yes, Mr. Chairman, there was a very careful assessment of the driver and it was done in such a way that there was no danger of intimidation of the driver. So honest appraisals could be concluded.

There were questions on the questionnaire such as, were you tired when did you have a sleep last, and things like that. I've put it rather awkwardly, Mr. Chairman, but the questionnaire was very comprehensive not only in evaluation of the automobile but also in evaluation of the driver.

Incidentally, I might say that although the major portion of the automobiles was of a light nature, most of the drivers were under the age of 25 years, and that ran about even both ways; about 85 per cent as I recall off the top of my head.

MR. STROM:

Mr. Chairman, not directly related to it but in a sense related to it, is it possible to get the reports which you have now gathered in regard to it? Is it an ongoing program? Are there some facts which can be made available to us at the present time?

MR. COPITHORNE:

Mr. Chairman, I don't [know] whether the study has gone on long enough to have a comprehensive report. I just saw part of the one as it was completed. It actually maybe wasn't completed. We carry it over a longer spell than just the winter months or the summer months. It's quite a comprehensive study. It is also in cooperation with the federal Department of Transport.

MR. RUSTE:

Mr. Chairman, this gets back to the section dealing with the five-year plate. I am looking here at the matter of particularly trucks where they get a fair amount of abuse. Is there any proviso for, say, at the end of two years or three years when a plate is really not usable at all, provision of a new one?

MR. COPITHORNE:

Mr. Chairman, that's why we have left our options open, whether it is going to be two years, three years or five years, the length of the life of the plate. We are planning to have a high quality plate on this coming years issue. It will be all illuminated with reflectorized paint and it's hard to say what the duration of its life will be. Agreed, as far as trucks are concerned, they may have to be replaced maybe every other year. It is something we are going to have to appraise.

MR. CHAIRMAN:

No further comments, questions?

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

MR. COOKSON:

Mr. Chairman, I move Bill 68 be reported.

[The motion was carried.]

#### Bill No. 69 The Alberta Income Tax Amendment Act, 1974

MR. CHAIRMAN:

Bill No. 69, The Alberta Income Tax Amendment Act, 1974. Any comments or questions?

MR. LUDWIG:

Mr. Chairman, once again we are into an issue which has been avoided and not resolved. The minister has not attempted to give us any reasons for his delaying doing what is obvious. Anyone knows that the government has to impose taxes when it needs money. Everyone also knows that Alberta has one of the highest rates of income tax in Canada - not the highest, but among the highest. There are some provinces which have higher income tax than Alberta but they have a dire need for revenue. Alberta came into revenue rather easily and not by way of taxation.

I once did a survey of the sales taxes in Canada. Nobody wants to put one on, but if a government can justify a sales tax it can survive the issue. If it keeps a tax on then it simply has to stand up and justify why it can't do anything about it.

There are opinions about whether reduction of the tax at the present time would maybe alleviate a lot of the problems which have been caused by inflation.

The hon. Provincial Treasurer has often stated, we have done things for people which help fight inflation. I question that. They have done things which help alleviate the problems created by inflation, by giving people some money. But they have given it to specific groups, to special groups. And I support that kind of move. But we can look at the good of all. If it is good to give people money because inflation has really cut into their incomes, as if it were taxed out - we've all heard the expression that in some years the dollar is reduced by 10 per cent or 15 per cent as effectively as if the government imposed a tax on the people and took their money away. You can attack inflation from many angles. There is no one reason for it. Government spending, providing services rather than goods, is one factor. And right now there is a conference in Ottawa where all the premiers and the Prime Minister are going to try to get together to see how the government can perhaps quit adding fuel to the fire.

There is an obligation on the part of the minister just not to sit there and be tricky and sort of smug about the fact that we are going to do it just before the election. I think that kind of attitude is not really a credit to anybody.

We all know that politicians can be tricky. They're sitting in the majority position; they can call it when they want it. But we need some indication from the present Provincial Treasurer and the government [as to] why they continue this tax. So the hon. minister states, well, we're studying this, but he said that when I asked him a question a year ago. We are studying it. What is there to study? I am sure that the formula to do the most good for the most people is not easy. I haven't got one to suggest. But the fact that we're reducing income tax at the present time would benefit the people generally and would in no way affect the services or the performance of the government adversely. It would be a very tactful move at the present time. I think this government is like many other governments; it's more concerned about who gets credit for what or the timing, the expediency of the move rather than the propriety of it.

I have repeated myself, but the minister also repeatedly refused to budge on it because he's afraid to take a stand because I believe the decision is made. I believe the decision is made - there were smiles from the other side when somebody suggested, well, you might make this an election package. But politicians don't need to be told that. They've been practising this game ever since they came into being.

But we can't let the minister just sit there and sort of ignore the whole thing. It's his job to tell us why we cannot do it now. And the fact that he isn't ready - it's about time he was, Mr. Chairman. We've been at this a long time now and I am sure the request for reduction of the income tax does not come from this side alone. I am sure that the people in business, the people who are authoritative on these matters, have perhaps advised the hon. minister that we can sort of cushion the blow a bit, cushion the impact of inflation on some of the people.

I don't know what we can do to loosen the hon. Provincial Treasurer's mind and pry a few words out of him. This government has a reputation that it will stop at no expense to tell the people what it wants the people to know. They have advertised lavishly. They've got a new service. They've got all sorts of ways of letting the people know what they want the people to know, but every man, every being in Alberta is concerned about taxation. You can't separate the purchasing value of the dollar from the problem. Maybe we can't solve the dire effects of inflation. I don't believe we can alone. But we can alleviate the situation and we have a lot of corroboration from the other side.

When we attack them on the issue of taxation they stand up and tell us how great they've done. Well certainly they've done well. They haven't done any better than they can afford to do. Every government in the position of this government as far as money is concerned would seek ways of lessening the burden of earning a living by all the people.

They say they want to help little business. Just lending money to little business isn't enough. We've learned the lesson in this province over and over again that to create a bouyant economy, an economy where the person after going into business and paying his taxes and all his debts, et cetera, has something left, is the best way to keep an economy going. That's what kept the previous government in office that long, that we did everything possible to have the industry maintain faith in the government and to create what we felt was a bouyant economy, comparatively speaking.

This government has opportunities and advantages that maybe no other government in North America has. But they are going to sit on it; they're going to keep priming the pump by direct loans and they will not budge on the vital issue of reducing taxes. The Provincial Treasurer [is] treating this thing very lightly, as he does some other things, but he is responsible, I hope, and he should stand up and be counted. I think we've challenged him. I think our remarks are not entirely without merit and not without public support. I know he wants to feel that I have sung this song before. I have, and I do not intend to stop until we have some kind of commitment.

You can sit there with disdain, but you're not really ignoring any member in this House. You are ignoring the needs and the pleas of the people, Mr. Chairman. This is the way I look at it.

I'd like to transcribe some of the speeches the opposition is making in Ottawa with regard to income tax and reducing same. In fact I believe that they've drawn some response from the government. Maybe we should take a look and sort of cushion the blow a bit because the people are hurting. And they are going to hurt a lot more.

I'm certainly going to continue to take this stand. I think the opposition has an obligation to take a stand, and a determined stand, to force the minister's hand. He can treat the people of the province with all the contempt he likes, but sooner or later he is going to have to stand up and make a declaration. And for him to stand up like he did the other day and say, well, we're saying that this should be done without study, that isn't so, Mr. Chairman. We urged him many, many months ago. He said, it's under advisement, under study. I am quite confident that the decision has been made to reduce the tax. Maybe the formula as to how to apply it has not been, and that would be a problem, but certainly one cannot stand up here and say, we can't afford to reduce taxes or we don't think the people need it.

Everything points towards the fact that a reduction of the income tax in this province would not only be the wise and the right thing to do but would get tremendous public approval. We get the endorsement of the public. It might be, as I stated, a question of the formula to apply, but that's something that the experts in the department can work out very quickly. I am sure the minister will not stand up in the House and say that we can't afford it or that the people don't need it. Given those two factors, what is there left, Mr. Chairman. I take the position as long as I am in the opposition that if the minister doesn't budge, I keep hammering away. Sooner or later I think we'll grind him down.

If he wants to take credit for the move, let him do it himself, because if he waits until the opposition hammers him and they ought to continue - I urge all hon. members to jump on this and keep working on the minister because he's simply ignoring the idea, playing games with the people - sooner or later he's going to have to give in, and the longer he waits the less credit he'll get for it. So if they are so concerned about who gets credit for it, do it now. I'd like to see the small number of people in Alberta who would say that was a wrong move. It's obvious that it's certainly politically popular and it's necessary. What more can we do. If somebody on the other side disagrees with me let's hear them. Let them stand up and say, well, you're wrong. We don't need an income tax reduction. We should be the highest in Canada. We're almost the highest.

And so, Mr. Chairman, I've said this before and I'm going to say it again. We'll say it to the people when we can, and that's how governments get ground down. They treat the needs of the people, the obvious needs of the people and the obvious moves to put [them] into effect with contempt, and at this present stage the minister, the Provincial Treasurer, has treated this whole issue with contempt or he is resorting to the brand of political expediency that we ought not to tolerate.

Now I may be wrong. Certainly that would easily be overcome if the hon. members on the other side got up and stated no, you're all wrong, we should not reduce income tax; maybe we should raise it. Maybe inflation is so rampant in this province that we have got to take more money away from the people. Nobody is saying that. Nobody is disagreeing with what we're saying on this side, and nobody [is] doing a damn thing.

And so the situation is that sometimes you keep hammering away; you soften him up like hitting him on the head and eventually he gets a little softer and he'll give in. I'm sure that this argument is going to prevail before too long. It will prevail because the



public is talking. So let them laugh, let them snicker a bit. Sooner or later they will realize that they're in the government and they have to do something about it.

Thank you, Mr. Chairman.

MR. CLARK:

Mr. Chairman, I recall when the Provincial Treasurer introduced the bill in the House he had somewhat of a smile on his face. I was quite hopeful at that time, as a result of the speeches by my colleague to my right, the hon. Member for Calgary Mountain View, and several other members on this side of the House, that the hon. Provincial Treasurer had had the opportunity during the summer, the hot summer, to rather see that he could at this time reduce personal income tax in the province by a considerable point of view. That's why, Mr. Chairman, when the minister introduced the bill in the House and he had a smile on his face I rather expected he was going to announce that now was the time he would be reducing personal income tax in the province.

You know, Mr. Chairman, it would have come at a very appropriate time because for one thing the session of the Legislature started within just 10 days of a conference jointly convened by the Government of Alberta, the Alberta Chamber of Commerce and the Alberta Federation of Labour. I think it's safe to say the basic recommendation which came out of that conference, we urge the government "... to make its personal income taxes the lowest in Canada in an effort to beef up the provincial labor force." - this was a recommendation from the conference which was jointly sponsored by the Chamber of Commerce, the Federation of Labour and the Government of Alberta.

Speaking in this case was the President of the Alberta Chamber of Commerce. Some people will say, we would expect him to make that kind of plea. But it's also important, Mr. Chairman, to recognize that the President of the Alberta Federation of Labour and the labor representatives at the conference found themselves in complete agreement with this particular recommendation.

The recommendation was really made, as I understand it, for two reasons, Mr. Chairman. From one standpoint, so that it would help many Albertans who were having a very difficult time living with the problems of inflation.

Secondly, Mr. Chairman, I think it was the feeling of that conference that if this move were taken by the government at this particular time, it would encourage people from other areas across Canada to come to Alberta, and from any projections one looks at there is very obviously going to be a tremendous need for manpower in this particular province.

So despite the points made by members of this Assembly over the past several months, we have now a situation where this jointly-sponsored conference at Jasper has come out in favor of our moving to the lowest rate of personal income tax in Canada. That's why I was very hopeful when the Provincial Treasurer got up and introduced the Income Tax Act. I was hopeful he was going to make a sizable reduction in provincial income tax at that time.

Mr. Chairman, it's perhaps appropriate that we should look at what is happening as far as income tax changes are concerned across Canada. If you look at the rates from '72 to '74 you will find, Mr. Chairman, that there have been virtually no changes in the rates of personal income tax across Canada with the exception of Newfoundland. In Newfoundland they have raised the rate of personal income tax 4 per cent in the last two years.

AN HON. MEMBER:

A Tory government.

MR. CLARK:

Another Tory government, that's right.

This government, Mr. Chairman, on many occasions lauds itself as far as giving leadership is concerned. And with the revenues this province has at this particular time it seems to me this is an opportune time for the government to really give some leadership which would help a lot of people in this province to live with the problems of inflation.

SOME HON. MEMBERS:

Right, right.

MR. CLARK:

Also, Mr. Chairman, I think it would encourage a number of people to come to this province to take part in the tremendous opportunities there will be in the future.

Just concluding that point, Mr. Chairman, let me make the point that here is an opportunity for Alberta to give some leadership - financial leadership that is - in a field that no other province can better afford than can the people in Alberta and to give it now.

If we were to make this kind of change now, Mr. Chairman, it could be effective for the 1974 taxation year. I would suggest, Mr. Chairman, that it seems to me we could move at this time very easily. We could reduce the rate of personal income tax eight points in this province. That would mean about \$60 million of tax reduction to Albertans. Now that wouldn't solve all the problems of inflation at all, but what it would do [is] temper somewhat the problems that a lot of people are having. I was extremely hopeful that the government would move in that particular direction come this session and [was] especially hopeful when the minister introduced amendments to The Alberta Income Tax Act.

Mr. Chairman, the Provincial Treasurer has really done nothing in this particular area other than to tell us that the government has ongoing studies and they are looking at a

number of possibilities as far as income tax is concerned. Admittedly there is a number of things that could be done over a long period of time, but it seems the time we should do something is right now. So if we are going to do something now, really the only thing we can do is substantially reduce the rate of personal income tax. It's at this particular time that I think we should reduce the rate of personal income tax in the province of Alberta from the 36 points which we have been charging in this province in the 1972 and 1973 taxation years. I suggest that we reduce it to 28 points, as far as the 1974 and the 1975 taxation year is concerned. This would mean a reduction of approximately \$60 million of provincial income tax that Albertans would pay. It would be a substantive step in helping a number of Albertans live with the question of inflation.

So in concluding my remarks, Mr. Chairman, let me once again just emphasize to the members of the Assembly, and especially to the Provincial Treasurer, that this isn't just a recommendation which comes from the opposition for whatever motives he may want to lay at the feet of the opposition. It's a recommendation that was made also by the conference I alluded to earlier at Jasper. Also, Mr. Chairman, it certainly would give the people of Alberta and the Alberta government an opportunity to give some leadership as far as the rest of Canada is concerned and, in fact, to move in the other direction.

So, Mr. Chairman, without any further ado I'd like to move an amendment to the bill before us which in effect would reduce the rate of personal income tax in the province from 36 points in respect to the 1972-73 and '74 taxation years to the rate of 28 per cent in respect to the 1974 and subsequent taxation years.

MR. HYNDMAN:

Mr. Chairman, I would submit with respect that the amendment is not in order. The bill deals only with the subject of assistance to renters. In Beauchesne on page 285, citation 406 (a) states that, "amendments are out of order if they are irrelevant to the bill, or beyond its scope". So I suggest, Mr. Chairman, that this amendment is not relevant to the bill before us. It is beyond the scope of the matters raised in the bill. If the bill dealt with the matter of reducing income tax and had a clause to that effect, then the percentage change could be the subject of an amendment. But the subject matter of the amendment appears nowhere in the bill, so I submit, Mr. Chairman, that the amendment is not in order for that reason.

SOME HON. MEMBERS:

Agreed.

MR. LUDWIG:

Mr. Chairman, I believe that ...

MR. TAYLOR:

Mr. Chairman, speaking to the point of order, it appears to me that any matter that is contained in the original bill that is being amended comes within the scope of discussion during the second reading of that bill or the consideration in the committee. It has been my understanding of bills for many, many years that once a bill is introduced it then places that whole subject matter of that particular bill relevant to the discussion. The discussion is not held solely within the sections of the bill being amended. I don't have the sections of Beauchesne at hand, but I think the point raised by the hon. Minister of Education dealing with the irrelevancy pretty well concurs with that point of view, that it is not irrelevant because it is contained in the original bill.

MR. LUDWIG:

Mr. Chairman, I think perhaps there is precedent for what we are doing on this side. We are talking about the various aspects of income taxation in this bill. The title is The [Alberta] Income Tax Amendment Act and there is no other way we can bring in any kind of amendment here, except perhaps an innocuous amendment to a section in there. The hon. Government House Leader is saying that you can only amend a section in the bill rather than introduce a new section. I am stating that is entirely the wrong position to take. It has been done otherwise in this House. There is precedent for it.

It would not in any way affect the debate if the amendment were permitted to go because we have been discussing income taxation. If we can't bring in an amendment of the main thrust of the debate then we are really denying the rights of an hon. member here. If he would say that the word "income tax" must not be mentioned in this House because it's a no-no word, we mustn't raise it because the Provincial Treasurer doesn't want to discuss it now, he would like to just forget about it all until he is good and ready, then that's a different picture.

We have been debating income taxation ever since this bill was brought in and now they state, you can't bring in an amendment. I think that's stretching the quotation from Beauchesne rather far. I think, if anything, the benefit of the doubt should be given to the Leader of the Opposition. Bring in the amendment. Even if we are not allowed to bring in the amendment, we have brought it in and raised it and we will continue to debate income taxation in any event. Certainly Mr. Speaker has permitted it. The hon. Deputy Chairman has permitted it. So what is the problem, Mr. Chairman?

I urge that you permit the amendment and let's continue with the debate.

MR. NOTLEY:

Mr. Chairman, briefly on the point of order. I believe if there is any benefit of the doubt it should lie with the amendment. As far as the question of relevancy is concerned, the fact of the matter has to be admitted, we are debating The Alberta Income Tax Amendment Act as such. We are dealing with a matter which will have a direct bearing on the income tax paid by every renter in the province of Alberta, so we are talking about tens of thousands of people.

Mr. Chairman, under those circumstances, it seems to me that it is not unreasonable at this point in time to introduce an amendment such as the one introduced by the Leader of the Opposition. I think we have to keep in mind, Mr. Chairman, that our function in this Legislature is to control the public purse to decide what income tax will be levied.

We have here a bill which deals with the question, albeit not directly with the total question but at least in part as it affects a large number of Albertans. Therefore, if there is any benefit of the doubt, it seems to me that in making your judgment you should give the amendment the benefit of that doubt.

MR. DIXON:

Mr. Chairman, speaking to the amendment, I believe it is in order because the opposition - the only opportunity they have - can't increase taxes but they can certainly ask for a decrease in taxes. This is exactly what we are doing. I think we can almost hit every section and tie this amendment to it. Section 13(1) has tax payable under this act for the immediately preceding year. We are talking about income tax. We are talking about ways they can work in their income tax which is their chief source of revenue as far as income tax from farming or fishing is concerned. I believe that the amendment - and I think the main purpose of an opposition is to look into expenditures and taxation.

As I mentioned earlier, Mr. Chairman, the only thing an opposition can do is advocate a tax reduction. This is exactly what the amendment is doing. And an amendment is permissible if it adds to - I think this is what the amendment is doing, adding to a particular section. So I believe the amendment is definitely in order.

MR. TAYLOR:

Mr. Chairman, there is another point I would like to add. If a section in a bill cannot be amended once the bill is introduced, that would almost preclude the government from bringing in a further amendment during the Committee of the Whole. During many bills we bring in other sections in that same act into the House for consideration.

Consequently, if it can work one way for an amendment then surely it must work the other way as well for an amendment, providing it's relevant to that bill. I certainly would agree that it would be irrelevant if it was not dealing with the bill that is before the House.

MR. HYNDMAN:

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

MR. CHAIRMAN:

Is it agreed?

HON. MEMBERS:

Agreed.

[Mr. Diachuk left the Chair.]

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[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills: Bills No. 64 and 68 and begs to report same; and Bill No. 69, begs to report progress on same and asks leave to sit again.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 p.m.

[The House rose at 5:30 p.m.]

