

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday Evening, January 27, 1975

[Mr. Speaker resumed the Chair at 8 p.m.]

CONSIDERATION OF HIS HONOURABLE THE LIEUTENANT-GOVERNOR'S SPEECH (continued)

[Adjourned debate: Mr. Young]

MR. YOUNG:

Mr. Speaker, after that brief recess, it might be worth while to recap some of the issues. Perhaps I can do that with a bit more precision than the mover of the motion was able to achieve when leading us four times through his field of indecision.

Mr. Speaker, in my remarks earlier this afternoon with respect to special warrants, I suggested that a major contributor to these special warrants has been the emergency disaster situations which have arisen this year and which I think by all accounts are somewhat unique. I have suggested, Mr. Speaker, that it is incorrect to say - as this motion does say, that the motion is in fact incorrect - to say there is no reference to anything which would bear on special warrants. I think page 3, paragraph 3 does in fact give some suggestion of an attempt to deal positively, constructively and futuristically with the kind of issue which is covered by special warrants.

I have suggested also, Mr. Speaker, that one of the problems which has been encountered in the last year in particular, the last two years, has been that of inflation. Some of the assistance which has been provided through special warrants has been as a direct result of an effort on the part of this government to bear in mind the problems that inflation has wrought upon the lives particularly of those people whose incomes are relatively fixed, and to improve that at an earlier time than could have been the case than if we had had to rely upon the debates in the House on budget items.

With respect to item number 2, Mr. Speaker, the reorganization of municipal financing, no positive suggestions that I am aware of were advanced by the member opposite. I suppose if the Throne Speech had simply said we were going to shift the municipal financing five points in the direction of conditional grants, as opposed to unconditional grants, that would have been a sufficient mention to satisfy this particular motion. I think that is totally inadequate. I find the debate the loyal opposition has advanced thus far on that particular point to be totally wanting.

With respect to point number 3 - and I am still confused here - the ambivalence with which it was mentioned by the Leader of the Opposition, whether we need to "increase" confidence or "restore" confidence, I don't think he knows. He certainly spoke as though he wasn't clear. Maybe if there has been a caucus meeting since 5:30 this afternoon, we will be back to "increase" rather than "restore." I am not sure what the motion would read.

In any event, Mr. Speaker, page 2 of the speech refers to our commitment to individual enterprise.

Page 15 refers to corporate tax incentives. In December there was an announcement about assistance to the Alberta petroleum industry through the Alberta Petroleum Exploration Plan which, as I understand it, has been reasonably well received. I may say, Mr. Speaker, I believe it was in November that I had the pleasure, along with some other members of government, of meeting with the representatives of the Alberta Chamber of Commerce. I certainly didn't detect the creeping shadows of doubt, doom and gloom that the Leader of the Opposition would try to have us believe lurk around the corner, and perhaps only in the minds of the opposition, as we near that fateful day called "election" that is coming up.

Mr. Speaker, with respect to item number 4 as I read the motion, and the wording in that item itself is ambivalent, is it a reduction of this bureaucracy or is it a restraint on the bureaucracy? We're not really sure and I gather that the mover isn't sure either. Well, I found his debating points as weak as the phraseology of the motion itself.

With respect to the reduction of personal income tax, Mr. Speaker, I suppose that this is an attempt to try to second guess or try to be first or something of that nature, I'm not sure. In any event it was recommended by the Foreign Investment Committee report, so it's obviously not first. Traditionally it's reported in the budget and not in the Throne

Speech. I suspect that tradition, if we are going to make any change in it, would be a good occasion to follow in this instance. So if the hon. member could control his impatience for a few weeks, whether or not there will be a reduction will be known.

MR. CLARK:

Are you going to announce it now?

MR. YOUNG:

Mr. Speaker, I think that since there were no constructive solutions advanced I would like to say that if His Honour's address to the Assembly is in any way deficient, I suppose each one of us could point out little deficiencies like this from a small 'p' political point of view.

In my constituency for instance, there is no mention in this speech of a program that the government has undertaken through the Minister of Highways to do noise control testing and noise control evaluation on our highways that go through the city ... [interjections] ... and from the point of view of my constituency with 149 Street, 111 Avenue, 118 Avenue, 170 Street, this is a very important issue. As a matter of fact I've had three or four phone calls about it in the last few weeks. This isn't mentioned in the Throne Speech. I would love to be able to send my constituents a copy of the Throne Speech, nevertheless, I think it is a good Throne Speech, I don't think we have to have all this in the Throne Speech.

Mr. Speaker, from my point of view the Throne Speech demonstrates the breadth of attention which this government has given to problems. It demonstrates a business-like approach and a stability of government. It demonstrates that despite the turmoil caused by inflation, despite the pressures created by the energy issues, we have not lost touch with the problems which bear directly upon the lives of the pensioners, upon the lives of the workers who have been injured, upon the problems with respect to the handicapped, with respect to the special education situations.

In fact this government has remained in tune with and in contact with the citizens of this province. We have done it with a firm hand, without a loss of perspective and I suggest, Mr. Speaker, that the address to this Assembly by His Honour the Lieutenant-Governor is worthy of commendation and support by every member in this Assembly.

MR. DRAIN:

I listened this afternoon to the very able presentation from the hon. Leader of the Opposition in which he touched on all the chinks in the government armor and I assure you, Mr. Speaker, there are many.

Also it gave me great pleasure to listen to the hon. Member for Cypress as he pointed out the big disappointment in the afternoon, Mr. Speaker, was the deplorable defence that was fielded by the hon. Member for Edmonton Jasper Place. The weakest effort, Mr. Speaker, since 10,000 Swedes were chased through the weeds by one Norwegian. That's the only equivalent I can possibly present.

A snow job of the dimensions, Mr. Speaker, that has never fallen on this ... in the Crowsnest Pass we have a lot of snow but nothing ever falls in the dimensions of the snow job that has been tried to pass on the the hon. members here, Mr. Speaker.

A situation where even the family dog was not left unharmed or where he had to be dragged in to defend the weak position. And then, Mr. Speaker, the lame excuse that inflation was in fact the rationale behind the extraordinary spending of \$310 million at the rate of \$1 million a day is probably the weakest of all the contentions for the simple reason, Mr. Speaker, that inflation is in fact something that is not unheard-of in Alberta.

If the hon. member would check back on the tables and go back to the era after the Korean War, he would find that we were then faced with that situation where there was a 10 per cent inflation rate. But in spite of that, there was none of this dipping into the coffers of government in such a wild and irresponsible manner as the hon. members on your right, Mr. Speaker, have clearly shown they are capable of.

If there is one right and privilege afforded to legislatures under the British parliamentary procedure, it is the right to vote or withhold money. Without this right and privilege, a legislature or legislative power under the British tradition ceases to exist.

AN HON. MEMBER:

Hear, hear.

MR. DRAIN:

So when the hon. Leader of the Opposition moved this motion I was very pleased. Frankly, if he had not moved the motion in recognition of the parliamentary tradition that must be upheld to protect the bastions of democracy, I would have expected, Mr. Speaker, one of the hon. members on your right to get up and move the same type of amendment to the Speech from the Throne.

AN HON. MEMBER:

Hear, hear.

MR. DRAIN:

However, I find this alarming. I think back to a picture some three and one-half years ago in The Edmonton Journal taken as the new cabinet linked arms and charged up the steps of the Legislature - do you remember that - dedicated, Mr. Speaker, to building

the New Jerusalem. And what do we find three and a half years later, Mr. Speaker? We have found that a Wailing Wall has been built for the people of Alberta, something to pound their heads against in despair. This is the situation that faces the people of the province of Alberta. This is what makes necessary this amendment.

Amongst those who pound in sorrow against the Wailing Wall that has been built by this dictatorial and dogmatic government ...

AN HON. MEMBER:

Hear, hear.

MR. DRAIN:

... are members of municipal governing bodies. Daily we are faced with headlines like this: Grant Cut May Kill Program at Pincher Creek. This is what I hear from my people. Well, this government waxes fat and complacent and grinds down with the iron heel of ruthlessness the very dim visages that they have left for a municipal government.

I know that when the country mouse visited the city mouse, Mr. Speaker, the city mouse pointed out that there were always crumbs which he could pick. But in this case, not even the crumbs fall from the rich man's table or from the Conservative table upon rural Alberta. These are some of the problems we are faced with.

Now we talk about investor confidence, an ambiguous thing. Investor confidence is what fuels the heartland of industry. Investor confidence is what makes industry go. It gives the individual - the man on the street - the incentive to go ahead.

It appears to me that the programs this government has followed were insidiously designed for one sole purpose. That purpose is to destroy the very foundations of private enterprise and a very ancient theory of government. I say truthfully, Mr. Speaker, that government itself is one of the most insidious forces there is in the world. Think about that for a minute. How many people have been crucified? How many crimes have been committed in the name of government? This, Mr. Speaker, is why it is so essential that the expenditures of government be in the hands of the duly elected representatives of the people of the province of Alberta. This is not the case today.

We find a situation in the oil industry brought about by what you could call the opportunity price. Now what is the opportunity price? Possibly there would be some substance to the direction this government is going if someone on the government side could get up and properly describe an opportunity price. An opportunity price predicated on the basis of a production plant that had been built five, six or seven years ago in relation to the replacement or the introduction of a new plant are two entirely different criteria. Clearly, this is a very important thing.

We see the spectacle of oil rigs moving out of the province of Alberta and I expect someone on the government side to get up and say well, there is as much footage drilled this year as there was last year. But what kind of footage? Not step-out footage. Not exploration footage. But footage to salvage what in fact represents a very poor deal; a reneging of a sacred contract on the part of government. If I recall the scene correctly, it goes something like this. There was a revision of oil royalties; the drawing up of a new contract; a commitment for a five-year deal. Clearly, these implications were made. Suddenly, out of a clear blue sky, this is torn up and we start all over at square one. Now we have a government member with the audacity to stand up and talk about investor confidence. This is probably one of the most ridiculous things they could ever defend.

So, then, Mr. Speaker, we look at the barometer of where, in fact, investor confidence has gone in Canada and in Alberta. That barometer is the stock market. Look at western oils. If they hit any lower in the curve, they are going to disappear off the table and hide under the bed, Mr. Speaker. That's just about where they're going, if that's any particular illustration of investor confidence.

A widow consulted me about some of her investments. On her behalf I phoned a broker and I asked him, giving him the background of her circumstances and so on, about Canadian equities. He said that because of the insecure investment climate he strongly recommended her money be invested in the United States. Now that's just one man's opinion. But there could be other opinions, I'm quite confident, that would come up with the same particular direction.

We find, when talking about investor confidence, the Provincial Treasurer sitting on a vast hoard of money, money that should be directed towards the industrial development of Alberta or Canada. Where is this money? In the same place the Arabs have the money: short-term day-to-day money, interest money, nonworking money, money that does not develop a secure base for industrial development; money, in fact, that underwrites insecurity instead of the opposite situation.

We have a situation in the rural school system where there has been a tremendous dropping-off of students. Where, in fact, there has to be a reduction in such important courses as shop or home economics, special courses that really enhance the ability of our Native people to assimilate - I'm thinking of one particular school in my constituency where one-third of the population is Native people - and this is vital to them because they have a type of expertise that can be enlarged by this type of teaching. But because, in fact, the school is not funded sufficiently, because of the niggardly position the government has taken towards local municipal financing, these programs do not exist. Clearly an evasion of responsibility, Mr. Speaker.

It is a very difficult road out of the impasse that exists in the Province of Alberta. It is one to which the government should well give thought. I would look to see in the budget a more reasonable formula for rural schools, some recognition of the situation

small local governments find themselves in - entrapped in high-class situations for water and sewage that have brought the prices of these particular provincial services beyond anything that is reasonable. I would look to see in the budget some consideration given to the circumstances of women who are 63, and 62 and so on, who have raised their families and now have no means of support other than social assistance. I would think that the largesse of government should go as far as spreading some assistance in that particular direction. I suggest, Mr. Speaker, we are not dealing with a government that is impoverished. We're not dealing with a government that is going broke. I strongly urge that these protective steps be taken.

The matter of the reduction or restraint of the growth of bureaucracy was twisted by the hon. Member for Edmonton Jasper Place to mean that we on this side are advocating the dismissal of a large number of civil servants. This is not the case. What we're talking about is restraint. We're talking about the things that the present Premier talked about when he hit the campaign trail: let's cut the fat out of government; let's contain the bureaucracy, return to local government the authority and financial capacity to keep its own house in order without requiring the detailed scrutiny of provincial bureaucracy - quote Premier Lougheed, Premier of the Province of Alberta. What we're talking about is scrutiny by the Legislature of what's going on. We're talking about the natural attrition. We're talking about streamlining the civil service. We're talking about a dollar's worth of value.

It does not take an economist of any ability to be aware of an alarming situation that is occurring in Canada whereby, structurally, the production sector is being continually weakened, the best and in many cases the most competent of people are sucked into nonproductive endeavors; taken away from the productive end of society to spend their years ... I'm trying to think of the guy in mythology, Mr. Speaker, Pan, Pan, the guy with the hooves and the pipe ... like Pan piping over the hillside and producing not a thin dime for the wealth and well-being of Canada. This, Mr. Speaker, is the role of the Minister of Culture, Youth and Recreation. Producing nothing, nothing but a big hurrah. Do you call that a life's work? I'd like to get him in the gangway digging coal. The thing is, he could dig coal too. Don't you ever forget it. He's a tough little man.

AN HON. MEMBER:

You can see that.

MR. DRAIN:

The biggest insecurity now in the matter of government in relation to investor confidence in the Province of Alberta is the inability to tell anyone what the rules are. There are no rules. We have a situation where there are exploration permits given to explore for coal on the eastern slopes of the Rockies.

Now I'm not the guy who's going to cry havoc and say that there was destruction or rape of the eastern slopes because I have worked under the control of the type of land-use officers we have in the Department of Lands and Forests. They even drop from the sky, Mr. Speaker. They're not paratroopers but they've got helicopters. So woe betide the person who bends a twig in the wrong direction. This is not what I'm talking about, Mr. Speaker.

I'm talking about a situation where these permits are given, and on the strength of these permits millions of dollars are spent. Now I can understand myself, or anyone else in this particular Legislature, going to an art exhibition to look at Renoir, Rosa Ben Hor or any of these particular great artists, enjoying myself and paying money. But how can you rationalize someone spending hundreds of thousands and in many cases millions of dollars, and saying: you can take a look. You can look at our beautiful coal but you can't take it with you because we have no rules; we have no regulations. We don't know whether you can produce it or not. This has got to be gobbledygook, Mr. Speaker. This has got to be fantasy land at its utmost.

Now, when Carroll wrote Alice in Wonderland, if he could have had a scene like the Alberta government to write on, Mr. Speaker, the thing would have been far more fantastic than it is today.

So clearly, investor confidence in the matter of implied rules or implied assurances, or presumed assurances are not clearly spelled out. Quite clearly, if the government so chooses the direction of not producing any coal in Alberta and this is the will of the people of Alberta, fine. Let the people speak and let the government speak. The government has this responsibility. But it seems to me they also have the responsibility to say to these people who have been led into fantasy land - and because of the lack of courage of the hon. members on your right, Mr. Speaker, or their inability to make a decision, or their well-known ability to procrastinate - that they should be reimbursed the money they have spent. Let's leave the slate clean.

Or is it one of the roles of government, of this government - and it well may be that this is the nature - where one contract is torn up, an implied contract is disregarded, and in fact there are no rules. All, Mr. Speaker, in the name of public enterprise.

Then we have, looking at the investor confidence in the province of Alberta, the national-socialist concept of the government of the Province of Alberta. East of us, Mr. Speaker, we have a socialist government with a mandate. West of us we have a socialist government with a mandate.

AN HON. MEMBER:

What about here?

MR. DRAIN:

I suggest to you, Mr. Speaker, none of these members on your right ran on a socialist ticket.

AN HON. MEMBER:

Are you sure?

MR. DRAIN:

Definitely, I'm sure of that particular thing.

[Interjections]

So we have a chameleon change in color here. Now if you had changed totally red, I could buy it. But no, now you see it and now you don't, Mr. Speaker. One time it's blue and the next time it's not so blue. Now it's pink and now it's red.

So you talk about investor confidence and you have the audacity to stand up and attempt to defend it. Ridiculous.

AN HON. MEMBER:

Hear, hear.

MR. DRAIN:

We can talk, Mr. Speaker, about the obscure reasons that resulted in PWA. Some blue, some red.

I could talk about the interprovincial pipe where we're going to build pipe in the eastern part of Saskatchewan and haul it to Alberta. We talk about encouraging local industry. We talk about Alberta. Now I don't see anything wrong with the idea, very seriously, of producing pipe in British Columbia or Saskatchewan or any place you like. But now we come to the dilemma facing this province and Canada in relation to the energy situation. One thing in my view, it would be totally irrational to believe we can be insulated and have an expanding oil industry - irrespective of all the gimmicks that have been enunciated - how we could get from a sane and sensible oil policy, where the rules are clearly laid out to where we have a situation where, ho, we've got to subsidize the small companies. Now we've got to subsidize the big companies. Now we've got to subsidize seismic exploration.

The weirdest thing about the seismic exploration is the explanation I got from the Minister of Mines and Minerals: that the records in fact would go to the province.

Now to go back into ancient history. I was working in the oil patch when Tommy Douglas brought the same type of legislation in. If anybody could ever put anything together from the profiles that were turned in to the New Democratic government in Saskatchewan at that time, they would have to be the greatest interpreters of geophysical information that were ever got together.

So the minister is just kidding himself if he thinks he is going to get a set of records that has any meaning from the oil patch, which they have sweated blood and tears to get, for a measly subsidy.

I have just started to warm up, Mr. Speaker, and I see four minutes to go.

AN HON. MEMBER:

Don't believe it.

MR. DRAIN:

So, recapitulation. Clearly financing of \$310 million by special warrants is irresponsible when you have a Legislature that sits four and one-half months a year, a Legislature that is on call at any time. This is an irresponsibility that should be recognized by all members, Mr. Speaker, the members on your right and the members on your left.

A problem which will resolve into a crisis in a very few months unless very firm action is taken on the part of the government is the matter of municipal and school financing. I suggest to you regretfully that the 15 per cent is not enough.

A restoration of confidence in this government if investor capital can be expected for industry and commerce; a study of where we are going in provincial bureaucracy; a recognition: of the sufferings of many people because of inflation; that we have a reduction in personal income tax - these are a minimum, Mr. Speaker, of things that should be looked at.

I regret that I have not got the time available to deal with my view of what should be done in the oil industry. But clearly, as I started to say, you cannot isolate one corner of the world from another by a two-price system, in the Province of Alberta, the Dominion of Canada or the entire world.

The fastest and best way to conserve our diminishing resources of oil and gas is to allow the market forces to prevail.

A recognition that government - both the rapacious grasp of the federal government and this Alberta opportunity fantasy - recognize that a well you could drill for \$75,000 on the big flats three years ago, you are now talking of \$325,000, \$350,000.

These things have to be recognized to restore investor confidence and to ensure that there will be energy and fuel supplies for the future.

Thank you Mr. Speaker.

MISS HUNLEY:

I was enchanted this afternoon when I read the motion presented by the hon. Leader of the Opposition. I wondered about the agonizing that must have gone on within the caucus over whether it was "increase" or "restore". I am not too surprised that they had some trouble with the words when I listened to them speaking and found that when they were dealing with the Speech from the Throne they referred to the beginning and they forgot all about the words, to finalize. We were chastised a couple of times for talking about beginning studies on the Red Deer and the Paddle and the Oldman rivers, but conveniently overlooked was the phrase "will be finalized". But I won't deal with the Speech from the Throne in detail at this time since I hope to have the opportunity to return to that later.

I would like to deal with this amendment in a couple of areas, particularly number three on this increasing or restoring, because you know, Mr. Speaker, as I travel around this province I am excited, pleased and thrilled by the investor confidence that I see all around me. I see it in the small towns.

I would not be so rash, Mr. Speaker, as to talk about investor confidence from the stockbroker's point of view, because I do not have that experience. But I do have the experience of living in small towns, dealing with small businesses, talking to business people, and I do it regularly. I have done it recently.

Mr. Speaker, when I was home just before Christmas it was near the end of a year, and I found it interesting to do a year's wrap-up of what was happening at home. I sat down with one of the bankers and said, "How's business?" and he said it had never been better. I then said, "Well then how are collections?" because having been in business myself I realize that you can do a lot of business but if you have got a lot of bad debts on the books it's not necessarily a good sign. He just said, "Helen, you know, I don't have a problem with collections."

I got the same story from another banker when I sat down with him. When I talked to the businessmen in my constituency, they have never had such a busy year and this applies not to the grocers entirely, not to the garage people, it applies also to real estate and to any number of others to whom I've spoken.

I was very interested in my home town paper and during the supper hour I took the opportunity to kind of refresh my memory and perhaps I could refer to it. When you talk about investor confidence - I'm interested in investor confidence as I know it best and where I think it really counts in Alberta. Alberta wouldn't be where it is today if we didn't have the confidence of the farmers and the small businessman. We can talk really big about big business, but it's small business that really counts. That is what keeps our small towns alive and that's what means so much to me.

So when I look down, 1974 In Retrospect, I was enchanted to find some of these things listed:

March; ... A new food store, The Red Rooster, opened on Highway 11

A new dentist's office opened in town.

The Ritz Cafe opened its new restaurant

The Rocky Mountain House and District Savings and Credit Union opened its new facilities in the B.M.B. building

G. & G. Greenhouses opened their new facilities in the Industrial area.

Almost every month

... A new business, Neilsen's Automotive and Truck Service, opened Building permits reached the \$1 1/2 Million dollar mark.

The Rocky Mountain IGA officially re-opened their store

I could go on and on, the Hudson's Bay Company building a new store. This is not unique to my town, this is happening everywhere and to me this is a very strong indication that we do have investor confidence and that the people of Alberta do support us and they believe that Alberta is on its way to a great and successful future.

When I talked to the banker, I said, "What did you think of our cow-calf advance program? Do you think it was helpful to our small farmers?" I come from an area where the cattle industry is a very predominant and important industry. We were concerned about the cattlemen and what was happening to the price of beef. The banker replied that he believed that our cash advance system was helpful. That's one of the special warrants passed, Mr. Speaker, that's deplored by the opposition. But I assure you, Mr. Speaker, it's not deplored by my farmers. It's not deplored by my merchants. It's not deplored by my banker and it's not deplored by me. We applaud it. We needed it and we moved when we needed to. I defend that particular position. I think it was the right time and the right amount.

The lumber industry met with us recently. They have been suffering the effects of a lack of market in the United States. We had a couple of discussions with them. We were able to bring in some programs which were very useful and very helpful. They have indicated to me that that made it possible for them to continue in business and keep operating. That keeps jobs going in my constituency; not only in mine but also in many other rural areas.

To me, Mr. Speaker, while it didn't entail a special warrant, it entailed some special government policies and action which we took and which does shore-up investor confidence in an industry which is very important in my constituency and other constituencies represented in this Legislature.

I've been in many of our small towns and I find that business throughout Alberta and housing is increasing. The business climate is good. People are excited about the future. I've talked to business people coming into this province from the province of British Columbia and they are saying they would like to be in business in Alberta because that's where the action is. That convinces me, Mr. Speaker, that our business climate is good, that we do have confidence.

Some of our special warrants, Mr. Speaker, dealt with social programs. They were social programs that were long past due. We could have waited. We could have brought them in in this budget. But, Mr. Speaker, they were important. They should have been done years ago, they should have been started ten years ago. We finally got them in place. They don't happen overnight and I admit that. They take some design; they take some implementation. When we got them in place, I enthusiastically endorsed the concept of giving the money now to get the programs in place. Every month is important if you're handicapped, if you're deprived or if you have social problems that a new government program will assist.

I'm sure the the hon. Provincial Treasurer and other members will be dealing with additional details of the special warrants and what they were used for. These were actually so important to my constituency that I felt impelled to comment upon them.

In closing, Mr. Speaker, could I just say I was really pleased earlier this afternoon when we were able to get the answer from the Minister of Mines and Minerals about the recent sale. I had not been able to find out how much it was and I was delighted to find out it was \$4.3 million. To me that is hardly a sign of lack of confidence. I was pleased to have learned that this afternoon and I thank you for the information, Mr. Minister.

I could go on and on about the number of things that are important that have been done. They've been done with care and consideration and with a deep conviction that the people in this government need to do things for the people of Alberta and we will do so. We will look forward to their direction and support when the time comes.

Thank you, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, I certainly welcome the opportunity to take part in the discussion on the amendment. I have a number of comments I want to make on the main motion regarding the Speech from the Throne when it comes back again.

Dealing specifically with the amendment before us, Mr. Speaker, I thought it was rather interesting when the seconder of the Budget Speech gave us a little lesson in Canadian history. I think perhaps many of us appreciated that lesson. He talked about how Canada obtained responsible government, and quite properly pointed out that we gained responsible government with the passage of the rebellion losses bill.

I should point out, Mr. Speaker, that that was a bill passed by the Assembly at the time, not by the Executive Council, not by the family compact or the chateau clique, but by the Assembly. I draw that to the attention of members this evening, Mr. Speaker, because the first point made in the amendment, the suggestion that we are concerned about the excessive use of special warrants, is a relevant issue which has to be legitimately debated in this Assembly.

No one is suggesting, Mr. Speaker, that, from time to time, there will not be occasions when special warrants will be necessary. However, I submit, that there is a difference between the occasional use of special warrants and \$310 million worth of special warrants. Surely that is the issue which has to be examined at this time.

AN HON. MEMBER:

Hear, hear.

MR. NOTLEY:

Mr. Speaker, we have a number of particular programs cited. For example, the hon. Member for Jasper Place cited the question of the adverse weather program. I should say, as I stand in my place today, I supported that program. As a matter of fact, the hon. Member for Smoky River and myself were at a meeting in January 1974 in Falher where this issue came up. But, Mr. Speaker, although I supported the program, I find it a little difficult to understand why the matter couldn't have been brought in in the form of Estimates and discussed in and passed by the Legislature.

Mr. Speaker, I note that on May 1, 1974, the hon. Minister of Agriculture made his ministerial announcement and I have to congratulate him. He was right on the nose. He talked about \$30 million as a possible cost, and he was very close to being accurate.

I raise another point. During the discussion this afternoon, the hon. Member for Jasper Place said, well, why didn't anyone in the opposition talk about a supplementary estimate? Well, I refer you to Hansard of May 6, 1974. The hon. Member for Wetaskiwin-Leduc raised that very question, and he was advised by the Minister of Agriculture that he didn't think it was possible at the time because of the difficulty in estimating the total cost.

However, and I cite from Hansard, page 1767, May 6, Mr. Speaker, from the hon. Minister of Agriculture, "I'm quite willing, as I've said, once we get that figure in a more accurate way, to bring in a supplementary estimate."

AN HON. MEMBER:

A very short memory.

MR. NOTLEY:

Mr. Speaker, the fact of the matter is while everyone from northern Alberta recognizes that the adverse weather program was a worthy program and had the support of both sides of the House, it could nevertheless have been brought into this Legislature, discussed in this Legislature, considered by this Legislature and passed by this Legislature.

Mr. Speaker, we have the all-time gem of irresponsible spending. That's the purchase of PWA, again by special warrant. Mr. Speaker, the members across the way could argue all night, and it would be hard to convince either myself or, I suspect, most of the people of Alberta that it was so necessary to move so quickly we had to use a special warrant to acquire PWA. As a matter of fact, Mr. Speaker, I find it rather amusing to contrast the speed that we had to adopt in order to acquire this airline with the rather leisurely approach the government seems to be taking as to what we are going to do with it now. A rather interesting commentary in contrast, to put it mildly.

Mr. Speaker, another very substantial special warrant was the one passed just a short time ago, the \$75 million which has been allocated to the Alberta Energy Company. Surely, Mr. Speaker, that is something which could have been placed before this Legislature and hardly needed a special warrant.

Again I don't argue there aren't going to be those occasions when special warrants are necessary but I think the point is valid. It has not been refuted by the government side of the House. That is, there's a difference between the occasional special warrant which is inevitable and has to be undertaken on one hand and \$310 million worth of special warrants on the other. Now, Mr. Speaker, I think what is important in this issue is whether or not the Legislature is going to control the purse strings or whether we are going to allow the cabinet to subtly but surely acquire the real control of the expenditure of public funds in this province. Oh yes, we can talk about it after the fact, but, you know, our parliamentary system was not based on after-the-fact authorization of public money. It was based on the basic principle that the people's representatives should not only levy the taxes but should determine how the public money is spent.

Now, the second major principle in this amendment, Mr. Speaker, is also one I can support. That is the reorganization of municipal financing. I don't think we have to question the fact, Mr. Speaker, that throughout Alberta, local levels of government are concerned about having sufficient revenue to be able to provide the quality of service which is required by local levels of government, whether it be rural M.D.s, small towns or villages or the major cities of our province. It's important, too, Mr. Speaker, that as we move into a more complex society we recognize that more and more responsibilities can best be handled at the local level of government. Those who think we can centralize everything in Edmonton are as wrong-headed in their philosophy as those who think we can centre everything in Ottawa. Local level of government does have an important responsibility. But to be able to fulfil that responsibility it needs an access, a clear access, to rising revenues. Now the government members will say they have taken over the major burden of education tax, not the supplementary requisition but the main amount that goes into the school foundation. That is true. But in the fast-moving society we live in today, that still leaves the local levels of government without the source of finance and revenue which they really require.

[Mr. Diachuk in the Chair]

I would like to suggest that this government take a close look at the former approach of designating a percentage, a fixed percentage, of the royalty revenues of the province to local levels of government on an unconditional basis. I think the former approach of the past government - one which they abandoned, unfortunately - had a good deal of merit and today would give the local levels of government, wherever they may be, the kind of revenue which they need to execute their responsibilities sensibly and efficiently.

Now, Mr. Speaker, the third major point in the amendment deals with restoring investor confidence. I would have to say that as a New Democratic Member of the Legislature, I find it a little difficult to accept some of the assumptions of my friends in this side of the House. But I do agree with one thing the hon. Solicitor General said when she talked about investor confidence. It's very important that we look, not only at the investor confidence of the large corporations or the big-time investors, but I think we have to keep in mind that our farmers, our small businessmen, most Albertans are investors of sorts. I would really question how much they are really convinced, especially in the last two or three months, that things are rosy. Mr. Speaker, six months ago there wouldn't have been a single person in rural Alberta who would have discerned too many clouds on the horizon. We all felt that, you know, grain prices would remain high and all was well. But we know perfectly well that if there is any serious slow-down - and the Minister of Agriculture knows it as well as any of us in this House do - in the economy of the other nations of the world, either the Pacific Rim countries, the United States or the European nations, this is going to have a very serious effect on the agricultural income in this

province. The Speech from the Throne skirted that issue. It patted the government on the back but it showed neither foresight nor commitment to what we're going to do to stabilize agricultural income on a long-term basis.

Mr. Speaker, there are other things that are important when we look at investor confidence and when we look at this issue in its broadest perspective. We've heard a lot from this government, since they were elected, about the lack of any Canadian industrial policy. Well, I certainly second that. There's never really been a Canadian industrial policy since we were saddled with the national policy brought in by the Tories; by Sir John A. Macdonald. We in the West have had to live with that terrible discriminatory policy ever since we settled and developed the western part of this country. But, Mr. Speaker, although it is true that Ottawa has not developed any overall national development program, the fact remains that we haven't one in Alberta either. It's all too clear at this point in time that there really is no strategy for developing and diversifying the province of Alberta. I'm rather amused at the leader of the Liberal party talking about the great industrial empire that is being promoted by the present government. You know, at this point in time I just don't see any plans for any kind of long-term planned development, other than 'ad hoc-ery'. Mr. Speaker, in my judgment, that is hardly going to bode well for the future of the province.

We have no commitment on long-term oil sands policy even though we've been promised one for several years.

The Speech from the Throne mentions a number of areas but doesn't talk about the lumber industry. Yes, several small palliatives have been announced in the last three months, but if you talk to people in the lumber industry they are quick to tell you that that isn't really going to solve the problem. In the Hines Creek area, a little mill in that community has dropped from 150 workers to 50. In Grande Prairie, more than several hundred people have been laid off by CanFor. It represents a very serious problem for the City of Grande Prairie and is not something which we can gloss over.

Mr. Speaker, the other thing that I should say about this question of investor confidence is that we have no vision at all in the Speech from the Throne about what we can do with our windfall to develop and diversify the province of Alberta. That is really perplexing because, you know, it's conventional wisdom in North America today to say, what are the Arabs going to do with all their windfall? How are they going to be investing it? What kind of industries are they going to take over? How are they going to increase their wealth? But we aren't talking in those terms even though we are beneficiaries of a oil windfall. We heard a lot of talk in this Legislature, Mr. Speaker, about supplementary estimates and about how we were going to invest the windfall but to date we don't have any concrete proposals placed before the Legislative Assembly.

Mr. Speaker, if we are going to diversify the economy of the province, surely at this point in time, 10 months after the royalty arrangements were announced, we should have some pretty clear ideas tabled in the House so we could be debating them. Frankly, Mr. Speaker, even the most ardent Tory canvasser would find it hard to decipher any vision or sense of direction in the Speech from the Throne.

Mr. Speaker, there is another question in the amendment and that deals with restraining the growth of bureaucracy. Mr. Speaker, frankly I don't think that's our problem. In this respect I differ with the mover of the amendment. I submit that the fat or the bloat in the present government is in consulting fees. We have had a mushrooming of consulting fees which is just unbelievable. This afternoon I had my research staff check the consulting fees in the 1971-72 Budget, the last budget of the Social Credit government, and compare them with the last estimates of the present government. We get some interesting comparisons. The Department of Agriculture in 1971-72 spent \$493,000 in consulting fees. This year the appropriations call for \$3,106,000, a sixfold increase, Mr. Speaker. We've got the Attorney General's Department: 1971-1972, \$384,580; this year, \$2,271,850, an increase of sixfold again.

We've got the Department of Education. They're not doing so well at all. It's not so good being a consultant in the education business because in 1971-72 the consulting fees were \$801,910. This year they've only gone up by a measly \$900,000 to \$1,742,000, only a twofold increase. I don't know what's happened. The poor consultants in the education field are going to have to protest, Mr. Speaker, because they aren't getting their share of the action.

AN HON. MEMBER:

They're in the department.

MR. NOTLEY:

Then we've got the Department of Municipal Affairs and this doesn't include the Alberta Housing Corporation. Consulting fees in 1971-72 were \$8,100. This time they've gone up to \$166,000, or a twentyfold increase. Well, Mr. Speaker, one more before I close on this particular point: Health and Social Development 1971-72, \$2,809,000; this year \$8,675,000, or a threefold increase.

Mr. Speaker, it used to be said if you want to make your way in the world, go west young man, go west. Well if they come west, the obvious thing in Alberta is to set up a consulting firm and get a contract with the Alberta government. Mr. Speaker, the fact of the matter is that if we've got any bloat in the government of this province today, I submit that we have too many consultants running around and that we aren't really getting our money's worth for it.

Mr. Speaker, before I close, I want to make just a couple of brief references to the final point in the amendment and that is the proposal to reduce personal income tax. While I agree with that in principle, my only argument would be that we should increase the exemptions so that the major beneficiaries would be the low-income people who need it most. It seems to me, Mr. Speaker, if we are going to fight inflation, the people who should be bearing the brunt of that fight are the higher income people who can stand on their own two feet. If we're going to have tax reduction, then let it be through a mechanism which provides the maximum benefit for people at the lower end of scale. That's why I think the concept of increasing exemptions would probably be preferable to reducing the rates as such.

Along with the question of tax reduction, or at least raising the exemptions for low-income people, there's one additional point that should be made. With the windfall we have, even though most of us recognize it is of short-term duration because we're selling nonrenewable products, the fact is that it does give us an opportunity to take a thorough look at our taxation system, to overhaul it, to determine whether or not it's fair and equitable or whether we can make it more fair and more equitable and more consistent with the concept of ability to pay.

In conclusion, Mr. Speaker, as I look at the Speech from the Throne, I don't see the vision one would expect to see in an election year or with the problems that face Alberta at this rather crucial time in not only Canadian history but, when one looks at the economic shadows falling around the world, world history too. There is no vision. There is not a commitment as I think there should be to many areas, whether it be human resource development, whether it be development of an industrial strategy, whether it be an approach to developing the oil sands. Many of these points I can raise during the major debate itself.

[Mr. Speaker resumed the Chair]

But in terms of the amendment, I'm prepared, even though I have had differences with the people who moved the amendment in a couple of areas, nevertheless I think the point of restoring the control of this Assembly over the purse strings, the need to reorganize our municipal financing and the need to make sure that at least part of this windfall is returned especially to low-income people who need it most; for those reasons, Mr. Speaker, I'm prepared to support the amendment.

MR. MOORE:

Mr. Speaker, some hon. members who have spoken tonight have mentioned responsibility in government. I rise to take part in this debate on the amendment proposed by the hon. Leader of the Opposition because of my responsibility as a member of this Legislature and a member representing rural Alberta; indeed, in some cases, a lot of people in rural Alberta who have been affected one way and another by government decisions.

The amendment to the Speech from the Throne asks this Legislative Assembly to endorse a motion asking for a limitations on the amount of expenditure that may be authorized by special warrant. During the course of the last fiscal year, Mr. Speaker, we have had a good number of special warrants authorized for special and emergency programs. They covered disasters and floods. They covered the ability of this government to utilize federal funds. They covered a variety of things.

I wanted to spend a few minutes, Mr. Speaker, reviewing 10 of the major special warrants issued by this government that have had a direct impact on rural Alberta; on people in agriculture, on farms, in towns, villages and small cities right across this province.

One of those programs, Mr. Speaker, and perhaps the most significant one, was called Operation Wetfoot. It was operated under the Disaster Services Agency and required a special warrant of some \$10 million. Hon. members may well recall, Mr. Speaker, that previous to the sittings of 1973, this government and this Legislature were without any way of providing compensation to victims of flood and disaster when they occurred in this province. During the 1973 session, Mr. Speaker, the new Disaster Services Act was passed and with it, a responsibility on the part of this government to act when disaster struck. I suggest to hon. members, Mr. Speaker, that the very heavy snowfalls and extreme floods in many if not all parts of this province last spring, were disasters that could not be ignored by a responsible government.

In addition to that, Mr. Speaker, the Government of Canada has been asked to - and has indicated that it will - participate in funding the \$10 million special warrant that was used not only to assist individuals who had suffered extreme and heavy losses, but in large part to assist municipal governments and other people of this province who had incurred losses. It is anticipated, Mr. Speaker, that more than half of that \$10 million will be recovered from the Government of Canada; money which certainly would have been left on the table and lost had this government not acted in a responsible way in that emergency situation.

Connected with that, Mr. Speaker, and mentioned by the hon. Member for Spirit River-Fairview, was the adverse weather program. Even prior to that, late last fall the government announced a program of interest-free loans on crops which had been snowed under. If hon. members will recall, some 40 per cent of all crops in the area north of Edmonton city were snowed under in the fall of 1973. That program of interest-free loans cost, during this fiscal year, some \$5 million in interest payments. I don't recall, Mr. Speaker, having heard during the course of the last session of this Legislature or having

seen on the Order Paper any questions from members opposite with regard to the advisability of entering into that program. Surely, Mr. Speaker, if we are so concerned about special warrants, we ought to, when the advantage is given to us during the fall session of the Legislature, bear down and zero in on the particular concern that we have.

Because of the very heavy snowfalls in the winter of '73-'74, and because it was anticipated not much earlier than May of 1974 that many of those crops would not be harvested because of the heavy snows and the very serious flooding situation, the adverse weather program was brought in. That program, Mr. Speaker, was a payment of direct grants to people who had suffered severe losses. It did not pay people on the first 20 per cent of losses that they suffered. It responded to a very serious situation in at least 15 or 20 rural constituencies in this province. There, Mr. Speaker, was another \$28 million, which I suggest to members of this Legislature was once again a responsible action by a responsible government when that response was required.

Still on the crop insurance aspect of special warrants, later this year a special warrant of some \$3 million was issued, Mr. Speaker, with regard to the Alberta Hail and Crop Insurance program. A record \$13.5 million was paid out in that program last year. Much of it resulted from the fact that some 14,000 farmers were insured under that program last year as compared to only 10,000 in 1971. In addition to that, for the second year in a row, in the third week in August in this province we had a very serious frost which rapidly depleted the crops growing in the fields and resulted in an additional number of claims to the crop insurance corporation; claims which cannot be foreseen and which I suggest just have to be paid by a responsible government. I wonder, Mr. Speaker, what hon. members opposite or on this side of the Legislature would say if people who had bought crop insurance in good faith were not paid when they suffered losses. That, Mr. Speaker, is what that \$3 million is all about.

During the winter of 1974, Mr. Speaker, there was drawn to government's attention, by a variety of farm organizations and individuals, very serious problems they had in maintaining their production in hogs, milk and sheep. Because of that, and because of a declining market price for those products coupled with increased costs of feed grain and other inputs, the government introduced, after the budget had been brought down with no knowledge that these conditions might occur in the future, through the office of the Minister of Agriculture, a temporary production incentive program. You may recall that it paid something like \$4.50 per hundredweight of pork produced, about \$7 per hog. It paid a subsidy on milk. It paid a subsidy on sheep so that those people would stay in production and provide the food that we so vitally need. That program, Mr. Speaker, cost \$8.5 million. I haven't heard anyone in this Legislature, be he on the government side or the opposition side of the House, suggest that that program should not have been implemented. I suggest to you, Mr. Speaker, that that again is a program implemented by a responsible government in a responsible way.

I come, Mr. Speaker, to the seventh point on my list. I am really not that familiar with it, but it says, irrigation payment agreement. I've tried to learn a little bit about irrigation, Mr. Speaker, because continually I hear from those members who represent constituencies in southern Alberta, and well we should hear from them, that they are in need of assistance in the irrigation areas in certain fields.

There is a special warrant of \$4.2 million in the past fiscal year involving irrigation. They happen to be funds received from the federal government into the General Revenue Fund, taken out by special warrant and transferred to the irrigation districts. I am certain many hon. members from that side of the House will applaud the responsibility of using funds where they were meant to be used, rather than continuing to hold them until this Legislature had an opportunity to approve that.

In 1973-74 winter, once again, Mr. Speaker, we developed in this province a livestock facility development assistance plan. To individuals who would stay on the farm and build livestock facilities or hire someone to build them for them, we paid a portion of the labor costs involved. Mr. Speaker, that program was very vital during that winter in ensuring that very very few people in this province who wanted to work were unable to find work. It provided jobs for those who didn't live on the farms in some cases. In other cases it provided farmers with an income which was sufficient that they did not have go into the labor market. We had indeed an overwhelming response to that program from farmers from one end of the province to the other.

The response was so terrific, Mr. Speaker, the Minister of Agriculture - I think sometimes possibly over the objections of the Provincial Treasurer and some of his colleagues - was able to provide an additional \$6 million which was sufficient to see all of your constituents and mine have an opportunity to advance themselves with that particular program. I could probably supply the names of some individuals who received that assistance in Olds-Didsbury. I'm sure there were some.

Mr. Speaker, this is not related directly to the Department of Agriculture but certainly to a part of rural Alberta and the agricultural economy. Not more than some three or four weeks ago - I'm sure it was after Christmas - I recall having seen a special warrant issued for the development of grazing reserves, three grazing reserves. One was in the Grand Prairie constituency, one was in mine and I'm not sure where the other one was. However, we realize since the last Budget was brought before this Legislature, the cow-calf operator in Alberta has had to change his production patterns. Because of the high cost of feed grains, it is no longer possible to sell 400-pound calves on a weak market. Those of us who are involved in the cow-calf operation must grow those calves out to some 800 pounds to get fair value for them. And what's this special warrant about development of grazing reserves? Well that's the government's response to the

requirement of cow-calf operators throughout this province for additional grazing land in the immediate years ahead of us; 1975, 1976 and 1977.

I suggest to you, Mr. Speaker, if this government did not act in this responsible way, many of those cattle would have to be pushed on to the market at depressed prices because we wouldn't have the fodder that's required to raise them to larger weights.

That's not all, Mr. Speaker. The hon. Minister of Telephones and Utilities, as you all know, has been deeply involved and engrossed in developing a rural gas program in this province that will provide rural gas to as many of our rural residents as possible, including those who live in towns and villages. Only today I can recall some hon. member opposite quizzing him quite extensively with respect to grants which might be available from his department to avoid the resignation of the executive of a gas co-operative. In the last fiscal year there was some \$8 million in special warrants approved for the rural gas distribution system. What was the reason for that? Hon. members, the reason was that for the first time in a good number of years, during the latter part of 1974, we had the most excellent construction weather resulting in more than 8,000 miles of plastic pipe being ploughed-in. More than 33,000 consumers have been hooked up since the start of the program.

I think, Mr. Speaker, that it was a responsible thing on the part of the minister responsible for the rural gas program to go to cabinet and to the Provincial Treasurer and say, in view of the fact that we have materials available and the weather is good and the equipment is there, we ought to provide a special warrant to ensure that people who have been without natural gas for virtually all of their natural lives will now have an opportunity to enjoy it.

In addition to that, Mr. Speaker, the Department of Telephones and Utilities was involved in special warrants involving some \$1 million in funds which are repayable to the Government of Alberta. Those funds were provided to rural electrification associations and to cities and towns for the purposes of an intervention in the public utility rate increase hearings which were applied for by Calgary Power and Alberta Power. I think, Mr. Speaker, particularly in view of the fact that the loans, although interest free, are repayable, when an unforeseen rate application comes to the Public Utilities Board, it just has to be a responsible thing for the government to provide our cities, rural electrification associations and towns with the kind of help they need to do their job adequately, ensuring that their constituents do not pay any more than is necessary for that very vital commodity.

I want to close, Mr. Speaker, by saying that I feel a good deal of pride in being a member of a government which in the 10 ways I have pointed out tonight - perhaps without legislative approval but certainly with the scrutiny of the Legislature - has acted in such a responsible way to meet disasters head on, very fast-moving pricing situations, good weather situations in terms of providing additional money for rural gas installation; to be a part of a government that has acted in that manner and with that expediency in so many different programs. I believe, Mr. Speaker, all members of the Legislature ought to carefully consider their support for the amendment.

MR. SPEAKER:

If I might just interrupt the debate for a moment. It would assist the Chair and the Clerk to make the amendment to the motion conform to the usual form if the House would agree that the word "but" might be inserted at the beginning of the amendment. It will not change the substance of the amendment or invalidate any of the debate which has taken place heretofore, but it would be of assistance in setting up our Votes and Proceedings with this amendment.

Does the Assembly agree that that change may be made?

HON. MEMBERS:

Agreed.

MR. LUDWIG:

Mr. Speaker, I am very pleased to have the opportunity of participating in this debate, and I whole-heartedly support the amendment, the motion of no confidence in this government. I believe that a government which has been in office for four years ought to be exposed to examination by the opposition.

The time has come when they can no longer blame the past government, the Liberal government, the U.S. or something else for the problems we have in this province. They now have to stand up and be counted and I am pleased to hear that they are standing up one by one on that side and defending some of the things we are raising. They will continue to defend some of these things for a long time, Mr. Speaker, because they need an awful lot of defending.

I would like to extend my sympathy to the hon. Member for Edmonton Jasper Place for the very difficult circumstances he found himself in. I know he can do much better than he did today.

As far as the hon. member, Miss Hunley is concerned, she made one very interesting point in defence of spending by this government, not supplementary spending by special warrants. She stated that some of the social programs were long overdue so we needed a special warrant. They were long overdue. They were overdue four or five years. In typical Conservative fashion the 'now' government that really gets down and does things for the people waits four years and passes a special warrant. That's about the best defence I've heard of all the special warrant defences that were raised here tonight.

The hon. Member for Smoky River I thought did very well. He had a lot of interesting points but I gathered, from summing up his speech, that since the Conservatives got to office the disasters in Alberta are more disastrous.

If we don't get the control of spending in this province into the Legislature, we're going to have a disaster that the people are going to wonder what hit them. And so we better recognize on both sides of the House that special warrants have a purpose. They have been used for as far back as there have been parliamentary governments, but there is also a limit beyond which we ought not to go. It's so easy to sort of fall into the easy way of not budgeting, making yourself look good at budget time and taking a lot of credit for achievement but in fact misleading the picture, presenting a picture that isn't true to the people of this province. It would have been rather bad for the Provincial Treasurer, who isn't here right now, to say, my budget says we're \$250 million in the red. We see it that way. We're calling it that way. We have the courage of our convictions and we need that money. If you people on this side don't like it, stand up and fight it.

But they didn't do that. They came out with a lot of fanfare and trumpeting of the great achievements they've made and all the money they got and so they are going to spend money by special warrant. I'm not saying a lot of them were not worth while and were not necessary, but it appears to me they're also saying we have an awful lot of money so we can afford to spend it this way. Perhaps we will not be taken up on it.

One interesting item that arises from all the remarks is the question of inflation. It's a whipping boy for this government when it suits its purpose. Any time we raise something, oh well, it's inflation. That is a good thing to recognize. Inflation has caused an awful lot of problems to the people of this province. But this government should recognize when it starts giving bigger grants to municipalities that they also operate within inflation, more serious than the provincial government because they haven't the flexibility of getting extra revenues. The federal government can, the provincial government can, but the municipal governments cannot. They have to hit the property-owner.

There's a limit to how far the municipal governments can go, so let's recognize inflation is a serious thing. It has hurt our budgeting. It has hurt an awful lot of people. It has in fact taxed purchasing power out of their hands. So we have to recognize this so that when we give the municipalities that 15 per cent we realize that we are merely catching up with inflation. Their costs have increased. They can't double their operating revenues in three or four years as we have. So let's not feel that because we got them into a bind with our past policy where they are broke and now we give them a 15-per-cent increase in grant, we expect their eternal gratitude. We feel that we've really outdone ourselves in helping the municipalities. They are the same people. Every person who resides in a municipality resides in the province of Alberta and they are just as entitled as the provincial government to the revenues we have.

I have to hark back to the time when the government was in the opposition, when they made a tremendously good point, that perhaps we have to look at the municipal financing and do something more meaningful than merely adjusting their revenues when it suits our purpose, especially prior to election time. I think it was interesting that the members of the government are defending themselves on more and more issues, particularly on investor confidence. Of course there are areas where the economy is still quite buoyant. Alberta has enjoyed a buoyant economy for many years, comparatively speaking, more buoyant than most parts of Canada, not always but at times. We have a reputation for having attracted more people and more industry, at an accelerated pace now. Not because we have started spending a little more money on subsidizing more businesses, but because of the general buoyancy of the economy in this province.

I do believe we are now stating that we have investor confidence. The hon. ministers know that this is not exactly so in many areas. In many areas we do not have investor confidence. A lot of the big investors in this province have their grave doubts about whether they can rely on this government to level with them and stick to the rules of the agreement. They know very well they cannot. Any government that will change, break or tear up contracts twice in six months cannot state that the big investor has confidence in this government; because certainly, if we had money to put into this province, we would want to know the ground rules and we would want some assurance. We would want some assurance that this government isn't going to cut the ground from under us when things get going good.

That's why I believe this Syncrude project is sort of left in limbo at the present time. A few months ago we were proclaiming what a tremendously successful investment we were getting into. If we have really struck a blow in the interests of all the people, we've got an agreement that's in the interest of everybody. We trumpeted this thing through the province and the whole world that the show is on the road; we've done it again. And today we are going around begging people to invest. One minister says we should put our money in and another one says we never will. We won't put any money into Syncrude if for no other reason than perhaps he hasn't any confidence in the thing going.

It's interesting to the people of this province to know that the only oil produced from the tar sands in this province, and the only oil that's going to be produced in the many years to come, is from a project started under the Social Credit government, the GCOS. We got a lot of criticism for helping them, a lot of criticism for giving them the odd tax break. We could have broken them I suppose and put them under like this government which perhaps had at least a partial responsibility for putting the Syncrude project on the skids as it were.

I believe the question of investor confidence is a matter of where you do business. You can go to the small towns and you can find many loans, many subsidies and you can find expansion. But the major big investment in this province is on the decline, especially in the petroleum industry, and we all know very well that the petroleum industry is a major part of the economy of this province.

I'm not going into detail on each recommendation under the motion of no confidence, but I'd like to deal with taxes briefly. We have raised this issue before and I'm certain that the present government will cut income taxes this year. But they can't justify having collected the amount of taxes from an economy, from the Alberta economy last year. They could not possibly justify taking revenues by way of income taxation from the people of this province on the basis of need, nor would they say they wanted to deflate the economy so we took more money out of it. I don't think that's what they're doing because all their actions indicate that they are trying to prime various sectors of our economy by grants, loans, subsidies all over the province. So why are they taking money from the very people they are subsidizing?

I suppose it's the same way with a lot of the businesses. Why did we take 36 points of income tax from the people of the province last year when we could have knocked down 10 and never known the difference? The reasoning for an income tax reduction in 1975 is the same as the reasoning for an income tax reduction in 1974. I think this government was remiss and they will hear about it when the people pay their 1974 taxes. Why are we among the highest provincially taxed people in Canada - not the highest but among the highest - when on the other hand we are among the wealthiest. We have the greatest revenues and the greatest surpluses.

So the reasoning is quite simple. If it wasn't for the sheer political reasons, what was the reason for no income tax reduction last year? There were no reasons. The Provincial Treasurer is very careful not to tip his hand. We all know there will be an income tax reduction; it's obvious. It's obvious there will be one but they keep telling us to wait for the budget. We don't have to wait for it, we know there will be one. The question is how much.

I believe they would not be doing wrong if they chopped the income tax by half, half of the price we are paying now. I believe that would be advisable and, to the benefit of the economy, we wouldn't have to subsidize as many people.

There's another tax that produces a lot of revenue for this province that we have on our books and we don't need, Mr. Speaker, when we deal with taxation and the criticism of the opposition with regard to the government's Speech from the Throne. That's the gasoline tax. You can't justify keeping that tax on the books and that should come down. In fact you could almost write it off.

We hear a lot of remarks from the other side, Mr. Speaker, telling us how wonderful the Speech from the Throne is. It is. It sounds good, it's written professionally.

But it isn't what the Conservatives say in this province which concerns us so much. It's what they do that bothers us. It's a high sounding document, professionally prepared. I've seldom seen a more beautiful one. But if you analyze it carefully, the concern for the people of this province is more apparent than real. But it's good propaganda. The problem with our Premier, who is seldom here, is that he confuses his good politics with good economics. The two may be entirely different but I believe the preference is for good politics.

So, Mr. Speaker, with those few remarks I wish to support the motion of nonconfidence in the Speech from the Throne. I believe much more can be said which will be said when the Speech from the Throne is debated.

I believe the hon. members on the other side are matured in office now. They can take a good look at themselves and not feel that they can do no wrong. If it isn't Social Credits' fault, it's the Liberals' fault. The time has come when they have to make their own decisions and stand up and be counted on those very decisions.

Thank you, Mr. Speaker.

MR. GHITTER:

Mr. Speaker, as is customary in matters of this nature, one always says in this House, it seems, I hadn't intended to speak. But when the hon. Member for Pincher Creek-Crowsnest had the audacity to get on his feet to deal with his argument relative to my Wailing Wall and totally misinterpreted the purpose, historical and biblical significance of the Wailing Wall, and utilized it for his facetious, nefarious arguments, Mr. Speaker, I felt compelled to get on my feet and set the hon. member straight, first, as to why there is a Wailing Wall and secondly, that the only people who should be banging their heads against the Wailing Wall, if we had one here, are my learned friends on the other side of the House, not on this side of the House.

Let me explain to the hon. member. The Wailing Wall, hon. Member for Pincher Creek-Crowsnest, Mr. Speaker, was not only utilized by individuals experiencing difficulties in their lives, but also by people going to the Wailing Wall in the hope of renewing vigor and optimism and the feeling of the futuristic things they could do in their lives in a responsible, mature way. It wasn't merely a place for the pessimist, Mr. Speaker. It was also a place for those who wished to come and re-invigorate their attitudes and look with proper perspectives to their future days.

AN HON. MEMBER:

You're making me shake.

MR. DRAIN:

What I was trying to do was to throw some vigor on the hon. members on the government side and I'm pleased to see that I have.

MR. GHITTER:

Mr. Speaker, if the hon. member has completed. To deal with one area and one point only, that is the area of this discussion we have heard in this Legislature from so many members for the last three years, those difficult words, "investor confidence". I speak, Mr. Speaker, as a member of this Legislature representing an area indeed concerned about investor confidence; an area dealing in terms of many individuals whose livelihood depends on and is directly related to the oil and gas industry; an area where the people whose livelihoods are directly related to government policies - they are totally vulnerable - have experienced a very difficult two years. Of that there is no doubt.

I wish to deal with some of the arguments that I have heard from the other side of the House. We have heard this attitude, this psychology which seems to be in the House this evening and this afternoon, that things are so bad in Alberta. There is just nowhere to go, our industry is dead, let's forget about it and go on to better things.

Now, first of all, it is always very easy to deal with the arguments of our member at the left, the NDP member, as he espouses his socialist cause, because one can always have a good time looking at the results of the socialist attitude towards how an economy should be utilized or, in their sense, manipulated.

I recently came back from the city of Vancouver, Mr. Speaker, where I was interested to see what Social Credit intervention did, pardon me, NDP intervention accomplished when they went to the private sector and said, we will set what your rentals should be. So what did the private sector do? They stopped putting up buildings and the landlords went on strike and removed some 1,000 suites from the city of Vancouver.

One need only look to Saskatchewan for what occurs when you get government intervention ruining the normal flow of enterprise in an economy. In southeastern and southwestern Saskatchewan certain areas are now on strike from the point of view of those who service the oil industry.

I am somewhat surprised at our socialist member this evening Mr. Speaker, when he raises the aura of the PWA transaction and suggests in his view, in horror, that an expenditure was made when this government acquired PWA. That indeed was surprising in that I always thought he was supportive of that point of view. I can understand some more radical free enterprisers on the other side talking in terms of the PWA transaction, but from that corner of the House, Mr. Speaker, I never really expected to hear the suggestions we have heard this evening.

AN HON. MEMBER:

It was the way it was done that he is complaining about.

MR. GHITTER:

Ah. He didn't want us to spend anything on PWA, I assume then, Mr. Speaker.

I have come to the conclusion as I have listened to the arguments today from the hon. Member for Cypress, the hon. Leader of the Opposition, and the hon. Member for Pincher Creek-Crowsnest that it is very very difficult to be in government. Because, as I listened to their arguments today - and over the dinner hour read many of the things that the same honorable gentlemen were saying a year ago relating to the issues and the problems that we have faced in the past two years in this province - I have come to the conclusion of what very very short memories we seem to have, Mr. Speaker, as we come upon the issues, to quote many of the members on the other side, "at this point in time". It seems to me, Mr. Speaker, that before they rise to their feet and expound their views, they should recall what occurred in the last two years and how we got to this point, at this point in time.

I think that when we talk in terms of investor confidence and the members of the loyal opposition place it at the feet of government and say, you have ruined investor confidence, they have forgotten considerable of what has occurred to bring us to this point in time. They are not examining our present status to see what can be done and what is being done in fact to restore investor confidence. I am the first to agree that it needed it. But I disagree as to how it came about and I think that this is what we should refresh our memories about this evening as we stand forward and espouse these great phrases that investor confidence is gone all over this province and it is time to get on to other things.

Let me first refresh the memories of the hon. members who forget the many debates that we have had. I recall again tonight reading a debate of the hon. Member for Cypress, an excellent debate, as he discussed the deep principles that were involved, from the point of view of the provincial government, in their ongoing - we could call it negotiations or discussions, whatever it was with Ottawa. The very first thing that the hon. Member for Cypress suggested this afternoon was that sometimes we move along on other approaches and forget our principles when we make these policies.

Yet the hon. Member for Cypress but a year ago, as I recall his debate which I read this evening, was talking in terms of the strong principle that was involved from the point of view of this government's desire to retain their natural resources and the benefits accruing from them in comparison to the approaches of the federal government which was intervening and moving unilaterally on what we traditionally, historically and constitutionally are allowed to do. As I thought in terms of what the hon. Member for

Cypress stated that day - which I totally agree with, totally agree with - to the point that we have come to in our economy today where investor confidence is allegedly deteriorating, I think there was a broader principle involved that we must not forget.

The broader principle that we had to consider at that time was, do we stand up, do we deal with the industry as it is our industry to deal with? Or do we merely give in to the federal government in its desire to take over our resources? That was the fundamental principle that brought us along the road to where we are today.

This government stood on its feet and said, we will not allow the federal government to do this. The loyal opposition, member upon member, stood on their feet and said, we will not allow the federal government to do this. These are our resources, we must deal with them on our terms. We must carry forward and negotiate and hopefully get across the conference table with them.

As we moved on that overriding principle the only way we could exert our constitutional rights and our position was to move along that road and say, if we are dealing with that industry we must set our royalty base, we must get as much as we can of the revenues of this province from these resources and we must negate the export tax from the federal government. Now I am adding that, I am not suggesting the hon. members said that. But I am adding it because I think it is fundamental.

As we moved along that road in our dealings during the last two years investor confidence has indeed eroded. It has not only eroded in Canada, it has eroded throughout the world from the point of view of the position of the natural resource industries and the manner in which they could conduct themselves and the way in which they would like to become accustomed but to which governments no longer anywhere in this world will allow them to become accustomed.

As a result of that development, not just in Canada, not just in the province of Alberta, but throughout the world, investor confidence has been eroded from the point of view of the traditional ways and means that an investor would move along and put his money into the resource industry. That is the area I am referring to this evening.

Now I submit, Mr. Speaker, that we do not look in terms of pessimism and doom and gloom when we discuss and consider investor confidence. I think there are a lot of things that can be done and I think that this government in December of 1974 expressed in a very meaningful way that they were willing to do what they could within their constitutional abilities, at this point in time, to try to show the industry that we do care for them, that we need them and want them, and want to maintain them as a viable successful industry in this province.

Some \$300 million of the budget that will come forward will be shown to be moved back towards the industry so that they can feel that Alberta is a good place to do business. I might admit I was one happy and relieved member of this Legislature when the Premier came forward in December of 1974 and made that announcement. I will say, Mr. Speaker, that Calgary, Alberta is a different place today than it was the day before that announcement.

The doom and gloom that has been perpetrated by the members of the opposition this day is not really what they suggest it is on the main street of Calgary, Alberta. That's because this government recognized the importance of investor confidence and understood that actions must be taken even without the help of the federal government to restore that investor confidence in this province. I am proud of this government for having the fortitude to come forward and take these actions even without the federal government's help or assistance.

Now, I'm not suggesting for a moment there isn't a lot more that we can do, because indeed there is. But we can't do it alone. We can't sit back and look at the federal government maintaining their unilateral attitudes and policies from the point of view of the resources in this province.

I'm hopeful, and I think we all are, that maybe the federal government will recognize their need to assist this industry appreciably also. They can do it in many ways. They can do it by their taxation policies. They can do it by showing the industry that they are going to stay out and let the industry do their thing, and they can show a stability that the industry so direly needs.

It must come now from Ottawa and I would suggest, Mr. Speaker, that the ball is in Ottawa's court to come forward and do something meaningful to assist the oil industry, because I think that since December we certainly have shown we intend to do so.

Mr. Speaker, I think there are also some things we can do provincially. I will certainly hope and press so that we do accomplish some other things. The hon. Provincial Treasurer has already disclosed generally the intention of a corporate tax base within this province, corporate taxation ability; and when we have that ability there is indeed a lot that we can do for the industry.

On the Order Paper I have a resolution relating to a suggestion for the creation of a development fund for the natural resource industries. That can be done provincially and I'll look forward to the input of the members of this Legislature from the point of view of that debate.

Mr. Speaker, the point is that this government has taken steps to restore investor confidence which was at a low ebb. The stock market is not quite as bad now as it was in December. Western oils are starting to move up. The hon. Minister of Mines and Minerals announced today one of the better sales of our leases in Crown reserves that we've had in the past five years.

Certainly, Mr. Speaker, we're on the road up. I, as one MLA, find it difficult to sit back and listen to this doom and gloom which has been perpetrated upon this House today,

dealing with one of our most fundamental vital industries. I, for one, hope that those people out there don't have the same feeling that some of those over there have.

MR. DIXON:

Speaking to the amendment tonight, there are several things I would like to touch on. I am amused at the hon. Member for Calgary Euffalo because, coming from Calgary, I just couldn't understand how we'd ever hear a speech like that. He says the government is going to restore investor confidence. Certainly they've wrecked it so they had better start restoring something. That's all this amendment is asking for.

There are 28,000 people working directly with the oil industry in the very city that he represents, and another 200,000 indirectly involved. His latest today - I heard a young married lady on the radio - the program was on Alberta politics. The last one to speak was this young lady who knocked on doors for the Premier in the last two elections. And do you know what she said? My husband is in Denver, I'm leaving as soon as we can find accommodations down there because they're so busy. As soon as they find a home there, Mr. Speaker, this lady is going to leave. Her parting thought was that she hoped somebody in Alberta would do something about Mr. Lougheed and his government to get them on the right track to get the investor confidence back, because she would like to come back from Denver. She likes Calgary.

All we're saying in this amendment is that the government should get some investor confidence back into Alberta.

The hon. Solicitor General, Miss Hunley - I'm amused at what she said. She said Rocky Mountain House is growing. Rocky Mountain House was growing long before she came into this House, and it showed a greater growth in the previous three years than the last three years. Then she made a great song and dance, Mr. Speaker, about a \$4 million deal that Shell Oil has made to buy some property because they struck a fairly rich gas vein some 60 miles west of Rocky Mountain House.

MISS HUNLEY:

Sundre.

MR. DIXON:

Well it doesn't matter. She claimed it was in the Rocky Mountain House area. I'll take it back. Anyway it is west of Rocky Mountain House or Sundre or wherever it is.

What I'm trying to point out to this House is that they're very fortunate that Shell did find that because they had the commitment to drill and had to go ahead with it. We're not concerned about what is happening today or what happened yesterday. What we're concerned about in Calgary and Alberta is the future of Alberta. When this growth does start to slow down - I hope it doesn't, and I'm going to do everything, along with every other hon. members on this side, to urge the government to get back investor confidence. When you compare the measly \$4 million they got for that sale with the \$400 million worth of investment that has been lost in the last six months in Alberta with projects which would have gone ahead - we were making such a great thing about \$4 million. I'm more interested in getting the \$400 million.

SOME HON. MEMBERS:

Where?

MR. DIXON:

As soon as we get the confidence back.

I can give you a good example. There is a huge gas plant all ready to go ahead with the finance. And what does the president of this company say? If only the provincial cabinet would get off its rear end and make a decision we could go ahead. If we do not get the money by the end of this year, we are going to have to close the whole thing down. And there is a \$50 million or \$60 million plant gone.

I am always pleased to see the hon. Deputy Premier in the House. He is here quite often, a heck of a lot more, Mr. Speaker, than the hon. Premier. He was making great announcements about fertilizer plants and gas plants, and I was really pleased. I even congratulated him. But I am afraid if the present government doesn't make some final decisions, some of those things are going to disappear. So the \$4 million which we are very grateful for is going to mean very little if we lose \$400 million in investments.

Mr. Speaker, the whole point of argument on special warrants on the other side of the House was lost. What we are arguing on this side of the House is the very fact that the government on the other side of the House, and in particular the Premier and those hon. members who were in prior to the last election, were running up and down this country saying, it is a terrible thing, Parliament and the Legislature are in trouble. We've got more special warrants going in Alberta than anywhere else in the world, and when we get in we are going to do something about it.

AN HON. MEMBER:

Yeah.

AN HON. MEMBER:

They sure did.

MR. DIXON:

I guess they did. I took it the other way. I thought they were going to do something about cutting them down, but I won't go into that. I won't go into the figures. They have been quoted.

The hon. Member for Edmonton Jasper Place challenged the members on this side of the House to name one thing. Of course, he junks up with all these motherhood things. Nobody in this Legislature is opposed to helping some person or community that has been hit with a disaster. That's a motherhood type of thing. We're all in favor of that. We are all in favor of helping the old age pensioner or we wouldn't be here. All of us. I include everybody on each side of the House.

But I think we can do without some special warrants. I noticed one here - and I think we should do away with the whole department because the speeches today, Mr. Speaker, have been on federal-provincial relationships and they are the worst in history. I can remember - I won't bother quoting. It's here in my files. I will get it for any hon. member who wishes to have it. The hon. Premier was saying, put us into power and we will get Alberta back into the mainstream. Get back with a Conservative government and we'll get together with Ottawa and settle everything. Well, something else happened.

There is a special warrant here which I think could have waited until we had a chance to look at it and question it. It's not large when you think of the hundreds of millions of dollars this government has. Here is one for \$101,500 and listen to what it's for, Mr. Speaker. "Required for the establishment of Deputy Minister's office within the Department of Federal and Intergovernmental Affairs"

I wish the hon. Minister of Federal and Intergovernmental Affairs was here. Unfortunately he isn't. I will say it anyway because I feel that if it's any example of the way the negotiations are going on with Ottawa, we either need a change in ministers or we need to do away with the department. Then maybe the federal government would deal directly with the government or with this Legislature. I am sure it couldn't be in any worse condition than it is today even if the Social Crediters had something to do with it.

There are many other special warrants. You know, here is what people get concerned about, Mr. Speaker. I was reading an article ... you know I have great admiration for the Deputy Premier and Minister of Agriculture. I say that publicly, not only in the Legislature but outside. But he gets carried away with expenditures.

I understand they are trying to sell some pork to Japan. Mr. Speaker, when you think that Alberta is importing a lot of pork because we can't supply what we need now, for example, I was talking to a gentleman down at the Burns packing plant which happens to be in my constituency. He tells me they are importing a lot of pork products as fillers for sausage because there is not enough of that type of pork in Alberta. I admire the hon. minister and his trade commission for trying to sell a little pork to Japan. But I wonder whether that is wise, Mr. Speaker, in light of the fact that I don't think Canada is going to be able to supply its own needs for pork.

One of the gentlemen who made the trip, at government expense I take it - one of the writers claims that this was a \$200,000 meat festival. I don't know who flew this barbecue to Japan, maybe Pacific Western - they air-freighted a barbecue to Japan at the expense of \$800. That's what concerns the people of my constituency, which is by and large a workman's constituency. They say, if the government has that kind of money to fly a barbecue, at the cost of \$800, to Japan, surely it needs investigation. This is the man on the street. This isn't the Chamber of Commerce man, this is the man on the street.

But, Mr. Speaker, what I'm concerned about, they flew this barbecue over to Japan at the cost of \$800. If the hon. minister or one of the members of the task force - I don't believe the hon. minister went on this meat festival but the hon. Member for Smoky River I believe was there on the lawn handing out hotdogs or something - could have taken \$80 and said to a Japanese machinist, here's \$80, build me a barbecue. He'd have built him one, supplied the material, and taken his wife out for dinner on the profits, even if he didn't get an invitation to the meat festival.

DR. HORNER:

That's the problem, you're ten years behind the times.

MR. DIXON:

Well, just a minute. You'll have lots of time, hon. minister, to defend yourself for all these errors. I'm just showing you the type of concern the people of Alberta have for this government. I can remember those great orange and blue signs, a great breakthrough.

AN HON. MEMBER:

You'll see them again.

MR. DIXON:

The trouble is we've had a mild winter, there's no ice, they've just broken through and we haven't seen too much of anything. And the people are concerned. I don't like to be too frivolous in this thing because in Calgary we are concerned. Now if the hon. Member for Rocky Mountain House is not concerned, that's fine. That's her business. I was pleased with the way the hon. Member for Calgary Buffalo sort of answered the argument because he said, well, it wasn't quite as good as all that and the government could improve. So at least there is some hope.

I'm going to turn briefly to another thing before I finish and I've got two or three statements on the amendment which I would like to touch on. You know we have really a leaderless government in Alberta.

You know, I think Mrs. Charles Lindbergh made a good statement in one of her books. She said, the most exhausting thing is insecurity. The only thing I can say after reading this article which appeared in a number of the Alberta papers, and I noticed they picked it up on January 25 in The Toronto Star - now listen to this, Mr. Speaker. I hope you have noticed it, Mr. Speaker, because as guardian of this House this may be something that you should take note of. Apparently this was a political writer whom we all know. He's being quoted in the Toronto paper and it says: "Almost every minister has aged 10 years during the last three years in government and the strain is beginning to show."

I thought, well, maybe in this session of the Legislature we'll have a bill introduced setting up a provincial senate for some of these old men who are aging so fast.

Speaking of getting older or retiring or whatever it is, Mr. Speaker, I got a real gem as I read The Calgary Herald of January 6. This is the hon. Minister of Highways they are quoting: "Things are going pretty good now in the government and Social Credit will likely be out of office for some time to come." Well, maybe we won't argue with that but I'd like to go on, Mr. Speaker. Mr. Copithorne said he first ran for the Legislature "Because I was extremely frustrated with the kind of drifting, aimless government we had then in Alberta".

Mr. Speaker, I notice that the hon. minister has not denied that he made those statements. I'm pleased he did, because if that is true I can see a good reason for him to retire because this government is the most drifting, aimless government that this province has ever been blessed with.

They have researched everything but there has been no action. I thought how close to home it ... [inaudible] ... I thought we would read this one and this has something to do, Mr. Speaker, with the hon. Minister of - and I'm not picking on the hon. Deputy Premier or the hon. Minister of Agriculture. It just happens that he likes to be picked on. This is a comment on the agricultural society we hear so much about in this House, even as late as today, by some of the hon. members opposite.

The citizens of Loughheed - now doesn't that ring a bell - have been in a state of confusion since a decision was made to consider applying for a government grant to upgrade the local skating rink. I'm not going into it. They even made a statement which has since been denied by one of the hon. minister's men. They said, build the rink. If it goes broke, don't worry because the government will write it off for \$10 and hand it back. They were quoting the minister but I see he sent out his man to deny that.

DR. HORNER:

Ask the member, ask the member. He's only three seats down.

MR. DIXON:

The member can defend himself. But what I'm concerned about, Mr. Speaker ...

DR. HORNER:

If they don't want the credit they can put it somewhere else.

MR. DIXON:

Now you see ...

AN HON. MEMBER:

Don't bully us.

MR. DIXON:

No don't. Mr. Speaker, see those threats, if you don't do this, this big government will handle it. I've run into more and more people - well don't rock the boat because Dr. Horner or Mr. Schmid may agree to give us this grant, so don't rock the boat. I said what's wrong? Are you afraid of government? And he said, I'm afraid of that government. So I don't want the hon. member to rock the boat too much. I'd like to see them get the grant. If the government's going to write it off and hand it back to them for \$10 I'd like to get in on that kind of deal.

Anyway, Mr. Speaker, I noticed the control on limiting the amount of expenditures that may be authorized under special warrant. Well I think every member in this House knows that I'm a very very firm supporter, Mr. Speaker, of our parliamentary system. I agreed with what the Premier said. I got carried away with what he said and so did my poor mother. She said, you know he sounds like he's a real parliamentarian. He's going to bring the Legislature back, no special warrants, the civil service is going to be cut down to where they can handle it. The government is going to be making decisions rather than the civil service and all that. It sounded really good.

When we talk about these special warrants - here we have PWA bought at a loss to the Alberta taxpayer of between \$10 and \$15 million. We also had a special warrant for the Alberta Energy Company which the hon. Member for Spirit River-Fairview mentioned, the leader of the New Democratic Party in this province.

When you get these special warrants - that's why I like to see it in the Legislature rather than under special warrant because we had difficulty, Mr. Speaker, as you will remember in the last session. We as a Legislature, in particular the members on this side of the House, cannot even find out from the government what the chairman of that energy

board is going to receive from the taxpayers of this province. That's the thing that scares you about special warrants. That's why it should be fought out here in the Legislature and the green light for the expenditure given by this House. This is what we need.

The reorganization of municipal financing, well I think we all agree with that, Mr. Speaker. But the government made a great song and dance about the increase they're going to give. I've talked to the two mayors. I've talked in particular to Mayor Sykes and some of the aldermen in Calgary. They say that's fine, that's a nice increase but it's 8 per cent less than we really need to break even. In other words, they are talking about needing 23 per cent and the province has offered about 15.

So, Mr. Speaker, you can see we have concern for this government. We in the opposition - and I speak for every one of us over here, I believe - are anxious to get this government back on the track of doing something concrete rather than saying, "we'll do something about that after the next election. I wouldn't be a bit surprised if the hon. Premier calls an election very shortly. I believe I would too if I were in his position with everything breaking over my head. I'd like to cover up a lot of things and get re-elected again so I'd have another four years to try to straighten out the mess.

You know, there was a great how-do-you-do, Mr. Speaker, about words. There are many legal gentlemen over there on the other side, Mr. Speaker, and of course these lawyers are always arguing that that's not the correct word and all this. It sounds like the English professor whose wife walked in on him when he had his stenographer on his knee. She said, I'm surprised at you, dear, and he said, You're not supposed to be surprised at us. It's we who are surprised. This is the kind of argument you've got here. "Restore" and "increase", what's the difference? I don't care what words you use but please do something about investor confidence in this province.

I'm never one to quote anything from too far back so I'm going to quote something that the hon. Member for Rocky Mountain House, the hon. Solicitor General, was asking about investor confidence. I can remember the hon. Premier of this province running to every board of trade and chamber of commerce. He was their hero. He was going to be the great free enterpriser. Then I remember the hon. Member for Calgary Buffalo. He was concerned about the socialists. I can see why the hon. Member for Spirit River-Fairview is very much concerned. He's afraid the Conservatives are going to out-socialize the socialists. This is what's happening. I wish you people over there would see that.

Anyway, Mr. Speaker, getting back to the chamber of commerce, which I'm sure you'll all agree is a bastion of free enterprise, we had a man speaking to them the other day. This is what their guest speaker said, and he's the president and manager apparently of a large exploration company in Calgary:

Prior to the time the Alberta government broke faith with its own well-reasoned resource policy, there was no opportunity for Ottawa even to enter the game, ...

The upheaval of the resource plan by the Lougheed government ... brought internal wrangling and opened the way for federal intervention.

He goes on to talk about the troubles that they're finding themselves in as a company. He reminded the government, and I'd like to remind the government also, because I can remember the hon. Premier getting up and saying, gentlemen and hon. members, all we want is \$50 to \$70 million more. You Social Crediters gave the oil away and we only want \$50 to \$70 million more. We told him at the time, and it's on record, that taxation does not increase exploration and it does not increase investor confidence. This is what we're paying for today with all the uncertainty we have in this province.

I can read many many other letters. I'm not going to because I think the hon. gentlemen opposite have gotten the message that there is some concern. The natives are restless, the people of Alberta are restless and we want this government to settle down.

As the hon. Member for Calgary Mountain View said tonight, quit blaming everybody else but yourselves. Take a look in the mirror tonight and say, it's our fault and we can do something about it. You have a majority in this House. You have money. You have everything that should make you successful. Yet today there is more uncertainty in business than anywhere else.

We've heard a lot about great investments in the small communities in Alberta. But if you took away the government grants or government securities or loans, there would be very few private enterprise businesses that were invested in fully by private enterprise. If we look over some of these loans which were made ... I noticed a loan of \$500 thousand to a feedlot and another to somebody else.

Put all these things together, that's government money that is going in. I'd like to see some private investors' money going in. Then I'd pat the government on the back. I'm not opposed to the government's helping people out. But I'd like to see the government go a little further and say let's get the private money in there as well as the taxpayers' money.

Mr. Speaker, point number five is most important in my constituency of Calgary Millican. I have the largest [number of] low-income wage earners in our city. They are looking for a reduction in the income tax. When I think of a man who is scraping hides at Burns and paying income tax, and we have the audacity to pay \$800 to send a barbecue airfreight to Japan, I wonder where our priorities are that the Premier is always talking about. It is the man-on-the-street who is concerned. Let's give him a little more take-home pay so he will have some money to invest in good old Alberta.

Another point I would like to bring out, Mr. Speaker, is the reduction of the restraint on the growth of the province's bureaucracy. Once again, I say this government, which made such a great song about what they were going to do about the bureaucracy which is supposed to be the largest in Canada - it has now turned out to be the largest in the world, on a per capita basis. So you can see they really have a problem they have to look at.

It is not the small janitor, or the small fellow who is working for the provincial government. It is all these research people the hon. Member for Spirit River-Fairview mentioned.

I can also remember two fellows who are sitting pretty nicely here. They came in here as political workers for this party and now they are both deputy ministers at some \$40,000 a year. I see we spent \$101,000 on furnishing an office for one. This is the kind of bureaucracy we are building up that concerns the average fellow in the street.

He is not too much concerned about the janitors the government may hire, or the fellows who work on the highway and do a good job and get just a fair wage, just a living wage. We're not concerned about them.

AN HON. MEMBER:

We are.

MR. DIXON:

Well, if the hon. member is so concerned, I wish he would do something about it and give those types of fellows a better break with their wages than some of their friends to whom they seem to be handing out these large legacies. This is what I am concerned about.

So, Mr. Speaker, I would like to close with one or two remarks. I notice that the hon. Member for Calgary Buffalo had a lot to say about government. I would like to read a few things he said before the last election. This should be a Social Crediter saying this. It should be: Conservative Advertising Upsets Social Credit Candidate, but the headline on this is: "Sacred advertising upsets PC candidate". Do you know what he is complaining about, Mr. Speaker? It is unbelievable when you look at the record of this government that spends millions of dollars on polishing their apples to make themselves look good to the public.

A Conservative ... in the next provincial election has challenged the government to justify its recent advertising [program] conducted on radio, television and the newspapers.

In an interview Monday, Ron Gitter ...

The hon. member Ron Gitter, I had better say now, just to make sure that he has been successful here.

claimed that the Action in Alberta series of ads served no informative purpose but were merely "free publicity for the Social Credit government."

He also raised the possibility that the government was using the ads as a lever to gain favorable editorial comment in weekly Alberta newspapers.

Now I was wondering why all these newspapers, in particular The Edmonton Journal and The Calgary Herald, were so nice to the Tory government here in Alberta, because regardless of what the hon. members opposite do as a government, it is still wonderful as far as The Edmonton Journal and The Calgary Herald are concerned.

MR. GHITTER:

Mr. Speaker, to the hon. member on a point of privilege. I don't think he need read that hearsay from that newspaper. If he wants to inquire about my views all he has to do is ask and get them first-hand.

MR. DIXON:

Well, I can see the hon. member would like to forget a few things he stated in the last election. You know, they come home to haunt you.

I won't go on, Mr. Speaker. There were lots of other things he was going to bring up in the Legislature, but I notice he hasn't brought them up in this Legislature and this government has spent millions of dollars more on advertising.

As a matter of fact on Saturday night, Mr. Speaker, I'm going to lay a complaint. I'm sorry the hon. Minister of Consumer Affairs isn't here because in the great Pacific Western Airline fleet, and I love a hockey game, I'm pleased that the government is maybe throwing in a few dollars to PWA. PWA says, we serve the country. That is misleading, absolutely misleading, because PWA is a regional airline. It doesn't serve all of Canada. But if I were some private concern doing that, they would have me before the hon. Minister of Consumer Affairs for misleading advertising. When it comes home they don't like it. It may be so, Mr. Minister, but what I'm trying to point out with these things is this is why the people of Alberta are really concerned with the small things going on which are certainly waste in their eyes.

In closing, Mr. Speaker, I urge this government, if for no other reason than to keep employment buoyant in this province - we have heard so much about how we'd better take it easy on Syncrude or ... somewhere else. We are not going to get the labor force. In a

recent survey in Calgary, 13 per cent of the people polled were concerned about a recession in Alberta and 67 per cent were concerned about inflation.

But believe it or not, 13 per cent in Calgary were concerned about a recession in this great province of ours. If we have a recession in this great province of ours, all I can say, Mr. Speaker, the blame is laid completely at the foot of this government because investor confidence in this province has been shaken.

Thank you, Mr. Speaker.

MR. RUSSELL:

I appreciate very much the opportunity to participate in this debate. I think it has been a good one and we've had some good points brought forth. We of course were expecting an amendment to the motion on the Throne Speech but I had to be particularly surprised to see included in that amendment direct reference to reorganization of municipal financing.

I think it's incredible because of two reasons, Mr. Speaker. First, members of the group on your left have abysmally short memories. They don't remember what their policy was back in 1971 with respect to municipal financing. Secondly, they can't do arithmetic. They criticize the Throne Speech and several members have commented on increases in assistance of 15 per cent. While it's true that municipal assistance grants have increased 15 per cent, there are additional forms of assistance this year in the program and in the budget which weren't there last year and which make the cumulative total on increased municipal assistance closer to 33 per cent over last year, not 15.

So it's quite interesting that these people who sit as members on your left, Mr. Speaker, can't take the time to do a bit of simple arithmetic before they get up and offer their remarks to this Assembly. The only person who I thought perhaps had some clue as to what else was included in municipal assistance was the hon. Member for Cypress. He did make a quick passing reference to the \$81 million which is to be carried on, plus the other forms of assistance. But he is the only speaker I've heard that has made any reference to this.

The amendment specifically criticizes the government for giving, "no indication of proposed actions or legislation in the following ... areas ...", and number two is a reorganization of municipal financing. Now, in order to make perfectly clear to all members just what substantive reorganization in municipal financing has been taken on since 1971 and is continuing, I think it is important to go back to our base mark in 1971 and see what we are working from.

If we go back to 1971, municipal assistance grants were frozen by legislation by the government. The level of assistance was announced at provincial budget time so we were well in the municipalities' fiscal year before they had any indication of the level of assistance they were going to get.

The legislation determined that there would be one across-the-board mill rate so our municipal governments had no leverage to work with in trying to assess mill rates on a more equitable basis; on a local option principle, if they wanted to.

Also, the provincial government at that time was levying the Alberta property tax on all municipalities for education, municipal social assistance, local health unit cost support and hospitals. If we look at those four things we recognize, Mr. Speaker, that those are social services; services to people that have been traditionally expanding and increasing in cost at a more rapid rate than other more routine expenditures.

We see also that the former government had set up a commission, budgeted at \$250,000, to examine municipal financing. Capital borrowings by the municipalities from the Alberta Municipal Finance Corporation were frozen and I suppose the last significant thing the former government did was to make very strong efforts to prevent municipal spokesmen from appearing in this Legislature to talk about the frozen level of municipal assistance grants.

Let's just look at the record and see what has happened since 1971. One of the first things, of course, was the replacement of the \$250,000 paid commission by an MLA task force to work quickly and bring back recommendations within 12 months so this government could bring in the necessary moves to fulfill one of its basic platform promises.

We have, since that time Mr. Speaker, literally vacated the municipal property tax field. I think this is a significant step when you consider that within three and one half years the property tax field in Alberta has been pretty well totally turned back to the municipalities for municipal purposes.

Also, we've introduced legislation which allows such things as a split mill rate so that the municipalities can move into vacated fields at different rates. They can assess, on a local option basis, the mill rate on a more equitable basis.

Also, we're permitting, if they want, the school boards to send out separate tax notices. There is complete autonomy and there is a source of revenue which has been left completely to the municipal governments.

So what is the position today?

MR. LUDWIG:

Will the hon. minister permit a question?

MR. RUSSELL:

Yes, when I'm finished, Mr. Speaker.

MR. LUDWIG:

You'll remember that, will you?

MR. RUSSELL:

What is the position today? Early in January, responding to the resolution and request of the Alberta Association of Municipal Districts and Counties, we announced the highest level of municipal assistance grants ever, some \$45.8 million - a 15 per cent across-the-board increase from last year.

Earlier we had told the municipalities that henceforth they would have unlimited capital funds for their borrowing, and if they borrowed through the Alberta Municipal Finance Corporation, no matter what the interest rate of that corporation was, we would subsidize capital interest borrowings down to 8 per cent. We figure that, in the first year, that program is worth another \$2.8 million of assistance that was formerly picked up by your municipal taxpayer.

I believe, Mr. Speaker, that in the next fiscal year the levies that would have been made if we look at what the increasing rate would have been for hospitals, health units, and municipal social assistance - we were looking at a property tax levy across the province of some \$19 to \$20 million. When I add that figure onto the \$81 million dollars of residential and farmland tax relief that's been given, that represents \$100 million worth of tax relief per year on the municipal property tax base.

What does that mean, Mr. Speaker? It means the municipal governments, if they wish, can now go in and pick up that \$100 million worth of revenue without increasing municipal or local mill rates. I think that is very significant. One hundred million dollars is worth approximately \$60 per capita per year. That is a pretty substantive additional taxation revenue source for our municipal governments.

This year we also announced a reduction in the mill rate for the Education Foundation Program of 2 mills on all industrial and commercial property. This is one more ongoing step in our commitment to withdraw the provincial government from the local property tax base. So since 1971, when all classes of property were levied at 30 equalized mills, we now look at the fact that all classes of residential property, including apartments, all farmlands except corporate farms, have had their levy reduced from 30 mills to 0 - in other words completely wiped out - and industrial and commercial property has been reduced from 30 mills to 26. I think that is substantial progress as well, Mr. Speaker.

I haven't even mentioned the additional special programs administered by other departments that are adding revenues and assistance. We can look at the \$16 million per year for our Alberta municipalities for public transportation purposes. We can look at the substantive increases in recreation grants which, in the case of the cities, amount to some several hundred per cent. We can look at the smaller town street paving program and go on through those others. But they are in addition to those property tax moves. Unconditional municipal assistance grants are very substantial additional forms of financial help for our municipalities.

Mr. Speaker, the added tax room I estimate the municipalities have as a result of this government's moves since 1971 is some \$108 million. That is taking the withdrawal from the social services program I mentioned; the takeover of the education tax; the capital interest subsidy and the further withdrawal this year from industrial and commercial tax levy sources. That is \$108 million worth of revenue sources our municipalities have available to them without increasing local taxes. You add on to that the \$45.8 million in unconditional municipal assistance grants and you find out the total municipal assistance this year, through the Department of Municipal Affairs by way of reduced tax levies and direct financial assistance, is some \$153 million. That compares with \$38 million in 1971 - an increase of 460 per cent.

Mr. Speaker, when I hear members on the other side get up and say, "We are going to move a motion of nonconfidence in the Throne Speech because we don't detect any signs of reorganization in municipal financing," you know it's ludicrous. Try as I might I cannot discern any clue with respect to credibility on that side of the House.

Continuing the work of the task force, Mr. Speaker, of course we have the Provincial-Municipal Finance Council which is a joint body structured on a voluntary basis, non-paid, by MLAs on the government side and elected municipal officials who are making ongoing recommendations on an in-depth study, which we expect to last another two or three years, with respect to the whole field of municipal financing. Alberta was one of the strongest supporters of the tri-level consultative procedure and of course backed the other provinces, in fact took a leading role in establishing the tri-level task force study that's now under way with respect to federal-provincial-municipal financing.

Mr. Speaker, in summation, there are just a couple of points I want to make and make very clearly. Today, as a result of ongoing and continuing legislative moves and additional financial assistance each year, the municipal mill rate on property is essentially just that. It is a local municipal levy to be used primarily for municipal services. I think it's worth repeating because the members seem carried away by this 15 per cent figure. But if they will go back to the Throne Speech and read the statement with respect to the across-the-board increase of 15 per cent in municipal assistance grants, the interest subsidy of \$2.8 million on capital borrowing and the estimated \$5,000,000 of additional tax room as a result of this government taking up two more mills for education on commercial and industrial property, that adds up to some 33 per cent overall across-the-board increase in municipal assistance as opposed to last year. So if some of the local councillors in Calgary or other places have been complaining to the hon. Member for Calgary Millican that they don't need 15 they need 23, I'm sure the hon. member will be happy to go back and tell them that they're really getting 33.

Thank you, Mr. Speaker.

MR. LUDWIG:

I'd like to ask the hon. - I thought for a minute Mr. Rockefeller, but the hon. Mr. Russell. Has he had any letters from Calgary lately about the new assessment that has been taking place in the city? Could he tell us about that?

MR. RUSSELL:

Yes, of course, Mr. Speaker.

MR. LUDWIG:

That's the most brilliant remark he's made in this House, Mr. Speaker.

AN HON. MEMBER:

Did you tell him he's never had it so good?

MR. BENOIT:

Mr. Speaker, may I have leave to adjourn the debate?

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

I move the Assembly adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

Having heard the motion for adjournment by the hon. Government House Leader, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 10:50 p.m.]