

## LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday Evening, February 6, 1975

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

## CONSIDERATION OF HIS HONOUR THE LIEUTENANT-GOVERNOR'S SPEECH

[Adjourned debate: Mr. McCrae]

MR. MCCRAE:

Mr. Speaker, in speaking to the Speech from the Throne tonight, I would like to join with earlier speakers who expressed their best wishes and congratulations to the new Lieutenant-Governor on the presentation of his first Throne Speech, and to wish my sincere best to the retiring members of this House who announced they would not be back; the two ministers on this side, the Member for Calgary McKnight and the members from the other side who announced they are not going to contest again. My best wishes to them in the future. It has been an interesting two years with you.

Mr. Speaker, I would like to address myself to a few matters of interest and importance to my constituents in Calgary Foothills. The first department I would like to speak [on] is the Department of Education.

Mr. Speaker, because of the generosity of the previous government in ordering up a number of centennial atlases of Alberta, I had the opportunity of delivering some 35 atlases to schools in my Foothills area. I found, Mr. Speaker, that the administrative staff, the teachers and the pupils were generally supportive of government policies on education. In fact those who had travelled abroad or elsewhere in North America were proud of the system here in Alberta and convinced that it was among the best on the continent.

The school teachers of course, sir, do have their problems. They are concerned with salaries, the professional image, pupil-teacher ratios and the physical capacities of some of the rooms they have to teach in - particularly, sir, those where they teach shop. Some professed concern that the crowding didn't leave them sufficient opportunity of guiding the classes they were teaching to the best advantage. Also there was some concern about the safety factor.

Additionally, Mr. Speaker - and I would appreciate the minister taking this under advisement - at some of the schools where they are operating at capacity, where there are portable classes hooked in and where there are also early childhood services classes and adult education classes being conducted, the gymnasium facilities are being overtaxed to the extent that the school children are not getting their proper amount of time in them.

I understand, sir, that a number of recommendations have been made to the school board in question, and from them to the school buildings board, but for some reason they have not received the necessary adjustments to the gymnasium. As I understand it, a change in the structure of the gymnasium or an enlargement thereof would accommodate the system so that the children in the schools could use them to advantage.

Mr. Speaker, at the time of my by-election, one of the major concerns in Foothills was the freeze on new school construction. At that time, sir, I supported the government freeze on new school construction. I think it was a necessary move at that point in time to try to limit the old type of construction which had become obsolete far before the buildings were paid off. Generally, the buildings were of a nonfunctional nature for the communities. The government thrust, as I understood it, was to encourage a new design and in due course the school boards did come up with the modular design - the new core school design - which has received acceptance by the department and by the school buildings board.

In that connection, sir, we are pleased that the community of Silver Springs will have a new core school. I believe it will be under construction this spring and summer and we are looking forward to its opening next fall. We are sure it will be an innovative addition to the school system and something very much welcomed in the Silver Springs area.

Additionally, I understand there will be additions to the Cartwright or Dalhousie elementary school. These additions are badly needed in that area and are much appreciated by the families and the children living there.

Another area of interest in the education field, Mr. Speaker, was the announcement by the minister some months back that there would be an evaluation of the disability learning classes. This has been an area of concern among some of my constituents who have children with learning disabilities. They have been concerned about the quality of education these kiddies were getting. We are pleased that the minister has taken the bull by the horns and announced that there will be an evaluation of the disability classes, conducted by outside people. We're looking forward to an early conclusion of the review and to seeing the recommendations and their implementation. We're looking forward to an improvement in the teaching and the classes in these areas.

Mr. Speaker, I was also pleased to notice in the Throne Speech that there would be a new multi-year basic education plan. I think that will be helpful to educationists all over, particularly to the school boards in their planning.

Dealing with the advanced education area, Mr. Speaker, we were pleased to note that there will be a law school in the Calgary area at the University of Calgary. It is something we will all be proud of. I'm sure it will be an innovative school. I see we are now advertising for a dean and we're looking forward to the opening of the school in the fall.

Dealing with the area of parks and a much maligned minister - at least maligned yesterday by some of the opposition forces - I would like to say, Mr. Speaker, that the new parks policy enunciated in 1973 by a government position paper was a fine basis for the parks policy we see here in Alberta today. It was implemented to some extent by the new parks act of 1974. Initiatives and advancements in the parks system during this government's administration have been phenomenal. The government has taken cognizance of the need for recreational and park areas near the urban centers. In that regard they have announced and are now working on the Fish Creek Park in the Calgary area and on the city park of Edmonton. Both these parks will be tremendous assets for their respective cities and we are looking forward to their opening in due time.

I was also pleased, Mr. Speaker, with the announcement in the Throne Speech that there would be four new parks. I am pleased that one of them will be in the Carseland area, which is some 23 miles southeast of Calgary on the Bow River. It will open up an opportunity for picnickers, day campers, overnight campers and canoeists [for] all sorts of outdoor recreational activity in that area. Mr. Speaker, we are also pleased there will be a new park in the upper Kananaskis area, in that very scenic area which is representative mountain terrain. There will be overnight camping facilities, hiking facilities, all the outdoor activities possible in a mountain park. We are looking forward to the opening of that park and applaud the minister's initiative in seeing to its opening.

Another matter in the parks area where we could see other improvements and additions would be in the highway campsites. I think that is more under the Minister of Highways than the Minister of Lands and Forests, but it is a park matter anyway. I think we could see an extension and improvement of the highway campsites. More and more people are travelling our highways daily and of course in the summertime the campsites are almost impossible to get into at lunch hour and early evening. I think if we could expand these somewhat, it would give people an opportunity to take a rest from their driving and improve the safety factor on the highways.

One other area, Mr. Speaker, that a number of us have talked about over the last couple of years is the need for a pheasant hatchery because of the increased number of hunters, the intensified farming habits and the lack of habitat for the pheasant. Mr. Speaker, I think there is just no doubt we need it. I know there are other priorities of the government in various areas, but it is an area I think we could well see something done in. I am looking forward to the minister continuing to work on this area and hope that sometime in the not too distant future we might see some announcement in this area. It is a thing that is important to outdoorsmen and their children. It is a recreational pursuit and has great tourist potential as well. I feel that any expenditure in that area would be handsomely paid back by the increased tourist dollars that would flow into the province.

Having given those accolades to the minister, Mr. Speaker, I'm sorry he is not here today so I could wish him well in returning to the front benches from the far rear benches where he was so summarily sent last night by the uncharitable Member for Calgary Mountain View.

[Interjections]

Just a word of condolence to the Member for Mountain View on behalf of the minister. Should it be that the member might lose his personal Mountain View in the forthcoming election - and that's a distinct possibility - I could commend to him the new upper Kananaskis park, Mr. Minister, where he could enjoy another mountain view with so many more tourists.

Mr. Speaker, I would like to say a few words on the oil and gas scene.

MR. LUDWIG:

Give us a talk on private enterprise.

MR. MCCRAE:

That's just what I was coming to, sir, a talk on private enterprise. I did want to discuss the oil and gas scene and pay a special compliment to the minister who has worked long and hard in this very difficult time in the oil and gas energy sector. I think the minister stood in there with a great strength and a fortitude that would command respect from all sides. His efforts, the government's efforts to see a fair return on our depleting natural resources are commendable. They've also been successful, sir. We've seen the revenues to the province multiply severalfold and we've seen the revenues to the producers, the explorers also multiply severalfold; this, Mr. Speaker, in the face of actions by the federal government, unilateral and unpredictable actions which have caused a great concern in the industry.

I commend the minister and the government, Mr. Speaker, for coming to the rescue of the industry at the very difficult time they did with the announcement of the Alberta Petroleum Exploration Plan which offered much greater incentives to the industry to search here in Alberta, and will offer them much greater returns.

The major benefit, Mr. Speaker, of that plan is to the smaller companies doing business in Alberta. But the plan also recognizes the fact that Calgary, that all of Alberta is the headquarters for companies doing business across Canada, the frontier areas and throughout the world, and a recognition, Mr. Speaker, that the pay cheques those people earn come back here, are taxed here, their families are here and they're a valuable asset in Alberta. The plan recognized that, sir, and allowed moneys back to the companies that don't necessarily have to be re-expended here in Alberta to attract the incentives or to attract the additional return.

Mr. Speaker, that also takes cognizance of the fact that there will be an energy shortage unless new reserves are found, takes cognizance of the fact that it is important to Albertans that the frontier areas be opened up and that additional reserves be found there, and that we not place too much emphasis on the tar sands.

True, the tar sands are important to Alberta for a number of reasons: technological, security of supply, the job picture, investor confidence - any number of reasons the tar sands should be opened up. On the other hand, sir, we should not count on the tar sands as being the necessary place where we will find our additional reserves. It may well be that technology will not advance to the state that those reserves can be economically produced. In that case, sir, we'll have to look to the frontier areas or overseas for our supplies. In that connection I applaud the Alberta Petroleum Exploration Plan in allowing extra dollars to the companies to explore in those frontier areas.

Mr. Speaker, the success of the plan is very much evidenced by the fact of a new confidence the companies are showing. They're announcing new plans for drilling, new plans for seismic, geophysical exploration, and by the strength and position of the stock market. We contrast that, sir, with the sorry position of the exploration industry in British Columbia, Saskatchewan and in some degree on the frontier areas where the companies are simply operating in the hope that the federal government will realize that new regulations, new agreements on pricing, and greater returns to the exploration companies are required if exploration is to be carried on in those areas. I share with the companies the hope that the federal government will recognize these needs and that they will offer incentives to the companies that will secure future supply of our energy needs over and above the tar sands.

Mr. Speaker, another area I would like to deal with rather briefly is the Department of Health and Social Development. The government's efforts, Mr. Speaker, on behalf of our older citizens, are a model and an ideal for all Canada. Many other speakers have commented on the reasons we should do so much for our elder citizens and I certainly concur in that and applaud the efforts of the government. Additionally, what the government has initiated, in an area sort of long ignored, for the physically and mentally handicapped is one of our prouder accomplishments as well.

Mr. Speaker, during the open cabinet tour in Calgary some months back, I had the opportunity, along with the Premier, the Minister of Health and Social Development, and several other ministers, of attending the Vocational Rehabilitation Research Institute in my area. There were some 250 handicapped children there, Mr. Speaker, operating, studying and working in a tremendous facility. Their parents were there. The kids were there. It was just a proud occasion to see the pride with which these students exercised and showed the skills they were developing and learning. I had the opportunity to go back there a few weeks ago, Mr. Speaker, when the minister opened a new wing, and again saw the pride of accomplishment and shared with these youngsters and their parents the skills they are developing. These children who were left so long in the back rooms in their homes are now out on their own doing their own thing as responsible human beings. Their accomplishments are many and something we can be proud of.

Another point on this department, Mr. Speaker, was the initiative shown by the minister in appointing, or causing to be appointed, an MLA task force to develop a position paper on social assistance. I would like to comment on two of the recommendations; one being the suggestion or recommendation that welfare recipients be allowed greater earnings or asset maintenance before a reduction in their welfare, and that there be a reduction in benefits to those in a position to take a job who would not take one.

The area of social assistance, Mr. Speaker, has been one of concern to many of my constituents and, I am sure, to people right across the province. I think none of us would deny that where there is a need, we should furnish some subsistence, some social benefits for these people. Where there are jobs, we think they should take them, subject

to some of the restraints or concerns the hon. Member for Spirit River-Fairview pointed out. I am sure there are times when it would not be feasible to try to force or move people into job areas. By and large, in many situations, by having the power to reduce the social benefits to those who will not take work, I am sure we will be able to encourage many of them into productive efforts.

The other aspect of this position paper was to allow greater earnings or assets to remain with a welfare recipient before reducing any income he might make. Again, this gives greater flexibility to the cabinet and down to the director to leave additional earnings with these welfare recipients when they are productive so that in fact this should encourage them to get back on the pay rolls and lead more productive lives. I had the privilege, sir, of introducing Bill No. 18, a bill which will give the cabinet power by regulation to regulate both these areas. I am sure it will have an advantageous effect on the welfare system in Alberta, and a reduction in the number and amount of welfare we are paying.

In the area of the Minister of Municipal Affairs, Mr. Speaker, I am again heartened by the announcement in the Throne Speech that there will be increased funding to the municipalities. What this government has done for the municipalities since taking over in 1971 is simply astounding in terms ... [interjections] ... of advances in other sectors of the economy. The additional funds we have put into their coffers are simply one of great credit. Again, I am pleased to see there will be additional funds this year.

AN HON. MEMBER:

Pour it on. Pour it on.

MR. McCRAE:

I would like to compliment the minister for his initiative in ...

MR. LUDWIG:

Give that one a wide berth.

MR. McCRAE:

... suggesting or recommending the appointment of a municipal-provincial financial advisory committee to examine the whole area of municipal-provincial financing and their respective responsibilities. I am sure the continuing efforts of this committee will result in very firm and strong recommendations which will alleviate the concerns of the municipalities over their future funding to some degree.

I am also heartened, Mr. Speaker, by the announcement in the Throne Speech that there will be continuing recommendations and new policies and programs to be outlined in the area of housing, which is a concern to many people in the urban and, I'm sure, the country areas as well. It is difficult, with the high cost of mortgage money these days and the high cost of building and land, to arrange housing. The initiatives of the minister in this area will indeed be helpful. We'll be looking forward to them.

Mr. Speaker, I'd like to turn my attention to the Department of Culture, Youth and Recreation. I had the occasion, a couple of weeks back, to attend the opening of the new offices of this department in Calgary. I met a number of the staff there and I'm really pleased by the enthusiasm with which they address their duties. They are a young staff and an energetic staff. I'm sure they take their cue from the minister. His vigor and enthusiasm over developments in his department, I'm sure, have rubbed off on them. They are doing their duties with pleasure and doing them well.

Mr. Speaker, in my constituency there are eight community organizations. Each one of them, sir, has been able to take advantage of the community improvement program and apply for and receive funding in the amount of \$2,000, to be matched by their own efforts in dollars or work to improve their community facilities. They have all taken advantage of this. Many of them are improving their skate change rooms. Others will work on their summer sporting programs. But each one of them has taken advantage of the program and each one of them is pleased by it.

Also, many people in my constituency, sir, have been able to take advantage of the many multicultural grants to assist them in their studies in the arts and dancing and painting and what have you. They are also pleased with the new department and with the vigor and energy with which the minister addresses himself to the department.

I was also pleased, Mr. Speaker, by the announcement in the Throne Speech of the \$200 million infusion into this department over a span of 10 years to be spent in conjunction with the municipalities and the regional offices on a volunteer basis where each of the communities, on a priority basis that will be determined by them, will construct additional facilities in the recreational and cultural areas through the local offices. I think the amount, Mr. Speaker, is up to \$10 per person per year, \$100 over the 10 years. I think that's a tremendous acknowledgment of the [part] the government can play in developing our cultural and recreational needs. It's tremendously important in these days of high cost of leisure activity, and with the extra leisure time our young people have, that they have adequate facilities to develop healthy bodies and healthy minds. The leadership given by the minister and by the government in this area is commendable.

Mr. Speaker, just two other comments. It's pleasing to note in the agricultural sector that the gross income will exceed \$1 billion for the first time. All of us in urban Alberta congratulate the minister on his efforts in the farm area and are pleased to see him doing so well out there. We hope it will result in due course in a reduction in

food supplies. It may not. If it doesn't it will at least give us a secure source of food supplies.

AN HON. MEMBER:  
Food costs?

MR. McCRAE:  
The Department of Consumer Affairs, Mr. Speaker - I congratulate the minister on his efforts in the Department of Consumer Affairs and I am pleased to note that he will be bringing out a new bill sometime during this session, an unfair [trade] practices act.  
Mr. Speaker, all in all, it was a good Throne Speech. I look forward to seeing it rounded out and fleshed out in the budget presentation tomorrow night.

MR. LUDWIG:  
Flushed down.

MR. McCRAE:  
I would like to compliment the government and all the members on this side for the presentation of a good Throne Speech.  
Thank you.

MR. BUCKWELL:  
Mr. Speaker, it is indeed a great pleasure to take part in the Throne Speech debate. May I first say that I would like to congratulate His Honour the Lieutenant-Governor and his gracious wife on their new life in the province of Alberta.  
In Fort Macleod this year - or last year really, on July 6 - and while I was here in Edmonton at the 1974 spring session, we had to make an appointment with His Honour to be present at our celebrations. I believe it was the first official appointment he had, even before he had accepted his new office.

Many of us have congratulated His Honour as if it was something extraordinary and it is extraordinary, Mr. Speaker, in the sense that His Honour is the first Native Canadian to take the place of Her Majesty within this House or any other House in Canada. But the not so extraordinary part, Mr. Speaker, is that members of his race, had they had the same opportunity as we, would probably put us to shame.

I was rather interested, Mr. Speaker, at the hon. Member for Calgary Foothills. I believe the hon. Minister of Industry and Commerce was quoted as saying that the Premier has told them that after the next election, no cabinet minister need expect he's going to get the same portfolio. When you get a capable backbencher like the hon. member picking on the ministers of Lands and Forests; Municipal Affairs; Youth, Culture and Recreation and finally the Minister of Agriculture, it must give the chaps on the front bench a squeezy feeling that you're trying to take over. I hope that some day maybe the hon. member will have that opportunity, but he's got some pretty big boots to fill.

The reason I'm speaking on this address of His Honour, Mr. Speaker, when I had already spoken on the amendment, primarily concerns what has happened in the last 48 hours in regard to the Syncrude proposition in Alberta. We are told by the hon. Premier on his return that we are committed to \$200 million in equity plus a percentage of the overrun, if there is any, plus \$200 million in loans to two oil companies or two partners. The interest is yet to be arranged and this \$200 million could possibly be converted into equity. Mr. Speaker, as I understand it we have also taken on the complete building of the power plant which is going to cost some \$300 million. We are now committed to 100 per cent of the pipeline, some estimates for which go anywhere from \$100 million to \$200 million so we'll call it \$100 million just to be on the safe side.

Mr. Speaker, what has happened in the last few days has probably upset many people in the province of Alberta, particularly many free enterprisers. It has concerned many businessmen. It has probably concerned a good many people who are trying to raise capital for other similar types of projects; probably not within the tar sands but those who are going to try to raise money, say for petrochemical industries or gas plants, primarily because of the high cost of the Syncrude venture which has escalated to almost double in the space of six months.

I'm concerned, Mr. Speaker, when I read the Premier's remarks, when he said that when they found out the costs were escalating to such an extent, they immediately set in motion and hired quite a number of consulting firms to come in with reports of what had happened. Mr. Speaker, the Syncrude group reported over a year ago that costs were escalating. Yet within less than six weeks - at the very most, six weeks - consulting firms, auditors and the like have gone into the Syncrude proposition and come up with the findings that these escalated costs are not unreasonable. I suggest, Mr. Speaker, if they are not unreasonable - and these gentlemen or these firms have found this out in the space of six weeks - surely we could look at it that within, say, another year they could escalate again. All these consulting firms, when it comes down to it, are not staking their lives or their reputations or their money on a fixed cost.

The cost to all of them today is supposed to be over some \$2 billion. Yet the plant does not come on stream until 1978 as I understand. What is to say the cost will not be \$3 billion? The point I'm trying to get at, Mr. Speaker, is this: when the oil companies found they could not raise the money themselves for the full \$2 billion, we now have taken in the Dominion of Canada, the Province of Alberta and ourselves to the tune of \$600 million, plus the cost of the overrun. When does the project, Mr. Speaker, reach the

point where you can't turn back; that having spent, say, \$2.5 billion dollars and it's still not finished, no one can pull out. Yet you must continue to finish the plant and try to bring it on stream. This is our concern because there's no fixed cost about it whatsoever.

Mr. Speaker, 50 per cent of the power plant was to cost the AEC \$45 million in 1973. The total cost today is over \$300 million, if they can build it for that. I'm concerned, Mr. Speaker, that we are not really telling the people of Alberta the full true story. We're telling them exactly what we want to tell them. We've only got \$200 million in it. We've got a 10 per cent equity. We're lending \$200 million and we'll get interest back from that. We know it's a high risk. But what has happened, Mr. Speaker, to put us in that high risk position? The hon. Premier, in announcing to the House last Friday - they didn't even have the studies then. They didn't even have the consultants' reports. In the House today, the hon. Premier said the same studies were passed on to the federal government and the Government of Ontario. Yet on Monday, within 48 hours of receiving the studies here, the three governments committed themselves to over \$600 million of the people's money.

I suggest, Mr. Speaker, this has been a political decision. It has been a decision in which the governments of the day decided they must go ahead. I do not believe it is blackmail on behalf - if you can call it blackmail - of the Syncrude consortium. They said well in advance of February 1 that if they did not receive assurances that they or other partners could raise the billion dollars, they were going to drop it right then and there. So I don't say it is total blackmail.

But I would say, Mr. Speaker, that if we are not careful in the future, any plant that should be built in that area is going to have in it the same high risk the Syncrude group have given the rest of Canada. They are going to raise 70 per cent or less of the total cost and governments will contribute the rest, and if you don't give them the same concessions, these plants will not be built. I suggest, Mr. Speaker, this would be a detriment to the welfare of Canada and to Alberta. It concerns me, Mr. Speaker.

I would like to turn to the part the Alberta Energy Company is going to have to play. The Alberta Energy Company received, the other day, something like \$75 million to get started. The Alberta Energy Company is, as I understand it, taking over 100 per cent of the power plant at the Syncrude site, which at the moment is said to cost some \$300 million. They are going to take over the pipeline, \$100 million. At least \$400 million.

Where are they getting this \$400 million? The hon. minister representing the Energy Company in the House suggests it is not time or it is not in the best interest to throw these shares upon the market. Where do you raise the \$450 million besides buying the Suffield Block and all the other things the Energy Company is going to go into?

I suggest, Mr. Speaker, that not only is the Province of Alberta putting up \$200 million in equity plus the cost of overrun, not only is the Province of Alberta putting up \$200 million in loans to the two other partners. I suggest, Mr. Speaker, that the Alberta government is going to pass - and I hope not by order in council or by a special warrant - some \$400 million over to the Alberta Energy Company. What is so attractive about raising \$400 million for a plant way out in the boondocks when all the plant's supply is going to be taken by one plant? If anything happens to that plant and they find it not feasible to run, there is no profit. The \$300 million that you have in it is almost down the drain.

The hon. Premier said we will hook it up to the Alberta grid. To start transporting electricity 150 miles from civilization is a pretty expensive proposition. Where do we raise the capital in Canada, if you want to talk then of taking in our 20 per cent option to the energy company; another \$400 million. We have not got \$850 million in one plant, in one business, that we have to raise. Where do we raise this money without causing inflation or at the expense of other ventures in Canada?

What other investments does the Alberta Energy Company intend to make? Where does the capital come from? Do we siphon off all our windfall money to cover investments bought by the Alberta Energy Company? If, for example, the plant does not succeed in that the profits are not that good, we have the option once of taking a 7.5 per cent royalty.

According to the studies commissioned, the 7.5 per cent royalty for the next 25 years will only yield \$995 million. By the time we take in the interest and the equity we have in the plant, we don't get a very big return. If we take the 50 per cent profit sharing of the \$4 billion, provided the price of oil escalates to \$35 a barrel at the turn of the century, we stand to make \$4 billion.

Well, Mr. Speaker, I would like to suggest to you that, grant you, there are two different ways of getting oil, one conventional and the other through the tar sands. But we never spent one dollar in comparison to what we are spending here; close to a billion dollars before we are all through. From the year 1947, I think it was, until 1972, we in this province through royalties, through the sale of leases, have taken in over \$4 billion without one cent of risk to the people of Alberta.

At the moment, Mr. Speaker, we are looking at our equity in this venture, and I suggest the venture has to go ahead. But I suggest we did not take long enough to find out if there were any other partners. I think it is incumbent upon those who attended the meeting in Winnipeg to tell us: was it a political decision, was there a gun held to your head. If this was so, let us have another look at it. The Premier himself stated that they would not make a decision - once they got the reports, it would take them at least 60 days to evaluate the report. Yet in a bare 48 hours, all three governments had committed themselves to over \$600 million.

Mr. Speaker, I suggest this is not good enough to the people of the province of Alberta. It is not good enough to have our windfall profits, in a 48-hour junket in Winnipeg, tied up by three men without any recourse, as the Legislature was in session. If the Premier had come back and said, bcys, this is the deal; even come back and said, well this is the deal, what do you think of it - we didn't even have any of that sort of thing.

Even the federal government are not too sure what they have signed. Mr. Chretien, the President of the Treasury Board, suggests that they are only responsible for the \$300 million they have put in. Yet we are told that if there is an overrun, if there is a 10 per cent or a 20 per cent overrun, each partner is liable for that 20 per cent. Now if you have only signed or have only come to an agreement on Monday, it's not that you might say, well I've forgotten. But when we get to the point where one minister goes back to Ottawa and says, this is what we have, we don't have to pay any more, and the Premier stands here and says, it was our understanding that they had to, we'll have to work this out. In our dealings with the federal government, I'm sorry to say, we have come out second best pretty nearly all the way down the line.

I suggest we have a hard look. The people of Alberta want to know the facts. They want to know what to invest in, where the money is coming from, what the return is going to be. I suggest it's not fair to bring this cut in the form of an election issue. It should be settled here and now within the House. Let the people decide what it is, after full debate in the House, because the average person, and I would suggest the average member in this House, is not too sure exactly [what] deal they have signed.

In closing, Mr. Speaker, I would like to just say that the funds that are held by government are not ours - neither the government's, the opposition's, nor anybody's - to spend as we wish. They are held in trust by the ministers on behalf of the people they serve. I suggest that unless we are going to get together as a people and as a government and assess what the people want - it's not a matter today because we have riches beyond compare to what we had some years ago. It is far easier I think to govern when you have less because you can say no and mean it, than when you have more than you know what to do with.

Mr. Speaker, the giveaway programs the government has embarked upon and all the self-help they are going to give to their people [are] making a very selfish and narrow-minded parochial people. I don't see anything in last year's budget or this that is a credit to a province as wealthy as this that we're doing for anyone outside ourselves. We have more food, we have more clothing, we have more housing, and we have more heat and things that make life pleasant than any other nation or any other people on earth including the rest of Canada. Yet I think we're about the most selfish narrow-minded people when it comes down to sharing - when we have the opportunity to share with others our good fortune, because it is our good fortune. There's nothing we have done, nothing we have done within this Legislature that has given us this wealth.

This wealth of oil was given to us by Almighty God. It was some of His subjects and some of His creatures over in Arabia who caused the price to go up. I say there is nothing we have to be proud of. We have a right and duty to give in some measure to others of what God has given to us.

MR. STROM:

Mr. Speaker, I'm very pleased to have an opportunity this evening to rise in my place and take part in the Throne Speech debate. I think I mentioned earlier in the House, Mr. Speaker, that I was looking forward to having at least one more opportunity to speak before my days in the House were finished. For that reason I am very pleased I'm able to rise in my place this evening and have that opportunity of speaking again.

I must say that even though I've risen in my place on many occasions, I still do it with a sense of great responsibility to the trust that has been given to me by the people from Cypress who have elected me several times to serve in this Legislature. I think I owe a great deal to them for the confidence they have placed in me in making it possible for me to be here and to have the opportunity of having served in this Legislature.

Mr. Speaker, I would like to join with all the others who have extended their respects to His Honour the Lieutenant-Governor for the gracious speech read in this House. I think it is indeed a unique experience to have a person representing the Native people of our province fulfilling that responsibility. I recognize it is a great honor to his race that he was chosen to be our Lieutenant-Governor.

Mr. Speaker, I want to make it clear that as far as I'm concerned I think it is a right he has earned in his own right as an individual. I would like to say that in no way does he have to feel this responsibility was conferred upon him simply because he represents the Native people of our province.

I was very interested in listening to the remarks of the mover, the hon. Member for Edmonton Strathcona, in reply to the Throne Speech. I would have liked that he had been in his place so I could have commended him personally and in his hearing for using a language other than English. I have to confess that when he was speaking, I didn't know what language it was except I knew it wasn't Swedish. I did of course learn later he was speaking in the Cree language and it was a first time this had ever been done. I think that is rather interesting and I commend him for it.

It did bring back some memories to me, Mr. Speaker, and I hope no member of this Legislature will consider me out of place for referring to it this evening. I must say that when I received the honor that was bestowed upon me on August 18, 1973, I received it with a great deal of humility and indeed with a great deal of feeling because of its

nature. One plaque presented to me read thus: "First ever Premier to support Native Communications. First lifetime membership to Native Communications Society."

Mr. Speaker, I must confess that I was a little overcome when this was given to me because, as I said, it was given to me in August of '73. I had been out of government for two years then. Certainly, with the presentation of that plaque to me, it could not be said by anyone that it was done with any sense of what they expected to get from me.

The second one which was given to me was equally interesting. It read:

First Premier in Canada to acknowledge and support both politically and financially the native people organization of the Province of Alberta. August 18, 1973, High Prairie. Presented at the 45th annual General Assembly of the Metis Association of Alberta.

Mr. Speaker, I felt that the members of the Legislature would forgive me for bringing this up this evening. Inasmuch as mention was made of using the Cree language as a first in this Legislature, I too am humbled by the fact that the Native people felt led to honor me for something they felt I had done for them. I think we owe a great debt to these people who have spent many many years within this country.

It is rather interesting to me that the hon. Member for Athabasca said it was 100 years ago that responsible government first came to Alberta. Mr. Speaker, I think responsible government came to Alberta long before that but we didn't recognize it; we didn't have any association with it. But I am sure that had we had the benefit of being able to sit at the feet of the Native people and learn from them, we could have learned a great deal about responsible government and a great deal about the concern an individual should feel for his fellow man. I am sure that is why they have been able to exist under very difficult situations for so many years. I realize that the hon. member was referring to responsible government as introduced by the white people but I suggest, hon. members, that there had been responsible government long before then. So I am very happy, Mr. Speaker, that our present Lieutenant-Governor represents that race and is a very worthy representative.

Mr. Speaker, I think there are a number of areas I would like to touch on this evening in speaking to the Throne Speech debate. First of all, I listened to the hon. Member for Calgary Foothills. I know he represents the oil industry. I happen to know too, from experiences I have been having in the last couple of years, that there is a tremendous concern, tremendous concern, Mr. Speaker, on the part of the people who represent that very important industry in our province. I had hoped that the hon. Member for Calgary Foothills would have given us the benefit of his views in regard to the development that is taking place within our province at the present time. But I sensed there was a reluctance - now I want to be fair with him, Mr. Speaker. I try to be fair all the time with all members of the House and I want to be fair with the hon. Member for Calgary Foothills. But I sensed there was a reluctance to get into an area in which he is uncomfortable at the present time, because I cannot believe, Mr. Speaker, that it is developing along the lines which would be in accordance with the philosophy he espoused when he first arrived in the House.

You know, I could go to a clipping which I think expresses it very well. It refers to some of the thoughts he expressed upon reaching this Legislature. Referring to the Syncrude project, for example, he said this:

"Tar sands development by the government alone would be a tragic mistake," but lauded the Lougheed administration's decision to encourage public investment in Syncrude development. "The risk itself," Mr. McCrae said, "must be left to the private sector."

I wonder what he is saying today. Is he saying now that it is still left to the private sector? Mr. Speaker, if I have to make an interpretation of it, I cannot make that interpretation.

I listened with a great deal of interest to our friend to the left. Of course he spent his time pointing out the pitfalls of government involvement. Very interesting, because what he would like to do is have not only a little bit of government involvement, he would like to have total government involvement and have them really blunder it. Not just a little bit, but total. Now I realize that he suggested he was going to have a number of watchdogs. I suppose there would be watchdogs watching the watchdogs to make sure there wasn't something going wrong.

You know, Mr. Speaker, I'm afraid that that's the kind of philosophy we are entering into today. We think government for some reason or other has some inner wisdom that equips them to do the job better than private industry can. Well, I say that is unfortunate.

If I may, Mr. Speaker, I would like to just spend a minute or two dealing with the manner in which GCOS was set up. I think this is very interesting. I'm not going to take long except to say this: for many many years it was on the drawing board and for various reasons did not get under way. There was a lack of financing and there were other difficulties which arose. But in the course of time, one man sat down at the table with his directors and after listening to the advice they gave, which was that they should not proceed, he gave the word to go full steam ahead. I refer to Mr. Pue of Sun Oil.

Now on what basis did that man make that statement? I think it's rather interesting to review some of the history. I suggest, Mr. Speaker, he was able to make that decision



based on the fact that he knew there was another man who had been around the government for a good many years by the name of Mr. Manning whose word was just as good as the word of Mr. Pue ...

AN HON. MEMBER:  
Hear, hear.

MR. STROM:  
And on the basis of trust, just one word, "trust," they were able to go ahead knowing they could depend on that deal standing. I think it is rather interesting to note too, that had the need arisen, they could have made whatever adjustments were necessary, and there were some adjustments that had to be made. But I'm stressing the word that was so important in that operation and that was the word "trust."

Now, very quickly again, what did the government have to do for GCOS? Actually, we didn't put a cent into it, not a cent. It was a pilot project. It went forward into the unknown, many unknowns, and yet the government did not put a cent into it. It was able to provide for the people of Alberta a guarantee that they could invest up to 20 per cent, I believe I'm right on my figures, 20 per cent of debenture stock. That was guaranteed to them. They would not suffer a loss.

We realize that later on, there were some adjustments in royalties but again this is something on which I could spend the rest of my time. I would not have enough time to deal with all of the aspects of it, so I'm not going to go into it. I simply want to make the point that that was a pilot project that went ahead without any public money having to be placed in it.

We received a lot of criticism because of changing our minds on medicare. I can remember the Premier standing in his place as Leader of the Opposition, hammering me and the government for the change of mind we had in regard to medicare. But what were some of the facts on medicare. Rather interesting. Just very quickly again: we were told by the federal government that whether we went into it or not, we would be taxed for medicare. We stood to lose \$30 million, if my memory serves me correctly. I'm quoting from memory now, Mr. Speaker. We said to the Prime Minister, Alberta does not want to go into it, is there any hope of us being able to remain outside? I remember the Prime Minister's answer very clearly. He said, sir, if you can convince the other nine provinces, or eight provinces that they will not stay in it, there is a chance.

Mr. Speaker, I wonder how much clearer he could have been. I was faced with the fact that good old conservative Ontario was into it with both feet and made no effort whatsoever to stay out. I can name you other provinces likewise, Mr. Speaker, that were into it. Yet there are those who say, well, you should have stayed out. I say there are some things we must recognize as being final when they are final.

How about this matter of federal-provincial relations? We have heard it said on a number of occasions, you've got to be tough. You've got to stand for that which you think is right. I don't argue too much with that kind of approach, Mr. Speaker, except I would like to point out, and I think it is rather interesting, that in our debate with Ottawa one of the finest documents setting out Alberta's position was included in the Case for the West.

The present Premier, I am sure, agrees with all or nearly all of the things that were said there. But what have we got from Ottawa today? I would ask any member of this House to name me one effective thing we have gotten out of Ottawa by a confrontation approach, just one. I have been unable to name one within my assessment of it.

AN HON. MEMBER:  
They got the minister over here.

AN HON. MEMBER:  
Irrigation ...

MR. STROM:  
Well, they're talking about irrigation and, Mr. Speaker, that's another subject again. I'm not going to be led into that one and take all my time on it. Certainly there's a lot of room for debate on that because, I suggest, there was a move by the provincial government into an area that really was a problem between the irrigation district and the federal government. The Minister of Agriculture knows that just as well as anybody.

Going on with my consideration of some of these points I want to make, Mr. Speaker, I was rather interested in some of the statements that were attributed to the Premier. I suggest it is unfortunate that people outside the province can't view the Premier's moves with the same enthusiasm that he seems to generate with his cohorts here in the province. And I refer to a statement here that was found in The Financial Post:

Premier Peter Lougheed of Alberta has again chosen centre stage with his announced inquiry into the affairs of Syncrude Canada Ltd.

Right now, it is hard to tell whether he wants to show that he is doing his job as protector of the provincial financial interest (through later profit sharing) in the project, or whether he wants to create a political issue that could be of value later on.

This article goes on to tell that in setting up an inquiry into Syncrude, one of the things done was to hire a company that could in fact be looked upon as a competitor. This article said, "It is simply unheard of that a competitor be asked to check the books of another firm." The same source goes on to add that Mannix

may not have quite the experience needed to undertake the refining and processing side of a Syncrude type project itself. In these circumstances, he asks, why should it be qualified to check cost estimates which are very heavy in this particular field?

Well, my honorable colleague for Macleod has suggested the decision was indeed a political one. Mr. Speaker, I do not see how it can be otherwise because of the length of time the government members took to make their decision. It leads me to this conclusion: we are facing a situation in the government of this province where the political decision is made first, hoping it will meet with the approval of a fair number of Albertans. After that decision is made, the arguments supporting the decision are trotted out and set up as the reason for making the decision.

I would suggest to you, Mr. Speaker, it is becoming increasingly important that we review again the principles needed in order to make right decisions. This leads me to discuss for a few minutes the matter of energy and the confrontation that has been going on between Ottawa and Alberta.

I pointed out the other day that I felt one of the basic problems was that greed had entered in and become a real factor in both the federal government and the provincial government vying for their share of the royalties, or of the oil take. I notice that in a previous debate, one of the hon. members for Calgary had sort of taken exception to some of the things I had said. I felt maybe I had not gone far enough in explaining my position.

Mr. Speaker, I want to make it very clear that in the debate between Ottawa and Alberta, I do not feel there was an encroachment on the part of Ottawa into an area of jurisdiction as far as energy was concerned. I think we have to recognize that Alberta had a legitimate right to a certain percentage of product. They had every right to get that and to get the world price for it. But when the provincial government was seeking to move in on the renters' share or the oil companies' share, that was a taxable source of revenue, and prevent the federal government from exercising its taxing rights, I think the federal government had every right to become concerned. And it is in that area that I felt it would have been so much better had the Premier and the Prime Minister sat down together and had a heart-to-heart talk as to what was fair to both parties. For too long the argument continued on a confrontation basis where statements were made in the West by our Premier, statements were made by the Prime Minister in the East, and no settlement was made.

We know this had a very detrimental effect on the oil industry. My hon. colleague from Fort Macleod, for example, mentioned that investor confidence was weakened very very considerably because this confrontation was taking place. When we are told that the oil industry, for example, was blackmailing the government, I would have to say, Mr. Speaker, that in my view they were simply faced with a situation that was created by two levels of government who had brought into the operation an uncertainty the industry could not live with.

If I read them right, all they were saying was that they required a billion dollars more. They did not say government had to provide it. I think, if we were to look at it honestly, we would have to say they were simply saying, it isn't available to us.

It has been my understanding that to the present time, the Syncrude consortium has been financing the operation from revenues that have been generated internally. In other words, it is my understanding that this is money they have produced from within their companies. But in this time and place it was necessary, in order to know whether or not they were going to be able to complete the project, that they get additional financing.

I say that this is where it should have been the responsibility of the companies to get that financing themselves, except for a couple of points. One was the uncertainty created by two or three matters. One was the debate going on between the two levels of government. Another was the changing royalties brought in by our own government. I think the decision on the part of Canada that they were not going to continue to export oil for any length of time to the States had a bearing on it also.

All these factors placed the companies in an impossible position to get financing. I say that is most unfortunate. I think the blame, Mr. Speaker, has to be laid right at the doorstep of the government and the actions of the two levels of government.

Mr. Speaker, I am wondering how many minutes I have left to speak. I would appreciate having some indication of the time.

MR. SPEAKER:

Roughly four minutes.

MR. STROM:

Four minutes? Thank you very much, Mr. Speaker. I thought I was getting close to the end of the time allotted to me.

Mr. Speaker, I would like to point out another problem that has developed in this operation. I refer to speeches such as the one made by the hon. Attorney General. When speaking in Calgary, apparently at his nominating convention, he said this: "The attorney general described investment of public funds in Syncrude as 'one of the riskiest

investments imaginable.'" At the same time I believe we had the hon. Minister of Federal and Intergovernmental Affairs suggesting that well, you know, it might be a good thing if the development was slowed up. It wasn't that red-hot a venture. We had the Provincial Treasurer making similar remarks. I don't have the quotes in front of me but certainly, Mr. Speaker, I remember it also being stated by him that this was a risk venture. But what do we have now? Now we have government again saying that this is a tremendous development and it should be supported by the people of our province.

Mr. Speaker, I want to make it very clear that as far as I am concerned the project has to go forward. I think it is unfortunate that the government had to see fit to put public funds into it. It should not have been necessary. I think it is the responsibility of government to provide the ground rules for operation, not to get into bed with industry and make the situation untenable for industry because of government involvement.

Mr. Speaker, I am very very disappointed that we have been given so many different versions of the project, leaving an air of confusion. I wonder how many Albertans are prepared to invest in a venture that has been described by government ministers as being a risky project. If I were asked at this time to make an investment, I would say well, you know, the remarks that I've heard lead me to believe that there would be better places to put my money. I wonder and I ask, Mr. Speaker, is this one of the reasons the Energy Company is not putting their shares on the market? Some of these ventures they are going to be involved in are not described as being that good.

Mr. Speaker, at least when I hear the hon. Member for Spirit River-Fairview stand in his place and speak, I know he is going to espouse the philosophy of socialism. When I have a member on your right rise in his place, I expect he is going to espouse the individual free-enterprise philosophy. I suggest that what they are doing is laying the groundwork for the socialists to take over. They say no, we are not doing it.

Mr. Speaker, let me say in closing that if you cut a piece of cake and cut it small enough, you do not realize when you take a piece off. But eventually it is all gone. I suggest that that is the way our individual freedoms are going to be eroded. I say with a degree of sadness tonight, as I stand here possibly for the last time to speak in the Legislature, that one of the regrets I have is that slow erosion I have seen taking place; bigger and bigger government moving into the lives of individuals, dominating every aspect of it. I say this not critically, but with, I hope, a degree of realism. We see the civil service growing, and each time there is a branch added, they find ways and means of making it grow more. It is not to our advantage, Mr. Speaker, and I think someday some generation is going to wake up and realize that piece by piece we gave away that which we held dear; that which we said we were in fact fighting for, and it is really disturbing.

Mr. Speaker, I hope I have not taken too much time. I want to say again how much I appreciate having the opportunity of rising in my place and speaking, and that I appreciate the fair manner in which you are conducting the affairs of this Legislature.

Thank you very much.

MR. DIACHUK:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

The Chair first saw the hon. Member for Drumheller.

MR. TAYLOR:

Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

GOVERNMENT BILLS AND ORDERS  
(Third Reading)

Bill 9 The Co-operative Marketing Association Guarantee Amendment Act, 1975

MR. J. MILLER:

Mr. Speaker, I move third reading of Bill No. 9 The Co-operative Marketing Association Guarantee Admendment Act, 1975.

[The motion was carried. Bill 9 was read a third time.]

## Bill 18 The Social Development Amendment Act, 1975

MR. McCRAE:

Mr. Speaker, I move third reading of Bill No. 18, The Social Development Amendment Act, 1975.

MR. RUSTE:

Mr. Speaker, there was one question raised at the time we were in committee - maybe the minister has had an answer to it - it relates to the T4 slips as [far as] income goes.

MR. CRAWFORD:

Mr. Speaker, I do not yet have the answer to that question. I'll try to get it for the hon. member.

MR. DIXON:

I wonder if the hon. minister could briefly outline to the House how the government is going to increase the allowable income a welfare recipient can earn without being penalized. I understand it's going from the present \$25 to a higher rate. I would like to have that outlined to the House so we can inform our constituents who are anxious to find out the amount they will be able to earn or the percentage they will be able to keep without being penalized. I realize as it goes higher they won't be able to keep all their wages.

MR. YOUNG:

Mr. Speaker, while there is consideration being given to the question which was just asked, I would like to indicate that I accidentally came across some information of interest to the hon. Member for Wainwright in his last question. That is, the day after the question had been posed in the Assembly with respect to T4 statements on family allowances, we received our cheque and in it there was a little notice from the federal government indicating that shortly there ...

MR. SPEAKER:

Is the hon. member debating the motion?

MR. YOUNG:

Yes.

[Interjections]

Mr. Speaker, my only contribution to the debate was very direct and in response to a question which had been raised. I'm answering that to the best of my ability since it may be that not all cheques are issued at the same time. I happened to notice that statement lying around. It's a small statement from the federal government indicating that that information would be out shortly.

MR. CRAWFORD:

Mr. Speaker, if no one is ...

MR. SPEAKER:

May the hon. minister conclude the debate?

HON. MEMBERS:

Agreed.

MR. CRAWFORD:

Mr. Speaker, I could spend perhaps a moment on the question raised by the hon. Member for Calgary Millican. I think I should thank the hon. Member for Edmonton Jasper Place too for saving me a little bit of research. I say this so there will be no misinterpretation of the thrust of my remarks, Mr. Speaker. I'm making this comment in regard to the question and answer in support of third reading of the bill. I'll say to the hon. Member for Wainwright I'm going to go and look for my slip too. I think it may be lost in the mail.

Very briefly, the hon. Member for Calgary Millican raised the question of how much earnings a person might accumulate without penalty under the proposals made in the government's position paper. I think the important points are these: the changes will be brought into effect in the ensuing months and, under this legislation, we will be able to do it by approving a schedule in a manner that would in a lot of ways be similar to, although not as extensive as, other schedules that are put forward by order in council under the same legislation.

Therefore there would be a chart showing the effect of the sliding scale at each level of earning. That would be the same for all persons who were in the same class, that is it would be the same for all persons regardless of class. At the present time, it distinguishes between classes in the sense that a single person is in a different position than the head of a family. We thought the provision was broad enough and would generate

enough of an incentive, so that it wasn't necessary to have that additional complication. Whether the person is the head of a family or an individual, he has the same arrangement.

The position paper published only one by way of example. I refer the hon. member to it and would suggest to him that it really does give quite a clear picture. The example, if I remember correctly, was \$245 a month. If the person in question was making \$500 a month instead of \$245, he would be in the same position for the first \$50. That would be completely free. He would be in the same position for the next step up which, going from memory, is discounted at 50 per cent for the next \$100, and so on, that is from \$100 to \$200.

The only place where the parties would be placed in a different position might be at the phasing out at the end. After you got up to the 90 per cent discount and you eventually have to get to a 100 per cent cut-out, if a person's income because, say, of the size of his family was quite high, that formula may work out a little bit differently than it would in the simpler cases. But in any event, I don't think it will be complex. I think the proposal in the position paper does give a lot of guidance to people. Our interest will simply be in getting that published as soon as possible in order that people can start to use it.

MR. DIXON:

I wonder, Mr. Chairman, just as clarification from the minister. I read the thing, but the bill doesn't spell it out. I wondered if you are going to stick close to the proposal, and I take it that is what you are going to.

As a matter of fact, Mr. Speaker, I am in order because I understand, it would be the hon. Member for Calgary Foothills who would actually close the debate. He is the sponsor of the bill.

[Interjection]

Pardon?

AN HON. MEMBER:

No.

MR. SPEAKER:

True. The Chair was in error in indicating that the hon. minister would be closing the debate.

However, we don't seem to be in a third reading debate at all. We seem to be back in committee and I feel rather uncomfortable, not being used to chairing committee.

SOME HON. MEMBERS:

Agreed.

[The motion was carried. Bill 18 was read a third time.]

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill 10 The Irrigation Amendment Act, 1975

DR. HORNER:

Mr. Speaker, in moving second reading of Bill No. 10, The Irrigation Amendment Act, 1975, I could briefly outline, as I did on first reading, that the main intent of the bill is to restructure the Irrigation Council so that it is composed of a majority of irrigation farmers. The substantial majority will be irrigation farmers so that they can have that knowledge and depth to deal with problems which will come before council. The other amendments in the act are for clarification.

The only other one of import is, taking from the Local Authorities Board and giving to the council the power to add land to an irrigation district from time to time.

But I might say, Mr. Speaker, that we have had an advisory committee which has done a very good job for us and has been composed primarily of irrigation farmers from the various districts. It would be our intention in a very general way in fact to appoint those members of the advisory committee to the irrigation council.

MR. BUCKWELL:

Mr. Speaker, just to say a few words on second reading of Bill 10. I would have to thank the minister for Section 4 dealing with the Irrigation Council. Some of these farmers were on the advisory board and have now been elevated, say, to the Irrigation Council. I think it's given them quite a lot of new depth and understanding. We have had two tours with them in two successive years. I will say they are taking their duties very seriously and are concerned with irrigation in the south and its rehabilitation.

Possibly this is not the point to ask the minister, but an irrigation council without some funds to spend is sort of an expensive hobby. So I would hope that when he comes to his department we will have the funds to go along with the seven members.

MR. SPEAKER:

May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

DR. HORNER:

If I might just review for members of the House the situation with regard to irrigation, where we are and how we intend to finance it over the coming years, it might be useful. I would recall to hon. members that prior to 1971, or earlier than that - 1970 or 1971 - the new Department of the Environment was formed and the Water Resources Branch of the former Department of Agriculture was transferred to the Department of the Environment. Until that time, irrigation in Alberta was primarily under the direction of the Water Resources Branch of the Department of Agriculture. It was subsequently transferred, prior to our taking office, to the Department of the Environment and of course did a great many things besides irrigation and the provision of water for irrigation farming.

It might be useful for hon. members on all sides of the House to appreciate also that until that time, quite frankly, government's approach to irrigation in Alberta was one of providing certain engineering services and that was about all - the provision of engineering services, the provision of some of the structures for water, but more particularly those had been done by the federal government or other concerns. I don't intend to go through the history from 1905, but I can if necessary. In that period of time, as I've said, there was very little done, in an actual way, in irrigation farming or irrigation agriculture.

When we took office, we assessed the situation. It was something like this, Mr. Speaker: there wasn't anything in agriculture that had to do with irrigation because it had all been transferred to the Department of the Environment. There was not a conclusion to the negotiations with the federal government to take over certain headworks and the other irrigation district which was a federal irrigation district. Now I refer to the Bow River one. The primary reason the former government didn't take that over, or didn't sign the agreement, was that they couldn't cope with the situation in the Bow River irrigation district, or felt they couldn't. As I understand it, the agreement was never signed.

That may have been a fortunate thing, Mr. Speaker, because my colleague, the Minister of the Environment, was able to negotiate a much better deal from the federal government. We have subsequently signed that and the documents are now being transferred to those districts. Indeed the total deal amounts to something like \$28 million and has been laid out for members prior to this time. That is a contribution by the federal government of \$28 million to the major structures and to the rehabilitation of the district structures as well. I'll come to that, because I think it's important we document just what the districts are going to receive this year and in coming years through and with the advice of the Irrigation Council.

The next step was to define where the jurisdiction of the Department of the Environment and the Department of Agriculture would meet. Basically, the Department of the Environment encompasses all the activity outside the irrigation districts themselves, primarily the headworks and the main canals. They bring the water to us in agriculture and then we take over the supervision of it. To do this, we have set up within the Department of Agriculture an Irrigation Division. This division is primarily responsible for irrigation agriculture and the extension and the work that goes along with that in promoting irrigation agriculture. This was done a year ago or a little more than that. It is headquartered in Lethbridge and is responsible for irrigation agriculture throughout the irrigation areas.

At the time we did that, as I've said earlier, we set up an irrigation advisory council composed of people from the various irrigation districts in southern Alberta to act as an advisory council to us to get us through this very major change from no emphasis on irrigation to a major emphasis and a major financial input to irrigation, something that hadn't been done for a very long period of time.

One of the first things we had to do was re-establish the priority of the irrigation farmer because, Mr. Speaker, up until that was done he was away down the list in the priority of water uses. It has now been stated as a public policy of this government that irrigation agriculture will be the number three priority, immediately following domestic and municipal use and ahead of industrial use. Indeed, in the industrial use category, food and agricultural processing is the number one priority. These are policies in regard to irrigation. I might say, Mr. Speaker, that perhaps for the first time in the history of Alberta's irrigation, we do have an irrigation policy in this province.

The other important thing that has to be said to the irrigation farmers in southern Alberta: the former government used to fly kites all the time and say, well, we're going to charge you more for your water. We'll have to put a user fee on. We want to clear that up pretty quickly, Mr. Speaker. We don't intend, other than the normal fee they pay through their irrigation district, to put any user fee on the water for irrigation.

So, Mr. Speaker, we set these points out in policy to the irrigation farmers in southern Alberta. We expect the new council we intend to set up with the passage of this

legislation to be the governing body that will advise us in relation to irrigation policy and the changes we might require. We will expect this council to deal with the requests from the districts for money and the various projects they want to get going on.

The previous Irrigation Council, Mr. Speaker, had an unusual quirk I found really didn't work at all. By order in council they had named the Minister of Agriculture as the chairman of the Irrigation Council. I found that immediately was a major conflict of interest, for the Minister of Agriculture to also chair his Irrigation Council. As such, I have not occupied that position but rather referred it to my Assistant Deputy Minister of Production in the department.

If I could then, Mr. Speaker, very briefly review the financial situation as it now applies to the irrigation districts. The Department of the Environment, in accordance with the agreement that we have signed with Ottawa in relation to the major headwork - there will be an ongoing rehabilitation or expansion and rebuilding of the major structures that are involved in that agreement. Here we had a system that was 50 years old and nobody had ever thought about rehabilitation. There was nothing done in regard to this rehabilitation. That's now going forward. Projects such as the Carseland Weir, the Brooks Aqueduct, the Bassano Dam, the improvements in the St. Marys headworks; some of them are in actual construction and others are for construction as we go along.

In addition to that, Mr. Speaker, in our agreement with the federal government, we were able to negotiate two things. One was an additional \$3.5 million for secondary rehabilitation within the districts. That \$3.5 million is under the direction of the Minister of the Environment. The irrigation advisory committee has given us some valuable help in how we might develop a formula by which the Department of the Environment might make this money available to each of the districts in southern Alberta. That's ongoing and as a matter of fact agreements have been signed with all of the irrigation districts for that \$3.5 million and their share of it.

In addition to that, Mr. Speaker, there was \$4.2 million which came in the federal agreement as compensation to the province for taking over the Bow River Irrigation District. In our negotiations ...

MR. SPEAKER:

With great respect to the hon. Deputy Premier, it seems that we're getting very very substantially beyond the principle of the bill. And my misgivings are reinforced because we're now apparently launching on a general review of irrigation going back to the days of the previous government in a speech which is actually the closing of the debate and in which, as I understand the function of a rebuttal speech, one deals with points that have been raised during the debate. It doesn't deal with new points which, in fairness, other members would not have an opportunity to rebut.

DR. HORNER:

With respect, Mr. Speaker, the hon. Member for Macleod asked me to explain how the Irrigation Council was going to work and I'm setting it out in some detail.

SOME HON. MEMBERS:

Oh, oh.

DR. HORNER:

With respect, Mr. Speaker, we're talking about a bill that, as I have said on the introduction of the bill on second reading, is going to change the concept of the council from one of civil servant control to one of irrigation farmer control. I think it's pretty important that the House and the people of this province generally know what kind of responsibilities we're passing on to these new members who might take positions as members of the Irrigation Council under the amendment we're now putting forward.

And the member for Macleod has asked me ...

[Interjection]

MR. SPEAKER:

Order please. The hon. Deputy Premier is speaking on a point of order and is pointing out on the point of order the relevance of his speech to the principle of the bill under discussion. If the hon. member would just perhaps wait for a moment, perhaps he may make his comment on the point of order.

DR. HORNER:

Well, Mr. Speaker, as I was just going to conclude on the point of order, the hon. Member for Macleod had asked me to outline how the new council was going to finance and how it was going to function. The only way I can do that, Mr. Speaker, is to outline the background, because this is not the simple situation that some might think but rather a very complicated situation that is complicated by history, by the federal-provincial input that has been there in the past, and indeed by the new demands for irrigation in southern Alberta at the present time. I'm going to answer my honorable friend as I know he is sincere in his request. I would like to set out for him the situation as I see it and how the council can develop it.

MR. LUDWIG:

Mr. Speaker, in speaking to the point or order I would like to help the hon. minister out. He is dealing with water under the bridge. That is always a relevant topic for him. We should let him carry on.

AN HON. MEMBER:

Oh, what a big deal.

MR. BUCKWELL:

On a point of order. I think the hon. minister probably misunderstood. I realized what the council was going to do and I wondered at the time if I was in the right department. When I suggested in his estimates we would be concerned with the amount of money, I asked for a bale of hay and he gave me a whole load.

DR. HORNER:

There is an old political story, Mr. Speaker, which an old colleague of mine liked to use. It ended up something like this: if you are going to go to church, you better stay for all the sermon.

If I might, Mr. Speaker, just very briefly outline. I was saying we had gone over the \$3.5 million from the Department of the Environment that will be and is now being allocated to the various irrigation districts on a formula worked out with the districts and with the help of the irrigation advisory council, who are now going to become, at least a portion of them, the new Irrigation Council in this province.

In addition to that, there is the \$4.2 million from the federal government as part of the federal-provincial arrangement. A portion of that \$4.2 million has been allocated in our agreement with the new Bow River Irrigation District. The balance of that \$4.2 million, which will amount to approximately \$2.5 million, is now being allocated, again to the various irrigation districts on the advice of the irrigation advisory council. Again, I point out we hope the council will become, in a major way, the new Irrigation Council under this legislation.

In conclusion, Mr. Speaker, might I say we intend to give the new Irrigation Council guidelines to develop the kind of policies we want. We believe there is an additional 700,000 acres that can be irrigated that is within the present districts. This will be given priority in the development of new irrigable acres. Once that priority is looked after, there are other segments in southern Alberta which can be brought under irrigation. We would expect the Irrigation Council to advise and to give some direction, in relation to what new areas might be brought under irrigation and how soon this might be done.

In addition to that, we would point out that we hope their responsibilities will include a policy of rationalization of some of the smaller districts, particularly those of the Cardston area where there are three or four smaller districts. We hope they would see some kind of rationalization, whether or not they want to give up their local identity. We hope the Irrigation Council would at least get them working together to save themselves some money. I am sure, from my discussion with the people who have worked for us on the irrigation advisory council, these people appreciate this policy and are in agreement with it.

The other thing - there have been representations from a variety of people from the Medicine Hat area for additional acres in irrigation in southern Alberta. There is no doubt in my mind that there is going to be a major expansion. As I have said before, our policy would be to have that expansion within the districts that are presently there and then to look outside of those districts. We hope any expansion of acres outside of the districts would in fact be brought into the districts at the soonest possible time. That has to do with the other section of the bill in relation to the council having that authority, not the Local Authorities Board.

Finally, Mr. Speaker, it is our estimate that in the next 10 years, with the very major expansion of grants to the irrigation districts which are governed by the Irrigation Council, \$2 million last year and, hopefully, at least that much in the upcoming Budget, with the commitments we have made as a government through both my department and the Department of the Environment, the total expenditure in southern Alberta in the next 10 years will be close to \$200 million. This doesn't count, Mr. Speaker ...



MR. SPEAKER:

Order please. To continue the metaphor of the hay and the church, the Chair would have to acknowledge that the sums which the hon. minister is mentioning are not hay, also that on this second reading the Chair feels itself to be in an uncomfortable pew. Perhaps we could get back to the closing of the debate on the actual points that have been raised during the debate.

DR. HORNER:

Mr. Speaker, surely it's not my responsibility to raise those points in debate. If the hon. members opposite are not going to raise them, and if they are important enough, I feel it is my responsibility to raise them. You know we are passing in principle some legislation in relation to a major change of how we are going to direct irrigation in this province.

[Interjections]

MR. SPEAKER:

With great respect to the hon. Deputy Premier, it would appear that practically all those points, perhaps except the ones which might be anticipating Budget debate, could have been raised in opening the debate when other hon. members might have had an opportunity to comment on them.

I would have to say that they are not in order in closing.

DR. HORNER:

Well, with respect, Mr. Speaker, I waited with bated breath to hear my honorable friends from the irrigation areas. Frankly, Mr. Speaker, you know the only response I got from them on irrigation before was in the newspapers and that is pretty biased because they really can get away with some of those things then that they can't get away with here.

SOME HON. MEMBERS:

Oh, oh.

DR. HORNER:

I would just conclude by saying this, Mr. Speaker: there is going to be a new era in irrigation in Alberta and it is going to be a refreshing change ...

SOME HON. MEMBERS:

Order, order. Close the debate.

DR. HORNER:

... from what we have had in the past when my honorable friends ran irrigation out of their hip pocket, out of the water resources department, without any financial assistance to those districts and to those farmers. When we as a government are committing \$200 million over a 10-year period of time, I think it is a major commitment to irrigation in this province and to the production of food for this world.

[The motion was carried. Bill 10 was read a second time.]

#### Bill 15 The Alberta Property Tax Reduction Amendment Act, 1975

MR. RUSSELL:

Mr. Speaker, I'd like to move second reading of Bill No. 15, The Alberta Property Tax Reduction Amendment Act.

I think, Mr. Speaker, all hon. members are aware of the substantial benefits paid to all residential property tax payers throughout Alberta under the provisions of The Alberta Property Tax Reduction Act. It has been a very significant program, one which has been extremely well received and has been of benefit not only to Alberta taxpayers but also to our municipal governments in more properly aligning their property taxation field with their municipal responsibilities.

The changes introduced last year which in effect removed the entire school foundation levy from all residential property and farmland in the province, except nonfamily corporate farmland, meant that the former system of application forms for applying for benefits could be dispensed with.

However, the bill went on further to provide that there were certain minimum benefits payable to people notwithstanding the fact that their education levy might be fairly low. In those cases the legislation provided for application for supplementary payments to be made to those people by way of application.

In our discussion with the municipal governments, it appeared to us a year ago that the simplest way would be to keep the application and the payment of the additional benefits strictly between the applicant and the provincial government. I'm sorry that the procedure we used didn't act and react as quickly as we would have liked. As a result of suggestions made by many senior citizens in Alberta, who were the group which stood to benefit most by the payment of supplementary payments, and suggestions made by municipal

administrators and particularly by the rural M.D. secretary-treasurers, we have brought forth this particular amendment, Mr. Speaker.

The bulk of the amendments, I think, are self-explanatory and deal with administrative changes. The administrative changes transfer in each case, whether it's farmland benefits or the supplementary payment, from the provincial level down to the municipal level.

There's another important amendment to this contained in the last clause of the bill, Mr. Speaker. It provides for a 50 per cent increase this year in benefits paid to senior-citizen renters. That benefit will be raised from \$100 to \$150.

I'm fairly confident the legislative changes we're requesting in this bill, which delegate the administrative work for farmland and supplementary benefits back to the local municipality and which will give the minister the authority to transfer advance bulk payments to municipal governments to cover the costs of tax credits or actual cash they'll be giving out, will be welcome ones and will make the property tax reduction plan even better than it is now.

MR. WILSON:

Mr. Speaker, I waited very patiently for the hon. minister to say that all senior citizens have received their home-owner rebates for the 1974 year, but I didn't hear him say that. In closing the debate, I would appreciate it, Mr. Speaker, if the minister would say they have all been paid and when they were; and if they haven't, when he expects them to be; and if they haven't, whether he can give us any assurance that they will be paid before people have to pay their 1975 property taxes.

Further, Mr. Speaker, I think the minister could have shown a little compassion for the poor senior citizens who borrowed money from their grocery budgets to pay their taxes last June and who are still waiting to receive their home-owner rebates. It seems to me that when the senior citizens who were promised these rebates scraped together their nickels and dimes to pay their taxes, fully expecting to get their rebates momentarily, only to find that months and months later they still hadn't received them, the minister at the very least could have indicated when they would all be paid.

Further, it seems to me that the minister could have offered to pay to those senior citizens who had to wait five, six, seven months for their home-owner rebates, interest on their money while they were waiting. Our senior citizens on the supplementary income who qualified for these rebates have been treated very shabbily. I would very much appreciate hearing from the minister in closing debate, what assurances these people have that they will be treated better under this new proposal than they were last year, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, ...

MR. SPEAKER:

I believe the hon. Member for Drayton Valley has it by a nose.

MR. ZANDER:

Mr. Speaker, I have one question to ask the minister. It is in regard to the percentage of advances that will be used. Will it be 25 per cent or 30 per cent? In most of the cases it will be a lot of money the municipalities involved will be putting out while they await the payment from the government. I was just wondering. It is going to create somewhat of a hardship on municipalities if certain percentages of advances by the government to the municipality would not be forthcoming. I would want to ask the minister what percentage. It said ... [inaudible] ... percentage and I was just wondering how great they would be at the beginning.

MR. SPEAKER:

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

MR. TAYLOR:

Mr. Speaker, I welcome both amendments in the bill. I think the principle involved is sound. In connection with the property tax reduction, there are at least two ways a municipality could do this. They could collect the total amount from the taxpayer and hold it until the reimbursement came from the provincial government. I hope regulations will not permit that type of procedure. I would hope the calculation can be made on paper and then the taxpayer will pay the amount he must necessarily pay. The balance would then be billed to the provincial government without the taxpayer becoming involved in that portion.

This suggestion has come to me from a great number of people during the pre-session public meetings. Many object very strenuously to paying the money that will be sent back to them. As has been pointed out a number of times, many of these people are not flush with money and we do a better benefit for them - and they appreciate this type of legislation more - if they can have the reduction at the time they are paying their taxes. That amount will not be paid at all but simply billed to the provincial government and would then be paid for them by the provincial government.

I imagine there will be regulations dealing with this and I hope the hon. minister will make it very very clear that municipalities should follow this procedure of granting the reduction at the time the taxes are paid and not requiring the taxpayer to pay the total amount and then wait for the reimbursement at some time in the future.

MR. LUDWIG:

Mr. Speaker, the hon. minister opened his remarks by saying that many are aware of the substantial benefits paid to some home-owners. I should also counter by the fact that many are not aware of the substantial benefits because a great number do not receive substantial benefits. When I asked the minister at one time what are the ranges of benefits paid under this program, he did not answer me. He has no intention of answering me. He is the person who can get this information quickly.

But it wouldn't make good copy to let some of the people who get less substantial benefits - in fact very meagre benefits under this program - know that some people are getting several thousands of dollars. It would make poor copy in all the advertising and mail he sends out to the people to say, we have given you some of your own money and don't you ever forget it. We want you to know where it's coming from and we're good to you.

I think this whole program is basically unfair. The scheme tends to preserve inequality. The principle of this program is: if you can afford to buy a bigger home or have more property and should pay more education tax, then the government will give you more money from the people's trust funds we hold by way of general revenue. That is the principle under which this scheme operates. I have told the minister this very often and he probably feels I am repeating myself. But I am not repeating myself as often as he is telling the people over and over again, we are giving you substantial benefits, don't forget. And he is spending the people's money to tell them that. As often as he feels he is repeating something I don't think is entirely on the level, I am going to repeat what I believe is a sound principle and which many people will believe to be a sound principle.

I'm sure hon. members on that side represent, some of them, constituencies that are a little bitter about this kind of thing. There are just thousands of homes in many constituencies where they get \$100, \$150. By now they are beginning to find out, not through the minister - the minister isn't expected to tell them anything that wouldn't be politically advantageous to him - that some people over on the other side in nob hill are getting four, five times more. If this is unfair, I don't see it.

I'm not saying the program hasn't got merit. But the minister cannot stand up in this House and justify the fact that we're going to give those with smaller homes, older people and many people who are working hard and can't afford a big home - we'll give them \$150, they should be grateful. That's what he's telling them when he sends them advertising and material in letters, paid for by the taxpayer, reminding them that we have been good to you. When he states that many are aware of the substantial benefits paid to some homeowners, it would be more accurate that many are aware that some people are getting substantial benefits and many are aware that they are not getting substantial benefits.

I think I've made my point clear. I can't agree with the logic behind the bill that it is convenient to label this as an education tax discount or an abolition scheme. It may be that. If you're going to use that route and pay dividends unequally when you distribute general revenue, public funds, to the people, you can call it what you like. You can label it what you like to justify giving more to people who have more. It is a distribution of funds as much so in every respect as if a dividend were declared. This is nothing short of a grant to people. You can label it the education tax, abolition scheme, or whatever you want. This is a payment of dividends from the general revenues of the province and they are paid unequally and in a discriminatory fashion.

I wish that the minister would face the facts - he can't hide his head in the sand all the time - and would tell us the range of benefits paid under this scheme. Then he would realize what I'm talking about. He realized what I was talking about the first time. He feels that by avoiding the issue it will go away. This issue will not go away. It will become a very serious election issue with the majority of people who are getting too little.

If the hon. minister feels we are being so magnanimous with many people, let's take into account what happened by way of deflation of the worth of the dollar through inflation, the reduction of the purchasing power of the dollar and let's make it like we say it is. Let's not talk about giving somebody \$150. A pretty cheap money now, Mr. Speaker, not buying half what it did five or six years ago, bearing in mind what these people buy. So let's give them more. If he wants to stick to this, if it's going to dislocate his thinking - once he's got an act here he can't do anything else because it's easier to go that way. It doesn't require much imagination to put it under this and let the people with smaller homes be content with what they are getting.

Now I don't believe that you might say, well you are using the wrong approach. I believe I'm using an approach that the majority of the people would appreciate. I still say, Mr. Speaker, that if the taxpayer's in this province were unionized this minister wouldn't last till tomorrow night, whether the Premier shuffled the cabinet or not. They would not buy this program because the majority would say that you're short-changing us from money that belongs to us equally.

I believe I've made that point clear and I will repeat it every time the minister stands up and says, we're magnanimous, we're giving you lots, we're telling you all about it, you know exactly what you're getting. He's not telling you that we're giving you your own money distributed unequally.

I don't believe I could be any more forceful on this issue, Mr. Speaker. I sincerely believe that is what the people would expect me to say - the people whom I represent, other constituencies in this province and an awful lot of people with small homes in towns. This whole act is discriminatory against all those people who have properties in smaller towns where the value is less. The value of the property, the sale value or the assessment value is less in some areas.

So it's a discriminatory way of telling a lot of people we want a good program. We get a lot of credit for it but it isn't going to be equal. It takes a little bit of initiative. If the minister wanted to try to convince the Conservative caucus that we would like to go this way and distribute a dividend equally as a dividend, many of those hon. members would support it. We feel perhaps we had better not disturb this thing because the people might now resent the fact they have been had.

I'm saying if the hon. minister can't sort of shift his thinking on this matter and change this to do the equitable thing with the people, let him raise the bottom level. They must have discussed this in caucus. Somebody must have raised it. I'm sure a lot of those hon. members on that side are concerned about this issue. They have this problem. Many people tell you. If the minister was fair enough, did his job and answered the question I asked him - a legitimate question - to table the range of payments. I want to know how much somebody who lives in Canyon Meadows gets from it. I want to know how much his education tax discount is for comparison, Mr. Speaker.

The minister will refuse it because it might be embarrassing. It would be embarrassing, he may as well know that. He's probably doing the politically right thing for himself, just leaving the issue alone. But we should not let him leave it alone. I know members on this side who have this serious problem. I'd like to know how much are the discounts in Pincher Creek, Blairmore and Coleman. How many people there get a \$1,000 a year discount in education tax abolition? It would be interesting. I bet you could count them all on one hand. It would be interesting [to know] how many people in, say, Edmonton and Calgary get \$1,000, \$2,000, \$5,000.

I happen to know this is a fact, Mr. Speaker. But the minister, who has the facilities, the staff and the responsibility to give us this vital information so we can assess this program, is not going to do it. He simply doesn't feel he has to because the House will not order him to do it. That is one point I want to make and I'm going to continue to make. I believe, Mr. Speaker, if a petition were floated in any constituency of average residences or in any small town, you could get unanimous support for a petition to alter this scheme. I know I'm not going to budge the minister at this late stage. He's going to leave this thing as quiet as possible.

What I'm going to do, Mr. Speaker, is to urge the minister that this government can afford to raise the bottom level of this program. When I say raise it to \$400, he might feel we're being generous. Compared to some of the things this government is doing, this is not a generous scheme. It is not a generous scheme at all to raise it to \$400, which in fact will give them about \$250 worth of purchasing power. This is not an extravagant suggestion at all, Mr. Speaker. They are skimping in government in spite of the fact that we expect the budget to exceed \$2 billion and maybe \$500 million of special warrants.

They're going to hold on tightly to this one in which most people are concerned, which most people who have need of this kind of help would appreciate. But they're not going to get it. I believe the hon. minister will hear more about it. I'm going to insist he give me an answer to a legitimate question and table the ranges of education tax payments to people in various cities and municipalities so they can all know, not just what the minister wants them to, but the whole truth, Mr. Speaker.

MR. CLARK:

Mr. Speaker, I'd like to make just two comments quickly and the ...

MR. SPEAKER:

I had thought perhaps the hon. Member for Lacombe had already had the floor.

MR. CLARK:

I just didn't hear him, I'm sorry.

MR. COOKSON:

Thanks, Mr. Speaker. One thing about the Member for Calgary Mountain View, he tells you what he's going to say, then he tells you, then he tells you what he said.

[Interjections]

And it still makes nonsense.

[Interjections]

I'd just like to congratulate the minister for bringing in the amendments. I've had a number of submissions about some of the problems of paying out the education tax refund. I'd like to take this opportunity to thank the minister for bringing in the amendments.

I just raise one point with him. That is, in my particular constituency, I have several Hutterite colonies. There are two types of colonies, Dariusleut and Lehrerleut. Apparently it has to do with some way in which they set up their taxing system. I believe in one instance they are able to qualify for some education tax refund and in other instances they aren't able to.

I believe the reason for them setting up their particular type of bookkeeping is to solve some of the problems of income tax. This particular colony that I've had reference to have asked me to make submissions on their behalf. The county presently collects the per-pupil grant through the provincial government. This is refunded to the colony to operate their own school, then they make up the balance. However, they apparently pay the

full education tax on their property. I just wondered whether the minister, in his closing remarks, might make some comment on their particular situation.

MR. SPEAKER:

With great respect, this sort of question, I think is the kind of thing that is dealt with in committee. We're getting into detail and getting away from the principles of the bill and that, perhaps, might also apply to the question that was placed by the hon. Member for Drayton Valley.

MR. CLARK:

Mr. Speaker, in dealing with the second reading of the bill, I'd like to make just two comments and make them quite briefly.

First of all, I would rather reluctantly associate myself with the comments made by the Member for Lacombe about congratulating the minister for making the changes as far as administration is concerned. My congratulations would have been sincere if the minister had done this last year, because the minister and his departmental officials recognize well that the secretaries of the counties and municipal districts in central Alberta and the area northwest of Edmonton met with officials of his department at least twice to try to talk the minister and his departmental officials into going the route of paying this money back that he is now suggesting in the legislation.

It was at that time that the secretary-treasurers of the counties and MDs pointed out a number of the problems involved. I'd be very interested if the minister, in the course of concluding his remarks on the debate, would be prepared to indicate why in fact he wasn't prepared to take that advice a year ago rather than wait until now. Most members on both sides of the House have all had people get hold of them even as late as January and February 1975 about getting their money back from the Department of Municipal Affairs.

The second point I would like to make, Mr. Speaker, deals with the comments I made during the third reading of this bill, during the last day of the spring sitting last year. I used examples the minister, I believe, is well aware of, because I cited a number of examples of quarter sections, half sections, three-quarter sections, which came from the County of Mountain View. Given the mill rate the County of Mountain View set last year, and the effect this program would have on individuals in that category ... I say the minister is aware of this because the County of Mountain View sent to the minister, at about that very same time, figures indicating what was going to happen to people on quarter sections; that in fact they were going to be worse off, taxation-wise, in the county of Mountain View last year, than they were the year before.

On the other hand, the County of Mountain View also pointed out to the minister that in fact those people who had a section of land and more were going to reap considerable benefits from this program. If my memory serves me correctly, more than one person in the vicinity was going to get \$3,000 or \$4,000 of additional tax relief last year. I think it would be fair to say that what the County of Mountain View was saying was in fact, is this what the government is trying to do?

Now I raise this on second reading during this session, Mr. Speaker, because I raised it during third reading at the session last spring and the minister didn't respond to the comments at all. Whether the minister would prefer doing it now or during committee I certainly leave to his choice.

MR. RUSTE:

Mr. Speaker, just a couple of points I would like the minister to clarify in closing the debate. One is: what discussion has taken place with the municipal officials? I am thinking of secretary-treasurers and so on who will be doing the major part of the workload. Of course they were involved in it last year.

The other one is the matter of the payments for the senior citizens renter rebate. Will that be handled as it is at the present time, or what is proposed for the coming year?

HON. MEMBERS:

Question.

MR. SPEAKER:

May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

MR. RUSSELL:

Thank you, Mr. Speaker. I will just try to deal briefly with the comments that have been raised and bear in mind your comments related to specific questions.

First of all, replying to the hon. Member for Calgary Bow, I think I dealt with that question insofar as numbers of outstanding payments are concerned in the question period about one week ago. There are approximately 5,000 of the 55,000 payments not yet paid. Of course those statistics are a week or 10 days old now. There are three processes that they go through: the department, audit and the data processing centre and then through Treasury where the cheques are written. As to when these will be paid, I think I speak sincerely when I say, at the earliest possible opportunity. We are as anxious to get them paid as anybody.

I was interested in the comments raised by the hon. Member for Drumheller. I just wanted to point out one situation that some of our senior citizens particularly like to take advantage of. That is the prepayment of property taxes in the early part of the fiscal year of the municipality, in order to get the discount. What most of these persons do, I think, is prepay their taxes based on the maximum amount which is set at the previous year's level of taxation. So in those cases, if they prepaid it is more than likely that the person would then become eligible for a refund. I certainly agree with the comments he made and I think we have dealt with that in Clause 5(b) of the act which allows for the option of either a credit against the municipal tax bill or a refund in a case where the taxes may have been prepaid. I hope that clarifies that point.

I was interested in the inconsistencies in arguments shown by the hon. Member for Calgary Mountain View. I realize that he is probably not too familiar with these minimum benefit levels. He mentioned the sum \$150 several times. Of course it is \$200, so he would probably be wise to familiarize himself with that. It is also a matter of public record of course, Mr. Speaker, that he can find out what the benefit is for any property in Alberta. Rather than stand in the House and make a great show of the fact that I'm withholding information, if there is any property in the province for which he wants to know the benefit received, of course the assessment rolls are open for a month each year in all municipalities. All he has to do is apply the education levy to the assessment of any property. There were just in excess of some 350,000 benefits paid last year by way of this legislation. I don't think he wants each individual one tabled. But I suggest to him that it would be a fairly easy matter for him to find out with a fair deal of accuracy what anybody's benefit is.

I say I was a bit surprised at his inconsistencies because this is a matter of a program that removes a tax; a tax on property levied by the Province to help pay for a social service which is considered important, that is education.

On other occasions in this House the hon. Member for Calgary Mountain View, in talking about reduction of fuel taxes, has been very quick to suggest a flat-amount reduction so that everybody would benefit in the same amount by the reduction of tax. Of course the more gasoline or fuel they use, the bigger tax reduction they would get. On another occasion, more than once, he has been quick to suggest [by] how many points personal income tax on a provincial basis should be reduced.

Again, if I follow his suggestions accurately, he is suggesting an across-the-board reduction by way of points. Of course when you relate this to income, points against income, it varies with the person. Somehow he can't accept that principle when it's related to the education foundation levy, which is mills against value of assessed property. Naturally the person who has the higher-assessed property and who pays a bigger tax is, if the tax is abolished, in theory going to get a bigger refund. That, of course, is one of the reasons that the minimum benefits - and that is the whole meat of what we are talking about in this bill, how to more effectively pay the minimum benefits, because not only for those people is the entire tax being removed but a minimum benefit is being advanced as well.

I have a little difficulty in following his inconsistencies, but I suppose he has his own reasons for speaking in the manner which he did.

I am not quite certain about the specific situation the hon. Member for Olds-Didsbury was referring to. I know I have had letters from the County of Mountain View and I am simply unable, without going back to that situation, to answer his questions off-the-cuff tonight. I'll be glad to follow those matters up with the hon. member.

As for consultation with municipal officials last year, it's quite true we did have one or two municipalities, and the hon. Member for Olds-Didsbury mentioned them, which thought that it would be better if the program was administered at the municipal level. Perhaps, as it has turned out, they did evolve as the prophets because the bulk of the municipalities last year did not want to administer the program. It was for that reason we thought we would take it back into the department.

In consultation with the municipalities, in answering the hon. Member for Wainwright, we did discuss this with the association of M.D. secretaries and treasurers. They heartily endorse this move we are making. We have discussed it with municipal officials in the cities and they are quite confident they can make this scheme run very smoothly.

We propose, Mr. Speaker, to make advances under the permissive legislation to the highest degree possible on the basis of one year's experience in the program. I see no reason why the advances couldn't be in the neighborhood of 90 or 95 per cent of the previous year's benefits that went to that particular municipality.

I would just like to conclude by saying that, on the basis of one year's experience, I think these are substantial improvements in the program. Some people have wondered why we didn't do it before. We now have a pre-audit system of course. The substantial funds that are paid under this program unfortunately had to go through a certain amount of bureaucracy and administrative procedures in order to get the auditor to approve the advances that were made. This legislation will now permit us to get those funds out quicker. I am hopeful that the program, in consultation and cooperation with the municipalities, will work smoothly.

MR. CLARK:

Mr. Speaker, I wonder if I might ask the minister a question. Did he indicate that just one or two municipalities last year wanted to administer the program themselves? In saying that, was he implying the department or the minister did not receive representation

from a large number of municipal secretary-treasurers from across the province, that in fact they made representation to your department last year when the bill was before the House?

MR. RUSSELL:

Mr. Speaker, that's quite true but they were in the minority when you consider there are 300-odd municipalities. The rural municipalities are broken down into regions and it's my recollection that it was one of the Alberta regional associations which did propose that method. But they were definitely in the minority. The cities especially held the opposite view. They were anxious to get rid of the administrative procedures.

MR. RUSTE:

Mr. Speaker, one thing I believe the minister - or I didn't catch the answer to it and that dealt with the method of payment for the senior citizen rental rebate.

MR. RUSSELL:

Yes, I'm sorry, I did note that and I neglected to answer it. That will still be administered directly by the department. I'm not aware of any complaints or difficulties with that one. It seems to be running smoothly.

[The motion was carried. Bill 15 was read a second time.]

MR. HYNDMAN:

I move the Assembly do now adjourn until tomorrow morning at 10 a.m.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The Assembly stands adjourned until tomorrow morning at 10 o'clock.

[The House rose at 10:30 p.m.]

