

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, February 10, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill 22 The Universities Amendment Act, 1975

MR. FOSTER:

Mr. Speaker, I move first reading of Bill No. 22, The Universities Amendment Act, 1975.

The purpose of this bill is to enable the universities, in particular The University of Alberta, to carry on as a utility.

[Leave being granted, Bill 22 was introduced and read a first time.]

Bill 23 The Public Utilities Board Amendment Act, 1975

MR. FARRAN:

Mr. Speaker, I beg leave to introduce a bill, being The Public Utilities Board Amendment Act, 1975.

The purpose of this bill is to give parallel powers in The Public Utilities Board Act to those contained in The Gas Utilities Act, whereby the board can exempt certain utilities from some aspects of full regulation.

[Leave being granted, Bill 23 was introduced and read a first time.]

Bill 224 The Alberta Investors Incentive Act

MR. WILSON:

Mr. Speaker, I beg leave to introduce a bill, being Bill 224, The Alberta Investors Incentive Act.

This proposed legislation would permit Albertans or Alberta-based corporations resident in Alberta to deduct any amount up to \$1,000 in dividends received from an Alberta-based company prior to the calculation of Alberta income tax.

[Leave being granted, Bill 224 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. ADAIR:

Mr. Speaker, it's my pleasure to introduce to you and through you to the members of

this Legislative Assembly, the Hon. William R. Withers, member of the Legislative Council for the State of Western Australia. The Hon. Mr. Withers represents the northern electoral district of Western Australia, a district that covers some 378,000 square miles, with some 50,000 people, one-fifth of whom are aborigines.

The Hon. Mr. Withers is presently on a world study tour investigating remote area development and, Mr. Speaker, the Hon. Mr. Withers is in your gallery. I would ask him now to rise and be recognized and welcomed to Alberta.

MR. BATIUK:

Mr. Speaker, it gives me pleasure to introduce to you and to the members of the Legislative Assembly, through you, some 60 Grade 9 students from Two Hills in my constituency. They are accompanied by their teachers, Mr. Horbasenko and Mr. Kozmak and bus operator, Mrs. Lepka.

I would ask the students, the teachers and the bus operator to rise and be recognized.

DR. ROHOL:

Mr. Speaker, it's my pleasure to introduce to you and through you to this Assembly, 60 Grade 5 students from the Glengarry School in Edmonton Belmont, accompanied by their teacher, Mr. Spivak.

I'm pleased to ask them to rise and be recognized by this Assembly.

MR. APPLEBY:

Mr. Speaker, it's my pleasure this afternoon to introduce to you and to members of the Assembly, three representatives of Local No. 718 of the National Farmers Union in the Athabasca constituency. We have with us this afternoon, Mr. Bonar Wilt, the vice-president, and two executive members, Mr. Gordon Fleming and Mr. Bill Swarin.

They are in the members gallery. I would ask them now to stand and be recognized by the House.

MR. BATIUK:

Mr. Speaker, it also gives me pleasure to introduce to you and through you to the members of this Legislative Assembly, a group from the National Farmers Union Local 701. They were in for a meeting this morning. They are in your gallery. They are Mrs. Kully, Mr. and Mrs. Zeleny, Mr. Brevig, Mr. Hennig and Mr. Sawchuk.

I would ask that they rise and be recognized by the House.

TABLING RETURNS AND REPORTS

MR. DICKIE:

Mr. Speaker, I should like to table reports required under the following Acts: The Gas Resources Preservation Act; The Coal Mines Regulation Act; The Alberta Gas Trunk Line Company Act; The Oil Sands Technology and Research Authority Act.

MINISTERIAL STATEMENT

Department of Education

MR. HYNDMAN:

Mr. Speaker, I wish to announce new declining enrolment grants to 57 Alberta school systems, for the purpose of helping them to offset increased costs faced by school boards having a declining enrolment which is above average.

The formula for payments is based on the fact that when a school board has a dropping enrolment and fewer students, revenues from the province decline but educational operating costs may not decline. The greatest percentage enrolment drops are in small districts where budget implications are also the greatest.

Payments on the interim formula for this year will be in four categories, from \$140 up to \$560 per pupil decrease in enrolment averaged over the past two years. This reflects the fact that the greater the drop in enrolments, the more severe the problem because of relatively fixed overhead costs. The plan will focus on the 57 school systems that experienced above average pupil enrolment drops over the past two years.

Most payments to school boards will range between \$5,000 and \$30,000. The total cost to the government is estimated at about three-quarters of a million dollars.

These grants should assist many school boards, especially the smaller systems, to better accommodate the lag between recent pupil loss and the opportunity to adjust operations to reduce unit costs.

The formula has been developed on an interim basis and may be revised or incorporated into the new multi-year general finance plan which will be announced this fall.

Qualifying boards are being informed of the basis of the formula and the preliminary calculation of amounts payable. Payments will be made directly to school boards in the near future.

ORAL QUESTION PERIOD

Alberta Heritage Trust Fund

MR. CLARK:

Mr. Speaker, I'd like to direct a question to the Provincial Treasurer. It deals with comments on page 19 of his Budget Address. He talked about the Alberta heritage trust fund, a term which many of us on this side of the House have talked about for some time.

I would like to ask the Provincial Treasurer, Mr. Speaker, if he plans to bring legislation, or if the government plans to bring legislation through to make in fact the Alberta heritage trust fund a reality during this session?

MR. MINIELY:

Mr. Speaker, legislation would be passed in due course. The comment in the Budget Address was to let hon. members know the tremendous additional revenues that we have in Alberta which we intend setting aside, and not utilizing for normal ongoing budgetary requirements, for the future of the province of Alberta and the benefit of present and future generations of Albertans.

MR. CLARK:

Mr. Speaker, a supplementary question to the minister. Is the minister in a position to give the members of the Assembly an indication as to whether the government will make any commitments regarding the future use of this \$1.5 billion prior to legislation being introduced by the Assembly?

MR. MINIELY:

Mr. Speaker, in reply to the hon. leader, I have found that Albertans expect their government to give this matter - in terms of assuring that the long-term benefits to the province of Alberta are maximized - a great deal of thought before we generate specifics at this particular time, certainly in terms of the devotion of this magnitude of funds for the future of this province, based upon making the best possible decisions as to which kind of use will result in the maximum benefit to the people of the province.

MR. CLARK:

Further supplementary question, Mr. Speaker, to the minister. In the course of your discussion with the people, have the people of Alberta indicated to you they felt the Legislature in fact should be making the decision as to where these funds should be invested?

MR. MINIELY:

Well I'm sure, Mr. Speaker, the people of Alberta expect that their government will make the decision after considerable thought and considerable examination, a decision that, as I have indicated, Mr. Speaker, will be one which will result in the maximum benefits for the people of Alberta.

MR. NOTLEY:

Mr. Speaker, I'd like to direct a question to the hon. minister. Could the Provincial Treasurer advise the Assembly or give an assurance to the Assembly that the introduction of the legislation will be preceded by a comprehensive position paper which would outline the guidelines the government proposes for this trust fund?

MR. MINIELY:

Mr. Speaker, no I can't make any such assurance. In due course, when we have made the examination we intend making, the government will make that position known to the people of Alberta.

MR. CLARK:

Further supplementary question to the minister. Does the government at this time have Legislative Counsel working on legislation dealing with the Alberta heritage trust fund, or has he not even started to draft the legislation yet?

MR. MINIELY:

Mr. Speaker, the hon. leader obviously does not place the importance upon spending ...

MR. SPEAKER:
Order please. Order.

MR. CLARK:
The answer is no.

AN HON. MEMBER:
You're right.

MR. MINIELY:
Mr. Speaker, I think I indicated to the hon. leader, but I will say it again: it is our intention to spend the time that is necessary to ensure that the utilization of these funds results in maximum benefit to the people of this province. That time is then the proper time to pass legislation, not before.

MR. R. SPEAKER:
Mr. Speaker, a supplementary to the minister. Is it the intention of the government to set aside \$1.5 billion in reserve, without any strings attached, until such time as the legislation is presented to this Assembly?

MR. MINIELY:
Mr. Speaker, I'm not sure I totally understand the question, but the funds are there and as I've indicated in the Budget Address, we estimate the amount that will be available by December 31, 1975 will be \$1.5 billion.

MR. R. SPEAKER:
Mr. Speaker, supplementary to the minister. Have any commitments been made to date with regard to those funds that are there?

MR. MINIELY:
Mr. Speaker, there have not been any commitments. I've indicated in the Budget Address that I estimate \$1.5 billion will be available for the heritage trust fund at December 31, 1975.

MR. WILSON:
Supplementary, Mr. Speaker, to the hon. minister. Does the minister envision that the funds that have been talked about for the Toronto urban transportation study or the power plant in Newfoundland or a petrochemical plant in Quebec would fall under his definition of a category of the heritage trust fund?

MR. MINIELY:
Mr. Speaker, I think I have already indicated that we have not made specific decisions as to the utilization of the trust fund. The magnitude of the revenues of the Province of Alberta - if the hon. member will study the Budget Address as well as the Estimates, he will find that in fact we can set aside these substantial revenues for the future of Alberta and we still have flexibility as to the utilization of our current revenues.
Mr. Speaker, if I might, I think he related to certain specifics. As I indicated on Friday, not during the Budget Address but during the news conference, as an example, Syncrude itself will be an investment which will be made over four years and may result in only about \$50 million a year ...

MR. CLARK:
Oh.

MR. MINIELY:
... So obviously, Mr. Speaker, we have a great deal of flexibility in how we handle this.

MR. R. SPEAKER:
Mr. Speaker, supplementary to the minister. Has the minister made any public statement with regard to the fact that the convertible debenture of \$200 million that will be provided for Gulf Oil and Canada-Cities Service would come from the trust fund?

MR. MINIELY:
Mr. Speaker, we have made no specific decision on that; although I think in terms of a trust fund that the debenture, the final details of which may be negotiated, which will provide the citizens of Alberta with an interest rate return which is to our benefit in the longer term as well as a conversion option, will certainly be something which you could class as beneficial to the future of this province.

MR. NOTLEY:
Mr. Speaker, a supplementary question. Prior to the introduction of legislation setting up the heritage trust fund, how will this money be held?

MR. MINIELY:
Mr. Speaker, the legislation would clarify that.

MR. CLARK:

When are we going to get it?

MR. NOTLEY:

Mr. Speaker, a supplementary question. Prior to the legislation setting up the trust fund, under what terms will it be held - under the cash investment fund of the government at the present time, or how will it be held?

MR. MINIELY:

Mr. Speaker, I think I also indicated in the Budget Address that as a matter of fact the total funds that are held, the combined income and capital account surplus excluding just the general revenue fund surplus of the province, we estimate will be \$1.3 to \$1.4 billion at the end of March, 1975.

Obviously that means that there are more funds now in the surplus of the province than the amount that may be specifically related to a heritage trust fund in the future. So I think the hon. member's question in that context has no real meaning until the legislation comes in.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Would the minister advise if it is intended that the Syncrude-related facilities, such as the pipeline and the power plant, would come out of the heritage trust fund?

MR. MINIELY:

Mr. Speaker, I'm glad the hon. member has raised that question because I think it has not been well understood that the power plant and the utility plant which are intended ultimately for the Alberta Energy Company, if the board of directors makes that decision, would be financed as normal pipelines and utilities are, on a 10 per cent equity basis and a 90 per cent debt basis.

The reason it is done that way, Mr. Speaker, is because both of those have a guaranteed rate of return - in the case of the utility a guaranteed rate of return upon the capital cost, whatever that cost may be; in the case of the pipeline a guaranteed through-put rate of return. Only 10 per cent of it is equity so obviously a very small part would be equity.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Is it envisioned then that Alberta government loans to the Alberta Energy Company would form part of the heritage trust fund?

MR. MINIELY:

Mr. Speaker, I hope I haven't ruled out that all of the specifics mentioned are possibilities, but we have not made definite decisions as to whether or not they would be held in the heritage trust fund or whether or not they would be held as general assets of the province.

I think the important thing again, Mr. Speaker, is not where they're held but that they are held for the future of the province of Alberta for the long-term benefits.

MR. TAYLOR:

Supplementary, Mr. Speaker, to the hon. ...

MR. SPEAKER:

Might this be the last supplementary on this topic.

MR. TAYLOR:

Is the interest coming from this fund at the present time going into the fund or into general revenue?

MR. MINIELY:

Mr. Speaker, the interest - I think in the fall I indicated we're averaging a return of about 10.5 per cent on these funds. I think that's slightly under 10 per cent now, but certainly it's a substantial interest. The Budget indicates we estimate about \$127 million interest. Those are at the present time, until we introduce legislation, part of the general revenue fund of the province.

Oil Resources Preservation Act

MR. NOTLEY:

Mr. Speaker, I would like to direct this question either to the hon. Premier or to the hon. Minister of Federal and Intergovernmental Affairs.

In the light of reports yesterday that the Minister of Federal and Intergovernmental Affairs indicated that Alberta would be in a position to control exports, my question to either the Premier or the minister is: does the government propose to introduce an oil resources preservation act to make that possible?

MR. GETTY:

Mr. Speaker, perhaps the hon. member could advise me as to what particular comment I had made regarding that matter.

MR. NOTLEY:

Mr. Speaker, to follow through, this is a report I was given of a contribution the hon. minister made to a CBC national radio program dealing with the Syncrude project. According to the report the minister made the point that Alberta would be in a position to control the export of oil.

My question comes right back to: are we going to introduce legislation which would put oil in the same category as natural gas?

MR. GETTY:

Mr. Speaker, that's a matter my colleague, the hon. Minister of Mines and Minerals, has dealt with several times in the House.

The point I was referring to was that the Alberta Energy Resources Conservation Board naturally will assure that the interests of the people of Alberta are taken care of before any export can go out of the province. We have the Alberta Petroleum Marketing Commission doing the same thing, and certainly it's possible that consideration could be given to some legislation that would also control export of oil from the province.

MR. NOTLEY:

Supplementary question to the hon. minister, Mr. Speaker. In the light of reports from the same program dealing with the control of pricing, my question to the minister is: has the government discussed with federal officials the possibility of achieving agreement for Alberta to invoke PART 4 of The Petroleum Administration Act?

Just to refresh the minister's memory, this is the part that allows the pricing outside the province of Alberta. Have there been any specific discussions with federal officials on that matter?

MR. GETTY:

Not recently, Mr. Speaker.

Arable and Grazing Land

MR. FRENCH:

Mr. Speaker, my question is to the hon. Minister of Agriculture. Has the hon. minister had an opportunity to follow up my inquiry with respect to the ratio assessment between arable land and grazing land which I raised about 10 days ago?

DR. HORNER:

Mr. Speaker, I've inquired of the Western Stock Growers, who have a proprietary interest in the study, and asked them for their permission to table it. As soon as I get that I will be tabling it.

The hon. member might also be interested that we've set up a continuing committee of the stock growers, and the representation of the Department of Municipal Affairs as well as my own department, to continue to look at this matter of the ratio between arable and grazing land. I can assure the hon. member that as soon as I hear from the stock growers, I'll be tabling that document in the House.

MR. FRENCH:

Mr. Speaker, will the Alberta Cattle Commission be having additional input into this matter too?

DR. HORNER:

Mr. Speaker, I should have cleared that up. The contribution of our department has gone through the Alberta Cattle Commission and then to the stock growers.

Irrigation Program

MR. MANDEVILLE:

Mr. Speaker, my question is to the hon. Minister of the Environment and is in regard to the \$28 million approved by the federal government for irrigation works.

With the estimates being almost double the \$28 million, have any arrangements been made with the federal government, or who is going to pick up the extra cost?

MR. YURKO:

Mr. Speaker, I don't have the details of the agreement in front of me but basically the agreement involved the construction of various main structures which were to be done by the federal government, and the transfer of land and cash.

As far as I am aware at this time, the federal government hasn't approached us in regard to any problem with respect to the increasing costs of the major structures they have undertaken to build.

MR. MANDEVILLE:

A supplementary question, Mr. Speaker. In light of increased costs on the Bassano Dam, are they going to go ahead with the rehabilitation of the Bassano Dam, with the increase in the estimated cost in the rehabilitation of the dam?

MR. YURKO:

Mr. Speaker, my understanding is that the federal government has undertaken a commitment to rebuild the Bassano Dam at an estimated cost of a certain figure. Because of inflation that cost has risen, I imagine fairly substantively, but their undertaking is to rebuild the Bassano Dam.

Medical Fees

MR. RUSTE:

Mr. Speaker, my question is to the hon. Solicitor General in her role in charge of the Health Care Commission. What was the final percentage increase that will be granted to the medical profession in their fees?

MISS HUNLEY:

Mr. Speaker, the initial agreement I believe was 6.5 effective January 1. But it's impossible to put that into effect and make it retroactive, so it will begin on March 1 and as a result of that I believe it's 7.5 or 7.2 - the total dollars. That's the way the percentages worked out to give us the total dollars.

Declining Enrolments - Grant

MR. DRAIN:

Mr. Speaker, this question is to the hon. Minister of Education. The question is: does the pupil-deficiency grant include St. Michael's in Pincher Creek because of the difficulty they are having, and if so, for how much?

MR. HYNDMAN:

I would like to have those figures at my finger tips, Mr. Speaker, but regrettably I don't. If the hon. member could send me over those specific questions I will endeavor to get him the answer very shortly.

MR. RUSTE:

A supplementary question to the minister. Maybe he would send the figures to us all so we don't have to send him separate notes.

MR. HYNDMAN:

Mr. Speaker, I think certainly an estimate, at least within the next few days, of the moneys accruing to the various school districts in the province could be prepared and made available to all members insofar as there seems to be a demonstrated interest.

Civil Servants' Salaries

MR. BUCKWELL:

Mr. Speaker, my question is to the hon. Provincial Treasurer. Is there a fourth volume of Public Accounts dealing with the salaries paid to civil servants?

MR. MINIELY:

Mr. Speaker, I think I have indicated to the House that the format of the public accounts had been changed. I thought I tabled on Friday the three volumes of Public Accounts. I thought that comprised all the volumes of Public Accounts, although I believe there is a section in volume 3 which indicates payments to individuals which would include civil servants as well as other individuals.

MR. BUCKWELL:

A supplementary, Mr. Speaker, to the hon. Provincial Treasurer, and a word of explanation. There was a book published dealing with every department and the names of every civil servant and his salary. Is it still being published?

MR. MINIELY:

Mr. Speaker, I would have to check on that because the hon. member had indicated - as a part of the public accounts or as a separate book? I'm not sure what the hon. member is referring to.

MR. BUCKWELL:

Supplementary, Mr. Speaker. There was what we have known in the past as the Public Accounts in one volume. There was another one about this size with the salaries paid to civil servants. I was wondering if it was still published.

MR. MINIELY:

I think, Mr. Speaker, I now understand the hon. member. I think he is referring to - in past years there was a separate publication but I don't believe it formed part of the formal Public Accounts. I'll check into the publication he is referring to.

MR. BUCKWELL:

Supplementary, Mr. Speaker. If it is published, could the MLAs receive a copy?

MR. MINIELY:

Certainly, Mr. Speaker.

PM-Premier Meeting

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. the Premier. Could the hon. Premier advise if the agenda for tomorrow's meeting between the Premier and the Prime Minister of Canada has been established or not? If so, would the Premier briefly outline the topics on the agenda?

MR. LOUGHEED:

Mr. Speaker, the nature of our discussions does not normally involve a formal agenda and always leaves open for either the Prime Minister or myself an opportunity to raise any additional subjects. Certainly we will be discussing questions of energy, transportation and petrochemicals. But there may be others discussed.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. the Premier. Would the Premier expect that the Syncrude agreement would be ready to sign at tomorrow's meeting?

MR. LOUGHEED:

Mr. Speaker, I think the matter is proceeding, as I've answered the hon. Leader of the Opposition, in a normal course. I think it would be some time before an agreement of that nature is concluded. I would doubt that would be a subject with regard to energy that would be discussed except in a passing way. We certainly will be dealing with the question of the double taxation of the conventional oil and gas industry in this province.

Dow-Dome Project

DR. BUCK:

Mr. Speaker, I'd like to address my question either to the Premier or the Minister of Industry and Commerce.

Mr. Speaker, last week the Minister of Industry and Commerce indicated that he would signify to the House if there would be a report on the Dow-Dome project in Fort Saskatchewan. I'd like to know from the Premier or the minister if that report is available.

MR. PEACOCK:

Mr. Speaker, negotiations are going along favorably, but I have nothing to report to the House at this time.

DR. BUCK:

Mr. Speaker, can the hon. minister indicate to the House when there will be a decision on the Dow-Dome project at Fort Saskatchewan?

MR. PEACOCK:

Mr. Speaker, as the hon. member appreciates, it's a very complex problem existing in regard to the negotiations between Dow-Dome and Alberta Gas Ethylene. We'll be ready to report to the House just as soon as those negotiations are completed.

Petrochemical Industry

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise whether it's true that a comprehensive investigation or study is now under way concerning the feasibility of the petrochemical industry in Alberta, also reviewing perhaps subsidies that might be necessary to make it operable in the province of Alberta?

MR. PEACOCK:

Mr. Speaker, since taking office we have reviewed and had some economic research going forward to determine the viability of bringing the petrochemical industry here on a world-scale basis because that was the purpose of the government's desire to upgrade its natural resources. So that is continuously being undertaken both by industry and by ourselves.

Consolidated Cash Investment Trust Fund

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Provincial Treasurer. It's really a follow-up question to the first one asked today by the Leader of the Opposition. Can the Provincial Treasurer advise the Assembly whether or not the windfall, if I can use that expression, is going to be vested in the Consolidated Cash Investment Trust Fund?

MR. MINIELY:

Mr. Speaker, first, as far as Albertans are concerned, it is not a windfall ...

AN HON. MEMBER:

You're darned right.

MR. MINIELY:

... on the return of our natural resources.
Secondly again, Mr. Speaker ...

AN HON. MEMBER:

Under an NDP government, you'd never get it.

MR. MINIELY:

... Secondly again, Mr. Speaker, I have to advise the hon. Member for Spirit River-Fairview that that decision has not been made and will be clarified in due course by legislation.

MR. NOTLEY:

Mr. Speaker, a further supplementary question for clarification. Has any of the money which has accrued to date been placed in the Consolidated Cash Investment Trust Fund? I am talking about prior to the introduction of legislation.

MR. MINIELY:

Well, Mr. Speaker, the hon. member should be aware that all of the province's surplus funds are combined and invested in a vehicle called the Consolidated Cash Investment Trust Fund.

MR. NOTLEY:

A further supplementary question then, Mr. Speaker. Can the Provincial Treasurer assure the House that there will be a freeze on any expenditures under the Consolidated Cash Investment Trust Fund, as a result of The Financial Administration Act and the orders in council thereto, until such time as the Alberta heritage trust fund act is proposed in this Legislature?

MR. MINIELY:

Mr. Speaker, the hon. member didn't understand my earlier reply. I indicated there certainly will not be a freeze on public funds which may be necessary to meet priorities. But in terms of the heritage trust fund, we are not concerned in any way that the heritage trust fund, in the estimates of the figures I presented in the Budget Address, will be encroached upon.

Women's Emergency Shelter

MR. BENOIT:

My question, Mr. Speaker, is to the hon. Minister of Health and Social Development. I am asking if the government is currently providing funds for the operation of a women's emergency shelter in the city of Edmonton?

MR. CRAWFORD:

Mr. Speaker, the hon. member's question relates to an organization which had a long negotiation with the government last spring because of differing opinions on how women's shelter facilities should be furnished to the city of Edmonton.

I am happy to say that in the late summer period a suitable arrangement was negotiated under which a new body took over, in new premises, that sort of work. It seems to have worked out quite well.

MR. BENOIT:

A supplementary, Mr. Speaker. Is the fund as it now stands a permanent arrangement or is it only temporary?

MR. CRAWFORD:

Mr. Speaker, it was the government's intention, because of the necessity of bringing together opposing views, to fund the City Centre Churches Corporation's activities in this respect for one year, on the understanding that it was the type of undertaking which should be kept in the volunteer sector and that, hopefully within the year, a citizen board of some sort would emerge from what had previously been diverse opinions, but which had since come together under this agency.

Syncrude - Provincial Participation

MR. DIXON:

Mr. Speaker, I'd like to direct my question to the hon. the Premier. I am inquiring, Mr. Speaker, of the Premier, which Canadian provinces were directly invited to participate in the Syncrude plant, other than the ones which have been announced?

MR. LOUGHEED:

Mr. Speaker, my understanding is that there is a motion for a return outstanding on that exact question. We've answered it before, saying all of the provinces were given an opportunity to come in, under commercial terms, under Alberta's agreement of 50 per cent profit sharing.

Perhaps the Minister of Mines and Minerals could elaborate if there is anything further we can say.

MR. DIXON:

I wonder if I could ask a supplementary question in order to help the hon. minister to answer. What actual replies did we get back from the provinces, or was it just a sort of broad invitation with no actual correspondence?

MR. DICKIE:

Mr. Speaker, the invitation arose out of a Telex to the Hon. Don Macdonald. We sent a copy of that Telex to all the mines ministers. We've subsequently received replies and they varied; we will in due course be tabling those in the Legislature.

Fertilizer Industry - Phosphate Supply

MR. RUSTE:

Mr. Speaker, my question is directed to the Minister of Agriculture. Have there been any recent developments in the finding of additional supplies of phosphate for use in the manufacture of fertilizer?

DR. HORNER:

That's an ongoing thing the people interested in the fertilizer industry are continuing to look at. My understanding is - and this is not in any official way - that the companies which are now manufacturing fertilizer in Alberta are looking at alternate sources and the deposits in Idaho are being looked at.

We would hope that we would have continuing discussions with the Mexican government with regard to their recent, at least announced, find of fertilizer in the Baja California area of Mexico. There have been some preliminary discussions with people who have a source of phosphate in Africa.

These are all ongoing and indeed are important in that we have requested from the fertilizer companies that they have a commitment for phosphate rock prior to export of nitrogen fertilizer from this province.

MR. RUSTE:

A supplementary question to the minister. What division of your department, or other department of government, deals with this?

DR. HORNER:

Well, my department of course, Mr. Speaker, is primarily concerned about the availability and supply and pricing of fertilizer to Alberta farmers and has been involved

in that matter. In other matters the Department of Industry and Commerce of course has been involved.

GCOS - Oil Prices

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the Premier and it's regarding a question I asked last Friday. The hon. Premier said he was going to indicate to the House whether GCOS had been given any assurance from the federal government that their prices would be similar to those offered for Syncrude.

The reason I'm asking this question, Mr. Speaker, is that there was an announcement by a past official of Great Canadian Oil Sands telling people that the stock is going to double because this agreement had been reached. I just wondered if there was any substance to that?

MR. LOUGHEED:

Mr. Speaker, my understanding of the situation, again subject to final checking, is that the arrangements on international world prices by the federal government relate solely at the moment to the Syncrude project.

I would imagine that what is in the minds of Great Canadian Oil Sands is that having established that base situation, so that we can get closer to fair value for the citizens of Alberta with the remaining production, be it synthetic or conventional, there is some prospect of improving that position over the course of time by the time the Syncrude plant comes on stream.

Real Estate Agents' Licensing Act

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Consumer Affairs. Would the minister advise if it is the intention of the Minister of Consumer Affairs to introduce a new real estate agents' licensing act this session or, failing that, to introduce major amendments to the existing Real Estate Agents' Licensing Act this session?

MR. DOWLING:

Mr. Speaker, I think notice will appear on the Order Paper indicating that we propose to introduce amendments to the present Real Estate Agents' Licensing Act in this spring session.

I should mention too, Mr. Speaker, that we are meeting with representatives of that organization, with the deputy minister, the real estate branch head and the members of the consumers affairs committee this evening and will be discussing their proposal for a new act which we've discussed a number of times already.

Consolidated Cash Investment Trust Fund (continued)

DR. BUCK:

Mr. Speaker, I'd like to address my question to the hon. Provincial Treasurer and it is to do with the consolidated trust fund.

I'd like to know, Mr. Speaker, if the minister can indicate in ballpark figures the amount of money the government anticipates having in this fund by the end of this year?

MR. MINIELY:

Mr. Speaker, I don't like to deal in ballpark figures, but I would indicate to the hon. member that as the Budget Address indicated, the combined income and capital surplus we anticipate, which forms part of the Consolidated Cash Investment Trust Fund, will amount to \$1.3 billion or \$1.4 billion.

In addition to that we have, as you know, the Consolidated Cash Investment Trust Fund, a vehicle to centralize the cash management of a variety of government funds: general funds, Workers' Compensation Board investment funds, surplus funds in Crown boards and agencies in order to maximize the interest return that the province would get.

We estimate that as a result of the Consolidated Cash Investment Trust Fund we're probably improving the yield on all our funds by about 1 to 1.5 per cent because we have larger amounts to invest.

I could get the exact figure for the hon. member if he would like me to.

Urban Municipalities Fund

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Consumer Affairs.

It also relates to a letter that the hon. Premier received from the president of the urban municipalities in December.

My question is: a special warrant was passed for \$500,000 additional funds for people who are intervenors - groups - when power rates or utility rates are struck. I just wondered if the government is going to tighten up on those loans, or are they going to leave it fairly broad as it was prior to the passing of this order in council?

MR. DOWLING:

Mr. Speaker, our proposal is to have, through the Department of Telephones and Utilities and eventually perhaps the Department of Consumer Affairs, a revolving intervenor's fund which will in fact recoup itself as it's used for interventions and really remain the same at all times.

We think that there has to be some selectivity relative to interventions and therefore have met on a number of occasions with the Public Utilities Board to determine what in fact they require by way of interventions. It now appears that, much like the consumer affairs department intervention on the milk hearings, we should be perhaps heading in this direction. That decision will be taken down the road, Mr. Speaker. In the interim the Intervenor's Fund which we now have will be in fact used in a rotating way so it will pretty well stay at the same amount at all times.

Syncrude - Power Plant

MR. RUSTE:

Mr. Speaker, a supplementary question to the Minister of Telephones and Utilities. With the building of the power plant at Fort McMurray, is any consideration being given by government to supplying power into the grid for the REAs at cost?

MR. FARRAN:

Mr. Speaker, that is also one of the options that is open and will be under study.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

2. Mr. Miniely moved:

Be it resolved that this Assembly approves in general the fiscal policies of the Government.

[Adjourned debate: Mr. R. Speaker]

MR. R. SPEAKER:

Mr. Speaker, in reviewing the Budget Address for 1975, I came to the conclusion that this is certainly a budget of distraction. I make two points with regard to that; first of all, a distraction from the needs of the people of Alberta - a distraction to the political needs of the Conservative party. Secondly, I see a distraction from the present and future economic problems that face us in the next two or three years, and I'd like to deal with those in a little more detail in my remarks this afternoon, Mr. Speaker.

I have three major criticisms that I would like to place before the Assembly today with regard to the Budget. The first criticism that I wish to make refers to the style of the Budget and the tone in which the Budget was presented to this Assembly and to the people of Alberta. The other two criticisms that I have, Mr. Speaker, are more substantive and ...

AN HON. MEMBER:

They'd better be.

MR. R. SPEAKER:

... relate to the responsibilities of this government - responsibilities they have omitted - omitted in not recognizing they are very important to the people of Alberta.

Let us have a look at style. In examining the Budget, Mr. Speaker, we note that the Provincial Treasurer uses the possessive pronoun "our" referring to himself and his colleagues no less than 65 times in approximately 17 pages of text.

SOME HON. MEMBERS:
Shame, shame.

MR. R. SPEAKER:

I'd like to give just one or two examples with regard to that. He says: "our government in Alberta" on page 3. He says: "our success in achieving" - page 3; "our government's energy and royalty policies" - page 6; "four budgets presented by our government", Mr. Speaker, page 8 ...

AN HON. MEMBER:

Sour grapes, Ray.

MR. R. SPEAKER:

... "Our four year record" - page 9; "expenditures since we formed our government" and "the benefits of our policies" on page 19. And there are many many more, Mr. Speaker, which I can enumerate and place before you.

May I simply suggest, Mr. Speaker, that this is not the language of a public servant, a person who is the steward of the affairs of the people of the province of Alberta. It is the language of a person who thinks he is the owner of those affairs and they are his, "ours". Mr. Speaker, I feel that certainly is a shortcoming of the presentation of this particular Budget.

I think we have to ask, what have the people of Alberta been doing? I think we all recognize they have been doing a lot to bring us to where we are today. They are the ones who have built Alberta, and make it go as it has gone.

I think that in three and a half years, Mr. Speaker, this government has created a situation where the government feel they are the master and the people of Alberta are just their servants.

AN HON. MEMBER:

Shame, shame.

MR. R. SPEAKER:

The people of Alberta feel they are nothing more than just the benefactors of all these returns we have.

MR. FOSTER:

Ours ... [inaudible] ... all the opportunity we need.

MR. R. SPEAKER:

The hon. Member for Red Deer continually makes speeches when everybody else speaks, but, Mr. Speaker, if we look at the record in this House of three and a half years, we have not seen one formal debate or presentation of that hon. member. If he wishes to speak ...

AN HON. MEMBER:

Nothing to say.

MR. R. SPEAKER:

... please stand because there is lots of opportunity in this Assembly to put his words forward.

[Interjections]

Mr. Speaker, paternalism is most evident. Picking out the overuse of the word "ours", as I have, may be rather a small type of thing to do. But I think what it does, Mr. Speaker, is loudly speak about the personality of this government ...

AN HON. MEMBER:

... the attitude ...

MR. R. SPEAKER:

... and the attitude of this particular government.

Throughout the Budget this paternalistic attitude is enhanced. They talk about giving grants to municipalities, funds to municipalities. You know, Mr. Speaker, isn't it about time that we give the municipalities of Alberta a little more autonomy, a little more recognition, a little more involvement in the decision-making of this province. I think we have reached a point where they should be able to sit in on budget planning, where the cities, the rural municipalities should be able to sit down in a very objective and mature manner with government and say, look, we are equal partners; we should be able to sit at the table and say, these are our priorities, we will need this much funds, how can we work out our arrangement of government together.

But, Mr. Speaker, this Budget doesn't give us that story. It says that here in Alberta we have a government that gives to the local government in a benevolent manner, and the local government is to come back and say, thank you very much, you're very fine people, it is from our government. But let's remember the affairs of this province are done for the people in an active involvement.

Let's look at some other areas. Farmers are subsidized, senior citizens in this Budget are challenged to bow in thankfulness to the great white government. I think we should recall who really built this province and [who] has brought us to the point in economy and social development we are at today. No, that would be unfair if we said that because there are many leaders and many communities who have given of their time, have never sat in this Assembly, who have made Alberta what it is today.

Mr. Speaker, we look at low income people in Alberta and the Budget says we are going to really help them. The low-income people should stand on the streets and stand in their homes in awe and say, thank you, you're a very fine giver.

I think the government sort of sums it up when they find it necessary in this particular Budget - they sum up their position with regard to paternalism when they say that it is time now in our life in Alberta and our growth in this province that we take a partnership involvement with the private sector; that that is the only way we can now sustain and diversify the Alberta economy. That's what it says in the Budget. That only means that people in Alberta can't do it alone. Individuals can't do it. Groups of individuals can't do it unless government sits in their hip pocket. That's what this particular document says, Mr. Speaker. I think it's time we ought to be concerned about: one, the paternalistic attitude; two, the fact that they want to distract us from what is really going on in Alberta; and three, that government feels so important that it has to have a partnership in the involvement of our affairs. As members of the Legislature, whether we sit over there in the back benches, whether we sit over here, or you sit in your chair, Mr. Speaker, I think we had better examine that particular goal that has been established by the government, the Provincial Treasurer, the Premier, and a few of his cabinet ministers.

AN HON. MEMBER:

That's right.

MR. R. SPEAKER:

Mr. Speaker, I would like to turn to the substantive criticism I have of this particular Budget. I think there are two major omissions, omissions so fundamental that they render this budget document a misrepresentation of fact. If these omissions were made in the financial reports or the prospectus of a public company, the officers of that particular company would be liable to prosecution for deliberate misrepresentation and failure to disclose. I would submit that if we put this budget report through the disclosure test of the Securities Commission, we would have some grounds for legal action, Mr. Speaker. I think that's how bad it is.

Let's look at the first omission and the misrepresentation of facts. In referring to the additional natural resource revenue which makes tax cuts and expanded expenditure possible, we read on page [6] of this Budget the astounding assertion that these revenues have accrued, and I quote: "... as a direct result of our Government's energy and royalty policies"

MR. CLARK:

They started the war in the Middle East.

MR. R. SPEAKER:

You're right.

We look again on page 19 and we're told more. I quote:

Due to our Government's oil and natural gas policies, combined oil and natural gas returns to Albertans have increased from \$270 million in 1971-72, when we assumed office, to an amount of \$1.4 billion ... in ... 1974-75

Fantastic, I'll tell you. Sure the numbers are beautiful, but I think we should examine some of the facts. The fact is of course, as we all recognize, that the increase in Alberta's natural resource revenue is due primarily to an international event over which the Alberta government, the federal government, or any other western government had no control. I think we should recognize that fact.

We can all refer to the decision of the Organization of Petroleum Exporting Countries whereby they imposed a partial embargo on petroleum shipments and instituted an enormous increase in world petroleum prices. We all recognize it was this event which made possible windfall gains in all petroleum exporting regions, particularly here in the province of Alberta.

The other area we should look at is the area of change with regards to the domestic and international petroleum market. It has changed from a buyer's market to a seller's market. Again we have to recognize that the actions of this government here had no effect on what actually happened, or no effect to make that occur so that we changed from a buyer's market to a seller's market. It didn't matter who was in power, whether Social Credit, NDP, Conservatives; that would have happened anyway. To think that this government can take credit for that fact is certainly not a fact. For the government of Canada's major petroleum producing province to produce a budget and fail to make any mention whatsoever of the primary causes of Alberta's present prosperity is not only irresponsible and negligent, it can also create embarrassment to this Assembly and I'm sure to the Provincial Treasurer.

I think the Provincial Treasurer should recognize this and be aware that copies of this particular Budget at this particular time, when times are unsettled, will be spread across all the provinces of Canada, into the international area. People who are very very knowledgeable about the situation will read it. I wonder what kind of impression we are going to make.

I think when we read this Budget and see no reference at all to the real cause of Alberta's resource windfall and no recognition of our dependence on international events, surely these readers will think us naive and foolish, selfish in our outlook, concerned only for our own political security and self-aggrandizement - to me, Mr. Speaker, a rather bush-league participant in the world energy drama.

Mr. Speaker, because of the naivete of the presentation, I could say this document does not read like a \$2.5 billion government budget - that's a lot of money - it reads something like it was prepared for a very misinformed audience, an audience that really doesn't know all of the details, and it's most likely performed and written by some junior partner in a 2-man accounting firm. I think that is the way the Budget has been approached.

This irresponsible attitude reaches its peak on page 6 of the Budget where this statement can be read: "... improvements in financial management and responsible expenditure policies have controlled growth in expenditures to a lower rate than growth in revenues."

I guess, Mr. Speaker, we should hope so. It would be very sad if the expenditures of this province could not be kept below the growth of revenue at this particular time. This last year we have had an increase of some \$300 million in revenue, an increase of 34 per cent. To think that a government even makes the statement that they did all kinds of things to keep it under 34 per cent! Unbelievable. I think the statement was put in there to try to distract us from the fact and try to make an impression that they are really responsible in the administration of the province's affairs. This, Mr. Speaker, I cannot buy to any extent.

Let's look at the second omission in this Budget. The second omission, Mr. Speaker, is related to the first. There is no recognition in this Budget, in the text or in the future financial projections, of the negative impact of the so-called energy and royalty policies of the Alberta Conservative government. The unpleasant reality, which this Budget attempts to avoid, is that the ill-advised actions of both the Alberta government and the federal government to secure the maximum short-run return from windfall resource earnings for the respective treasuries has succeeded in strangling the exploration and development efforts of the private sector ...

AN HON. MEMBER:

True.

MR. R. SPEAKER:

... whether through inexperience, ineptitude or a desire to get all the traffic could bear, we don't know. Only they can answer that particular question. This Conservative government, together with the federal government, has become a party to the creation of a potential future energy shortfall in Canada.

Mr. Speaker, I think we have to be concerned. Why isn't it in the Budget? Why isn't it admitted as a fact and a possibility that some plan is outlined in this proposal? Uncertainties have been created with respect to the wisdom of investing increased amounts of private capital in the oil and gas developments of Alberta. That, Mr. Speaker, is going to take many many years to remove and it isn't going to be an easy step that we face ahead.

The consequences of the energy shortfall, which must inevitably result from inadequate exploration and development activity, will be eventually reflected in increases in the cost or price of petroleum products in Alberta and throughout Canada. Again I think we should be concerned.

Mr. Speaker, to me this is a classic case of mismanagement in public affairs. If the same attitude and the same policies and the same actions had taken place back in 1947, we could ask ourselves whether we would really have any kind of oil or gas industry in Alberta today; whether we would have any kind of base from which we could gain the returns we are gaining this year, last year and potentially next year. That's the real question, because we have frightened investor confidence in this province. I'm sure, Mr. Speaker, we recognize that it's going to take a long time to rebuild that fact.

We could have killed that confidence a number of years ago. At this point, Mr. Speaker, I make the point that this Conservative government has not faced the fact that they have shaken that confidence and are not ready to live with the implications in the next year or two.

Mr. Speaker, Albertans will need the personal income tax reductions provided, and more, to pay for the higher cost of energy and goods produced through energy-consuming processes. The meagre \$140 per year average tax reduction to the Alberta taxpayer will do very little. We can already understand this when we look at the \$200 million that has been put into Syncrude. That investment, to Albertans, is already \$130 per capita. If we look at the potential commitment, the responsibility of \$1.2 billion committed to Syncrude, we look at some \$800 per capita. I think, Mr. Speaker, we are in a situation where we have committed a lot of dollars and there could be problems ahead which this government does not seem ready to face.

Revenues derived from the heavy taxation and the royalty assessments on the petroleum sectors today will have to be reinvested in energy resource development tomorrow; reinvestment simply to try to offset the energy policy mistakes of the federal and provincial governments in the last 18 months and really with no net benefit or effect on the province of Alberta or Canada.

For example, this Conservative budget speaks of an Alberta heritage trust fund and we raised it in question period today. But maybe this government knows they have made mistakes and are going to try to get ready for what is coming up in the future. They won't tell us what the guidelines to the heritage fund are. There is no indication as to how the money is going to be used. There was an indication today, however, Mr. Speaker, that some of the money that is required for Syncrude may come out of the trust fund. But really, Mr. Speaker, there are no guidelines, no plans that seem to be coming forward. I think it's time that this government came to grips with that kind of problem and recognized the responsibility they have.

In a Journal article on Saturday, the Provincial Treasurer was asked about Syncrude. He was asked whether money committed to Syncrude would come from the trust fund. At that time, and from the article, he indicated that \$200 million would. But today we have received a different answer.

But, Mr. Speaker, there are some real challenges ahead as to how we invest this money and prepare ourselves for an energy shortfall; how we prepare ourselves for a higher energy cost in Alberta. I think those kinds of problems are the ones that this government should be looking at and facing at this time, not when they happen, so they can make decisions after the fact like they normally do in this particular province.

AN HON. MEMBER:

Hear, hear.

MR. R. SPEAKER:

Mr. Speaker, I feel those two items are very very serious and are challenges that this government should face and certainly should not have omitted from this document.

I'd like to conclude, Mr. Speaker, and say just a few things very directly to the Conservative government. I think they should have a look at the way their administration is going. I think it's time - and we have said this on this side before and I say this in the most nonpolitical manner possible - it's time that they reassess their approaches to the public, to public administration; that they present before the people the most frank, direct and honest facts about each and every situation.

To do things for political gain is going to get them into difficulty and get this province, the affairs of the people of Alberta, into difficulty in the years ahead. It's one thing to write a glowing political document, but it's another thing to face the responsibilities which you have. That's my first suggestion. I think the government here should not get too carried away with their political footwork but place before Albertans the actual facts as they are, so the people of Alberta can help to make proper and good decisions in the management of Alberta's affairs.

Secondly, I feel it's time this government recognized that it is a servant of the people and certainly not the benevolent or the paternal master. Maybe we can excuse the cabinet ministers in the government because they only have three and a half years of experience. Whether successful or not after the upcoming election, I think that's one attitude you should review very very carefully because it is the people of Alberta you are serving; it's not the needs of yourselves and your close associates.

Mr. Speaker, I feel that the two substantive omissions I have recognized in this particular Budget for 1975 and 1976 should gain more recognition from this government. The people of Alberta should, first, know the truth about the sources of revenues. Secondly, they should know about a future plan that can recapture investor confidence in Alberta. And we should know about a concrete plan for future resource development and how we are going to face the problems that are before us in the next year or two.

In summary, this Budget elaborates on the benefits which the energy policy of the Alberta government had little to do with. This Budget completely ignores the cost in energy shortfalls and increased energy prices which government energy policy is going to impose on every man, woman and child in Canada in the near future. Mr. Speaker, when this Budget is stripped of the image-building gobbledygook and the misrepresentation is taken away, we recognize that what it is is a maintenance budget, a rehash of government efforts in the past, and that's about it.

If we count the number of programs that are referred to, we can count around sixty. We recognize that about four out of those sixty, or around 7 per cent, are really anything that look a bit new.

But let's look at two of them: the personal income tax reduction and the heritage fund. As was earlier said in this Assembly, those were things that the Social Credit party has been recognizing and talking about and urging the government to do in the last year. We appreciate that that recognition has been taken. But it isn't new. It's just a rehash.

I only hope the estimates of this Budget are somewhat more accurate than those of 1974 and 1975. That Budget was miscalculated by some \$250 million to \$300 million - a quarter of a billion dollars out of what was estimated. That's over 20 per cent, Mr. Speaker. I really don't think in an accounting system that that is a percentage to be proud of.

Mr. Speaker, with all the faults and the strengths of the Budget, it is an exercise in futility if, as was the case last year, it turns out that we only can guess what the budget really is.

I would also suggest to this government that it is time they examine their management objectives, their principles and their practices. The people of Alberta expect good management of their affairs. Characteristic of government and good government with good management in Alberta should be the following things:

1. Fair and equitable taxation.
2. Minimal cost of government.
3. Quality programs and services.
4. An encouragement of an environment for individual private enterprise.
5. A provision of dividends to Albertans, which means leaving in the hands of Albertans a maximum of their earnings so they can spend the money as they see fit.
6. I think there should be a low priority on public image building. To do the straight and honest action will certainly reach the goals any political party wants to reach. To do things to create a halo effect doesn't do anything for the people of Alberta. What we need is honest action. All the rewards, the publicity, the accolades or whatever will fall on that government that does a good and straightforward job.

Mr. Speaker, portrayal of a paternal smug master interested only in power and self-aggrandizement is not the direction that any government should go. I think this Budget, whether it is a true representation - I'd certainly like to hear from the members as to whether it is or not - a budget should not be the place where self-aggrandizement and self-armed back-patting is done. It is to report to the people of Alberta how their affairs are carried on as to the present and in the future. All we in opposition ask, and all the people of Alberta ask, is that a responsible approach be taken to budgeting; that the people of Alberta know the facts and that we can make good judgments and work together to build this province as great as it is and even greater than it can be in the future.

Thank you, Mr. Speaker.

MR. SPEAKER:

The hon. Minister of Industry and Commerce followed by the hon. Member for Calgary McCall.

MR. PEACOCK:

Mr. Speaker, in rising to take part in this debate, I would like to congratulate the Provincial Treasurer. During the Budget Address on Friday night, he instilled in me an increased pride in being an Albertan - the lowest taxed citizens in Canada, still no sales tax, the lowest property and gasoline taxes ...

AN HON. MEMBER:

Hear, hear.

MR. PEACOCK:

... plus all the other benefits.

I suppose some of those opposite who have not fully reviewed the Budget will say, oh that's easy, we did it. You just have to spend all the oil revenue. Well, Mr. Speaker, that is not the philosophy of this government. We recognize our hydrocarbon deposits are a depleting resource and must be developed to ensure the prosperity of future Albertans as well as present Albertans.

I think it's important to re-emphasize that only the royalty received up to \$4.40 per barrel is included in the Budget as spendable operating revenue. Any additional royalty over and above that \$4.40 per barrel will fund the Alberta heritage trust to ensure the prosperity of future Albertans, and will not be available to finance ongoing and normal budgetary expenditures.

The Provincial Treasurer has skilfully moulded, as only a chartered accountant can, the supply and demands of every government department, Crown corporation and the agencies to present his balanced budget. It is indeed a credit to the Provincial Treasurer, and incidentally, the youngest Provincial Treasurer in Canada. As all the budgets ... [interjections] ... of all departments are combined to form the government Budget, so the efforts of each department contribute to the progress of a government.

Mr. Speaker, I would like to spend a few moments covering our department and then a few minutes on the strength of the Alberta economy, and to comment on one or two concerns we may have as Albertans. First, I think it would be appropriate to acquaint this House as to what the department has attempted to do since, as an MLA for Calgary Currie, I was appointed Minister of Industry and Commerce in 1971.

One of these areas of concern to me as a businessman has always been and still is transportation, because of our landlocked position, our lack of market, and the position we hold in the confederation of provinces in the Dominion of Canada. These transportation inequities that I as a small businessman experienced in this area are still with us. Because of the complexity of the problem, it was always difficult to come to grips with this issue. I am sure many people in this House are familiar with the efforts which have been made over the years. Because, when we came into office in 1971, we were dedicated to taking this complex problem and reducing it to simple terms so that the people of western Canada might understand; and because it is under federal jurisdiction so that the federal government might understand and respond to those inequities, it became a charge on the part of the Department of Industry to look at this complex problem.

And so, for the information of the House, I would just like to review very briefly what the problem is all about as far as transportation [is concerned]. Under the national Transportation Act of 1967, the rate setting mechanism and formula were predicated on competition. Now this was fine between Toronto and Montreal where you had waterways, highways, competitive railroads, airways. But out here in the west where you wanted to ship a commodity called sulphur to the Pacific coast out of Calgary to Edmonton, you had only one way and one system, and the same in Edmonton. So the competition didn't hold for western Canada. This is the reason the rate mechanism of competition does not apply to the West.

Over the years, not as a fault of a deliberate attempt of the East to work against the West but because of a situation, anomalies grew. Those anomalies which grew up were such things that are ridiculous for us to comprehend as westerners - you could ship from Toronto to Vancouver and back to Calgary cheaper than you could from Toronto to Calgary. That's called a long and short haul. And such things as raw and finished products - the famous rapeseed case we are all familiar with where we can take rapeseed and send it from Calgary to Toronto cheaper than we can by crushing that rapeseed and getting the protein feed and the oil, and conversely the other way back. This of course is what has created the problem in the agricultural business of being able to ship cattle on the hoof cheaper than you can in the packaged program or through the packer, packaged meats.

Then of course the big thing which really created the problem for us in Alberta was what we call rate groupings. That is where we want to diversify industry and make an equal opportunity for the town of Brooks or the town of Lacombe to Edmonton or to Calgary. We find we had to pay transportation from Calgary to Brooks and back, or from Edmonton to Lacombe and back before we could ship our products to the East. Consequently we were disadvantaged if we lived in those smaller communities. Conversely in Toronto, the whole area of Hamilton, Kingston, Belleville, et cetera had the same rate grouping and rates as Toronto.

Consequently, in attacking these anomalies and getting at the root cause, it led the Province of Alberta and the Department of Industry and Commerce to set up mechanisms which could identify this and give alternatives and programs which the federal government and the people who were responsible for transportation in Canada could understand and react to. With it came such issues as rail disbandment and rail relocation.

Consequently, out of this, out of all these problems, has developed what we call a federal-provincial committee on western transportation. This is a direct emergence from the presentation in Calgary at WEOC. There has been a number of studies undertaken by the federal government. We feel today we are making headway and we see signs of a breakthrough for the discontinuance of these anomalies and a new approach to freight rates for western Canadians.

In referring to that landlocked position of Alberta and referring to the fact that in the diversification of our objectives of industry and secondary industry in Alberta, we have to look into the 21st century. Consequently we looked forward to moving into the 21st century in transportation and that set up the basis for moving into PWA.

I don't think we've ever heard it in this House but I will say it now. One of the reasons for looking at PWA was basically in determining in its future the necessity of the high degree of funds that it's going to require to carry out programs for a landlocked province like Alberta to carry on and move its products into the market.

I'd like to touch just for a moment on what our department is all about, its strategies, its programs and its policies. Simply put, we're charged with the responsibility of looking at an economic environment that can move products into the province on an economic basis, competitive to the market place; can move products out of the province into the market place at a competitive price, and thirdly, to look at the circulation of product within the province itself, and that's called decentralization.

In order to determine how this economic environment could be established, it was necessary to define what the problems were. In bringing product into the province and moving out of the province within the context of the state of a federation of provinces called Canada, we found that we were disadvantaged in the following areas: disadvantaged by capital - capital organizations that were established in eastern areas were insensitive to the needs of western Canada, in the debt, the equity and the risk areas; fiscal policies of the federal government that were insensitive to the needs of western Canada, particularly Alberta. We refer here - which is obvious to all of us now - to the federal government's lack of sensitivity to that personal income tax that would allow the investment and development of our resources into such areas as drilling funds that we found have dried up since the United States, which was our source for those kind of risk funds, have not become available to us.

So what did we do about these things? In the debt area we looked at AOC. We looked at an expansion of a vehicle that was in place to identify and emphasize the necessity of relating the need of capital debt to the person rather than physical assets that he had. The institutions we have in Alberta that train people, that give meaning to life - why you go to university, why you get an engineering degree, why you go to a polytechnical institute, why you go to NAIT, why you go to SAIT, why you use your hands, why you use your mind - to give purpose and reason to live in Alberta and afford that diversification of opportunity: these were the things we were finding in the capital market place that precluded Albertans from getting a start.

So, coming back, in the debt area we looked at AOC, we expanded that. The development of the Alberta Energy Company, as it moves along, will afford Albertans to get an

investment and take an equity where the necessity is related to changing from a debt to an equity position because of cash flow and allowing the companies to grow and expand.

This government has a lot to do in the risk area at this time, but we have made two very substantial strides. One you heard in the Budget on Friday night of course; the reduction of the provincial tax by some 10 points. The other is the white paper on small business and its relationship to what can be done as an incentive program for Albertans in small business in the future.

The other problem we were faced with in relating and making a strong environmental climate here in Alberta, with 1,700,000 people some 2,500 miles away from market, laboring with a 49th parallel, a tariff and a commercial policy that was predicated on a political system that elects a government before the polls even close west of the Great Lakes, imposed on us a problem of better understanding of how we could get our goods east and west, and north and south, not only because of transportation problems but now because of commercial and tariff problems. So we in this government addressed ourselves to looking at the complex problems of multilateral as well as bilateral trade agreements by which we could circumvent to some degree those problems that were artificial barriers.

Further than that, through the Department of Federal and Intergovernmental Affairs, we have set up a liaison, a better understanding with the federal government of what the problem is in western Canada in regard to tariff and commercial policies. I give as an example to the House methanol which carries duty basically somewhere around 80 per cent to go into the United States. The United States is crying for certain resources that we have, yet it has put up a tariff on something that we, as Albertans, wish to move in there in a processed way because of a lack of understanding and definition of what methanol and single cell protein is all about.

And so, to review very briefly, we looked at the interprovincial problems of allowing Alberta, with its 1,700,000 people, to expand and diversify its economy. Then we had to address ourselves to correcting transportation problems, commercial problems, tariff problems and capital shortage problems both in the risk equity and debt areas.

Your government, in three and a half short years, has made remarkable strides on all these issues.

Now let's look at the province and identify what we were attempting to do here within the province so we didn't disadvantage somebody who lived in Oyen, in Brooks or Lacombe. It was then necessary to determine what the problems were there; why they generated into two great big metropolitan areas [whereas] people basically, because of aesthetics or other reasons, would like to be diversified throughout the province and live in that community that was comfortable to them. They wanted an economic environment that would permit them to do that.

In the search for quality of life as well as quantity of life, we had to address ourselves as a government to what we had inherited in 1971. We found that we were short of mortgage funds and that Alberta Housing had to expand its programs so that the project people could move into the small communities and afford mortgage funds and make them available.

We looked at the energy resources such as rural gas. Under the Minister of Telephones we have rural gas. We looked at sewage and water, which are basic to the development and equity of industry to move into rural Alberta. We're very pleased to say that, under the auspices of the Minister of the Environment, there are some 160 communities that now have sewage and water or the capability of receiving same so that they can stand up and be counted in this area of search for meaning and purpose and the reason for staying in business.

Then of course we looked at transportation. Needless to say, you're familiar with the paving programs, curbing and guttering of small communities and the highway programs that the Minister of Highways has taken forth. All these things had to be in place before we could go to work. The reason we haven't been speaking in the House too much in this regard is the fact that much of this had to be done and much of this takes time before it can become a fact.

I'm pleased to say that in those basic objectives we have accomplished and developed throughout, a strategy. The strategy in our department was to develop, as the Premier has stated on many occasions, those things which are Caesar's - to process the natural resources we have here. Agricultural products was a natural, the first we looked at. The Minister of Agriculture can enlarge on what has happened in that to a far greater extent than I can, but I might just point out that in agriculture we have moved, whether it be in feeds, rapeseeds or single cell proteins or frozen foods, on and on you go. The increases in that have been outstanding.

The second sector we had to look at because we cannot build a diversified base industry without having steel sufficiency - we didn't have to have a steel mill but we had to have steel sufficiency. We had to have a definition of price and definition of supply. We searched and moved on that. The reason we moved into IPSCO was because, while the mill was a scrap mill and was situated in western Canada, it afforded at least corporate decision in regard to where the supplies would go and at what price. And if we had lost the position because IPSCO was into that same position that I related a little earlier - that they had to move out of a debt position into an equity position - and if that hadn't been taken up in western Canada, the next thing we would have known we wouldn't have had decision of IPSCO out here, and it would have been another branch of a national operation in which we would have been at the mercy of price and supply to the eastern mills.

Through that venture forth in steel have been created some extensive benefits to Alberta in that STELCO has recognized that Alberta is identifiable with its potential market and the growth of the MacKenzie and our northern energy quarters. It has expanded. IPSCO is committed to [a] cold roll and [a] galvanized mill in Alberta. Dresser Clarke has moved into southern Alberta and we're looking at more sophisticated fabrications of steel at this time.

Then we come into the other sector called petrochemicals. In the question period today, I didn't have the opportunity to enlarge on it, but I will just for a moment. When you're landlocked and you're 2,500 miles away from market and you try to bring a world scale plant into Alberta and you bring all the attendant derivative plants, whether they be the first, second or third generation in order to spring out and allow this to be diversified in Alberta and used in Alberta, you have some dislocation costs.

But further than that, this House and so do we as Albertans, has to face up to and to recognize one thing: petrochemicals around the world have been the most protected industry of any industry, including agriculture - by custom, by taxes, by prohibition. As a result, in order to have the petrochemical industry on a world scale basis so that it wasn't tokenism, it had to be in consortium with the government and industry. That which was government's responsibility is in the tax and in the tariff and in the economics and in the supply areas. Government has to work very closely with industry in order to bring this world scale petrochemical [industry] about.

I don't want to spend much time on the others, but I would say that we have related to forest products through the minister and through his department; to recreation through the minister and his department; and into the sophisticated areas that are offshoots - such things as what PWA has done for and is doing for Alberta. I relate this because when the decision was made to take Alberta into the 21st century with its own vehicle - and I don't have to waste time and tell you that transportation is regulatory, there is nothing free about it. There's no free enterprise about transportation in Canada.

SOME HON. MEMBERS:

Oh, oh.

MR. PEACOCK:

No there isn't. It's subsidized, it's regulatory ...

MR. DIXON:

Is Greyhound subsidized?

MR. PEACOCK:

It's regulatory. And I would say this: in moving into this area Wardair, which was and had made and was committed ...

AN HON. MEMBER:

Are they next?

MR. PEACOCK:

... to move into Toronto, and take with it 1,700 people and, incidentally, one of the outstanding charter airlines in the world ...

AN HON. MEMBER:

How about CPA?

MR. PEACOCK:

... reconsidered its position - reconsidered its position with Air Canada and elected to stay in Alberta.

With it of course come other areas, both in the airfoil and fabrication and electronic field and even to avionics and engines. I'll just say something about electronics for a moment in passing. We in the department, and the environment as it is in Alberta now, have for a long time recognized Alberta as being an ideal location for the sophisticated area of electronics as far as Canada is concerned. And we're pleased to say at this time that there's been a great deal of headway made here. Because of the great opportunities in flow meters and the system of extracting oil and gas from the ground, what we see in the future here affords us a real opportunity in this field and we're looking forward to moving on.

Well, these are some of the programs which your government, along with the private sector, has undertaken in order to make and afford a diversified base for Albertans to move in. As a result of these policies and programs, the economy of Alberta grew at a strong and steady pace in '74. Manufacturing shipments increased 25 per cent in '74 and are expected to increase a further 15 to 20 per cent in '75. Total farm cash receipts - you're familiar with that - are up 47 per cent in ...

AN HON. MEMBER:

How about livestock?

MR. PEACOCK:

... in '74, compared to a national average of 38 per cent. The value of mineral production in Alberta increased 62 per cent in '74, compared to 40 per cent in the

previous year. For the first eight months of '74, the value of sales of crude oil, synthetic crude condensates and pentanes plus increased 61 per cent. The total sales in value of Alberta natural gas increased 37 per cent, and I don't have to go through the program that brought that about.

Retail trade for the first eight months of '74 was over \$387 million greater than '73, a 19.6 per cent increase, whereas the Canadian average was 15 per cent. Areas of substantial capital investment in '74, including primary industries and construction, are estimated to have increased 35 per cent in '74 over '73. Utilities are estimated to have increased 23 per cent. Trade, financial and commercial services are estimated to have increased 19 per cent.

Now there are two areas that I would touch on which have tended to stagnate in the last quarter of '74 and have received special attention by the government. The cyclical downturn in Alberta's lumber industry has been significantly reversed, we believe, through our Inventory Support Program. Dr. Horner can speak more aggressively on the Cow-calf Program and what it has produced through the Inventory Support Program.

The foregoing has indicated Alberta's economy is sound, strong and stable and as was noted in the February 4 edition of The Edmonton Journal, I quote: "Despite some major uncertainties and the worst North American recession since the second world war, Alberta appears headed for another banner year in 1975."

I mentioned that we cannot overlook the effect of economic developments elsewhere in the world. I repeat that we cannot overlook the effect of economic developments elsewhere in the world because they will surely be felt in Alberta. To emphasize this point, I would like now to quote briefly from the Economist of December 7, 1974:

The money left over to the oil barons of the Organization of Petroleum Exporting Countries after they had paid for all their imports, and for the harbours, oil refineries and other baubles being built in their countries for them by foreigners, is running about \$60 billion a year. That is about \$7 million an hour, or \$115,000 a second. The world now has multi-billionaires who every year could buy the entire wealth of the oil-created Rockefeller family sixty times over or buy all the securities on the London Stock Exchange every nine months.

They could purchase with surplus cash the Bank of America in ten days or all the companies on all the world's major stock exchanges in 15.6 years. The potential ramifications of their cash surplus are indeed staggering.

I would find it more appropriate to maybe enlarge on the implication of that kind of resource and capital at a later time, but I would like to sum up and finally state that the outcome of the current world monetary situation which will affect the U.S. dollar will doubtlessly have an effect on the Canadian economy. You have heard that our economy is performing strongly, that our strategies are providing results which can be directly related to our goals and objectives and that the government's policies and programs are providing strong support for economic development in the province.

In closing I must point out that while we have achieved much in the last year and while our expectations for the future are optimistic, much remains to be done and much hard work lies ahead if we are fully to achieve our objectives. It is a team game - management, labor and government.

Our efforts in '75 will be aimed at making every effort to insulate the economy of Alberta from the cyclical extremes that are characteristic of resource-based economies. The key to achieving this aim is the industrial investment under way and proposed for Alberta in '75 and the future years. If the proposed projects forge ahead, our economic well-being will be that much less dependent on the sale of resources and therefore less subject to the economic variations of other economies. Further diversification of the economy of Alberta [will be achieved] by promoting more secondary industries and finally, sustaining the present high level of economic activity and employment.

We are indeed fortunate in Alberta to enjoy an amicable and responsible relationship among management, labor and government. Through this understanding and communication, all Albertans have benefited. We look forward to continuing the frank and open dialogue we maintain with management and labor throughout the coming year. With this continued cooperation, Alberta will prosper.

AN HON. MEMBER:

Very good.

MR. SPEAKER:

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

MR. HO LEM:

Thank you, Mr. Speaker. After listening to the 1975 Budget Address and studying the Estimates of Expenditure for 1975 and 1976, the most compelling question left in my mind was this: whatever happened to the old idea that a budget presentation should reflect an actual and simple account of the true financial position of a province, without the interjection of statements of latent and undisguised partisan politics?

What we have been presented with, Mr. Speaker, reads more like the official Conservative party manifesto, if indeed they have a defined policy, than an actual

responsible accounting to the Legislative Assembly of the financial status of this province.

The address was so impregnated with partisan chaff, that it was hard to separate the few kernels of grain that may possibly have been contained in the document. If one were to accept all the political insinuations contained in the Budget Address, Mr. Speaker, he would have to come to the conclusion that the government ministers were directly and personally responsible for the enviable financial position we find our province in today.

Quite obviously, according to the well-orchestrated applause emanating from the opposite side during the reading of the speech, Mr. Speaker, the present government would like us to believe that they have injected all the oil and gas into the ground ...

MR. DIXON:

Put a lot of gas ...

MR. HO LEM:

... and that they provided our climate and soil for the agricultural industry, and that they planted and grew our forests and collectively provided us with the sun, the rain and the four seasons. I'm quite surprised, Mr. Speaker, that they have left so much to the God Almighty.

As a matter of fact, Mr. Speaker, if the present trend continues, we may have to arrange to put the God Almighty on the welfare rolls. We then of course could appoint a minister of divine providence to look after the day to day incidentals. In that way of course they could even have someone to blame for mixing all that sand in the oil at Fort McMurray.

MR. DIXON:

They have got sand in their gears.

MR. HO LEM:

Let us not have any doubt, Mr. Speaker, as to where the credit really lies for our present fortunate financial position. It is because of an unprecedented world demand for the resources we have in this province. This government had no more to do with creating our financial strength than they had with creating our resources to begin with. We are where we are in spite of, not because of, present government policy. For any government today to claim all the credit is an insult not only to this Assembly, but to all the people of this province.

SOME HON. MEMBERS:

Hear, hear.

MR. HO LEM:

The government has been charged with the responsibility of being custodians of these resources and, to be perfectly truthful - a little honesty and truthfulness doesn't hurt - they have not had a record to be all that proud of.

I am dismayed today, Mr. Speaker, that the Budget provided so little concrete information on the things which are uppermost in the minds of Albertans. For instance there was no indication of the extent of the commitment made to Syncrude on behalf of the people of Alberta. We must always keep in mind that this is a public resource and public funds are being used to develop this resource. We can only conclude that at the present time, the government really does not have any idea of the total amount of money they will have to spend in this project.

If this is a rat hole of undetermined depth, it must follow [that] the people have a right to know, and as custodians of the public funds, the government has an obligation to supply the information as to the extent of the commitment made on their behalf.

AN HON. MEMBER:

Hear, hear.

MR. HO LEM:

I regret to report today that our government seems to have lost sight of this responsibility to the people of our province.

The people are also concerned, Mr. Speaker, about the general economic outlook for this province. True, the Budget did provide them with a good mixture of rice and honey and political bragging. But it does nothing, absolutely nothing, to reassure the individual as to what may be in store for them around the corner.

Our people are certainly not so naive, Mr. Speaker, as to believe that a multitude of partisan political proclamations contained in the Budget Speech are going to supply them with security when they can clearly see what is happening in other provinces and countries. We are not an island to ourselves. As someone once noted, Mr. Speaker, when we keep our optimism when all about are losing theirs, it may be that we are not aware of the situation. Albertans are rightfully concerned about the deteriorating economic outlook, and I believe this government has an obligation to tell it to us as it is. Nothing less will do.

Another concern, Mr. Speaker, which is probably the biggest concern, the single major concern of Albertans at the present time is our rapidly deteriorating control of law and

order. People today are alarmed and afraid, and they have good reasons to be alarmed and afraid. Crime in all its forms is on an unprecedented increase.

When I look back a few years ago, prior to 1971, it was reassuring to know that we did not have the same problems of crime that were being experienced by other cities like Vancouver, Montreal and Toronto. Today we can no longer be assured of this because we find now that we're in the same league. In other words we've reached the big time. People are afraid to walk the streets at night, and for good reason. It has now become unthinkable to leave a house or car unlocked, even for a little while. The rapes and muggings and murders that are committed in Alberta are increasing at a rate that indicates that people are more than justified in their fear and alarm.

What then do we do, Mr. Speaker, to reassure us, to alleviate our fears, to provide for a climate and glimmer of hope? What do we do, Mr. Speaker, in response to the number of concerns in this province on this problem today? So we get a sum of \$2.6 million. I can tell you, Mr. Speaker, that the profits made by the criminals peddling drugs on the streets to the kids are probably several times more than that amount. We need a crash program to combat the rising crime rate in this province.

All the enjoyment of our affluence can be and is being lost because of this serious problem. If we can lead the way in other areas, as has been claimed by the government, perhaps we can also lead the way in the area of crime control. Let me say this: we are not going to do it by providing only for an additional 62 RCMP constables. This is a trivial contribution and will not even begin to keep pace with the increasing crime rate. We are losing ground in this area. We are going backwards at a time when we should be declaring an all-out war against crime. It needs more attention and more priority than is indicated in the Budget. I believe we have to get serious, Mr. Speaker, and do something concrete. Remember, there is no other issue, no other concern facing the individual Albertan that is greater at this time than the matter of crime control. It must have an immediate priority, and we need to develop an urgent program to combat this problem now.

And now, Mr. Speaker, on another subject, I would think that while throwing around all these billions of dollars we could have found a few extra pennies at least to start a dental program for the province. For some unknown reason which I have never been able to track down, denticare has always taken the back seat in the government health assistance programs. Yet in the overall picture of health care, it is an important integral part. While it is expensive, at the same time it is expensive for individuals. It is necessary for good health. Why then, I ask, this obvious gap in our health services?

It is entirely possible, Mr. Speaker, that we can expect an important and welcome side benefit to denticare. Perhaps the government would be able to bring down a budget with some teeth in it. Furthermore it might even help to put a bite into the federal government when the Syncrude bills start coming in.

AN HON. MEMBER:

How about some filling?

MR. HO LEM:

In all seriousness, Mr. Speaker, a number of other provinces are now providing some form of help to their citizens in the field of denticare, and I feel it is about time that Alberta made a start on this program as well.

Mr. Speaker, according to page 18 of the Budget Address, the increase in new civil servants' positions is shown as 855. I took the liberty, Mr. Speaker, of adding the number of positions shown in each department for the last year and then totalled the positions for the coming year, as shown in the Estimates of Expenditure. I find that the positions have increased not by 855, as indicated, but by something like 1,590. This is close to double the number the government says it is adding to the red tape brigade.

It must be these kinds of calculations, Mr. Speaker, that we use to justify \$13 for \$8 air line stock. On the other hand, Mr. Speaker, it is entirely possible that the individual ministers were too busy calculating their own chances of survival in their respective portfolios that their head counting suffered accordingly. We will probably be better off once the axe has fallen and the sweating-out period is over. On the humorous side, Mr. Speaker, it was observed by some that some of the ministers are getting so jittery that when they walk down the halls in this building it is now referred to as the "cabinet shuffle".

Now, Mr. Speaker, I would like to comment on the area of assistance to our municipalities. They have been in financial difficulties ever since this government came to power. Our major cities are suffering from the problems of rapid growth. Their costs, like everything else, are escalating. Yes, we help them out a little each year, a mighty little, and I must say I was happy to see an increase this year in our grants. But, Mr. Speaker, we have done virtually nothing to get at the basic problem. The cities and towns are still living a hand-to-mouth existence. In fact if the truth were told, it would be accurate to say they are getting poorer each year. The government must be called upon to develop a policy that will provide them with some measure of long-term stability, to enable them to plan for the future with a reasonable assurance that these plans can be carried out. Forcing our municipalities to continually come hat in hand, and sometimes on their very knees to the government is simply not fair to them and to the people who live in the urban centres.

Mr. Speaker, it has been encouraging to see agricultural growth in this province. All of us I'm sure can feel happy and proud of the advances that have been made in that basic

industry. If anyone anywhere deserves an increase in the standard of living, our farmers are certainly entitled to it.

I am concerned, however, over the possibility that our government's policy will have a long-term effect of backing them into the corner, of making them more dependent upon government for their well-being and continued prosperity. Farmers are, and have always been, an independent lot. I doubt very much if making them more and more dependent, continuing to make them more and more obligated to the government is doing them a favor. When, as we have seen, the price of cattle or wheat suddenly falls, it becomes necessary to saddle them with more and more government control, regulations and intervention. The agricultural community has always been a proud and hard working independent community. Let's keep them that way.

The same might be said, Mr. Speaker, about the forest industry. We are already spending more on government controls and red tape than we are getting from stumpage fees. Some guidelines of course are needed. However, when an industry is as depressed as the forest industry is right now, the last thing they need is more government control and regulations. To me it is difficult to get a good sound two-by-four out of a bundle of red tape.

DR. WARRACK:

What control are you talking about?

[Mr. Diachuk in the Chair]

MR. HO LEM:

In fact ... I'm glad I'm getting a reaction. In fact, Mr. Speaker, right now might be a good time once again to read a few lines from the 1972 Throne Speech: "It is a major goal of my government to reduce bureaucratic routine and red tape ... and expansion of the private sector will be emphasized."

MR. DIXON:

That was their program.

MR. HO LEM:

Somehow, Mr. Speaker, I'm unable to relate this Budget to that lofty principle; neither can hospital workers, neither can the teachers of this province and indeed neither can the civil servants nor the citizens of Alberta.

MR. RUSTE:

Mr. Speaker ...

MR. DEPUTY SPEAKER:

The hon. Member for Spirit River-Fairview has been recognized.

MR. NOTLEY:

Mr. Speaker, shortly before the spring session opened, the hon. Government House Leader was interviewed about the upcoming session. He indicated that people shouldn't look for too much in the Throne Speech itself because the government's program, its objectives, its outline of where we are going would be contained in the Budget. So, Mr. Speaker, most of us, when we saw virtually nothing but a rehash of old press releases in the Throne Speech, took the position, we'll wait and see. We'll wait for the Budget in hopes that we are going to be shown where this government proposes to go in the next period of time.

Mr. Speaker, when I read over the Budget and I see a rehash of all the political cliches that we've heard from the other side for the last three and a half years, and I don't see any vision, I don't see any forward thinking, I don't see any commitment ...

DR. BUCK:

Thrust.

MR. NOTLEY:

Yes, the Member for Clover Bar uses the term "thrust". We used to hear that. We don't have that to deal with in the Budget, Mr. Speaker, because the Budget really doesn't give us any idea of where the government proposes to go.

Mr. Speaker, I don't like to quote one of Edmonton's great newspapers or one of Canada's great newspapers, but I thought their editorial on Saturday last summed up the defects of this government's Budget and indeed this government's smug complacency very well. I just quote the last paragraph:

But there is an underlying smugness to Mr. Miniely's message that is disturbing. It indicates a self-satisfied administration devoid of fresh ideas and apparently unwilling to do serious battle with our problems. There is nothing very remarkable, after all, about cutting taxes and increasing expenditures on government programs when you have more money around than you know what to do with.

AN HON. MEMBER:

And in a Conservative paper that's something.

MR. NOTLEY:

All I can say to the editors of The Edmonton Journal is, right on.

When one reads the Budget, and we have the government flattering themselves and patting themselves on the back for the change in the financial position of the party, one can only conclude, as several other members on this side already have, that the province owes far more to the machinations of OPEC than the business sense of the hon. Provincial Treasurer.

SOME HON. MEMBERS:

Agreed.

MR. NOTLEY:

Mr. Speaker, for the government to come in here and try to take credit in this Assembly for what has occurred on the international stage is indeed pushing the credibility gap a little too far. No doubt that's the move for the hustings.

Then when I look over the Budget speech, Mr. Speaker, I can only conclude that it is essentially a public relations document which various Tory candidates in the next few weeks or few months can summarize and use as an election speech at the various public forums. Mr. Speaker, this is fine for speakers' notes for the Tory cause but I don't think we should expect speakers' notes to become the Budget for the people of Alberta in the Legislative Assembly of this province.

Mr. Speaker, there are a number of points that are made. Of course the government's strongest argument in the Budget, and the thing which brought the applause on the other side of the House, was the decision to cut income taxes by 10 per cent, from 36 per cent down to 26 per cent.

I would have to stand in my place, Mr. Speaker, and make it very clear that at a time of recession in most of the western world I approve of tax reduction. I think it's important to get money back into the hands of consumers so they begin to use that money to purchase goods and services and quicken the pace of the economy. No question about the principle then of getting money back into the hands of the people. But I have some concern about the method used. A tax reduction is a very attractive vehicle politically but is it the fairest mechanism to in fact refund purchasing power to the people of Alberta?

I suggest to you, Mr. Speaker, that if we read over the tables at the end of the Budget speech we find that perhaps it isn't the fairest method. I refer to Table B1 on page 42 of the Budget speech, Mr. Speaker. Here we are looking at the provincial tax savings to different groups of people including the selective tax reduction which the Provincial Treasurer over and over again told us was going to be a plus for the little guy. We were going to help the little guy. Let's look at how they are going to help the little guy.

For a person with a taxable income of \$500, their total saving under this scheme will be \$16. For a person with a taxable income of \$8,000, their saving will be \$160. But for a person with a taxable income of \$25,000 or more, the saving in tax goes up to \$696, Mr. Speaker. I had my research staff today check with the federal taxation department and we find that the highest category is \$63,960. We've calculated that people in that category of taxable income will have a saving of some \$3,000 under this scheme. Well, Mr. Speaker, when you see the difference - \$12 to the senior citizen with a taxable income of \$500 a year or less and \$3,000 for the big fat cats in our society - one can only see, Mr. Speaker, that we have a long way to go before we reach the objective of equitable taxation in the province of Alberta.

I would suggest that if the government had wanted to achieve this proposition of getting money back into the hands of the people who need it most, the best approach would have been to adopt the tax credit concept. This is a sound principle in taxation, Mr. Speaker, which was first advanced and discussed as a result of the recommendations of the Carter report during the mid-sixties.

That's what concerns me, Mr. Speaker, as I read through the document. I don't really see any serious commitment to changes that improve the lot of the little man. We know perfectly well there are a lot of Albertans, high-income Albertans, who are doing very well. But what about the little people of this province; what about the people working for the minimum wage, what about the people who are handicapped, what about the Native community in the province of Alberta? Over and over again we see at best tokenism, a million dollars here or perhaps half a million dollars for a school lunch program, but not the kind of ongoing systematic well thought out program which is going to increase the standard of living of the lower-income people of our province.

That leads me to the second concern I would like to express about the Budget, Mr. Speaker. Where does this government stand on human resource development in Alberta anyway? One of the first moves they made when they took office in 1971 was to get rid of the Human Resources Research Council. Now, Mr. Speaker, I don't believe that every report commissioned or that came out as a result of the work of the human research council was a good one. Nevertheless it at least examined the question of human resource development in Alberta. It gave us an ongoing base. With its demise, there seems to be a lack of any perspective in human resource programs.

We have for example, as the Member for Calgary McCall pointed out, no commitment in this Budget to do anything about denticare. A universal denticare program in Alberta would cost in the neighborhood of \$50 million. Even a start of a program, dental care for children 12 years of age or under could well have been put in this Budget. But no, Mr.

Speaker, not a word about denticare. Surely for a province which has the huge wealth accruing to us that we have today, the least we could do is undertake a denticare program. But not a word of mention.

We have no commitment to eliminate the medicare premiums. This is the kind of thing that affects the low-income people, the working poor. Yes, Mr. Speaker, people on social development have their medicare looked after. But what about the man who is working for the minimum wage, who has just a high enough taxable income that he doesn't come under the subsidy provisions of the Alberta health care plan? That's the individual who has to pay an unfair share of the cost of providing health care services in this province.

With the windfall we have today, we could have eliminated medicare premiums, eliminated the administrative cost of collecting those premiums and at the same time, Mr. Speaker, done a great deal to make life better for the working poor, for the people who want to stand on their own feet but who for one reason or another don't have high paying jobs, or live in a region of Alberta where they don't have access to higher paying jobs, or perhaps they are restricted because of handicaps or disabilities to low paying jobs. These are the people who could have been helped, Mr. Speaker, by this Budget if this government had cared.

There is another thing that concerns me too: the Educational Opportunity Fund, one of the important features of any modern education system. I note here that the increase is only 15 per cent. All that increase will do, Mr. Speaker, is allow us to carry on the same level of support for these programs we had last year. Surely with the money we have, Mr. Speaker, our objectives should be to improve funding under the Educational Opportunity Fund. Surely our objectives should be to strive for better programs, not simply put ourselves into a rut where all we can do is maintain existing programs.

Mr. Speaker, we have the total question of education in Alberta. I have to say that I'm pleased to see, both in the Speech from the Throne and this Budget, the commitment of \$11 million to deal with three things: small schools, those areas of Alberta that have a low assessment ratio and as a consequence it's difficult to raise supplementary requisition money to provide equality of educational opportunity, and those divisions with declining enrolments.

However, in discussing the details of the plan, I find we are still not going to bridge the gap. It's an improvement admittedly. As a rural member in this House, I have to say that it is an improvement. Both divisions in my constituency which are exclusively in the Spirit River constituency will benefit as a result of the announcement. But, Mr. Speaker, with the money that we have available we could have gone all the way to have eliminated the disparity, not the kind of sliding-scale concept which will still leave rural divisions at a disadvantage compared to divisions with higher assessment. Mr. Speaker, we missed the golden opportunity to bridge that gap of educational opportunity when we had the money to do it.

Mr. Speaker, that's the second point that concerns me - no commitment in this Budget to imaginative human resource-based programs. One can criticize the old government, but in the last four or five years of the former administration, we had a number of innovative programs launched. When one looks back at the last three and a half years, one has to be indeed a partisan of the Tory cause to be able to see any innovative program undertaken during this period of time.

The third thing that concerns me, Mr. Speaker, is the total lack of any real commitment to deal with input costs for our rural people, especially our farmers. I note on page 12 - and I found this very interesting - the comment on Fuel Oil Distribution Allowance. The 1974 - it talks about the program last year, Mr. Speaker, then goes on: "... this budget includes \$10.5 million to continue the rebate of 5 cents per gallon on the purchase of farm fuels and domestic heating fuel."

Well, Mr. Speaker, I certainly concur with that. But there is not a rural person who isn't aware that after the agreement that comes out of the April 9 meeting of the Prime Minister and the premiers the price of oil will go up. Whether it goes up \$1 a barrel, \$2 a barrel or \$5.20 a barrel, we know it's going to go up.

Now, Mr. Speaker, what concerns me is that there is no commitment in the Budget to say that once that price goes up we will commit ourselves to a rebate system which would make sure that farm fuel prices remain at the present level. But, Mr. Speaker, no guarantee of that at all. If the price goes up by \$5 a barrel, by the time it works its way through to the ultimate consumer, he's going to be looking at a minimum of 15 cents a gallon more and perhaps 20 cents a gallon more without any commitment at all that the provincial government is going to even defray that cost, let alone stop it from taking place.

Mr. Speaker, we hear about all the things we're doing for the farmers. I can tell you, as I travel around Alberta one of the concerns they have is the price of fuel. They're not as enthused as some of the urban members are about getting a rural price for oil unless they have some clear-cut commitment that their costs are going to be kept down. Mr. Speaker, the Budget was a golden opportunity to make that commitment clearly - and they didn't.

I would just have to say to the farmers of this province: if you can beg, borrow or steal your spring fuel requirements before April 9, do it by all means; do it before the price goes up because there isn't any guarantee here that you're going to have one iota of protection after April 9.

That would only lead some perhaps who are a little more cynical than me to suspect that the objective might be to have the election out of the way before the increase takes place.

AN HON. MEMBER:
We will.

MR. NOTLEY:

I would hope that that sort of cynicism is not well founded. But, Mr. Speaker, unless we get some commitment in this Budget or from one of the government members, the Minister of Agriculture during the budget debate, farmers are going to be very dubious indeed.

Then we've got the question of fertilizer price increases, Mr. Speaker. Now the minister tells us we're getting a good deal and that the price is lower here than it is elsewhere in Canada and the world. That may be true. But the point is, are the increases which have occurred justified by the facts of the situation? In the last 16 months, between September of 1973 and January 3, 1975, the price of fertilizer in this province has increased by an average of 80 per cent. Now the concern I would express at this time is, are we going to get still further increases? Officials of the fertilizer companies have suggested that in fact we may well get still more increases in the price of fertilizer before spring seeding is completed.

The arguments that at least one of the officials used were three in total. One was that if you increase the price of fertilizer in Canada that is going to stop the bootlegging to the United States. Well, Mr. Speaker, paying the bootlegger's price is hardly satisfactory to the farmer. It may indeed stop the bootlegging to the United States but it's not a very acceptable proposition for Alberta farmers.

The second proposition was that because the price of natural gas is going up, therefore the price of fertilizer should rise. That may be a fair and legitimate argument except that when you are looking at Imperial Oil, you are looking at an integrated company which is also in the natural gas business. So when they increase the price they pay to themselves for natural gas, they can use that increase as an excuse to turn around and charge the farmer more for fertilizer. All within the family so to speak, except that the Alberta farmer is the one member who isn't in the family. He is on the paying end of it.

Then we had the argument on phosphate. I asked the hon. Minister of Agriculture questions on this matter several weeks ago in the Legislature because it is my understanding from one of the agents of Imperial Oil whose opinion I respect, notwithstanding his political inclinations which are on the other side of the fence, that nevertheless Imperial Oil still has some time to run on their phosphate agreement at the old price structure. Mr. Speaker, if in fact that isn't true, I would be glad to hear it and I think the farmers in Alberta would be glad to hear it.

DR. HORNER:
Not true.

MR. NOTLEY:

Well, I'm pleased to hear that then. Nevertheless, Mr. Speaker, we have this huge increase in price. And what farmers in Alberta are asking - and they have a right to be told clearly - is on what basis is the price increase taking place? Is it in fact a reasonable increase or are they being gouged by the fertilizer producers?

Mr. Speaker, there is still another aspect of the rural question which wasn't dealt with in the Budget either. That is the exploding land values, especially around our major centres. On Thursday of last week, I was phoned by one of the directors of Unifarm who advised me of the concern of Unifarm members in District 10 which takes in the area from Red Deer south to Calgary and slightly east. There, land values have risen by \$100 an acre in the last several months. Now that is good for the fellow who is selling land, but, Mr. Speaker, when land is going for \$500 an acre plus south of Carstairs to Calgary, when land is going for that kind of price, we are going to have to have pretty good prices for all products produced on the land. Mr. Speaker, we know perfectly well that there is just no historical evidence at all to indicate that the prices we have had for grains over the last few months will in fact hold up. Indeed the evidence now indicates those prices are dropping. And we all know the plight of the cow-calf operator.

Mr. Speaker, my concern is that no matter how much money you loan through the Agricultural Development Corporation or for that matter from the federal government through federal farm credit, when a person pays \$500 an acre for land, you've got to make about \$50 an acre just to pay the interest. Mr. Speaker, unless we have some sense of proportion between the value of the land, the productive value of the land, and the price people are paying, we are going to be in real trouble.

I note, Mr. Speaker, this argument is made very strongly in the annual submission of Unifarm to the provincial cabinet. I would just say, let's watch very very closely. I am concerned about some of the land purchases which are taking place. I believe Unifarm is making a good case. So is the National Farmers' Union. Some of the the people who are coming into this province and buying land, where is that money coming from to finance the operation? We had thinly disguised European syndicates based in Switzerland or West Germany. Well, thinly disguised because I suspect they are front groups for Arab oil money. And I don't blame the Arabs for wanting to invest in good agricultural land in Alberta. That is a wise investment for them. But if as a result of that kind of flood of investment we push up the price of land so that it bears no relation to its productive value, what we do, Mr. Speaker, is put our younger Alberta farmers in an impossible position no matter how much money you loan them because they have to pay that money back.

Now I realize that the government answer is that the Land Use Forum is studying this problem and they will be making recommendations. I respect the work of the Land Use Forum

and think they are doing an exceptionally fine job. But I would say at this point, Mr. Speaker, that we might well be advised to freeze the purchases by foreign companies until we get the findings of the Land Use Forum. Now I know there are going to be some farmers who want to sell out who will be mad at that. But you've got to put this thing in perspective. Are we going to keep young Canadian farmers on the land in this country? Are we going to make agriculture a viable proposition for them or are we going to shift the balance totally over to those who want to sell? Mr. Speaker, I think if we are concerned about maintaining the family farm - and that has been the rhetoric of all three parties represented in this Legislature - we have to do something about controlling the exploding values of land.

Mr. Speaker, still another subject which has been given a good deal of discussion of late is the plight of the municipalities; the tendency of this government to look upon municipalities not as full partners but indeed as creatures of the province. We've had various municipal politicians asking for a better deal. They are not talking about grants which are given with strings attached. What they are talking about is a commitment to some form of revenue sharing. That's what they want. So that they have access not to room which the Minister of Municipal Affairs says we make available to the municipalities when we vacate the property tax field. They are not asking for the right to levy a tax which we all realize is a retrogressive tax, which is not a progressive tax, which is an unfair type of taxation. What they want is some commitment from the political parties in this province to revenue sharing from taxes which are more clearly related to the ability to pay, whether those represent corporation taxes or personal income taxes. The Mayor of Edmonton suggested even a share of the liquor taxes - or natural resource revenue. I just quote from The Edmonton Journal where Mr. Hawrelak, the Mayor of Edmonton, makes the comment: "Municipalities should not have to go 'with their hats in their hands' to senior governments" Well, Mr. Speaker, I don't think they should have to go with their hats in their hands any more when we have the kind of revenue that the Province of Alberta has today.

Surely this is the time when we can work out an acceptable formula with the municipalities to share some of the personal income tax receipts, to share some of the natural resource receipts, to share some of the corporation tax receipts so that local government can go ahead with the projects which can be undertaken best at the local level without always having to rely on the property tax to fund their programs.

Mr. Speaker, there are still two other points I want to make briefly before my time lapses. One is housing. The province of Alberta has made some progress admittedly through the Alberta housing program and the assisted home ownership scheme where interests range between 9 per cent and 11 per cent. But I would say again that the money we have in the treasury offered this government an unique opportunity to provide Albertans with the best deal in Canada to purchase homes. Why didn't we have a commitment through AHC for 6 per cent mortgages? Why didn't we really have an incentive to encourage people to buy and own their own homes?

We talked about the lumber industry. I realize the vast majority of the production from the lumber industry in this country is exported to the United States and must be because our market is not big enough. But you know, if we got the housing industry rolling again in this province, and we can do that through 6 per cent mortgages, at least it would - it wouldn't solve the problem for the lumber industry, but it would at least help to a marginal degree. So why didn't we have some commitment on a meaningful mortgage subsidy program? Instead, Mr. Speaker, we have the existing program and instead of moving forward, we get the government patting themselves on the back for the work already done by AHC and the programs in place.

The final point I want to make, Mr. Speaker, concerns the Alberta heritage fund. Mr. Speaker, I believe the ground rules for this Alberta heritage fund should be discussed in this Legislature. I believe that before we have a discussion of the legislation there should be a position paper tabled well enough ahead of the legislation so the people of Alberta can have their say as well. I believe that position paper should set down the guidelines on the types of investments which are going to be made from this heritage trust fund.

I believe at the same time, Mr. Speaker, that the trustees of the heritage trust fund should be all the members of the Legislature, not the cabinet, not a committee of the cabinet, not the Provincial Treasurer and two or three other ministers as we now have under the terms of the Consolidated Cash Investment Fund. Let's not make this a giant \$1.5 billion shopping bag that the Provincial Treasurer can spend at will. I'm not talking about accountability after the fact, Mr. Speaker. I'm not talking about expenditures which are made and then reported back in a hasty way to the Legislature so that perhaps we can discuss it in Public Accounts, or perhaps discuss it in the legislative subcommittees. I'm talking about the kind of scrutiny which is basic to our parliamentary system, and that is that the people's representatives decide how the public money should be spent. Mr. Speaker, that principle should apply to the heritage trust fund just as much as it should apply to the ongoing expenditures of this government.

MR. R. SPEAKER:
Hear, hear.

MR. NOTLEY:

Mr. Speaker, my concern to date is that we haven't got that commitment. Today, when I asked the Provincial Treasurer whether there was going to be a position paper, he said he

couldn't make the assurance. When we asked him today about the kinds of expenditures that are going to be made, whether there will be any freeze as far as expenditures under the Consolidated Cash Investment Trust Fund - again, no commitment. But the ground rules, Mr. Speaker, of this fund which could be, and I'm saying this advisedly, something which all of us in this Assembly could be proud of, we have to make sure that the ground rules are consistent with our parliamentary tradition, that the members of the Legislature decide the priorities and pass on the expenditures.

So, Mr. Speaker, the concern I express I want to underline as being that of making sure it is the Legislature, not the cabinet, that decides how this money is going to be spent in the years ahead.

In conclusion, Mr. Speaker, I can only suggest that the government, with this great windfall, missed the opportunity to show the people of Alberta where they're going.

AN HON. MEMBER:

Hear, hear.

MR. NOTLEY:

We know they're skilful when it comes to public relations. We know they're skilful when it comes to getting their side of the story across. But Albertans are beginning to realize after three and a half years that what we've had instead of long-term planning and measured development is government by drift, complacent government, government that is aimless, that is directionless.

Mr. Speaker, at this point in the history of our province, the people of our province deserve more than that kind of administration.

MR. DEPUTY SPEAKER:

The hon. Member for Ponoka followed by the hon. Member for Wainwright.

DR. MCCRIMMON:

Mr. Speaker, I appreciate this opportunity to speak on the Budget Address. I would like to give my congratulations to the Provincial Treasurer on this excellent document.

I would like to speak for a few moments, not only on the broader aspects of the speech as it affects all Albertans, but it gives some of us an opportunity to bring before the House some specifics from this broad statement that directly affect the constituencies we represent.

[Mr. Speaker resumed the Chair.]

The first part is of particular interest to me in the additional support for senior citizens. It is of interest that the towns of Ponoka and Rimbey and, I am sure, many other towns of similar size and nature within the province have a much higher percentage of their citizens as senior citizens than do the main urban centres. I don't know all of the reasons for this, but I rather suspect it's probably because of lower rental rates, lower property rates and lower taxation rates in many cases. Also they are close to access to downtown. They get away from the hustle and bustle and the noise of major centres. We have retired farmers, retired civil servants, and these people tend to stay in the area where they have been for many years. On top of that we've had an influx too from urban centres to enjoy the less costly living in the smaller towns as well as the advantages they have. So the basic assured income of \$235 a month to a good many of these citizens is a very very welcome addition to our economy.

I would also, in this same vein, speak on the support for the drop-in centres. As I mentioned before, we have a great many in Ponoka and Rimbey. We have a very very active drop-in centre in Rimbey. The town has gone a long way towards supplying them with an excellent spot. They've rented it to them for a dollar a year. They have a fine building. They've been working very hard in developing the facilities for this building and any additional support the government gives will be thoroughly welcomed by 200 or 300 people in my town.

I particularly want to speak for a few moments on the recreational complex program. Ponoka has a swimming pool, a curling rink and an arena. The swimming pool was built about 20 years ago and it's on its last legs. If we can get it through this summer, we'll be very fortunate. The same applies to the curling rink. The arena was built in 1945, 30 years ago. It's still functional but it has just a few more years to survive, then it will have to be removed.

At present, that arena is servicing some 30 to 35 minor hockey teams. It's servicing 150 figure skaters. It's servicing a league of 10 to 15 of the business people around town, the young farmers' commercial league. It's going from 7 o'clock in the morning till 12 o'clock every night.

The interest shown for a complex is shown up in the fact that in the last five or six years, the service clubs, the stampede association, the lodges and so on around town and individual citizens have raised through their own efforts a quarter of a million dollars to put towards this complex. The town is prepared to back it, the county is prepared to back it, but the cost at present to put it in was just too high for the combined town, county and groups in the town until this program came in.

Mr. Speaker, we believe that we have an excellent chance of developing this complex within the town. To show you the activity just among the young people in these 15 commercial hockey leagues - nobody has to be a Bobby Orr to join them. In fact we have

one chap who came over from Britain just two years ago. He's a goalie and he can hardly stand up on skates, but he's out there for every game. I don't think his team has won any games yet, but they've had a lot of fun, they're out there trying and that's the purpose and basic principle behind this complex, so that we can keep our people busy, healthy and occupied in a good venture.

When you figure the number of people and the high percentage of the population that a complex of this nature will service in 12 months of the year, there's no question in my mind that the money spent locally and by government will be well spent. If you stop and think about it, it's far better that we bend our efforts in this direction, to spend the time and the money, than in rehabilitation programs for the same people if we can't keep them occupied properly, physically and mentally.

Mr. Speaker, I'd like to speak for a moment on the decentralization program of this government. About two years ago, Ponoka was the first town to be affected by the decentralization program and I feel very happy and very proud of this. It was when the Opportunity Company was moved from Edmonton down to Ponoka and temporary offices were installed in the town. Quite frankly, it's been a great boost to the town. The people who work for the Opportunity Company have settled into the town and become a real asset to the town. They're happy. They're raising their families there and I'm sure they wouldn't want to move back to the city. Of course that's what they've told me and I believe them because it's a great place to raise kids, out in the small towns.

This has worked well over the past two years. Many other moves have been carried out in this decentralization program - in the Department of Agriculture, some in Telephones and Utilities. But I was very happy to hear from the minister, from the Throne Speech and the Budget speech that the Department of Lands and Forests is going to make a move this year, and by the recent announcement that the towns of Valleyview, Vulcan and Rimbey would be acting as service centres for the parks of Alberta for northern, southern and central Alberta. This move alone will bring new life and hope and vitality to three towns in this province.

Many times during the past two years, we've heard the Premier and the Minister of Industry and Commerce point out the difficulties of getting industry to smaller towns. There are areas in this province where it won't be too difficult to get industry - Calgary-Edmonton corridor, the energy corridor, in the area of the major cities - but the towns that are off the beaten track, off this Edmonton-Calgary corridor and the corridor south to the border, they have difficulty attracting industry. When we can move a segment of government to these smaller towns it gives a completely different outlook to the town.

I might add as an example of that, as was mentioned by the minister in his speech the other day, the public who will be affected by this move, the Chamber of Commerce and the town of Rimbey wrote to the government and to the Department of Lands and Forests a letter of welcome saying that if they were coming to the town would they let them know ahead of time so that they could give them a proper welcome when they arrived. They gave a list of people whose homes would be open to show that a welcome would be prepared and received. It just gives a different atmosphere altogether to someone moving to a strange town under different conditions to know that the people there want you and welcome you.

We have heard the Premier and the Minister of Industry and Commerce point out the patterns of the petrochemical industry in Alberta. Phase 1 will be the major plants. Phases 2 and 3 of that industry can be spread throughout the province in the form of small manufacturing units to the towns and villages of this province to assist in a balanced growth.

I would like now, Mr. Speaker, to move to the road program. We've had an excellent highways program. We all know the major thrusts this year - Fort McMurray, David Thompson. Other difficult areas of roads have to be built if we're going to progress as a province in industry and development of the outlying areas and in tourism. We've had a good follow through on the secondary road program and it's coming along in most of the constituencies. But of particular interest to me has been the program initiated this year whereby the constituencies, rural constituencies, received a grant and help from the Department of Highways for a road oiling program. Now this has gone over very well in my constituency. They have about 20 miles of oiled roads; they have to buy some oiling equipment. But it is also particularly pleasing to me to see that this is to be carried on and enlarged in the Budget as presented because last year, and I know the year before, the road program in some instances had to be curtailed due to lack of equipment, men, supplies and so on. But under this program, every rural municipality in Alberta has its own set of equipment and can go ahead, develop its own program, develop the roads they feel necessary for their local bus services, school bus services, and those roads which are busiest in the province.

Now, Mr. Speaker, in my area, Ponoka-Rimbey, the cattle industry has had some problems in the past year. Ponoka is probably the centre of the cattle industry in Alberta. I have roughly 15,000 to 16,000 people living in my constituency and for every person in the constituency I have seven cattle. So this gives you an idea of the number and intensity of the cattle industry in the province. Now this has been hurt a certain amount by low prices in the cattle industry and high cost of feed grain in the past year. The ones of course who are affected most directly are the big feedlot operators. Some of them have been dangerously hurt; however, some of those same operators made a great deal of money in the years before so that when you get into a gamble of that proportion where you are handling 5,000 to 10,000 head of cattle, you can make a lot, you can lose a lot. Most of the cattle in my area are held basically by the smaller farmers, the normal farmers who

carry 20, 30, 40 or 50 head. They raise their own feed; they feed them through. These haven't been hurt as much. They haven't made as much money from their cattle, of course, but they are not hurt like the big operators are.

I would like to speak for a moment on the reduction in income tax brought in by the Budget. This, to me, is going to be quite an asset to wage earners in my area. We have a lot of civil servants in Ponoka - the mental hospital is there. This, on the average, will bring in another \$100 to \$200 into every pocket in that group.

I got quite a charge out of the hon. member for Spirit River-Fairview pointing out that only \$12 was going to be removed from the - that's all that the person who was earning \$500 a year taxable income was going to save. However, all he paid into the provincial government was \$12. And the one who earns \$1,000 taxable income, he gets \$33 back and he only paid in \$33; and \$1,400 taxable income, he gets \$52 back but he only paid in \$52. In other words, all provincial taxable income from provincial income tax for those earning \$4,000 and under is removed. He quotes \$600 which some people are getting back; this may be true. But that man has also paid in several thousand dollars, in the neighborhood of \$2,000 to \$3,000. How can you get back an income tax that you don't pay? It is only a portion of the story which he is telling.

Another item on his speech is regarding the price of farm fuel. He wants a further reduction before we know what the price is going to be. I don't know what the price is going to be after the meeting in April. This will be hammered out between the representative of the Premier, the representatives of our government and the federal representatives at the meeting in April. But how do you make a deal, promise the people something, say we're going to give you so much back, before you know whether we're going to get any or not, or whether there's going to be a deal? It's usual in NDP policy: put the cart before the horse.

AN HON. MEMBER:

Agreed, agreed.

DR. MCCRIMMON:

On top of that, listening to the remarks of the hon. Member for Spirit River-Fairview, how he can quote, this is the way it should be done. Yet when we look to our good neighbors to the west and we look at the mining industry that's been practically destroyed - every mine that's of a smaller nature in the whole province is practically out of business. The oil industry is at a standstill. Look at the drilling statistics - they are down. Talk to the farmers in B.C. and ask them how happy they are with their land freeze, their stoppage of property sales and their restrictions on their actions. I'll be surprised, because a farmer is a businessman. The business community in British Columbia is anything but happy with the policies. This is what Alberta is built on: business enterprise and business freedoms.

Mr. Speaker, I've been happy to bring to this Legislature some of the points of concern, of interest, and of appreciation that this Budget has brought down. I appreciate the fact that I have been able to present it to the House.

Thank you.

MR. SPEAKER:

The hon. Member for Wainwright, followed by the hon. Member for Camrose.

MR. RUSTE:

Mr. Speaker, in view of the time, may I adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

It appears the hon. member has leave to call it 5:30.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The Assembly stands adjourned until 8 o'clock this evening.

[Mr. Speaker left the Chair at 5:28 p.m.]

