

## LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, May 30, 1975

[The House met at 10 a.m.]

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF BILLS

Bill 200 The Alberta Health Care Insurance Amendment Act (No. 2)

MR. NOTLEY: Mr. Speaker, I beg leave to introduce a private member's bill, No. 200, The Alberta Health Care Insurance Amendment Act. Mr. Speaker, the basic principle of this act is to provide that drug prescriptions be based on generic rather than trade names.

[Leave being granted, Bill 200 was introduced and read a first time.]

Bill 203 The Alberta Government Telephones Amendment Act

MR. TAYLOR: Mr. Speaker, I beg leave to introduce a bill, No. 203, The Alberta Government Telephones Amendment Act.

If and when this bill is passed, it will make unsolicited telephone calls an offence if made before 9 a.m. and after 5:30 p.m. on working days, and on Sundays and holidays. People are being pestered and annoyed by unsolicited telephone calls trying to sell everything from washing machines to cemetery plots. This bill would help to remedy that.

[Leave being granted, Bill 203 was introduced and read a first time.]

Bill 208 The Alberta Health Care Insurance Amendment Act (No. 3)

MR. NOTLEY: Mr. Speaker, I beg leave to introduce a bill, being Bill 208, The Alberta Health Care Insurance Amendment Act (No. 3). Mr. Speaker, the purpose of this bill is to stop any second billing, or additional billing, by members of the medical profession in the Province of Alberta apart from the schedule of fees set out by the Alberta Health Care Insurance Commission.

[Leave being granted, Bill 208 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. STROMBERG: Mr. Speaker, it's a special day today for me to be able to introduce to you, and through you to the members of this Assembly, a group of students from my community, their teachers and bus drivers. I will ask them to stand and be recognized. The group is from Round Hill. This is the fourth time they have visited this Assembly.

DR. PAPROSKI: Mr. Speaker, I'd like to introduce to you, and through you to the members of the Assembly, some 30 Grade 6 students from Inglewood School, located in the well-known constituency of Edmonton Kingsway. This trip, Mr. Speaker, was arranged by teacher Mrs. Betty Fowler, and they are accompanied by teacher Miss Gresiuk. I welcome them to the Legislative Assembly. I encourage them to write their MLA. I would ask them to rise now and be recognized by the Assembly.

MR. CRAWFORD: Mr. Speaker, I take great pleasure in introducing to you, and to the members of the Assembly, the Grade 9 class with their teacher, Mr. Gordon Harris, of Mount Carmel school in the constituency of Edmonton Parkallen. I'd like to take the opportunity to congratulate this Grade 9 class on their interest in public affairs and for coming here. They are in the public gallery, and I would ask them now to stand and be recognized.

DR. HOHOL: Mr. Speaker, we have in the House today visitors from some distance in our nation, 34 students from the Centennial College in Scarborough, Ontario, with their instructor, Mr. Stephen Freed. They are touring the nation, and I understand this is something they are doing for the second time in a row at least. Last year they went across Canada as part of a learning experience.

We welcome them to Alberta and to the Legislature. I will have the privilege of meeting with them for an hour beginning at 11 o'clock. I should like Mr. Freed and the 34 students to rise and get the recognition of this Assembly.

#### TABLING RETURNS AND REPORTS

MR. LEITCH: Mr. Speaker, I wish to table two returns. The first is the report and financial statements for the Alberta Resources Railway Corporation. The second is the report required to be made by the Provincial Treasurer under The Government Land Purchases Act, for the fiscal year ending March 31, 1975.

MR. MINIELY: Mr. Speaker, I would like to table Sessional Paper No. 42, which is the annual report of the Alberta Hospital Visitors' Committee for the year ending December 31, 1974.

MR. RUSSELL: Mr. Speaker, I would like to table the annual report of the Department of Environment for the period ending March 31, 1975.

DR. WARRACK: Mr. Speaker, I'm pleased to table the 63rd annual report of Alberta Government Telephones. This is the report for the calendar year 1974.

MR. HARLE: Mr. Speaker, I'd like to table some information regarding the New Home Certification Program of Alberta. This matter was raised by the Member for Drumheller on May 20. Copies of the material will be delivered to the members' mailboxes.

#### ORAL QUESTION PERIOD

##### Farmers' Advocate Report

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Agriculture. The question flows out of the Farmers' Advocate report yesterday when he indicated 37 farmers had a problem with a national holding company where their rent had been increased from 45 to 240 per cent per quarter section.

Has the minister been made aware of the circumstances of the cases involved, and, in fact, been involved in negotiations or discussions with this national company?

MR. MOORE: Mr. Speaker, no, I have not been involved. That was a function delegated to the Farmers' Advocate some time before I came into office. My information is that the report of the Farmers' Advocate would indicate he had done considerable work with regard to that situation.

MR. CLARK: A supplementary. Does the minister or his department plan to become actively involved in, as it were, going to bat for these 37 farmers who faced up to 240 per cent increases in their rentals?

MR. MOORE: Mr. Speaker, I'm not aware of the present situation with regard to those circumstances. I could, if the hon. member would so desire, check on them and inform him of the situation at the present time.

## Auto Insurance

MR. CLARK: Mr. Speaker, if the minister would do that.

The second question is to the Minister of Consumer Affairs. It relates to the answer he gave yesterday in the House, regarding insurance. I'd like to ask the minister if his department is aware of individuals who have had insurance with companies for a period of years and are now being asked, or told, that if their insurance is to continue, they in fact must include all their insurance with these companies?

MR. HARLE: Mr. Speaker, the understanding I have is that sometimes an individual who has been carrying his insurance through an agent may find that his agent has been placing his insurance with companies which have withdrawn from the province. Sometimes he may be under the impression that, because he has had insurance for a number of years, the insurance companies are turning him down when he, in fact, should not be.

My understanding is that for those individuals who have had insurance with insurance companies and are renewing it, no difficulty arises.

MR. CLARK: Mr. Speaker, to the minister. It's my information that some individuals who have had insurance with companies for a period of time are now having difficulty if they're not prepared to transfer all their insurance to that company. If those examples are brought to the minister's attention, will the minister give us an undertaking to have them investigated and report back to the House?

MR. HARLE: Mr. Speaker, I believe the Superintendent of Insurance is aware that there are some companies which, in fact, wish to carry on business in that way.

MR. CLARK: Then a supplementary to the minister. Is the Superintendent of Insurance satisfied that this is in the best interests of Albertans?

MR. SPEAKER: The opinion of a civil servant is scarcely something which should engage the attention of the House in this way during the question period.

MR. CLARK: Mr. Speaker, to the minister. Does the minister plan to take any steps, immediately, which will curtail this kind of action?

MR. HARLE: Mr. Speaker, I indicated yesterday in the question period the position the minister is taking.

MR. CLARK: Mr. Speaker, to clarify the position, is that no action?

MR. HARLE: That is not so, Mr. Speaker.

MR. CLARK: What action is the minister taking?

MR. HARLE: Mr. Speaker, I said yesterday that the Superintendent of Insurance is investigating all instances where this occurs. He himself is not happy with that practice and, depending on the incidence of it and his report to me, a decision will be made.

MR. KING: Supplementary, Mr. Speaker. Would the minister consider making a representation to the federal government respecting the current requirement that a reserve of \$115 be supplied for every \$100 worth of car insurance on new accounts, which, in excess of the writing, is causing hardships for the insurance companies?

MR. HARLE: Mr. Speaker, I certainly would be prepared to consider any suggestions.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Is the minister in any position today to give the Assembly an undertaking as to when the Superintendent of Insurance will have completed his investigations and the government itself will be in a position to formulate a position on this matter?

MR. HARLE: Mr. Speaker, the Superintendent of Insurance is making every effort to discover the incidence of the problem raised yesterday. I might say, Mr. Speaker, that the insurance companies are finding their loss-to-premium ratios are increasing substantially. For example, in 1971 the loss-to-premium ratio was 66 per cent. Today, as a result of the records of insurance companies for 1974, that ratio has increased to 81 per cent. But the range the companies have -- some are at a 60 per cent loss-to-premium ratio, others are at 184 per cent.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Has the minister given the Superintendent of Insurance a target date to complete his investigation so the government will be in a position to advise the House when a formal position by this government will be taken on this matter?

MR. HARLE: Mr. Speaker, no, but I would point out to the hon. member that in the provinces of Saskatchewan, Manitoba, and British Columbia, their loss picture indicates, for

example, deficits of \$34 million, and part of premiums are being paid by tax dollars. The industry itself has taken a position, and I as minister must take the position on behalf of the consumers of the province, that it is important the financial situation of the companies is maintained to back up the insurance they do write.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Is it the government's position at this time that the government approves such a practice of encouraging motorists, or in effect intimidating motorists, to take out package insurance [interjections] in order to keep insurance rates down?

MR. HARLE: Mr. Speaker, the consumer in this province has a choice as to where he goes to place his insurance.

AN HON. MEMBER: Agreed.

MR. TAYLOR: Supplementary to the hon. minister. Does the government still take the stand that a licensed driver is entitled to insurance in the province?

MR. HARLE: Absolutely, Mr. Speaker. I indicated that yesterday in answer to the questions raised.

MR. TAYLOR: One further supplementary. With reference to the fact that Wawanesa of Manitoba and Saskatchewan Mutual of Saskatchewan have notified many agents in Alberta that they will write no more insurance this year, would not the increased volume improve the situation you just mentioned with regard to the lcss ratio?

MR. SPEAKER: The hon. member is making a representation in the nature of offering debate. The questions and answers have been quite informal as far as the rules are concerned, but perhaps we shouldn't go beyond the bounds we've already been observing.

#### Liquor Outlets -- Calgary

MR. LITTLE: Mr. Speaker, I would direct this question to the hon. the Attorney General. Are there any plans to open additional liquor outlets in the Calgary McCall constituency?

MR. HYNDMAN: Mr. Speaker, as the Acting Attorney General, I'll take the question as notice. If the honorable gentleman would provide me with a few more details, I'd be happy to confer with my colleague.

MR. CLARK: I think he meant the Solicitor General.

MR. LITTLE: I'm sorry, Mr. Speaker, I had intended to direct that question to the Solicitor General.

MR. FARRAN: Mr. Speaker, the hon. member is to be congratulated on being in such close touch with his riding that he knows when I'm in trouble.

There's a store in McCall which is not yet in a position to open for business. It's located in the Trans-Canada mall on 52nd Street N.E. The store is complete, the staff is hired, but the parking lot still has to be finished. Someone goofed over the grades, and it has to be fixed up lest one of the customers trip over the step.

#### Child Abuse Registry

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Social Services and Community Health. Has the minister had an opportunity to look into the situation I described last week with regard to the misuse of the child abuse legislation?

MISS HUNLEY: Yes, I have, Mr. Speaker. I have asked for a report on how the actual registry is handled. I received that report, but I'm not quite confident yet in my own mind that it's as effective as we would like it to be, particularly as it relates to unfounded complaints. So I'll be following that up to ensure that when a complaint is unfounded, the records are indeed destroyed as promptly as possible.

MR. R. SPEAKER: Mr. Speaker, a further question to the minister. Is it the minister's intention then to make a further statement on this matter next week?

MISS HUNLEY: Yes, Mr. Speaker. I'll make a note of it and be glad to report back to the House.

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Farm Income Assurance

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Is the Department of Agriculture studying the farm income assurance scheme which has been applied to several commodities in British Columbia?

MR. MOORE: I'm not aware, Mr. Speaker, whether the department is, but I myself have spent some considerable time looking at the farm income assurance plan of British Columbia and, indeed, the recent proposal by the British Columbia Cattlemen's Association to include beef cattle under that plan.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister received any representation from Unifarm, the National Farmer's Union, or any other farm groups in regard to adopting a scheme such as this in Alberta?

MR. MOORE: Mr. Speaker, I've had some discussions with the president and officials of Unifarm with respect to similar farm income programs or with the same purpose in mind as that which has been proposed in British Columbia.

DR. BUCK: A supplementary, Mr. Speaker, to the hon. minister. Could the minister indicate what consultation he's had with his federal counterpart to look at a program such as this for not only Alberta farmers, but Canadian farmers?

MR. MOORE: I've had at least one discussion with the federal Minister of Agriculture and at least one with the federal minister responsible for the Canadian Wheat Board with regard to Bill C-50, which was before the House of Commons very recently. As hon. members know, it involves a revision of the existing federal stabilization plan. With respect to the hon. Mr. Lang, I've had discussions with regard to Bill C-41, which is a federal bill designed to provide some stabilization with respect to grain prices. In addition, I have written to Mr. Lang and Mr. Whelan with regard to my thoughts on both those plans.

## Speed Limits

MR. KIDD: Mr. Speaker, I believe my question is correctly addressed to the hon. Premier. Toward the conservation of our petroleum, and toward continuing to show leadership to the other provinces in Canada, is the hon. Premier considering conservation measures such as suggesting or setting a lower speed limit on our highways?

MR. LOUGHEED: Well, Mr. Speaker, there is some consideration being given to that matter, because it's quite clear the experience in the United States has shown that reducing the speed limit has had an impact upon conservation measures.

There is, however, the difficulty with regard to the wide range of traffic variables in the province. Perhaps the Minister of Transportation might like to expand on my answer.

DR. HORNER: Mr. Speaker, the question of speed limits is not only appropriate with regard to conservation of energy, but is one of the major areas we're looking at in a review of the safety measures one might take to cut down the death toll on our highways. We'll be looking at that and would hope to report back to the Legislature later this year on a total safety program.

MR. NOTLEY: A supplementary question to the hon. minister. Has there been a thorough study undertaken by the Department of Transportation on the impact of the lowered speed limit in the United States on safety and prevention of deaths in that country? If so, will that information be tabled in the House?

DR. HORNER: We'll certainly table any information we have on the matter. My understanding is that in the United States they are now trying to evaluate with some degree of efficiency the question of how much, in fact, lowering the speed limits did affect the safety on their highways.

As I said earlier, this is just one of the variables in a safety program. We would hope that we could get as much information as possible from the American experience and, indeed, the experience in other areas, so we could make a major stride to cut down the death toll.

MR. NOTLEY: A further supplementary question to the hon. minister. At this time, has the government considered any preliminary target date for adjusting speed limits in the Province of Alberta, or is it still under review?

DR. HORNER: There is no target date, Mr. Speaker. I think our target should be to cut down the death toll on the highways.

MR. MILLER: A supplementary if I may, Mr. Speaker, to the Minister of Transportation. Is consideration being given to a standard speed limit across Canada?

DR. HORNER: Well, Mr. Speaker, I'm not aware that there is going to be a standard speed limit. Certainly in the discussions we have with other transportation departments across Canada, we are trying to standardize a number of matters. That is one we would be looking at.

MR. CHAMBERS: A supplementary, Mr. Speaker. I wonder if the minister would also give consideration to getting, as well as from the United States, information from Europe, where I understand there are no speed limits on a number of the autobahns?

DR. HORNER: As I said earlier, Mr. Speaker, we will try to get our information from all areas where they are driving cars, and that's most of the world.

#### Seat Belts

MR. GOGO: A supplementary, Mr. Speaker, to the Minister of Transportation. Is the minister also giving consideration to the mandatory use of seat belts?

DR. HORNER: Mr. Speaker, that particular question, of course, has been debated for some time. There seems to be some conflicting evidence as to whether the mandatory use of seat belts could be enforced, and if it's the most effective way of ensuring safety.

MR. TRYNCHY: A further supplementary, Mr. Speaker. If the conclusions of our survey show that the speed limit should be lowered, will that mean our Alberta highways will be built on, say, 50-mile curves instead of 70-mile curves as they are at present?

DR. BUCK: You're catching on.

AN HON. MEMBER: Hypothetical.

MR. SPEAKER: So the show is on the road, perhaps this might be the last supplementary.

DR. PAPROSKI: Mr. Speaker, the last supplementary on seat belts. In view of the statistics which indicate that mortality and morbidity rates have substantially increased in motor vehicle accidents when the individual, in fact, wears seat belts, will the minister consider this as a priority item for a review or re-review?

DR. HORNER: Mr. Speaker, as I said earlier, that too is one of the factors in any total safety review program, and we'll be looking at it. As my hon. friend knows, there is some division of opinion in the medical profession in regard to the question of mandatory seat belts.

#### Petrochemical Development -- Permits

MR. THOMPSON: My question is directed to the hon. Minister of Energy and Natural Resources. I would like to ask him if he can tell this Assembly when we can expect a decision on the application of Alberta Ammonia?

MR. GETTY: Mr. Speaker, as I mentioned previously in the House, the variety of applications made to the Energy Resources Conservation Board having to do with the upgrading of natural gas to fertilizer -- ammonia -- have now come from the board to the government and are being evaluated by an interdepartmental committee to determine whether the recommendation should be that the applications be approved, and what conditions might be a part of that approval. They are then going before a cabinet committee and, I would imagine, on to the Executive Council. At this time, Mr. Speaker, I can only say that we're moving on the matters as quickly as possible, having in mind the construction season and other factors. I would hope that we would be able to have something during the summer.

#### Petrochemical Products -- Export

DR. BUCK: Mr. Speaker, a supplementary to the hon. minister. Maybe he's in a position now to indicate to the House what percentage of the products from these new plants will be shipped to the United States?

MR. GETTY: Well, Mr. Speaker, on that issue, I would certainly have to repeat the answer I gave to the hon. member last time he raised it. That is, while they have made some

estimates, those are just estimates. Those estimates are contained in the public reports the board has made. They're available to the hon. member, as he probably knows.

What the actual export patterns will be in the future would depend on the demand in the future, on any conditions the Government of Alberta might wish to impose, and on any conditions the National Energy Board or the federal government might wish to impose. So it's very difficult to look into the future on that. But there is some helpful information the hon. member would be able to get, if he would read those public documents.

DR. BUCK: Mr. Speaker, because I'm so dense, I would like to . . .

SOME HON. MEMBERS: Agreed.

DR. BUCK: . . . I would like to know if the government has set a maximum that can be exported from Alberta to the United States? Has any government policy been laid down, or are we just waffling along, as per usual?

MR. NOTLEY: Waffling along.

MR. GETTY: Without accepting the second half of the hon. member's question, Mr. Speaker, I should point out that the matter of exports between Canada and the United States is obviously a matter for federal jurisdiction. However, the Government of Alberta has said, in a general way, with regard to exports just outside of Alberta, that the interests of Albertans obviously will have to get first priority.

MR. CLARK: Supplementary to the minister. In light of his answer, is the minister then conceding that the National Energy Board and the federal government will exercise jurisdiction over the ammonia which would go from the Raymond plant into the United States?

MR. GETTY: I don't remember even mentioning that concession, Mr. Speaker.

MR. CLARK: You just implied it in your answer.

MR. SPEAKER: Perhaps we should cut short the supplementaries. There is a very substantial number of members waiting to ask their first question.

DR. BUCK: Mr. Speaker, I think this is a very important matter -- that we are going to be selling Alberta products -- and I would like to ask a supplementary.

MR. SPEAKER: Perhaps the hon. member might ask a final supplementary. Then, if further time is required and we find it later in the question period, we could do so; otherwise, deal with it on Monday.

DR. BUCK: Mr. Speaker, my final question is: has the government established any guidelines to the new company saying that X percentage of the product must be kept in Canada and the remaining portion can go to the United States?

MR. SPEAKER: Order please. The hon. member's question is clearly a repetition of one which was asked before.

DR. BUCK: The hon. minister won't answer the question.

MR. SPEAKER: Order please.

#### Rat Control

MR. PURDY: Mr. Speaker, a question to the Minister of Agriculture. Could the minister inform the Assembly as to the progress being made in the City of Edmonton in regard to the extermination of the infestation of Norway rats?

MR. MOORE: Well, Mr. Speaker, as all hon. members would be aware, the amount of traffic that flows through the railroad yards here in Edmonton from Vancouver, and from other ports, results in a situation where, from time to time, rats are brought into Alberta. My information is that, as a general rule, they are found very quickly and exterminated. I would hope that the people who are employed, not only in the Department of Agriculture, but those who are involved in locations near the railroad yards, would continue the very excellent job they've been doing of keeping Alberta rat free.

MR. PURDY: A supplementary to the minister, Mr. Speaker. Is the Department of Agriculture considering any new procedures for checking cargo shipments destined for our major centres of the province?

MR. MOORE: I don't believe so, Mr. Speaker. The situation has been that there's a general knowledge and concern by individuals right across this province about ensuring that

Alberta remains rat free. It's through their co-operation as individuals that we've been able to maintain that position.

MR. PURDY: A supplementary, Mr. Speaker, to the Minister of Social Services and Community Health. In viewing the garbage and debris in the City of Edmonton where the Norway rats have been discovered, is it the responsibility of the province or of the City of Edmonton to consider tightening up regulations in regard to disposal of garbage outside these business areas?

MISS HUNLEY: Without reviewing the legislation, Mr. Speaker, I would feel it's probably the responsibility of the City of Edmonton through its Board of Health.

PWA --> Trucking

MR. GHITTER: Mr. Speaker, my question is to the Minister of Transportation. In light of the fact that the sale of Buyers Transport Ltd. has now been consummated by PWA, I'm wondering if the hon. minister would advise the House as to the terms of the sale.

MR. SPEAKER: With great respect, that would appear to be a matter of some detail which might perhaps better be dealt with through the Order Paper.

MR. GHITTER: I'll reword the question if I may, Mr. Speaker. Would the hon. minister merely advise us as to the total purchase price relative to the sale?

DR. HORNER: Mr. Speaker, I'll get in touch with the chairman of the board of PWA and try to get that information for the hon. member.

MR. GHITTER: A supplementary, Mr. Speaker. When you're doing that, hon. minister, would you also . . .

MR. SPEAKER: Would the hon. member please address the Chair.

MR. GHITTER: I'm sorry, Mr. Speaker. I'm wondering if the hon. minister would as well, when he is discussing the matter with PWA, advise whether there were any other offers from other parties, relative to the purchase of either the shares or assets of Buyers Transport Ltd., and advise the House?

DR. HORNER: Mr. Speaker, I will get that information.

Frank Slide

MR. BRADLEY: Mr. Speaker, I would like to direct my question to the hon. Minister of Government Services, responsible for culture. Would the minister be able to advise the Assembly whether the government is giving consideration to protecting the Frank Slide, given its historical and geological significance and its present deteriorating condition, by designating it a provincial heritage site under The Alberta Heritage Act?

MR. SCHMID: Mr. Speaker, the site has been under consideration for quite some time. The Department of Environment tried to acquire it from the present owner. It was impossible to do so. Therefore, we are now considering determining it as possibly a classified heritage site, which would prevent any removal of the rock and, of course, would put a penalty on defacing any of the rocks presently on the highway.

MR. BRADLEY: A supplementary question, Mr. Speaker. Would the minister be able to indicate approximately when the Frank Slide will be designated under The Alberta Heritage Act?

MR. SCHMID: Mr. Speaker, we have about 10,000 historic sites right now in the Province of Alberta. We're trying as fast as possible to catch up with the backlog of designations.

Official Language Publications

MR. BATHURST: Mr. Speaker, I direct my question to the Minister of Federal and Intergovernmental Affairs. It is with regard to an information bulletin that comes in quite periodically, Conference Canadienne. I wouldn't doubt there is valuable information in here, but since it comes in French only I wonder whether the minister would look into it and request that it be done in two languages, or maybe it's just a waste of money.

MR. SPEAKER: The hon. member's own representations in that regard might be effective.



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School Library Acquisitions

MR. WOLSTENHOLME: Mr. Speaker, my question is to the hon. Minister of Education. I've been made aware of a reference book in one of our schools entitled U.S.S.R., printed in Moscow, distributed by the embassy in Ottawa. My question would be, who approves or distributes these books in our schools?

MR. KOZIAK: You can be assured, Mr. Speaker, that it isn't me.

[laughter]

There are a number of local decisions made in the acquisition of library materials. As a result of a matter brought to my attention by the Minister of Environment, I have personally experienced -- not along the same line, Mr. Speaker, as the one suggested by the hon. member -- some unusual taste by the people who have acquired books. I think that particular situation has been remedied.

But what has happened in the past, I understand, is that to a large degree lay people have been involved in assisting in the acquisition of certain titles. Sometimes the attention given to these titles isn't the amount required to determine whether they're of the standard that should be placed in our school libraries.

## Mackenzie Valley Pipeline

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier and ask whether the government has made any decision yet with respect to the application of Canadian Arctic Gas for a pipeline from the Arctic, or whether they favor the Foothills project?

MR. LOUGHEED: Mr. Speaker, no, the Alberta government has not taken a position on that matter at this time. We have been carefully watching events as they unfold, and in particular the situation with regard to the hearing conducted on the matter in the North. We recognize that the project will have a considerable impact on the province, as will the route. We're aware too and, through the Minister of Federal and Intergovernmental Affairs, receiving reports with regard to the hearings in Washington by the Federal Power Commission. We've had discussions with both the Canadian Arctic Gas concern and the Foothills project. At this stage it's a watching brief position with regard to the Alberta government.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has there been any discussion with either consortium concerning possible Alberta participation in either project, either on a loan or an equity basis?

MR. LOUGHEED: Mr. Speaker, I would think that would be premature at this time. So the answer to the hon. member is, not at this time.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has any assessment been made as to the requirements of arctic gas to fuel the proposed world scale petrochemical industry in the Province of Alberta and the requirements of shifting some of this arctic gas through the Province of Alberta?

MR. LOUGHEED: Mr. Speaker, my understanding of that situation, subject to checking, is that for the projects being considered for the Province of Alberta, certainly there's adequate supply. With regard to Alberta resources, the position with regard to all our permits under The Gas Resources Preservation Act, is that Alberta needs are met first. For that reason, of course, any project would have the assurance and security of supply in Alberta over and above any provision regarding removal from the province under permit under The Gas Resources Preservation Act. So in terms of feasibility of such projects, there is no need for arctic gas to be involved in the projects.

## Simpson Timber Company

MR. TRYNCHY: My question, Mr. Speaker, is to the Minister of Energy and Natural Resources. It relates to a question a day or so ago when he announced that Simpson of Whitecourt received a DREE grant of \$2 million. Can the minister advise the House if the provincial government is considering a grant to Simpson or will be providing them with any grants?

MR. GETTY: Mr. Speaker, the announcement on the DREE grant to Simpson Timber was made by the Department of Regional and Economic Expansion. I recall it being discussed in the House as a result of a question. The provincial government is not now considering any grants for Simpson Timber.

### Highway Construction Payments

MR. HORSMAN: Mr. Speaker, my question is to the hon. Minister of Transportation. Could he advise the House what steps are being taken to ensure that all suppliers and workmen who have not been paid for their 1974 work on Highway No. 3 will be paid, and when?

DR. HORNER: Well, Mr. Speaker, I'm aware of the situation with regard to Highway 3, and we're doing what we can to try to ensure that those payments are made. We'll get more definitive information for the hon. member.

MR. HORSMAN: Supplementary question, Mr. Speaker. Since one of the suppliers has indicated he is on the verge of bankruptcy as a result of the failure to pay his judgment against Wizard Construction, would the hon. minister indicate that he will give this matter his most urgent consideration?

DR. HORNER: Yes, Mr. Speaker.

### Secondary Highway Standards

MR. MILLER: I direct my question to the Minister of Transportation. To what standard are the secondary highways of the 600 and 800 series being constructed? Are they 45,000-, 60,000-, or 72,000-pound load limit roads?

DR. HORNER: Mr. Speaker, I'd have to get that detailed information for the hon. member, because there is a variety of standards depending on the type of highway being built. I would hope, though, that we could review the entire matter of how we move from one particular type of highway to another.

### Summer Employment Program

MR. YOUNG: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower and relates to the Summer Temporary Employment Program. In view of the minister's announcement yesterday, is it now government policy that this is an ongoing annual program of the Department of Advanced Education and Manpower, regardless of employment levels?

DR. HOHOL: I'm sorry, Mr. Speaker, I didn't catch the word preceding "levels".

MR. YOUNG: To repeat, Mr. Speaker, my question is: is the Summer Temporary Employment Program a regular part of the manpower program of this government, regardless of whether unemployment is high or low?

DR. HOHOL: Mr. Speaker, I'd have to respond by saying that it's a regular program of the government, to be applied in terms of the apparent and real needs of Alberta youth in the summer and older people, primary wage earners, in the winter through the PEP program. I feel there would be some difficulty in simply adjusting on a short-term base, so it's an ongoing program. It doesn't mean, if we were in the circumstance where we were in underemployment, and youth had jobs on their own, which they used a great deal of initiative to get, that we wouldn't place the program in a holding position for a particular summer.

I think it is important to note, Mr. Speaker, that the indications over the winter were such that we were predicting a shortfall of jobs for young people out of college, universities, and high school. Those predictions, unfortunately, were accurate. Unlike last year and the two preceding years, young people are experiencing real difficulty in getting jobs this summer. Therefore, the STEP program is on for the summer of 1975.

MR. YOUNG: Supplementary, Mr. Speaker, related to the same program. On a more general basis, could the minister indicate whether the government has analysed the Summer Temporary Employment Program to determine whether the program may be encouraging eligible employers to arrange their affairs in such a way as to take advantage of the programs; also, whether in fact analysis has been done to determine whether students employed by the program, or as a consequence of the program, are affected in their attitude toward the responsibility of government toward them in assuring them employment throughout the balance of their lives?

[interjections]

DR. HOHOL: I'm tempted to say the answer is yes, but you know, that would just not be the answer the hon. member is looking for.

In the first question, I haven't any doubt we can be modestly positive in responding, yes. The second one -- the matter of follow-up on employed students is a constant feature

of the evaluation program. It's a difficult one because youngsters go, and you don't see them again until they come out of school looking for jobs.

I'd like to revert to the first question for just a moment, Mr. Speaker, and report to the Assembly that our capability to work with management, trade unions, and other commercial enterprises through the programs has improved considerably over the years. I believe there's now a very good working relationship between the employer and prospective employees in relation to our government employment programs.

The attitude of students toward government, with respect to having some experience in line departments, has got to be there. In other words, a student can't work for the government for six months and not go away feeling one way or another about government.

MR. SCHMID: Mr. Speaker, could I add to the reply from the minister? The former Department of Culture, Youth and Recreation did have some statistics. For instance, unemployable young people under that program are now on a steady employment program. That statistic is about 40 per cent. Also, maybe I should say, under the same program in the summer we employed physical and recreation students from the University of Alberta and other colleges and universities. There again, all the municipalities involved actually retained some of the students the following year and hope to employ them in the future.

So all in all, Mr. Speaker, it was more of a work experience program, giving young people, while they are students, work experience which they can use for their future employers, and have successfully done so.

MR. SPEAKER: Might this be the last supplementary. We're running very short of time.

MR. YOUNG: For today, yes, Mr. Speaker, the last supplementary. The Minister of Advanced Education and Manpower, I believe, indicated some analysis and study had been completed. Is this analysis and study in a form which might be tabled? If not, would the minister undertake to try to provide some analysis in a form which could be tabled?

DR. HOHOL: Yes, we'll make that attempt of course. These studies are ongoing. The best use of them is retrospective examination for planning ahead. Certainly that kind of information can be shared. Hon. members might want to respond with positive criticism, alternatives, options, and we would welcome them.

#### Gas Co-ops

DR. WARRACK: Mr. Speaker, last day I was asked a question by the hon. Member for Clover Bar. I'm now in a position to report. The question had to do with a gas co-op which had gone bankrupt in the M.D. of Sturgeon. That co-op has now been identified as the Notre Dame Co-op and was one of five served by Anchor Pipe Lines Ltd., which went bankrupt and into receivership. Three of the co-ops involved have now become part of other co-ops and are operating in that manner. A fourth is operating with Plains-Western. The fifth remains, at this time, under the trusteeship handled with the Department of Consumer and Corporate Affairs.

DR. BUCK: Supplementary to the hon. minister.

MR. SPEAKER: We have time for just one more question. Perhaps we might come back to this topic on another occasion.

#### Land Use -- Fort McMurray

MR. TESOLIN: Mr. Speaker, my question is directed to the hon. Minister of Municipal Affairs. Is any consideration being given to setting up a second industrial park in Fort McMurray, for the small businessman with less stringent expensive improvements as required in the present one in area 6?

MR. JOHNSTON: Mr. Speaker, the question of the utilization of land in the Town of Fort McMurray is receiving careful consideration by the Department of Municipal Affairs and certainly by the newly formed Department of Housing. We have not yet been able to make a recommendation with respect to the specific aspect required by the hon. Member for Lac La Piche-McMurray. But I will keep him and the House informed as we progress.

DR. BUCK: Is that a recording? It's the same answer to every question.

MR. COOKSON: [Inaudible] I would like to ask if I may have permission from . . .

MR. SPEAKER: It would require the permission of the Assembly, and I don't know whether the Assembly wishes to establish a precedent for increasing the length of the question period.

HON. MEMBERS: Agreed.

AN HON. MEMBER: If it's important.

MR. SPEAKER: Apparently the Assembly approves the request of the hon. member, without establishing precedent.

#### Auto Licence Plates

MR. COCKSON: Thank you very much.

This is a question to the Minister of Transportation. In view of the fact that I am sitting here, and it's the end of the month, is any consideration being given to extending the time limit for purchasing new licence plates?

MR. FARRAN: Mr. Speaker, I went to the prayer breakfast this morning.

[laughter]

As far as dispensations and giving grace are concerned, one of the few enjoyable things about this particular portfolio is that occasionally I have the right to extend grace. We are now in a period of grace, or will be as of tomorrow, until June 30.

MR. SPEAKER: I apologize to hon. members who were not reached for their first questions. Perhaps we had too many supplementaries on some of the questions.

May the hon. Members for Drumheller and Clover Bar revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

#### INTRODUCTION OF VISITORS (reversion)

MR. TAYLOR: Mr. Speaker, thank you very much, and I thank the hon. members of the Legislature for reverting.

We have a very distinguished visitor in the Speaker's gallery, a very prominent lawyer from Drumheller, and the MP for the Palliser riding. I'm very happy to introduce Mr. Stan Schumacher, the MP for Palliser.

DR. BUCK: Mr. Speaker, I'd like to take this opportunity to introduce to you, and through you to the members of this Assembly, a group of Grade 9 students from the Lamont school. The school is in my constituency, but many of the students are in the constituencies of the hon. Member for Redwater-Andrew and the hon. Member for Vegreville. They are accompanied by their teachers, Mr. Skladen and Mrs. Shymanski. They are seated in the public gallery, and I'd like them to rise and receive the welcome of the House.

#### ORDERS OF THE DAY

#### GOVERNMENT MOTIONS

1. Mr. Hyndman proposed the following motion to the Assembly:  
Be it resolved that Standing Order Number 5 be suspended in order that the Assembly may sit at 8:00 p.m. on Friday, May 30.

[The motion was carried.]

2. Mr. Lougheed proposed the following motion to the Assembly:  
Be it resolved that the address in reply to the Speech from the Throne be engrossed and presented to His Honor the Honorable the Lieutenant-Governor by such members of the Assembly as are members of the Executive Council.

[The motion was carried.]

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill 27 The Department of Government Services Act

MR. SCHMID: Mr. Speaker, I would like to move second reading of Bill 27, The Department of Government Services Act.

At the same time, Mr. Speaker, I would maybe acquaint the hon. members with some of the components of Government Services. In doing so, I would first of all take the challenging and the intriguing parts of the department, for instance data processing. It was formerly under the most capable direction of our Provincial Auditor, and is now under the division head of Mr. Bob Gemlich, who was the former assistant auditor. At the same time of course, Mr. Speaker, I would like to explain that the Data Processing Centre actually provides services to government departments as well as government boards, commissions, and agencies like the Alberta Health Care Insurance Commission and many others.

Mr. Speaker, one of the components also providing service to all government departments is the Purchasing Division. Again, I'm privileged to have someone in that division with the integrity and character beyond reproach of Mr. Bruce McLean, whose long years of service to the government, as well as excellence of decisions, are well known in this province.

Mr. Speaker, the Physical Plant Division provides an effective standard of service, operation, and preventative maintenance of all government-owned buildings under the jurisdiction of the department including custodial services, security services, some alterations, and various other services.

Mr. Speaker, maybe I should explain at this time the division between the departments of Housing and Public Works, and Government Services: any project which would take more than three months either to build or renovate would be undertaken by the Department of Housing and Public Works.

Another component, Mr. Speaker, is the Public Affairs Bureau under the assistant deputy minister, Bill Payne. Public Affairs provides a total two-way communication program for all departments and is responsible for advertising, creative services, promotions, printing -- like the Queen's Printer -- publishing, photography, and other components of the advertising media, which are placed fairly among the advertisers in the Province of Alberta.

Government aircraft operations, Mr. Speaker, provide an air service to government by administration and control of government aircraft, especially, of course, with priorities being placed in the fighting of forest fires.

The physical plant division under the administrative jurisdiction of Bill Davies is of special importance, of course, to all of us since it provides the continuation of the maintenance of over 1,200 government buildings. His excellence of administration and fine eye for details have borne well in the past and I'm sure will continue to do so in the future.

Also in Government Services, Mr. Speaker, is the mailing service which provides the delivery of mail to all government departments. But as well, it is in a stand-by position. Any time the employees of the post office care to go on strike or decide on a walkout, that implements an emergency service delivering the mail to all points in the Province of Alberta which have government offices.

Also, responsible for the keeping of the grounds is Mr. Morgan, who is doing an excellent job, as we well know, because we have one of the most beautiful in Canada. That is under the jurisdiction of the physical plant but is individually cared for by the people who keep the grounds, not only here, but in other parts of the province.

One of the other components, Mr. Speaker, is Supplies and Services, which provides a range of supplies and services to the departments and other government agencies. Also, the provincial Records Management Service, which provides an interdepartmental records management service including the operation of a record centre, records consultant service and microfilm service.

Mr. Speaker, these are the major components, but I should also mention the Realty and Accommodation Service Division, which provides for the long-range planning, programming, and budgetary advisory service related to the provision of office space for all government departments and some agencies, and space to meet the needs of all government departments; under the capable administration of Mr. Stiebritz who came to us from Ottawa and is one of the best in Canada.

[The motion was carried. Bill 27 was read a second time.]

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

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Before relinquishing the Chair, I should perhaps refer to a remark made during the question period in ruling out a question which sought the opinion of a civil servant. There was no implication whatsoever that such an opinion is not valuable to this Assembly, but the principle on which such questions should not be put is, of course, that civil servants must feel free to express their opinions truly and without the risk of having them scrutinized in this Assembly in such a way that they might be inhibited from expressing those opinions in the future, especially having regard for the fact that they are not members in the Assembly and are not here to defend their opinions, as are other hon. members.

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF THE WHOLE

[Dr. McCrimmon in the Chair]

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

#### Bill No. 4 The Medical Profession Act, 1975

MR. CHAIRMAN: I would like to ask whether any comments, questions, or amendments are to be offered with respect to any sections of this bill.

MR. R. SPEAKER: Mr. Chairman, were you asking for amendments? We haven't any amendments. But certainly I have some questions to the minister. Can we proceed on questions?

MR. CHAIRMAN: Would you like to question any particular section, or come to it on title and preamble?

MR. R. SPEAKER: We could do it on title and . . . One was with regard to questions I had asked the other day with regard to professional medical assistants, that that section of the act would not affect present professions. I think we raised that. The other was with regard to whether the professional nursing act is being prepared at the present time and is going to be brought in to take care of some of the concerns the nurses had.

MR. CHAIRMAN: What section is that?

MR. R. SPEAKER: Twenty-six.

MR. CHAIRMAN: Section 26. Are there any other sections?

MISS HUNLEY: Mr. Chairman, first I should apologize to the hon. member. He did raise that during second reading, but we didn't get to it before 5:30, and I felt sure we could discuss it again during committee.

The question was raised about the nursing profession. At that time, the hon. member also asked me whether I had met with the nurses' association. I have not, but my predecessor did meet with the nurses' association, and we felt we had successfully satisfied some of their concerns. Their concerns are whether or not their rights might be infringed upon by passage of this act. We have assured them, and all other professions, that any profession which has and is governed by its own act is not touched by this new act, The Medical Profession Act, or the implications of professional medical assistants.

The intent of having professional medical assistants is solely to bring some kind of legal structure to those who do not have an act in which to operate. They are not licensed or registered unless they have passed or been approved by the Department of Advanced Education. I have said before, and I think hon. members are aware, that we're particularly interested in those who are ambulance attendants. They have been trained, and they're ready and anxious and willing to perform, but they do need some kind of legal structure under which to operate.

The nurses' act is under consideration. It will not be brought forward at this time. Officials in my department have been working with them. I'm sympathetic with their concerns, because they also wish to have their act brought forward in parallel with The Medical Profession Act. As I said earlier when introducing the bill, The Medical Profession Act has been considered or brought before the government with requests for amendment, I think, almost from day one after our assumption of office. We did work closely with them over the past three years. The nurses' association is also requesting amendments, and I feel it should be considered by this Legislature because they are asking

for a similar type of registry for nurses who are performing as nurse practitioners. There are also nurses who are working in the intensive care units, and this has been recommended to them. It's a whole matter that's being developed in consultation with the College of Physicians and Surgeons, and with the nurses' association. I would like to assure all hon. members that every consideration will be given to other professions operating under their own act.

MR. F. SPEAKER: Mr. Chairman, with regard to Section 26, has the minister established any timetable for establishing the regulations for the registry of medical assistants?

MISS HUNLEY: I haven't asked the college, but due to their great anxiety and, of course, the expectations they had that this bill might indeed have been in force some time ago, I feel sure that they do have them already drafted although I haven't specifically asked that question.

MR. NOTLEY: Mr. Chairman, I welcome the hon. minister's answer with respect to the position of the Alberta Registered Nurses Association. As I understand her answer, clearly nothing that really comes under the purview of nursing, more particularly the nurse practitioner, will fall under this act, but rather will be dealt with under the new registered nursing act when it is introduced by the Legislature. I wonder if I could have that clarified for the record. That was what I took from her statement, but I would just like that nailed down.

The second thing: I appreciate that it's not possible to introduce the act with respect to nursing during the spring session, but could the minister give us some indication as to when this act will, in fact, be before the Legislature? I notice in reading over the debate on February 13, which was the day before the House was dissolved, a number of members raised this very question about the desire of the Alberta Registered Nurses' Association to have a parallel act, which would be debated at the same time as Bill No. 4, The Medical Profession Act. At that time, Mr. Crawford, the minister, indicated that it just wasn't possible. But, as you were saying today, he looked forward at an early stage to introducing amendments to the nursing act.

What I would like to get from you, hon. minister, is just what timetable are we looking at? Because it seems to me that if this is going to be dealt with in the fall, there probably won't be any serious concern. But if it's going to be a long period of time hence, there may well be some legitimate concern within the Registered Nurses' Association, as the field grows, that unless the nurses' act is amended, the extension of the role of nursing will bit by bit fall under this act almost accidentally, unless the amendments or additions or revisions are made to the nursing act.

MISS HUNLEY: I'm quite sympathetic to the position that the nurses have. I cannot give an undertaking as to when the actual legislation will be ready. I'm not sure of its status at the present time. I do know that the solicitor in the department has been working with them and that we have been in touch with the nurses' association. I can also appreciate their uneasiness, but I would like to reassure them and have done so. I would assure all hon. members that at this time the nurses do not fall under this act, and I do not see them falling under purview of this act at any time, unless it would be by negotiation. I would refer now to one specific case which is being talked about, and that relates to specialty nurses. I would feel that that would be handled by negotiation between the two professions, and certainly nothing would proceed, as far as I'm concerned, unless a consensus had been reached.

MR. NOTLEY: Mr. Chairman, just to follow that up. I certainly appreciate that point of view, and I think that's a reasonable one. The only concern I would express is that the negotiation is a good principle, but if both groups are negotiating from the same basis of strength -- that is, with legislation laid down -- you can appreciate it would make it much easier for the Registered Nurses' Association, or at least they would feel easier if they had their own act and then there was this interplay, because obviously there has to be some negotiation and interplay. I just hope we will have an early announcement by the government as to when legislation will be forthcoming on the registered nurses' act.

MISS HUNLEY: I can only assure the hon. member that I am knowledgeable of it from a personal interest, as well as now from the concern I must have with my new responsibility. I do not know the time frame exactly, but I agree there is some urgency in the matter, because not only is it to satisfy their concerns, which are quite bona fide, but to provide some legality. I'm a little troubled by using that word, but some of the things they are doing or could do, which would be for the benefit of the people generally, I see as a desirable extension of the authority of their act.

MR. TAYLOR: I would like to say a word or two in connection with the nurses' request. I think the position the hon. minister has taken is quite a sound one, but I, too, would like to see the nurses' professional act amended at a reasonably early date. One of the reasons I suggest that is, the sooner it is done or while it is going on, I think the government could take a look at other semimedical staff in our hospitals who also want an act. I believe a private bill for orderlies has been circulated to the members. They have some merit to their recommendations, but I think we're getting to a place where we're

going to have private bills for too many different items and different sections of work in our hospitals.

I believe it's essential we have one for the doctors, The Medical Profession Act, and one for the nurses. I'm wondering if the others couldn't be included in one government bill, rather than a number of private bills. If there isn't a bill, these people have difficulty organizing, disciplining their own members, and so on. I think that is important in a group as large as the orderlies. They have pretty well-defined duties. I'm not sure they're defined to the point where they need a private bill. I would think that one omnibus bill, after you get The Medical Profession Act and the nurses' profession act through, could probably cover all the other personnel, giving them some status and making it easier for them to differentiate when they're negotiating for duties and salaries and so on.

I would like to have the comments of the minister in regard to whether she has given thought to having an omnibus bill for all others, after we get the doctors' and the nurses' acts cleared away.

MISS HUNLEY: There's a lot of merit in what the hon. member suggests. I was trying to recall the recommendations of the Committee on Professions and Occupations. At the moment it escapes me. I can't remember what recommendations came forward for an all-encompassing act for those professionals or para-professionals who are not now covered under their own act. I think there is some merit there. When I was the minister responsible for Alberta Health Care I met with many groups who wished to have their own act. I know that great desire is out there. There's a growing uneasiness. But as there's a growing number of persons involved in the health field in various areas, as new techniques develop and new groups are trained, there should be some type of act to which they can turn. Probably the hon. member's suggestion about an omnibus or an all-encompassing act might be the most desirable way. Certainly, I would be prepared to look at it.

MR. R. SPEAKER: Mr. Chairman, to the minister. With regard to the regulations, you were indicating that the college would most likely have regulations prepared. What is the process those regulations will follow? That is, outside of the legislation, what is the procedure? Will other organizations have a chance to observe them before you finalize them, pass them through order in council; or will they come directly from the college to yourself, through cabinet, as an order in public? I can see, possibly, some concern from these other professional groups if it looked like something was written into the regulations that infringed on certain freedoms they have at the present time. What procedures would you take in that area?

MISS HUNLEY: I believe that all members of Executive Council are very aware of some of the concerns. Certainly, the groups who have been, have circulated all their MLAs. I would like to put a caveat on what I would be recommending, because I haven't seen them yet. First of all, I would assume that they would be reviewed and scrutinized by a cabinet committee on social planning. My experience in that committee has been that it's quite effective in reviewing regulations. If there are no concerns, they go with the recommendation to the Lieutenant Governor in Council. However, if there are concerns raised by any member of the cabinet committee, those concerns must be satisfied. We must go back to the college and get an answer. If we're not satisfied that perhaps the rights of some of the other professionals or para-professionals are being clearly protected, we would be prepared to go back to the college to be sure dialogue had taken place between the two organizations before the regulations would be passed.

MR. R. SPEAKER: Mr. Chairman, the procedure recommending -- let's say, for a group such as the nurses: if they have a special concern or something, I'm not sure if they don't know what the regulations are, they won't know what they're making representation on either. Is there any kind of established procedure by which they can go to the college and say, look, we would like to see your initial draft? Can any other group do that kind of thing? Is there that kind of open relationship between the two bodies?

MISS HUNLEY: I never asked the college that specifically, but the college is aware of the government's concern that other groups not have their rights infringed upon. I have been told by the registrar that they have met with some of the other groups. This has not been at my initiative. It may have been by my predecessor, I can't answer for that. I just feel that we are knowledgeable enough about the act and the ramifications of it, because of the extensive debate that's gone on as well as the concerns that have been expressed to us, that I can't imagine we would be unaware. In fact, I believe -- I'm going from memory now -- that the professional medical assistants do have two members on the council. That's intended to protect their rights, because at the present time they're the only ones who are affected by this act.

MR. NOTLEY: Can I just follow that up. It would be the responsibility of those two members on the council then to make their groups aware of whatever the regulations are, so that a group such as the one the Member for Drumheller talked about, could in turn then make representation to the cabinet committee before the committee recommended the regulations to cabinet. Would that be the procedure?



MISS HUNLEY: I don't want to bind some other organization by saying specifically to the members of the Legislature what the College of Physicians and Surgeons will do. I can only say that we will protect the interests of other occupations. The concern expressed is, I think, more imaginary than real. The only persons they intend to establish a register for are those who don't have their own act, and who have been authorized by the Department of Advanced Education. This could be broadened at some time in the future if there are other groups which wish to come in. It is not at the present time. For example, there is another group called the orthoptics and they would rather like to be under the shelter of this act because they don't have one. They do work for ophthalmologists. But that's under negotiation, so I've been advised.

[The title and preamble were agreed to.]

MISS HUNLEY: Mr. Chairman, I move that the bill be reported.

[The motion was carried.]

Bill 7 The Department of Manpower and Labour Amendment Act, 1975

[The title and preamble were agreed to.]

MR. CRAWFORD: Mr. Chairman, I move that Bill 7 be reported.

[The motion was carried.]

Bill 8 The Department of Health and Social Development Amendment Act, 1975

[The title and preamble were agreed to.]

MISS HUNLEY: Mr. Chairman, I move that the bill be reported.

[The motion was carried.]

Bill 9 The Hospitals and Medical Care Statutes Amendment Act, 1975

MR. F. SPEAKER: I think the minister covered this in his remarks the other evening. Is it the intent to follow the global budgeting procedure with the hospitals in the coming year?

MR. MINIELY: Mr. Chairman, I don't know that I specifically referred to global budgeting in my remarks. What I did refer to is the need to take a look at the budgeting procedures and timing of budgeting procedures of hospitals throughout Alberta, and whether we can establish if it would be helpful to them, and helpful to government in terms of priority setting and longer term planning, to work towards what I might define as longer term budgetary planning on what you would call the existing level of service within a hospital and the existing quality of service. Then you look outside that context in terms of the new programming that would go into hospitals on a priority basis related to hospital care.

One of the concepts we will be examining, and I've already started discussions with some of the hospital boards, would be a global budget for the existing level of service, the existing quality of service; then looking at what they want to do new, beyond that global budgeting figure, in trying to move toward a longer term plan that will accomplish both the needs within a hospital and a rate of growth of the existing situation that is tolerable in terms of growth in total hospital expenditure.

MR. NOTLEY: I wonder if I might just ask a question or two, pursuing the question of global budgeting. I can appreciate there's some merit in that approach. I believe we had this debate in 1973 in the Legislature. The concern I would express about it though is, what flexibility do we have for hospital boards as a result of varying wage settlements? For example, it is my understanding that the Misericordia settlement, for the hospital service employees' union, is slightly different from the CUPE settlement, and that in certain areas the Misericordia settlement is slightly higher, in other areas perhaps not quite so high as CUPE.

What flexibility is there within the global budgeting arrangement to allow boards to negotiate in good faith with their employees? Because we're going to find, especially if inflation continues, that we'll have one contract after another, and they won't all come open at the same time.

MR. MINIELY: I appreciate that. I suppose the points I would make, Mr. Chairman, are first, I haven't made any decision on it. We're just examining it with the hospital boards at the present time. I can say the initial reaction I've received from the hospital boards is that they feel it would be helpful in terms of their own planning.

First of all -- this is the initial reaction, I have many more to meet with -- if they know earlier, it has to be realistic in terms of a total global budget for their existing operation. Then at least they're able, in that position, to determine priorities. It isn't as though they don't have any flexibility, because they have administration salaries and many other kinds of operating expenses. It's a natural process of management of a hospital to determine what their needs are going to be, what expected negotiations may be, these kinds of things. They do have some flexibility.

In other words, I don't think it's that far different, Mr. Chairman, from a large academic institution for which we have worked out longer term financial plans, and they're negotiating, of course, with their employees as well. In addition, of course, the school boards are doing this. The portion of salaries in the case of school boards, in relation to total cost, is very similar to the case of the hospital.

So I guess the answer I would say is, it's just exploratory at this stage. I haven't come to any definite conclusion on it. However, it does appear to be helpful in terms of more order in the financial planning of the individual hospital, and the individual reaction is that way. It has to be realistic enough, in terms of global budget, so that they do have an adequate amount of flexibility amongst their various areas of operation of the hospital, and areas of cost of operation of a hospital.

MR. YOUNG: Just a brief and somewhat general question in relation to the Hospital Visitors Committee. I have wondered for several years about the relationship which exists between that committee and the Alberta Hospital Services Commission itself, what the responsibility of one is in relation to the other, and whether in fact we're not going to have to take a look at these two.

I can imagine the commission establishes standards and the Visitors Committee then goes around, I guess on a random basis or a required basis, and visits some of the hospitals. Now I'm not quite sure what they look for that would be different from what the commission looks for. I'm not asking you to respond in terms of what your program or policy will be, but I just draw it to your attention at the present time.

MR. MINIELY: Well, I think that's a useful and timely question. As members know, the chairman of the Hospital Visitors Committee was in, I think it was on Wednesday or Thursday, and I spent some time with him subsequent to the sitting that day, and examined the act. The hon. member is accurate in terms of the relationship. I describe it this way: basically they have their own act at the present time. My initial conclusion, although again I'm not fixed on it, is that it is valid for them to have their own act. Basically, under the act they can set up a program of regular visitations of hospitals, and they act in their capacity under that as almost as an advisory committee to myself as the minister, in terms of general hospital operations.

Also, there's another section of the act, where the minister can call on the Hospital Visitors Committee to go into a particular hospital where there's a problem, or where there are particular problems, and report back to the minister. My initial feeling is that, in that sense, I would tend to look upon them as separate and apart from the commission reporting to the Legislature through the minister. But then, that reporting function we also have in terms of their general operation -- as I tabled the report today of what they generally do.

I think it's valid to have different inputs, other than just the Hospital Services Commission. I think the Hospital Visitors Committee can play a role in terms of their general visitation and recommendations and liaison with my office; also, to be called upon when we have a particular problem in a given hospital, and to report to the minister. That particular problem, I'd say to the hon. member, is where, for instance, you have personalities and difficulties within the operation of the hospital. That particular report I look upon as a confidential report to me as the minister, because it involves personalities. I don't think it's in the interests of the Legislature in that particular area of their operations to be tabling information around personalities and individuals -- this kind of thing.

MR. R. SPEAKER: Further with regard to global budgeting, each one of the different hospital areas -- High Level, for example -- was asked to take on some community types of social service programs and co-ordinate them with their budget. How is the minister planning for that kind of thing in the budgeting process? Is he going to show some kind of thrust in that area to try to have the hospital boards act possibly as an overall health and social service board of some kind, and have broader functions in the community? Are we moving in that direction at the present time?

MR. MINIELY: Of course this is something my colleague Miss Hunley and I will have to be spending a considerable amount of time discussing, future direction. I think it is desirable in certain cases. We have, as you know, some experimental projects where hospital facilities and other community social service -- a good example is Medicine Hat, where we have a community resource centre and an attempt to integrate boards on an experimental basis.

However, application of the concept, in total, is something I think we have to assess carefully and determine our directions. It's too early yet in terms of general policy to make any conclusion about that, other than to say that Miss Hunley and I will have to work on that very thing. To this point, having spent a couple of months meeting with hospital

boards, one of the things I've been saying to them is, please let's quit thinking in terms of four walls around a hospital. Let's reach out in the community more.

I think one of the difficulties we have is that hospitals tend, as many other areas of quasi-government or extensions of government do, to become insular within four walls. I think it's certainly desirable to move outside those four walls into the community. Such things as day surgery and home care programs as an extension of the hospital system, working in tandem with Miss Hunley on her programs, are I think probably desirable.

But we have to fit this into a plan, of course, that's financially credible, when we consider the tremendous escalation of costs that we now have in the system.

MR. R. SFEAKER: Does the minister foresee in the next fiscal year, incentive grants for pilot projects in areas such as this? For example, back in about 1970-71 and up to the present, there was a pilot project established with the VON whereby they could carry on a community-level type of program. It started with, I think, \$50,000 and then it was increased to maybe \$70,000 in 1972. It has worked out very, very well. I could see their type of program. Actually, at this point, from the information brought to my attention, their program has been successful and we would need incentive grants or possibly just an extension of that program across the province.

I see that the success of the VON program is the practical approach they use to serving at the community level. I get a little concerned at times when professionals attempt to serve at the community level, and it becomes too heavy on the administration rather than people, door-to-door, grass-roots talking to the person who really needs help. So this is one program I hope the minister will extend. Are you thinking of any incentive grants towards programs such as this which help the hospital extend into the community, as you are proposing?

MR. MINIELY: Mr. Chairman, I think the hon. member raises a good point. As a matter of fact, it is an area I'm taking a look at. Again, I haven't made a definite conclusion on it.

I would say that we have the capacity, through the Hospital Services Commission budget, to encourage hospitals through the budgetary process to do these kinds of things -- to reach out more. It doesn't have to be a specific incentive grant. For example, you can encourage them to move in the direction of day surgery. You can encourage them, through the funding mechanism of hospitals, to go into more home care. I think the answer is that I'm taking a good close look at it. I haven't made any decisions on it at the present time.

The other thing I'd say that I hope we can accomplish -- again trying to get away from the four-wall idea that has built up historically -- is that the hospitals can use and tie in with more resources in the community, like private resources and private agency resources in the community. If we can try to reverse this trend through the funding mechanism, which I guess you could call, Mr. Chairman, an incentive to encourage them to move out more into the community and use the resources within a community, I feel we could do a much better job.

[The title and preamble were agreed to.]

MR. MINIELY: I move that Bill 9 be reported.

[The motion was carried.]

#### Bill 18 The Department of Telephones and Utilities Amendment Act, 1975

MR. TAYLOR: Mr. Chairman, I don't have any amendments, but I would like to ask the hon. minister a question. There has been quite an advance made in extending the area for free calling in various parts of the province. There are still a number of areas where people are expecting that area to be extended, through announcements made earlier. I wonder if the hon. minister could give us a report on how this extension of free areas for long distance purposes is progressing.

At one time we had a restriction of eight miles. Then that was changed -- incidentally, by the present government. This has brought considerable satisfaction to the people in many rural areas. One of the objectives, I think, in connection with this, is that people have access to their main marketing centres through not being required to call long distance. I realize there are some difficulties involved. But I wonder if the hon. minister could give us a report on how this matter is progressing.

MR. CHAIRMAN: Excuse me [not recorded] sections of the bill. We could come back to that question on title and preamble, because it's a general . . .

MR. TAYLOR: I thought we were on that.

MR. CHAIRMAN: No, we are on sections of the bill. Are there any sections in the bill?

MR. CLARK: Mr. Chairman, could I just ask you a word about procedure. I have no hesitation about proceeding on that route just as long as when we get to title and

preamble and the minister gets up and makes a comment, others have a chance to comment on the minister's comment.

MR. CHAIRMAN: Yes, indeed.

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Title and preamble?

MR. COOKSON: I wonder, Mr. Chairman, if I could make a comment under title and preamble too. I'd just like to reaffirm what the Member for Drumheller has said, and ask the minister to give us perhaps some kind of review as to the progress that has been made in toll-free service. We haven't had much luck in our area. They seem, in their plebiscites, to reject the procedure. One of the things that defeats them is the negative vote, on occasion, of a centre or municipality in which the outlying areas do service.

I don't know what the answer to it is. Personally, if I were a businessman and it was going to cost me \$2 or \$3 more a month to carry some of the cost burden for those in the outlying areas, I'd be quite willing to do that, because it adds to business. It's as simple as that. But this seems to be blocking some of the plebiscites. I know this office is new to you, Mr. Minister, but I think we should look at this to see if maybe there's some other way we can handle this particular problem.

DR. WARRACK: Thank you very much, Mr. Chairman, Mr. Taylor, and Mr. Cookson. The questions posed are important.

The toll-free service between exchanges was begun some years ago and was a very happy kind of step of policy direction that hooked up a number of communities, one with another. In those instances they are able to call from one community to the other, but not through a second community to a third.

As Mr. Taylor mentioned, my predecessor, in conjunction with Alberta Government Telephones, did extend this program and this sound idea, really, for service to rural areas up to the 30-mile limit, as it stands now under the extended flat-rate call system, depending upon the outcome of the plebiscites mentioned by the hon. Member for Lacombe. I'm fairly close to this actually, because I've had this situation in my own constituency and now it turns out to be also within my ministerial responsibility.

What appears to happen is basically this: the smaller community in a contemplated hook-up tends to vote overwhelmingly in favor, but they have a lot of difficulty in securing a positive vote from the larger community with which the smaller would be hooked up. In my case I'm thinking of the Torrington-Trochu situation, where the people in the Torrington exchange voted overwhelmingly in favor of hooking up with Trochu. But I think it was only due to some of the efforts of the people in the Trochu Chamber of Commerce and so on, to recognize the value in such a hook-up, that they managed -- barely -- to get a positive vote in Trochu. In instances such as Torrington-Olds, I think Sundre-Olds, and I guess East Coulee-Drumheller is another I remember reading about, the larger centre rejected the smaller.

What seems to happen is that the businessmen in the smaller centre have some reluctance about this hook-up but all the non-business people are very strongly in favor of it. In the larger centres it appears to be precisely the opposite, in that the business community is very enthusiastic about it, but the residents do not see that much to be gained because their flat-rate telephone charge would go up a bit. So the consequence has been that many extended flat-rate call systems have been approved by plebiscite, and these are ongoing. If my memory serves me correctly, the ones which have been approved by the people may be completed by about the end of 1975. Again I say, if my memory serves me correctly.

But this does leave us with the problems that, I believe, the members for Drumheller and Lacombe are thinking of: what do we do next in terms of the possibility of trying to accommodate the smaller centre and its opportunity to be hooked up with the larger centre, even though the larger centre doesn't want it if it increases its rate?

Certainly I think the technology makes it possible to consider -- and when time permits I want to give active and serious consideration to some way to overcome this. For example, one-way calling. I think you can readily appreciate there is potential for quite a bit of cheating in such a system unless you have some way to systematically guard against it. For example, a person can call another with some sort of code, and then they call back free. As most of the technology in place at the present time stands, as I understand it, that is not something which could be systematically dealt with and is one of the problems posed. But I would hope that would turn out to be more a problem of technology than anything else. If we can systematically preclude that from happening, I think we might be able to devise such a scheme and put it in place for this additional service.

I don't want that to be suggested as a commitment, because I'm frankly not knowledgeable enough as to the alternatives and the feasibility of whatever alternatives might be available to know whether this can be realistically done. But I am prepared to make a clear commitment to look at it closely and to do so at the earliest opportunity -- which, let's face it, won't be for some period of time.

MR. TAYLOR: Mr. Chairman, I appreciate the comments of the hon. minister. He certainly has a grasp of the situation exactly as it is. When the former minister put this thing to

a vote in the various communities, I advised each community that I felt this was democracy in action. They were getting a chance to have their say about whether they wanted to pay the increased rate and get toll-free service. As you mentioned, the large centre, which really had the most to gain, turned it down. It was done primarily because the residents, as you mentioned, didn't see any particular value in it.

But there's now quite a move, in my constituency at least, and I imagine elsewhere, where those from the smaller centres who did favor it are asking that it be considered a one-way project, with the smaller centres paying the increased rate and having the right to phone into the larger centre, but not the other way around. I think it's worth while looking into whether the difficulties you mentioned might prevent it.

I certainly think it's well worth looking into, and I appreciate your commitment to do so.

MR. COCKSON: Is there, Mr. Minister, a procedure for making application again to again go through the plebiscite? Is there a waiting list or a priority list where, for example, a particular area could again go through the procedure, to try to carry it a second time?

DR. WARRACK: I believe there is. My recollection in discussing some of these rural telephone service matters with my predecessor was that he had suggested to those making that request that once the construction got well along and we could see, if you like, some light at the end of the pipeline, in terms of serving those situations where they did both vote in favor, [we] would contemplate a second opportunity. Because it may very well be, as the hon. Member suggests, that there might be some re-evaluation done by the larger community. And I, quite frankly, think -- as a matter of fact, I went to Trochu, and discussed there, before the vote, that it was in the interest of the larger centre to grasp this opportunity for their own development opportunity -- there'd be some considerable hope.

As a matter of fact, in a fairly large percentage of these situations, the larger centre might sufficiently reconsider so that a second opportunity might pass the plebiscite. As a matter of fact, that would certainly be the preferred route to go. My understanding, subject to my checking -- and if I'm wrong, I'll let the hon. member know -- is that that approach had been taken by my predecessor, and I think it's a very reasonable one.

MR. CLARK: Mr. Speaker, my question to the minister relates specifically to a meeting which two members of the AGT board or commission, and his ministerial assistant, attended in Sundre. As has been explained by the members for Drumheller and Lacombe, the additional problem there is that they're going through a number change right now. The equipment is being installed. I got the impression from speaking to the AGT officials there that there was no reason we couldn't move on one-way calling right away. The equipment is virtually in place now, and the local people involved are going through the experience, for some of them not a very good experience, of a number change which is fairly expensive to local businessmen involved.

In addition, if my memory serves me correctly, their rates are going up. Yet they're really getting nothing for the additional rates. However, be that as it may, where we've already got the equipment in an area and they're prepared to pay extra for one-way calling, is there any reason we can't do that? Because we've already had the investment of the equipment there, and I've had a little difficulty, frankly, convincing myself or anyone else that we should have the equipment in place and not be really using it.

DR. WARRACK: I'm not sure on the equipment matter, but I suspect the hon. member is right with respect to that. Because generally what is done, when there is a need to make an equipment reinvestment anyway, is to try to put in the most advanced technology possible to guard against the possibility of having to take it out and put in something else should the circumstances change, such as the question that we're discussing right now. It may very well be, in the Sundre-Olds instance, that they are dealing with a situation where it's clearly possible -- there's no doubt about it -- to make one-way calls. That's true in a number of instances throughout the province, as I understand it.

The question is how to deal with the problem of being sure that it's really only one-way calls and not, on some coded basis, two-way calls that are essentially not being paid for. This is the kind of thing I hope we're going to be able to overcome, and it would be part of the detailed assessment that I'd want to undertake soon.

With respect to the matter of their rates going up, I'm just not sure about that. It may very well be that Sundre for instance, being a pretty main centre in itself, may be involved in some extended flat-rate call services with other exchanges. No? In that case, I don't know the answer, and would have to check to find out. But I would point out that the rate structure of Alberta Government Telephones is submitted to and approved by the Public Utilities Board, so whatever rating is involved in the circumstances mentioned by the hon. Member from Olds-Didsbury would be within the parameters of what had been subject to rate review, I believe, the last time in 1967.

MR. CLARK: Mr. Chairman, might I just continue a comment to the minister. With due respect to the officials in AGT -- and I think they're a fine bunch of people -- it seems to me we rather judge people as being guilty on this cheating aspect. I don't know how much the tolls are between Sundre and Olds each year, but let's assume worst came to worst, and we lost half of them by this kind of cheating. I'd like to think the people

out there are much more honest than that, but you may have some figures to indicate what has happened. But it seems to me we're in a situation where we have the equipment in and it is just very, very difficult for people to understand why, when we have the equipment there, we can't use it -- especially if they're prepared to pay for it.

I'd like to suggest to the minister that he not be overly influenced by, perhaps, the feelings of people in AGT and on the commission on this cheating aspect, for lack of a better term, and until we've worked out some other arrangement, that we really move quickly on this question of one-way calling, not just in the Sundre area. I understand, as the minister said, there are several areas where we have the equipment in place. The real question is, it seems to me: are the people going to deprive us of some revenue, or are we going to sit there and have this new equipment not used entirely, when you consider the telephone numbers have been changed, which is costly to small businesses in the area. We could give this kind of consideration, not just in the Sundre area, but to a number of areas across the province. Then 6, 8, or 10 months down the road, if the minister has another proposal come forward which takes that into consideration, all well and good. I would just hate for us to say we're not going to go ahead because we're afraid this cheating might happen.

DR. WARRACK: Well, I think I've really dealt with that. I don't know whether the hon. member is trying to get some mileage out of the word "cheating" or what, but it is a problem, and it's not something that particularly focusses in the constituency the hon. member represents rather than anywhere else. I think we've had recent occasion to see it's possible to contrive ways for grants or whatever, to try to get money from the taxpayer, and this kind of thing. So the truth is, we have to be on guard against it.

At the same time, I don't think anyone would suggest that you should install equipment which would not accommodate the most recent technology in that equipment. After all, if the best technology is installed and embodied in the expenditures made, then you have the kind of option before us the hon. member is suggesting, rather than having to make an additional major capital investment in order to make that option possible. Certainly, it's one of the things I would want to be looking into, from my own point of view, because I have some involvement in it even on a constituency basis, as the hon. members know, with respect to the other side of Olds, that I'd be very favorable to. As a matter of fact, if we were basically going to deal with it by taking our chances on the rate question, this probably would be a substantial amount of funds across the province, and might have to be considered with respect to rates necessary in order to pay for the total program. But again, those are some of the kinds of considerations I intend to undertake when we get finished here, so I can have some time to do it.

MR. MANDEVILLE: Mr. Chairman, I would just like to make a comment or two and a suggestion or two on the rural gas co-ops. I'd certainly have to agree that the program is going to be well accepted by rural Albertans. However, it's certainly created many problems with the co-ops. It's been pretty frustrating trying to get these co-ops organized and get their lines in, for the fact, I think, we're trying to move fast in this area. We're taxing the contractors. We're taxing the engineers or consultants and the suppliers to the extent that it's been a problem. I realize it's starting to iron itself out now. It really is too bad we didn't have a more orderly program when we set this up. We [could have] set it up over a period of years. I think it would have ironed out a lot of these problems.

I would just like to ask the minister, with the amount of problems we've had in there, to avoid any stumbling blocks we possibly can. Number one, some of the rural gas co-ops, instead of contracting some of their small jobs -- for example, going under a road or a canal -- would just like to do it on an hourly basis. Because they are involved in the programs themselves and are involved financially, they will certainly be watching the charge. I would like the minister to take a look at -- I'm not advocating we shouldn't be tendering the work -- some of the smaller jobs that should be done on an hourly basis, when they are requested by the co-ops themselves.

Another problem we have, and I realize under the provisions of the act the minister can give grants to irrigation districts where it is costly . . . I know I've talked to several irrigation districts and the co-ops that are putting in rural gas, and it is costly. I do hope the minister will give some consideration to the irrigation districts to giving them some further assistance.

DR. WARRACK: Two points, Mr. Chairman, and certainly the first one is valid. The hon. member may be thinking of the Dinosaur co-ops specifically. Are you? I did have an opportunity to discuss this with them and we agreed that, in such instances as you describe and they described to us, it would be sensible for them to go ahead. We would certainly be undertaking whatever mechanism was necessary to assure that that work being done in the way the hon. member describes would not be thwarted.

With respect to the second item, there's been some considerable accommodation in the financial arrangements with respect to rural gas in irrigation areas. The thing I'm not clear about is, did the hon. member mean to refer to an irrigation district in the sense of the FID or the WID, directly, or is the hon. member thinking in terms of the rural gas co-ops that serve the irrigation areas that might be involved?

MR. MANDEVILLE: Mr. Chairman, I'm thinking of the overall irrigation districts and not specifically of one particular district. I'm thinking of putting the gas co-ops in irrigation districts throughout the province.

DR. WARRACK: I think the answer is pretty clearly, yes.

MR. NCTLEY: I would just like to ask the minister one question with respect to the administration of our two-price system for natural gas in Alberta, the 28 cents per MCF which was announced shortly before the Legislature reconvened.

I realize, in reading over the ministerial announcement, that this applies for the current year, and I believe the estimated cost for it is going to be \$70 million. My question is, at this point in time does the minister have any indication as to what the Alberta gas level will be set at? Twenty-eight cents for the next 12 months. However, is it going to be kept at that level or, as the price goes up to \$1.50 or \$2.00 per MCF or whatever the case may be, especially in the export market, is it the government's intention to allow the price to increase, and on what basis? I wonder if the minister could perhaps give us some indication of the parameters he sees for cushioning gas prices in the Province of Alberta under the plan.

DR. WARRACK: It's very difficult to do that. As a matter of fact, that's why the announcement in this regard was worded the way it was, consistent with the rural gas position paper that was tabled in the Legislature which, all hon. members might recall or want to remind themselves, included a number of factors that would trigger what the support price might be, including the market forces that have evolved into the price for natural gas. I think really the answer to the question comes down to whether one can make a reasonable prediction of where the natural gas prices might be at the time of the next decision. Certainly I don't have the wisdom of Solomon, which the hon. member often refers to in his remarks, to pretend that I could do that.

I certainly did want to make it clear then and want to make it clear now, Mr. Chairman, that the support-price decision of 28 cents was a decision for the fiscal year we are presently in, April 1, 1975 through to March 31, 1976. That question would need to be readdressed for the fiscal year after that. It depends on what happens in the intervening time period. If, as most pundits are predicting, the natural gas prices go substantially upward between now and the beginning of the next fiscal year, it would be reasonable, consistent with the rural gas rebate position paper, to expect that the support price would also increase.

MR. NOTLEY: Mr. Chairman, to follow up a little bit. I wonder if the minister could perhaps outline for the committee the steps that are taken in considering the level of support price, what the considerations are? We know that the world price is one, the obvious cost of the subsidy is going to be another. But particularly as it relates to the rural gas position paper, is there going to be any way in which the rural gas co-ops themselves, through Gas Alberta or directly, are going to be able to make representation to either you or Executive Council on the support price for the 1976-77 year?

DR. WARRACK: Mr. Chairman, certainly the answer to the last question was, yes. One of the first things I did upon assuming my new responsibility was to meet the federation of rural gas co-ops and, at that time, I discussed with them this very matter, in terms of what some of circumstances and parameters of the decision were. With the fairly large number of individual co-operatives, particularly in southern Alberta, that I had an opportunity to meet during a full day of meetings in Lethbridge, we discussed in all available opportunities the problem of dealing with the base price for the Natural Gas Rebate Plan.

Beyond that, however, it might be instructive and useful for me to read the particularly relevant paragraph from the position paper on the Natural Gas Rebate Plan tabled in the Legislature May 1974 which said:

Each year a provincial support price level for general rebate will be determined. As described in the Government of Alberta statement of November, 1972, this support price will escalate annually according to costs of production, to the inflation level in the Canadian economy and to the [note this] market value of the depleting resource.

This relates to the initial answer I gave the hon. Member for Spirit River-Fairview. Those are three basic parameters, each underlaid by a large number of factors to be considered. When one thinks in terms of what price level it ought to be, some of the factors mentioned by the hon. member are important. As a matter of fact, a large number of factors would tend to suggest that perhaps the price ought to be at a higher level, for example, to reduce the exposure of the Provincial Treasury.

You could, for example, argue with a substantial number of factors that the price ought to be lower. For instance, if the price was lower, of course, the price to the Alberta user would be lower and the protection more. It's a balance of the factors that would suggest the price should be higher and, at the same time, suggest that the price would be lower; in the final analysis, a balanced judgment consideration that did, in fact, include discussions with the federation of rural gas co-ops. It's that balanced judgment for which I guess people elect people to the Legislature and elect governments. We made that judgment at 28 cents.

MR. R. SPEAKER: Mr. Chairman, a question to the minister. About a month or three weeks ago, the minister came to southern Alberta and met with a number of different gas co-op groups. I was wondering if the minister could enumerate those groups he met with.

DR. WARRACK: I have some difficulty seeing how this is helpful, but I'll do the best I can. I met with Little Bow, Dinosaur, Chinook, Atlee, Triple W -- that's down by Wrentham, I believe. If you would like me to take the list, I can pick them off for you. I mentioned Atlee; Bow River, I did not mention that. I met with Bow River, Chin Coulee, Chinook. One of the people from the federation board from Dinosaur discussed, for the second time actually, the point the hon. Member for Bow Valley brought forward. Forty Mile, Sunshine -- no, not Sunshine -- Triple W. I guess that's it. It was a pretty full day. As a matter of fact, it was arranged with the co-operation of the provincial organization, the Federation of Alberta Gas Co-ops Ltd.

MR. R. SPEAKER: Mr. Chairman, what concerns were raised by the different co-ops during discussions?

DR. WARRACK: Well, this varies of course from co-op to co-op. That is to say, in some instances they raised concerns that were not of concern to other co-ops, and vice-versa. Certainly some of the concerns raised might be described as: first of all, basic natural gas supply having to do, in some instances, with the development of wells that might be nearby and be a possible source of supply, but more often on a basis of the basic supply by high-pressure transmission lines. That was certainly one question.

Related to this in one or two instances was the question of the Alberta vis-a-vis the American plastic pipe; also the question of the appropriate thickness for safety protection of the pipe walls. Certainly there were concerns on the financial score, and that's very much understandable in southern Alberta for two basic reasons: the relatively remote locations in which many people live because of the extensive farming practice in the area, meaning, in some instances, a considerable number of miles between potential users. Combined with that, in some instances such as Forty Mile, for example, they also have a substantial segment of the franchise area involved in irrigation. So they have both kinds of situation and difficulty -- high cost in the one case imposed by distance, and the other one imposed by the heavy use that would be contemplated, and secondly, by the crossing of irrigation canals that would be necessary in order to provide this service.

I think it's fair to say, too, that there has been some concern basically with respect to the administrative delivery mechanism. As the hon. Member for Bow Valley pointed out, it may be that too much was undertaken in a short time, and from time to time, I think very clearly there has been some confusion, both with the co-ops and even within the terms of the staff dealing with the program. I think we were able to come to grips with some of those situations during our meeting.

Finally though, it's important to mention the concern expressed just with respect to the cost factors involved. I remind all hon. members that the original program was set up on a basis of some \$1,700 to be paid by the user. There was a guaranteed loan system to help back that up. Then there would be a \$1,300 grant outright from the provincial government bringing it to a \$3,000 contour as initially contemplated. However, a number of special grant provisions were allowed for and implemented from time to time, taking account of such things as the irrigation canal crossings, highway crossings, unusual terrain problems that can come about, and some of them did in other parts of Alberta besides southern Alberta.

Also handled to date has been a special grant provision on the basis of a 50-50 sharing of amounts per user beyond \$3,000. The suggestion was made to us, particularly during our meetings in Lethbridge I believe, on April 28, that there be some real point in regularizing that part of the program rather than having it on a special grant by application basis. I rather think the arguments they made for that were compelling, and we are undertaking to try to do that. Those are some of the points. No doubt, as soon as I sit down, I'll think of some others.

MR. R. SPEAKER: Mr. Chairman, to the minister: have the co-ops received written replies from the minister at this point in time, answering the number of concerns which were raised? Has the minister replied to the co-ops?

DR. WARRACK: We've been doing this on a systematic follow-up basis when we're able to deal with the specific questions on hand. I would stop short of saying that there has been in every single instance, but I know there has been in the substantial proportion of the meetings with rural gas co-ops.

MR. R. SPEAKER: Has the minister replied personally, or has someone in the department replied on his behalf?

DR. WARRACK: More likely the latter. I think that sound management of everything does not mean that the minister writes about every item. But in any case, the replies have gone forward where we've been able to deal with the situation.



MR. R. SPEAKER: Mr. Chairman, in the organization of the meeting, would you say that of the problems raised, 80 per cent were of mutual concern to all the co-ops in southern Alberta?

DR. WARRACK: Oh, I don't think I'd go quite that high, Mr. Chairman. Certainly the item that had the greatest consensus was the fact that the co-ops were very much disappointed that under previous leadership in Alberta they didn't have this opportunity sooner. If there was one item of clear consensus, it was a criticism of the old government on that score. I suppose the other item of clear consensus was the concern in terms of the financial cost.

MR. R. SPEAKER: In these types of meetings, does the minister usually involve the local MLAs for the various constituencies in discussing this type of thing?

DR. WARRACK: Not necessarily. These were meetings agreed to on a local co-op basis with me. Certainly if a local MLA, from whatever side, wants to meet with the rural gas co-ops, or they want to meet with that MLA, that would be something they would be mutually free to arrange.

MR. R. SPEAKER: Mr. Chairman, in the future organization and the steps of the minister, will it be the practice of the minister to ignore the southern Alberta MLAs and other MLAs who are very concerned about this problem and not invite them to meetings such as this? I know that in the earlier Department of Lands and Forests it was a practice of the minister to do that. I was wondering, with a new department and a new thrust -- we had quite a lecture yesterday from the Member for Whitecourt about MLA involvement and MLAs' part of decision making, MLAs determining how the trust fund of Alberta is spent. All of a sudden I find a trend within a new department that the Premier so well outlined as a new thrust, new direction, that people involvement was going to happen -- priority in people involvement, priority in MLA involvement -- here we have a fine group of people elected from southern Alberta, MLAs representing the Conservative party, not even a number of Social Crediters. The minister has set a precedent for this department.

It doesn't matter to me whether I'm at a meeting or not, but if this is the way the trend is going, I think certainly, Mr. Chairman, we should reassess whether we accept even passing this particular legislation, and even agreeing to it. And how the Conservative MLAs of southern Alberta can even give their approval, when the initial stages in a process have been ignored by the minister? I think we had better do some reassessment and have some kind of commitment from the minister in his role of open democracy in Alberta and how he's going to handle it.

DR. WARRACK: Well, certainly I agree with the hon. member that there's been an astonishing improvement in representation in southern Alberta since March 26. With respect to the substance of his arguments, it seems to me there's very little, which is sometimes fairly usual. I imagine he's smarting from having lost the argument yesterday with the articulate Member for Whitecourt.

But in any case we're discussing the program right here and right now, and I don't know what could be more involving.

MR. R. SPEAKER: Mr. Chairman, the hon. minister said we're discussing it right now. But it happens that the hon. minister is under the Legislative rules here. He has to answer questions. What was his first response to my very straightforward, objective question? I said: what groups did you meet with in southern Alberta? What was his first remark? The question seems irrelevant. Is that part of open democracy? Is that openness on the part of a minister in a responsibility such as this, in stating a new direction for a department? This is the kind of thing we have to look at.

As legislators, maybe when we pass acts, because the Premier does assign certain people to be responsible, not only should we pass the legislative authority, but possibly the person who has that responsibility should give some kind of commitment or guidelines to the Legislature. I think often, in order to make an act effective and operational not only in this centralized position of government here, but at the grass-roots level, the minister who has been assigned that responsibility by the government must understand the democratic process, understand participatory democracy, the participation of people who have been trusted in southern Alberta -- and I'm not arguing about the number of Conservatives and smarting about an argument; I could have entered into the debate yesterday, if I was concerned about the argument.

I'm concerned about this precedent, and the precedent of administration in the next few years, because there are two programs here very vital to rural Alberta: one, telephones; two, rural gas. We have had some difficulties in the rural gas area, and my honorable colleague has outlined the reasons for it. We tried to do too much all at once and ran into administrative difficulties. We understand that. We accept that. We're ready to help. So are all of the Conservative MLAs elected from southern Alberta.

We're prepared to help and we know this should not be a political thing, kicked around. There should not be politically suspect. That was my interpretation of the meeting in southern Alberta: there was political suspect; the minister plus a group would meet each privately, and not get the local MLAs involved because they would interfere in this political process. That's what government's all about. I think the minister had better remember that. I think a reassessment of that attitude should take place.

I could find no better time, in my responsibility in this Legislature, than to bring it to the minister's personal attention on this bill.

DR. WARRACK: I don't know if there's really anything much more to add, other than agreeing with the fact that these are extremely important programs. And they were undertaken perhaps on a crash basis, as the Member for Bow Valley pointed out, partly to compensate for the fact that they'd not been undertaken some years earlier, which they should have been, in the interests of the people of Alberta. But in any case, intending to do as well as possible in its administration, I accept and note constructive criticism -- which I've not yet heard in a constructive way from the hon. member -- but in any case to proceed forward in that manner.

MR. KIDD: I would like to direct a question to the hon. minister. Prior to doing that, it seems to me the principle we're talking about here is, unto him who had done some work, unto him shall the works be given.

In view of the government's plan to install natural gas, and also [in view of] the Natural Gas Rebate Plan, having no propane rebate plan, the question I often get asked by my constituents is, should I install natural gas? This may be a matter of opinion that I'm asking you, so it may not be a proper question, but I would like to have your idea of how I should answer that question from my constituents.

DR. WARRACK: Well, that's a pretty difficult one because it involves a matter of opinion and it depends on individual circumstances very often. For example, I think of my own father, who is over 70 years old, and in terms of amortizing any capital cost involved, it's fairly unlikely that he'd have the opportunity to complete that amortizing. Whereas someone who is 45 years old would have. So, right away you have the difficulty of what the age and life cycle circumstances of the person you are advising are. And the advice certainly has to be different.

However, I would point out that the propane pricing matter was placed, by an amendment in this Legislature, before the Public Utilities Board and then proclaimed. Those decisions have been made by the Public Utilities Board and in that way, the price of propane is substantially less than in our neighboring provinces. That's a mechanism of price protection on propane, but it is not a mechanism of price protection that exists with natural gas.

On the other hand, the natural gas price protection mechanism is the Natural Gas Rebate Plan, and Alberta consumers are in a position of being able to use and enjoy natural gas at substantially lower prices than anywhere else. In a way, the present status is that two different mechanisms have been used to achieve some reasonable degree of price protection. I don't think, other than knowing a specific situation much better than as a generalization, that I would want to suggest that all people should or should not go to natural gas, but I would report that, despite the circumstances I have mentioned in my own family, my father is taking natural gas, partly because by doing so it's helpful to the community.

MR. NOTLEY: Before we conclude the debate on the committee stage of this bill, I want to pose a question with respect to the Public Utilities Board, which I realize has now been transferred to the Attorney General's Department. The reason I am raising the question now is that I think the Minister of Utilities and Telephones would be in a position to answer the query.

During the last Legislature, a number of questions were raised and the former minister indicated that the department, along with the power companies, had -- I believe the power companies had actually commissioned a study by M. & M. consultants to review the role of the Public Utilities Board and to try to determine whether some approach other than the public hearing process would be used to determine rates -- perhaps an indexing system. My understanding from the former minister was that the department was working with M. & M., or at least was keeping a watching brief on that particular study.

My question is: has the study been completed? Is the minister in any position to advise the committee where that particular matter stands now? I think he would be in a position perhaps to advise us on it, whereas the Attorney General wouldn't, because the Public Utilities Board has just recently been transferred to his department.

MR. CLARK: Is that right?

MR. NOTLEY: I won't add the editorial comment, whether I agree with it or not. But I'll leave the question for the minister to respond to.

DR. WARRACK: As a matter of fact, I did note that the hon. member did pose some concern in that regard in his remarks with respect to the general government reorganization that was discussed on Monday evening. I can be helpful on this matter. The study in question, by M. & M. Systems, is an industry-sponsored study. It's not sponsored on a joint basis, by the Department of Utilities and Telephones in this province, or comparable departments in other provincial governments.

It's an industry-sponsored study. It involves seven different utility suppliers as I recall, but it is not a study that involves the Department of Utilities and Telephones. I want to be clear about that. No doubt, the previous minister -- as I would want to continue to do myself -- would want as you put it, to keep a watching brief on the

progress of this work, because it is an important matter, but not on a basis of input, financial support, or anything like that. It's a federally sponsored study.

The first report by M. & M. Systems came out just recently, I believe in April. It had to do with an analysis of what problems are set up for the consumer and for the utility supplier by what's described as "regulatory lag", that is to say, the time frame between the point of application and the hearings process and so forth that comes to the final utility rate decision by the Public Utilities Board in Alberta or the regulatory agencies elsewhere.

I understand that two additional phases or, if you like, reports by the consulting company hired by the industry are contemplated for about the end of 1975. So that's the status of the report in question. The first report of the study, dealing with the problems of regulatory lag both for the suppliers and for the consumers, and making some observations on that, has come out. Secondly, an additional set of two follow-up reports are contemplated. It is industry financed and is not a part of the involvement and responsibility of the Department of Utilities and Telephones.

[The title and preamble were agreed to.]

DR. WARRACK: I move that the bill be reported.

[The motion was carried.]

MR. HYNDMAN: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[The motion was carried.]

[Dr. McCrimmon left the Chair.]

\* \* \* \* \*

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills, Bills No. 4, 7, 8, 9, and 18, and begs to report the same.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

#### GOVERNMENT MOTIONS (continued)

3. Mr. Hyndman proposed the following motion to the Assembly:  
Be it resolved that this Assembly do resolve itself into committee to consider the supply to be granted to Her Majesty.

[The motion was carried.]

MR. HYNDMAN: I move we call it 1 o'clock.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until Monday afternoon at 2:30 . . .  
[interjections]

MR. HYNDMAN: Mr. Speaker, I move the Assembly do now adjourn until 2000 hours.  
[laughter]

MR. SPEAKER: Would all those members who have interpreted the motion of the hon. Government House Leader and are in favor, please say, aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say, no.  
The motion is carried.  
The Assembly stands adjourned until 8 o'clock this evening.

[The House recessed at 12:42 p.m.]

\* \* \* \* \*

[The House reconvened at 8 p.m.]

MR. LEITCH: Mr. Speaker, I have received certain messages from His Honor the Lieutenant-Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order.

[The House rose.]

MR. SPEAKER: The Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1975 and recommends the same to the Legislative Assembly.

The Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1976 and recommends the same to the Legislative Assembly.

The Lieutenant-Governor transmits an estimate of certain sums required for the 12 months ending March 31, 1975 to enable the Government of Alberta to meet its obligations under a proposed agreement with Imperial Oil Limited, Canada-Cities Service Ltd., and Gulf Oil Canada Ltd., and the governments of Canada, Alberta, and Ontario relating to the Syncrude oil sands project of Alberta and under which the government will be required to pay 10 per cent of the project costs from September 1, 1973 and recommends the same to the Legislative Assembly.

Please be seated.

#### GOVERNMENT MOTIONS

4. Hon. Mr. Leitch proposed the following motion to this Assembly:  
Be it resolved that the messages of His Honor the Honorable the Lieutenant-Governor, the Estimates, and all matters connected therewith, be referred to the Committee of Supply.

MR. LEITCH: Mr. Speaker, I beg leave to table a copy of the Estimates of Expenditure, and move that the messages of His Honor the Lieutenant-Governor, the Estimates, and all matters connected therewith, be referred to the Committee of Supply.

[The motion was carried.]

5. Hon. Mr. Leitch proposed the following motion to this Assembly:  
Be it resolved that this Assembly approve in general the fiscal policies of the government.

#### Budget Address

MR. LEITCH: Mr. Speaker, three years ago on March 17, 1972, my colleague, the Hon. Gordon Minniely, had the honor of presenting the first budget of a Progressive Conservative government of Alberta. I am sure that all members will join me in congratulating him on this outstanding service.

[applause]

As Provincial Treasurer during the past four years, his accomplishments will make my task much easier than it otherwise might have been.

It is not my intention this evening to propose any basic changes in the fiscal policies of the government for the coming year. Our February 7 budget proposed a sound fiscal plan to meet the social and economic needs of Albertans in 1975 and beyond. That fiscal plan was enthusiastically endorsed by the Alberta electorate on March 26.

I would like to provide members with a current assessment of the fiscal and economic climate in the province, and to propose some important modifications to our 1975 budget arising out of our election commitments and the restructuring of the provincial government, which has been undertaken to meet the challenges of our second term of office.

The Alberta economy remains strong in 1974 as evidenced by an increase in the provincial gross domestic product of slightly more than 18 per cent. Increases in all major income categories indicate that this economic prosperity was broadly distributed among Albertans. Despite a national inflation rate of 10 per cent, real personal disposable income in Alberta increased by about 4.5 per cent. Even though the labor force continued to increase rapidly, a 6 per cent growth in employment reduced the average

unemployment rate to 2.6 per cent, the lowest unemployment rate in Canada. Investment in new productive capacity provided a major stimulus in 1974, increasing by 24 per cent from 1973 levels.

Nationally, a combination of forces began to reduce the rate of growth of the Canadian economy in the second quarter of 1974, and a significant drop in real output occurred in the fourth quarter. Preliminary indications are that a further drop occurred in the first quarter of this year, and it is anticipated that little or no real growth will be achieved in the Canadian economy during 1975, although recovery should begin toward the end of the year.

Despite Alberta's basic economic strength, recent statistics indicate that Alberta is being affected by the weakness in the national economy. For example, the unemployment rate has risen since the beginning of the year, although it remains more than three percentage points below the national rate. We are encouraged by the recent moderation in the rate of inflation, although it is too early to be optimistic that the moderation will continue. In addition to concerns about continued high inflation rates, we are also concerned about the low level of housing starts. The decline in crude oil production due to export sales reductions is adversely affecting the cash flow of the oil and natural gas industry.

These problems, however, must be viewed in the context of the relative strength of the Alberta economy. Although investment intentions indicate some reduction in the rate of growth of investment, Alberta continues to be one of the strongest provincial economies in this vital area, illustrating investors' confidence in Alberta's economic future. The stimulative measures contained in this budget will help to relieve short-term problems and provide the basis for future growth.

The substantial personal income tax reductions proposed in the February 7 budget will be included in amendments to be announced this session to The Alberta Income Tax Act.

The proposed general reduction in the personal income tax rate from 36 per cent to 26 per cent of federal basic tax will increase disposable incomes of Albertans by an estimated \$115 million in 1975 and provide an average tax reduction for each Alberta taxpayer of approximately \$140.

The proposed selective personal income tax reduction provides an additional \$8 million increase in disposable income to Albertans with taxable incomes below \$4,000, and removes entirely the provincial personal income tax for individuals with taxable incomes below \$1,400. This substantial improvement in the equity of the provincial personal income tax will improve the position of one-third of Alberta personal tax payers.

Albertans' take-home pay should rise substantially in July as a result of these tax reduction measures as the full amount of the tax reduction for the 1975 taxation year will be reflected in source deductions for the last half of 1975.

These relatively large tax reductions are proposed in view of the budgetary surplus generated by crude oil and natural gas revenues. In addition, the measures will provide incentives for private initiative by individuals and will significantly stimulate the Alberta economy.

We proposed two corporate tax measures as part of the Alberta petroleum exploration plan of December 1974. Those measures will offset the substantially negative impact on the oil and natural gas industry in Alberta of the federal government's change in the federal Income Tax Act, which now no longer permits the deduction of royalties and other payments to governments from a taxpayer's income for the purposes of determining income tax.

The first measure -- the refund of tax on royalties -- refunds to corporations the additional amounts of income tax which Alberta would receive as a result of the federal measures to tax royalties and other payments to governments since these measures also apply to the provincial income tax. The second measure -- the royalty tax credit for smaller explorers -- provides corporate tax credits up to \$1 million for a full taxation year in respect of petroleum and natural gas royalties receivable by Alberta. As a result of this tax credit plan, the average effective royalty rate on petroleum and natural gas will be reduced by up to 30 per cent for many of the smaller producing companies. This represents a very substantial increase in the returns and cash flow of this segment of industry, which has been responsible for much of the exploration activity in Alberta.

I am pleased to say that arrangements for the administration of these tax programs under the tax collection agreement essentially have been completed with the federal government. Corporations should be able to apply for these tax credits to Revenue Canada with respect to 1974 soon after The Alberta Income Tax Act is amended.

We have considered the position of individuals who have direct investments in the oil and natural gas industry, and who are also adversely affected by the amendments to the federal Income Tax Act. We have concluded that the position of individuals has been very seriously affected by the amendments to the federal Income Tax Act I have earlier referred to, and that measures are required if direct investment in the oil and natural gas industry is to be an attractive proposition for individuals. For that reason, I will propose amendments to The Alberta Income Tax Act to provide a refund of provincial personal income tax on royalties and other payments to governments, and a personal royalty tax credit based on royalties on petroleum and natural gas receivable by Alberta that an individual is required to include in income for purposes of determining income tax payable. The details of the proposals will be contained in the amendments to the income tax act, but in essential respects, they are similar to the corporate tax measures dealing with the taxation of royalties. These proposed measures are consistent with our general

objectives to provide tax incentives for personal investment in Alberta's economic opportunities and to provide an attractive tax climate for Alberta's small businesses.

The expenditure program presented on February 7, 1975, proposed operating expenditures of \$2,068 million, and capital expenditures of \$371 million, a 17 per cent increase over forecast expenditures for 1974-75. Essentially, this evening, I am reintroducing expenditure programs proposed in that budget. The expenditure estimates have been restructured to reflect the cabinet and government reorganization announced by the hon. Premier on April 3, 1975. While the basic features of the reorganization are reflected in the revised expenditure estimates being tabled this evening, it must be recognized that full implementation of a reorganization plan will require considerable time. In a limited number of cases, it will be necessary to transfer the administrative responsibility for expenditure programs under the authority of The Public Service Administrative Transfers Act. The expenditure estimates provide detailed notes regarding the changes which have been made to reflect the departmental reorganization.

In addition to resubmitting the February expenditure program, we are proposing an additional \$86 million in the operating budget and an additional \$11 million in the capital budget.

I would now like to review the most significant features of the expenditure program for 1975-76.

To offset the impact of inflation, we are proposing a number of important adjustments in our expenditure programs. We recognize the need to maintain the real income of persons dependent on fixed incomes. To this end we propose:

- an additional \$2 million to the Workers' Compensation Board to increase by approximately 33 per cent the minimum compensation payments for permanently disabled workers and their dependants. This increase will bring Alberta workers' compensation payments to the highest level in Canada.
- an additional \$11.1 million to increase basic allowances for public assistance by approximately 15.6 per cent.

To ensure that our social institutions, despite inflation, are capable of maintaining a high standard of service, we propose:

- \$51 million, a 15 per cent increase, in the provincial contribution to The School Foundation Fund.
- \$102 million, a 31 per cent increase, for Alberta's health care system and to improve incomes for Alberta's hospital workers. This amount includes an additional \$33 million to the \$69 million increase proposed in the February budget to reflect those contracts of hospital employees, which have been negotiated since February.
- \$7 million to increase fee payments to Alberta physicians by 6.5 per cent.
- \$23 million, a 25 per cent increase, in grants to universities, which in addition to meeting the inflation costs will pay for increased enrolments and provide new and improved programs.

A large element of these increases will result in higher salaries for many Albertans.

In addition to ensuring that the real incomes of persons dependent on fixed incomes are maintained, and that our social institutions do not suffer because of inflation, we are taking direct measures to increase disposable incomes of all Albertans. As previously indicated, we are reintroducing our proposed tax changes, directly increasing the disposable incomes of individual Albertans by \$123 million. In addition, \$91 million will be paid to Alberta consumers under The Natural Gas Rebate Plan and The Public Utility Income Tax Rebate plan to cushion rising energy costs. Funding of the Natural Gas Rebate Plan has been increased by \$14 million over the amount proposed in February, to a total of \$70 million. The one-third reduction in fuel taxes provided in 1974 and the rebate of 5 cents per gallon on the purchase of farm fuels and domestic heating fuel provides the lowest gasoline tax in Canada and should ensure the lowest prices at the pump.

We are also proposing a very significant increase in the incomes of our senior citizens. Shortly after the February 7, 1975 budget was presented to the Legislature, the government undertook a review of the Alberta Assured Income Plan. This review is now complete, and I am pleased to announce this evening that under the revised Alberta Assured Income Plan, single and married senior citizens receiving old age security and the guaranteed income supplement will receive a minimum monthly income of \$255 and \$495 respectively, rather than the minimum of \$235 for every senior citizen, proposed in February. The revised plan adds \$14.1 million to the \$23.2 million proposed in February and increases financial assistance to Alberta senior citizens to \$37.3 million from \$9.4 million in 1974-75. This will maintain for Alberta senior citizens the highest level of income support and, by a substantial margin, the highest aggregate benefits of any province in Canada.

In addition to this direct assistance to senior citizens, a total of \$18 million is proposed for extended health care benefits and other benefits, which will have the effect of increasing the disposable incomes of all senior citizens. An additional \$1.8 million under The Alberta Property Tax Reduction Plan will increase senior citizen renter assistance grants to \$150 per annum from \$100. The budget also includes \$25 million for new housing projects for senior citizens.

Our government's commitment to increased opportunities and services for all Albertans is reflected in proposals for improved social programs.

\$77 million is proposed for home ownership programs, including \$65 million for direct lending programs, \$6.6 million for native housing programs, and \$5.5 million for rural housing programs for farm families. Our commitment to provide adequate shelter for

Albertans is reflected by the creation of a Housing and Public Works Department and our policy statements regarding the development of a starter home program.

In Education, the budget proposes an increase of 50 per cent, to a total of \$14 million, to fund further development of our early childhood education program. The Educational Opportunity Fund will provide \$5.6 million to upgrade the quality of education in grades 1 to 6 and improve programming for disadvantaged pupils in grades 1 to 12. A new program costing \$11 million is proposed to move towards equalization of supplementary school requisition revenues.

\$4 million is proposed to commence implementation of the government's position paper on public assistance. The funds will be used to expand day care programs, increase public assistance earnings exemptions, and assist recipients of public assistance to find and retain employment.

\$65 million is proposed to enhance the quality of life in Alberta through improved recreational and cultural programming. Included in this total is \$20 million for the first year of a 10-year program for the development of major recreational and cultural facilities throughout Alberta.

We are also proposing substantial improvements in our law enforcement, correctional, and justice system, including \$1 million in thrust funds to commence implementation of the recommendations of the Kirby Board of Review.

In recognition of the needs of local governments, total direct financial assistance to Alberta municipalities will be increased by 35 per cent. In addition, the former restrictions on the amounts of financing made available from the Alberta Municipal Finance Corporation have been removed, and the effective interest cost of loans for general municipal requirements will be maintained at 8 per cent.

This budget also includes \$12.7 million for new unconditional grants to municipalities. It is our government's hope that the municipalities will use these funds to improve law enforcement throughout the province as the grants are being made, as a result of this government's recognition of that need.

Our 1975-76 expenditure program reflects the priority which the government attaches to ensuring improved economic opportunities for all Albertans in the coming decades. Our economic programs are designed to develop a stable, diversified, and decentralized economy.

To achieve this goal, we must improve our regional services, and provide rewarding employment for Albertans in all areas of the province by developing incentives for business and removing barriers to the development of an efficient transportation system.

In transportation, we are proposing:

- an increase of 26 per cent, to \$26 million, for the development of Alberta growth roads;
- \$1.4 million for the continuing development of northern, community, and industrial airports;
- a total of \$62 million to assist municipal governments in meeting local transportation needs.

The importance of transportation to all Albertans has been emphasized by formation of the new ministry of transportation.

This government's commitment to improve services outside of the metropolitan centres, as an encouragement to diversify economic development, is reflected through provision of:

- \$16 million for The Rural Gas Expansion Program to provide natural gas service to over 10,000 Alberta households in addition to the 14,000 rural households serviced to date. Funding of the program has been increased by \$4.5 million from the amount proposed in February 1975 to meet increasing costs.
  - \$3.5 million for new capital projects to develop improved municipal water supplies, as well as \$2 million in the operating budget to reflect the acceleration of municipal water supply programs.
  - \$15.7 million for development of government service centres throughout the province.
- Further encouragement to Alberta business and industry is reflected by:
- \$22 million for additional funding of the Alberta Opportunity Company,
  - \$9.1 million for marketing development programs,
  - \$2.5 million for a new guaranteed loan program for Alberta publishers.

In recognition of the vital role played by our agricultural industry in the economic life of Alberta, we are proposing:

- \$25 million for additional funding of the Agricultural Development Corporation,
- \$2.3 million for The Livestock Water Supply Program.

Our economic potential will only be realized if Albertans are able to participate fully in the employment opportunities of our developing economy. To ensure that they will be able to do so, our 1975-76 expenditure program proposes:

- \$36 million, an increase of 15 per cent, for technical and vocational training;
- \$5.6 million, an increase of 43 per cent, for manpower development programs, including a 24 per cent increase for apprenticeship training;
- \$6 million for the 1975 Summer Temporary Employment Program to provide summer employment for more than 7,500 students;
- \$850,000, an increase of 105 per cent, for employment opportunities in isolated Alberta communities under the opportunity corps program.

To ensure that our economic progress is accomplished while maintaining and enhancing the quality of our environment, this budget proposes an increase of 33 per cent in the operating budget for environmental programs. Included is \$2.5 million for a new Alberta

oil sands environmental research program to ensure that resource development is compatible with environmental protection.

This brief review of our 1975-76 expenditure program clearly shows our government's conviction:

- that all Albertans should share equitably in the Province's opportunities,
- that all Albertans on fixed incomes, and those not in a position to secure adequate gains in incomes are protected from rising costs and prices, and
- that Alberta's resources are effectively managed to ensure a growing prosperity and an improving quality of life for all Albertans.

The budget proposed on February 7 clearly indicated the solid financial position of the province. The strong position permitted the presentation on February 7 of a surplus budget which included very substantial tax reductions while at the same time contemplating the establishment of the Alberta heritage savings trust fund.

The same position is reflected in this budget. My estimates of the budgetary and non-budgetary position are outlined in the accompanying table, which indicates an overall budgetary surplus of \$39 million and a combined budgetary and non-budgetary cash requirement of \$218 million.

The Estimates propose budgetary expenditure of \$2,536 million, an increase of \$97 million over the February 7 proposals, and \$453 million higher than budgetary expenditures for 1974-75. Operating expenditures for provincially administered programs show an increase of only \$84 million, an increase of 15 per cent compared to the 23 per cent increase in total operating expenditures. The salary estimates provide for 885 new permanent positions, a growth of only 3.3 per cent over forecast 1974-75 permanent positions.

In view of our intention to propose, during the fall sittings, plans to establish the Alberta heritage savings trust fund, incremental conventional crude oil royalties have been excluded from the budgetary accounts. Although these incremental royalties will flow into the General Revenue Fund until they are appropriated to the heritage savings trust fund by legislation, we will propose that the initial transfer to the fund be equivalent to the oil export tax proceeds received by Alberta and the accrued incremental royalties at the date of the transfer. I estimate the amount as of March 31, 1975, of oil export tax proceeds and incremental royalties to be \$822 million. Based on current production levels and the existing average crude oil price of \$6.50 per barrel, I expect that the incremental crude oil royalties for the full 1975-76 fiscal year will be in the order of \$500 million. Therefore, I estimate the assets available for transfer to the Alberta heritage savings trust fund, depending upon future production and price levels, to be, at the end of this fiscal year, between \$1.3 billion and \$1.6 billion.

Accompanying my address, as supplementary information on the fund, are parameters proposed by the hon. Premier in a statement of March 12, 1975.

In conclusion, Mr. Speaker, this budget provides additional benefits not proposed in our February budget, in several very important areas:

- an additional \$14 million under the Alberta Assured Income Plan to increase the incomes of Alberta senior citizens,
- \$12 million for new unconditional assistance to Alberta municipalities with the objective of improving law enforcement,
- an additional \$33 million to reflect recently negotiated contracts for hospital employees,
- an additional \$14 million to cushion the expected increase in natural gas prices under The Natural Gas Rebate Plan,
- \$6 million for the 1975 Summer Temporary Employment Program,
- \$2.5 million for a new Alberta oil sands environmental research program,
- an additional \$4.5 million for The Rural Gas Expansion Program,
- new tax incentives for individuals adversely affected by the taxation of royalty payments under the federal Income Tax Act.

Mr. Speaker, this budget presents to the people of Alberta the benefits of our policies over the past four years. The fiscal policies proposed in this budget provide a firm foundation for meeting the economic and social opportunities before us in 1975. These policies will provide the fiscal and economic potential to continue the vigorous and rewarding society now possible in Alberta.

[applause]

DR. BUCK: Mr. Speaker, I'm not used to such ovation.  
I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: I move the Assembly do now adjourn until Monday afternoon at 2:30 o'clock.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until Monday afternoon at 2:30 o'clock.



[ The House rose at 8:37 p.m. ]

