

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, June 2, 1975

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

## PRAYERS

[Mr. Speaker in the Chair]

## NOTICE OF MOTION

MR. HYNDMAN: Mr. Speaker, I'd like to take this opportunity to outline the motion I'll be making in Committee of Supply this evening for the purpose of establishing two subcommittees to consider a number of votes. I make this notice of motion at this time because the subcommittees will be commencing their deliberations Tuesday evening at 8 p.m.

The motion will include an opportunity for two subcommittees to be named. The first, under the chairmanship of the Member for Calgary McCall, Mr. Little, will be dealing with three estimates: the 1300 series, being the Department of Education; the 3300 series, Department of Consumer and Corporate Affairs; and Vote 1420, native affairs.

Subcommittee B, under the chairmanship of the Member for Grande Prairie, Dr. Backus, will review Vote 1100, the Department of Agriculture, and Vote 2100, the Department of Municipal Affairs.

The motion I'll move tonight will provide for these committees being set up this evening, and they would be meeting starting Tuesday night at 8 p.m.: Subcommittee A in Room 312, commencing with consideration of the Department of Consumer and Corporate Affairs; and Subcommittee B in the Carillon Room, commencing with consideration of the Department of Agriculture.

As to the remainder of today, Mr. Speaker, we would have debate on Motion No. 1, the budget motion, and move into Supply tonight with consideration of the estimates of the Department of Environment and the Attorney General.

## INTRODUCTION OF BILLS

## Bill 210 The Amusements Amendment Act, 1975

DR. PAFROSKI: Mr. Speaker, I beg leave to introduce a bill, being The Amusements Amendment Act, 1975.

Mr. Speaker, the essential principle of this bill is to ensure that the showing of films rated by the Board of Censors to be suitable for family viewing, never be less than 60 per cent of all showings of the year in any place of amusement. The second principle, Mr. Speaker, is that the owners of such places of amusement, that is, cinemas, theatres, and so on, must submit a yearly report. Thirdly, Mr. Speaker, if they fail to show at least 60 per cent of the films suitable for family viewing, a penalty of three months suspended sentence is provided.

Mr. Speaker, this is a bill to counteract and counterbalance the excessive violence and crime in one medium, film.

[Leave being granted, Bill 210 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. MINIELY: Mr. Speaker, it's my pleasure today to introduce to you, and through you to the members of the Assembly, a group of students from Alberta College. They are accompanied by their teacher, Terri Wright. I believe they are seated in the public gallery. I wonder if they would stand and be recognized by the members of the Assembly.

MR. SCHMID: Mr. Speaker, I would like to introduce to you, and through you to the members of the Assembly, from Grade 6 at the Mill Creek school in the constituency of Edmonton Avonmore, 30 young ladies and gentlemen who are accompanied by their teachers, Mrs. Rennebohn and Mr. Tobert. I would like them to rise and be recognized by the Assembly.

MR. KING: Mr. Speaker, it is my pleasure to introduce this afternoon, not to you since they are your constituents, but to the other members of the House, students from the Grade 6 class, Rio Terrace school who are seated in the members gallery. They are accompanied by their teachers, Mrs. Bradbury and Mr. Charchuk. I would ask that they rise to be recognized by the members of the Assembly.

## TABLING RETURNS AND REPORTS

MR. DOWLING: Mr. Speaker, on behalf of the Minister of Education, I would like to file the 1975 report of the Minister's Advisory Committee on School Finance.

## MINISTERIAL STATEMENT

## Provincial Treasurer

MR. LEITCH: Mr. Speaker, I would like to advise members of the Assembly of an error in the message of the Lieutenant-Governor concerning the supplementary estimate 1975-76, being the Alberta Syncrude equity participation. The message referred to sums required for the 12 months ending March 31, 1975, whereas the sums were required for the 12 months ending March 31, 1976. The Lieutenant-Governor has amended his message accordingly.

MR. SPEAKER: May the Chair assume that the Assembly accepts unanimously the amended message?

HON. MEMBERS: Agreed.

## ORAL QUESTION PERIOD

## Auto Insurance

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Consumer Affairs. It arises once again out of the Alberta Automobile Insurance Board annual report. Is the government giving serious consideration to becoming involved in this variplan, which the insurance industry has been discussing, not only in Alberta but in the other provinces across Canada which do not have government insurance?

MR. HARLE: Mr. Speaker, perhaps the member might elaborate on what that plan covers particularly?

MR. CLARK: The principle of no-fault auto insurance -- vehicle accident recovery insurance plan -- which, according to the report, the Alberta Automobile Insurance Board has discussed with the other provinces and with the governments, it's my understanding.

MR. HARLE: Mr. Speaker, I'm awaiting a report from the board on that matter.

MR. CLARK: Further supplementary, Mr. Speaker. Has the minister or the government given any consideration to date to becoming involved in the principle of no-fault auto insurance?

MR. HARLE: Mr. Speaker, that matter is being considered, yes.

MR. CLARK: Further supplementary, Mr. Speaker, to the minister. Can he indicate to the Assembly the number of companies which have either partially or completely withdrawn their facilities for auto risks in Alberta?

MR. HARLE: Mr. Speaker, I would ask that the member put that on the Order Paper.

#### Assured Income Plan

MR. CLARK: Mr. Speaker, the second question, to the hon. minister Miss Hunley, deals with the plan for senior citizens. Does the government plan to immediately bring forward legislation for the \$254 a month for senior citizens?

MISS HUNLEY: Yes, Mr. Speaker. I expect we will be tabling a bill in the House, probably this week. Regulations are already drafted which will tie in with the bill and make it possible for the increased supplement to be paid effective June 1.

MR. CLARK: A supplementary Mr. Speaker, to the minister. Has the government given consideration to making the legislation retroactive prior to the date on which the former budget came down?

MISS HUNLEY: Mr. Speaker, I just said it would be effective June 1.

MR. CLARK: I just asked if you'd given consideration back to the time the budget came down?

MISS HUNLEY: Yes, the matter was considered, but we had to contemplate the necessary steps to have regulations prepared and drafted, and the implementation of it. There was a change in the estimated figures, and we felt that June 1 would be the most satisfactory date for implementation.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is the minister considering changing the qualifying age limit to 60 from 65, which it is presently?

MISS HUNLEY: No, not at the present time, Mr. Speaker, because we tie it in with the federal old age security program using the guaranteed income supplement. By doing it that way, we reduce greatly our own administration costs. Since the federal guaranteed income supplement does not apply to those who are 60 years of age, we found it would be quite difficult and very expensive to implement that plan.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Is the minister considering a clause in the legislation which ties the \$254 to an escalating factor such as inflation, et cetera?

MR. SPEAKER: Possibly we might go into that when the legislation is introduced. The hon. minister has already given an assurance that that may happen fairly soon.

MR. MUSGEAVE: The question I want to ask the minister, Mr. Speaker, is: will it be necessary for those on the supplement to make application to receive the increased allotment?

MISS HUNLEY: No, Mr. Speaker. Senior citizens are required to apply to the federal government's old age security section for the guaranteed income supplement. The arrangement we have with the federal government is that immediately after the guaranteed income supplement takes effect, they automatically qualify for the provincial supplement.

#### Heritage Trust Fund

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Provincial Treasurer and ask him to advise the House what are the reasons for the heritage trust fund forecast in his budget being somewhat lower than in the budget presented to the past House in February of this year?

MR. LEITCH: Mr. Speaker, the figures used in the Budget Address on Friday evening were between \$1.3 billion and \$1.6 billion by the end of the current fiscal year. The \$1.3 billion is the actual export tax and incremental royalty revenues received to date, plus the additional moneys we would expect to receive by way of incremental royalties this year at estimated production levels and at the current price of \$6.50 per barrel. The figure used in the February budget, Mr. Speaker, was \$1.5 billion by the end of the calendar year 1975.

As I'm sure all hon. members are aware, these revenue forecasts are dependent upon production levels, price increases, and the timing of price increases. I'm also sure, Mr. Speaker, that all hon. members are aware that since the latter part of 1974 and the early part of 1975, production in Alberta has decreased. That required an alteration in the estimate.

In addition, Mr. Speaker, at the time of the February 7 budget we were contemplating a single price increase. Since that date we have had discussions with Ottawa involving a longer term arrangement, which might conceivably involve two or three price increases over a period of two or three years.

So the net result, and the single answer to the hon. member's question, is that we're using slightly different production and price figures in arriving at the two estimates.

MR. NOTLEY: Mr. Speaker, a supplementary question. Has there been any change in the formula for allotting funds to the heritage trust fund as far as incremental royalties are concerned, or is it still based on the same ground rules as was the case in the February estimate?

MR. LEITCH: There has been no change, Mr. Speaker. It's still based on the same ground rules.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has any estimate been made as to the cost of the petroleum exploration incentive plan, and is that in any way related to the difference in estimate between February and your budget last Friday?

MR. LEITCH: The answer is, yes, to the first part of the hon. member's question and, no, to the second half.

MR. NOTLEY: Mr. Speaker, can the hon. Provincial Treasurer advise the Assembly in approximate terms what the estimate is of the costs of the petroleum exploration plan in its entirety?

MR. LEITCH: I couldn't, Mr. Speaker, from memory. That's a matter I'd have to review. It involves some detail. I suggest the member put it on the Order Paper.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Provincial Treasurer. Is it the government's intention to make the additional investments in Syncrude out of the heritage trust fund, or will that come out of other revenue?

MR. LEITCH: Mr. Speaker, that is a possibly. But as all members of the House would be aware, the hon. Premier has indicated we will be bringing forth legislation dealing with the heritage savings trust fund. I would anticipate that legislation would contain the philosophy and parameters for investment by that fund.

MR. NOTLEY: Mr. Speaker, does the hon. Provincial Treasurer have any estimate of the amount in the fund for the end of this calendar year, December 31, 1975, so that, in fact, members of the Assembly will be able to compare the estimate of February with an estimate for the same period of time -- so we will be comparing apples and apples, not apples and oranges?

MR. LEITCH: Mr. Speaker, as I recall the figures -- and I'd like to check them before being held to them -- it was something like \$822 million at the end of the fiscal year 1974-75, and we estimated the incremental royalty revenues during a full fiscal year at approximately \$500 million. So I would think you would add three-quarters of that \$500 million to the \$822 million, and that would bring you to the figure for the end of the calendar year.

#### Alberta Resources Railway

MR. FURDY: Mr. Speaker, a question to the Premier or the Minister of Transportation. Due to the accumulated debt of the Alberta Resources Railway since 1968, is the provincial government considering paying this debt off?

DR. HORNER: Mr. Speaker, inasmuch as the provincial government itself is carrying the debt, I don't see there would be any advantage to that course of action.

MR. FURDY: Supplementary, Mr. Speaker, to the Minister of Energy and Natural Resources. Is consideration being given to increasing the coal royalty in the province in an attempt to close this debt?

MR. GETTY: Mr. Speaker, in attempting to come up with a new coal royalty, one of the factors is not to try to assist the Alberta Resources Railway.

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Municipal Grants -- Law Enforcement

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Solicitor General. Are all municipalities going to be eligible for a portion of the \$12.7 million in unconditional grants for improvement in law enforcement, which was announced Friday evening?

MR. FARRAN: Yes, Mr. Speaker. All municipalities above 1,500 in population are obliged to fund their own police forces.

MR. MANDEVILLE: Supplementary, Mr. Speaker. Will the municipalities have to apply for the grants, or will they be divided up as your department sees fit?

MR. FARRAN: A standard formula is being worked out, Mr. Speaker. I hope to be able to table it in the House before the end of this session, [as] I mentioned the other day.

MR. NOTLEY: Mr. Speaker, a supplementary question. In light of the comment in the budget about this grant being unconditional, will there be mandatory guidelines that the money must be spent on law enforcement, or will municipalities be able to use it for anything they want?

MR. FARRAN: Mr. Speaker, when I said a formula, I meant it would not be unlimited. I wasn't referring to the question of unconditional. The other day the hon. Provincial Treasurer referred to the hope that the money would be spent on the enhancement of police forces, but the intention is not to attach strings or guidelines.

MR. NOTLEY: Mr. Speaker, a supplementary question. Will this money be available to all municipalities in the province including improvement districts and villages as opposed to just towns of 1,500 population and greater?

MR. FARRAN: Mr. Speaker, I thought I'd already answered that. It was for municipalities above 1,500 population, which are obliged to fund their own police forces. The balance of the province is already directly funded by the province through the RCMP.

## Historic Building

DR. PAFROSKI: Mr. Speaker, a question for the Minister of Government Services, and culture. Is the minister considering participation in the outright purchase of the home of Sir John A. Macdonald, which is for sale in eastern Canada, to preserve a major historical article in Canada? This home is apparently for sale on the open market, according to Mr. Hogle, and may be destroyed if not bought by historically and culturally minded individuals or agencies.

MR. SCHMID: Mr. Speaker, this seems to be a monument of national interest, and what the Province of Alberta could probably do is to admonish the federal government to look into the matter.

DR. PAFROSKI: Mr. Speaker, a supplementary question. In his deliberations will the minister also consider moving the home to this provincial capital, Edmonton, as another step in westernizing Canada, if the easterners fail to take an interest in this historical article?

MR. SCHMID: Mr. Speaker, I think consideration can be given to many things which are of interest to a number of Albertans.

## Matrimonial Property

MR. TAYLOR: Mr. Speaker, my question is to the hon. minister who has charge of women's affairs. I believe it's the hon. Miss Hunley. The hon. Mr. Russell? How lucky can a man get?

My question is: is the government planning to introduce legislation this spring session regarding the division of estates following the sad event of divorce or separation?

MISS HUNLEY: No, Mr. Speaker. We're still awaiting the recommendations and draft or suggested legislation from the Institute of Law Research and Reform.

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Cancer -- Experimental Drug

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. Was the minister notified that the Polish drug ledacrin for cancer was being administered in a Calgary hospital?

MR. MINIELY: Mr. Speaker, I wonder if the hon. member would repeat that. I didn't catch the name of the drug he was referring to.

MR. R. SPEAKER: Mr. Speaker, it is a drug that was brought in from Poland for a lady who had cancer of the brain. It's called ledacrin.

MR. MINIELY: Mr. Speaker, I believe the hon. member was asking whether I was notified of the drug being brought in. If that is the question, the answer is that I didn't receive any specific notification of such a drug being used.

MR. R. SPEAKER: Mr. Speaker, to the minister. In light of it being a new drug in Alberta, does the minister plan to monitor its use, or is this a practice of the department?

MR. MINIELY: Well, Mr. Speaker, as a matter of fact the preliminary meetings I have had with members of the College of Physicians and Surgeons and the Alberta Medical Association tended to be of the nature that the medical profession in Alberta generally has a responsibility with respect to the use of certain medicines or medical procedures by members of their profession. We have not made any definite conclusion at this stage as to how this should be administered, except that the medical profession does take responsibility for the use of different procedures and drugs by members of its own profession.

## School Financing

MR. YOUNG: Mr. Speaker, my question is to the Provincial Treasurer and relates to the budget announcement of \$11 million for a supplemental requisition. Does this indicate a policy toward last-dollar financing of public education?

MR. LEITCH: Mr. Speaker, I'd refer that to the Minister of Education and in his absence to the acting Minister of Education, rather than indicate my view of the policy to the hon. member.

MR. DOWLING: Mr. Speaker, in the absence of the Minister of Education, I think that's a question so vital to the entire department, it should be answered by the minister.

MR. YOUNG: Mr. Speaker, in the absence of the Minister of Education, I'll ask the question again tomorrow.

## Handicapped Workers' Wages

MR. KUSHNER: Mr. Speaker, I would like to direct this question to the Minister of Labour. I was informed this morning, and was wondering if the minister could clarify, that employees of the blind institute workshops are not receiving a minimum wage. Is this correct? If not, I wonder if you would clarify later.

MR. CRAWFORD: Mr. Speaker, I would have to check two things. One is that that information may or may not be correct. I think there are number of examples of people handicapped in some way doing work, either in a sheltered workshop environment or something similar, who are not being paid the full rates one might expect for persons working to their full abilities at the same job, the rationale being that a person under a handicap is perhaps not making the same contribution to the work effort. I have not noticed there was any difficulty over that in dealing with handicapped people.

It seems to me, Mr. Speaker, the other part that matters is that regulations under The Alberta Labour Act, I believe -- and I would want to check to be sure -- do allow for exceptions to be made for handicapped people.

## Northeastern Alberta Commissioner

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Minister of Consumer Affairs and ask whether the government has received the annual report of the Northeastern Alberta Commissioner?

MR. JOHNSTON: Mr. Speaker, I think that question should properly have been directed to me. The answer is, no, I have not yet received that.

MR. NOTLEY: Mr. Speaker, perhaps I should direct this to either the Premier or the Government House Leader. In light of the concern expressed in the Legislature during debate last year, what steps will the government take to allow debate on the commissioner's report to the Legislative Assembly? When will it take place?

MR. LOUGHEED: Mr. Speaker, I would like to take that question as notice and review both the timing of the report when we receive it and how that matter might be dealt with, as the hon. member has requested.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Premier. In tabling the report, will the government also give an undertaking to catalogue all the statutes of the province which have been altered with the consent of the cabinet, as per Bill 55 passed last year?

MR. LOUGHEED: Mr. Speaker, again I think I had better take notice of the question because I believe, in essence, it relates to legal interpretation of the act. I will attempt to do an evaluation of the hon. member's question with the advice of the law officers of the Crown.

MR. SPEAKER: The hon. member might also wish to consider whether he is dealing with the subject matter of orders in council, which would have to be published in any event and wouldn't be required to be answered in the question period.

MR. NOTLEY: A further supplementary question, perhaps in a sense by way of explanation. In the debate last year a good deal of concern was expressed.

My further supplementary question to the hon. Premier is: in addition to the statutes which have been altered, would the Premier also give an undertaking that there would be a catalogue of all alterations or changes made with consent of cabinet, as they relate to local governments in the area?

MR. LOUGHEED: Mr. Speaker, the nature of the question broadly put would preclude an assurance of that nature. I think it would be much more appropriate if we tabled the report of the commissioner and assessed that in the Legislature in terms of whether any further information is, in fact, required.

MR. CLARK: Mr. Speaker, a further supplementary question on the same matter. Would the Premier or the Government House Leader be prepared to give us an undertaking that when the Department of Municipal Affairs estimates are studied in the subcommittee, the Northeastern Alberta Commissioner be present?

MR. LOUGHEED: Mr. Speaker, I'm not sure that procedure would fit what was originally contemplated. We will certainly take it under advisement. I believe it was intended to be dealt with -- and I'm going from memory here -- as a separate matter, but that might be an appropriate way to do it. We'd give it consideration.

MR. CLARK: Mr. Speaker, a further supplementary question. When the Premier is giving the matter further consideration, would he have someone from his office go back and check the Hansards from last year? I believe we'll find the government indicated that is one way in which the members of the Assembly could have the opportunity to question the northeast commissioner directly.

#### Megavitamin Therapy

MR. MUSGFEAVE: Mr. Speaker, I don't know whether I should address this question to the minister responsible for medical care or the minister responsible for community health. It was alleged by a member of the board of public health in the City of Calgary that there was, in effect, a kangaroo court being established to study the effectiveness of megavitamin therapy.

I would like to ask two questions: is the test program a fair and equitable one, and will the results be available to the public and at what time?

MISS HUNLEY: Mr. Speaker, I wouldn't be so rash as to say the inquiry would be fair and equitable in the minds of everyone, because there is always a certain amount of bias as to whatever procedure you follow -- whether it suits everyone.

The latest report I have is that the terms of reference have been provided to the committee which is advancing the use of orthomolecular treatment. I have not, to my knowledge, received an adverse reply. There has been some concern about it. I felt the last correspondence I had perhaps resolved that. The public inquiries will be held starting in June.

It is certainly not the intention of the government to establish a kangaroo court. That was set up with a very open mind and an attempt to resolve what was a difficult and

ongoing problem. It's the intent to follow that through so they clearly understand the benefits or absence of benefits, or perhaps in some cases even harmful results of the use of orthomolecular vitamins.

#### Legal Fees -- Prepayment

MR. CLARK: Mr. Speaker, just one very short question to the Attorney General. Is the government giving favorable consideration to a pilot project regarding prepaid legal services?

MR. FOSTER: Mr. Speaker, the Law Society of Alberta is currently discussing whether they should embark upon a pilot study for prepaid legal services. It was discussed last week in Jasper at the annual convention of the Law Society of Alberta. During the part of the meeting I was present, the benchers decided they would wait until receipt of a report from the Canadian Bar [Association] which is also looking at this matter. They expect to have that report some time this summer, and to take a decision and advise me of their view of the matter at least, some time in the early fall. I think it, therefore, appropriate that I do not respond by way of a position of government until I have the advice of the law society.

MR. CLARK: Mr. Speaker, I'll rephrase the question to the Attorney General. Are there funds in the Attorney General's departmental estimates this year which could properly be used for a pilot project on a prepaid legal services program?

MR. FOSTER: Mr. Speaker, my budget will be coming before the House perhaps as early as this evening; if not, later in the week, at which time I'd be happy to discuss this and other alternatives in some detail. We could go into it at that time.

#### Drug Prices

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. Does the Department of Consumer Affairs monitor retail drug prices?

MR. HARLE: I do not believe so, Mr. Speaker.

MR. TAYLOR: A supplementary. Would the minister consider monitoring retail drug prices?

MR. HARLE: Mr. Speaker, we certainly would consider that if a situation was presented to involve the staff in that type of work.

#### Summer Employment Program

DR. PAPROSKI: Mr. Speaker, a question to the hon. Minister of Advanced Education and Manpower. What is the present status of the small business student project for 1975?

DR. HOHOL: Mr. Speaker, without the file on the STEP program, I can't be definitive in terms of how much money was assigned to it. My memory of about six weeks ago suggests about a million dollars. But the status of it is like any other element in the STEP program -- of which there are six -- it's in gear and moving ahead.

DR. PAPROSKI: Mr. Speaker, a supplementary question. Is the project functional now for 1975, or is it going to be functional in a few weeks?

DR. HOHOL: If I follow the hon. member's question, Mr. Speaker, I'd have to say, yes, it is. It's the second year we're in the area of small businesses as a STEP program.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the small business student employment program been officially or formally authorized yet by the cabinet?

DR. HOHOL: Yes, it has, Mr. Speaker, about two months ago. It's a continuation of the program we began two years ago.

MR. NOTLEY: A further supplementary to the hon. minister. Is the minister aware there's some uncertainty among his department officials as to whether they have authorization to proceed?

MR. SPEAKER: The hon. Member for Spirit River-Fairview, followed by the hon. Member for Calgary Buffalo.



MR. NOTLEY: Mr. Speaker, before I ask my question, I really would like to put my supplementary question again to the hon. minister. It's my understanding there's some concern among officials as to whether authorization has been finalized for this program.

DR. HCHCL: I can simply say that if any official has uncertainty about any program in any department of government, he knows where to go, and that's to the minister.

#### Financial Administration Act

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Attorney General and ask whether his department or the government is giving any study now to both the legality and the constitutionality of The Financial Administration Act, especially as it relates to large investments?

MR. FCSTER: Mr. Speaker, that is not a subject to which I have addressed my mind in the recent past. It may be officials of my department are working on this and it has not yet come to my attention.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could I direct that to the hon. Premier and ask whether he's aware of any consideration by the government to examine both the legality and the constitutionality of The Financial Administration Act as it relates to large investments?

MR. LOUGHEED: Mr. Speaker, there's no present intention to make a review of that nature.

#### Oil and Gas Leases

MR. GHITTER: Mr. Speaker, my question is to the Minister of Energy. I'm wondering if the government is examining the provisions of the Seaton-Jordan & Associates Ltd. report in the hope that we can encourage larger oil companies to get off their holdings and move them over to encourage exploration by smaller companies?

MR. GETTY: Mr. Speaker, one of the items the government feels is fairly important in allowing for greater activity in the oil and gas industry and a greater ability by smaller companies to find the remaining oil and gas reserves in the province, is to have a greater turnover of leases held in the province. Therefore, we have been considering the Seaton-Jordan report as well as other information. I hope we are close to being able to come up with a new land tenure system, if you like, which we would be discussing with industry during the summer.

#### Industrial Relations -- Complaints

MR. YCUNG: Mr. Speaker, my question is to the Minister of Labour and relates to a question I placed last week. Could the minister advise, inasmuch as the Board of Industrial Relations apparently has not yet rendered the decision in the matter of the unfair labor complaint laid by Ralph Eerkes company, whether there's expected to be any delay beyond the end of this week?.

MR. CRAWFORD: Mr. Speaker, I believe the answer to that question is, no. If I recall correctly, the information I gave the hon. member earlier was that May 30 was about the expected time for the decision. That was last Friday. So I would think it's not far off.

MR. YCUNG: Supplementary, Mr. Speaker. With respect to unfair labor practice, is it the policy of the department and the Board of Industrial Relations to rely completely upon complaints laid by another party before investigating a situation? In other words, does the department as a matter of policy ever initiate, or does it rely completely upon complaints by parties?

MR. CRAWFORD: Mr. Speaker, my understanding would be that neither the board nor the department would initiate its own proceedings in respect to unfair labor practices.

MR. YOUNG: Mr. Speaker, a supplementary, if I may, to the minister. Is there any government mechanism by which a situation such as apparently occurred in the Province of Quebec -- whereby the two parties, the employer and the unions, connived or worked together in an unfair manner -- can be detected?

MR. CRAWFORD: Mr. Speaker, in the circumstances the hon. member describes, say, of collusion of two parties, it would be a rare case where some other person or agency was not affected in some way. It would seem to me that person or agency could raise the sort of initiative the hon. member is thinking of.

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Doctors' Fees

MR. GOGO: Mr. Speaker, a question to the Minister of Hospitals and Medical Care. It was indicated in the budget that Alberta doctors will receive an average increase of 6.5 per cent. Is it true the tariff for a house call is being raised from \$16 to \$29?

MR. MINIELY: Mr. Speaker, I believe the hon. member is referring to the interim adjustment when he refers to the 6.5 per cent increase in the budget presented on Friday night by the hon. Provincial Treasurer.

With respect to the hon. member's reference to individual billings, I think I made a statement in the House the other day that we have a system whereby we ask members to file extra billings with the Health Care Insurance Commission. This is something that has just been recently set up.

I also indicated in reply to an earlier question that, whereas we may not have a specific physician's bill as referred to by the hon. member, I have generally expressed concern to the medical profession in meetings with the Alberta Medical Association around the matter of extra billing. They have advised all members of the medical profession in a bulletin that the practice of extra billing should be curtailed. They are officially discouraging it.

The short answer, Mr. Speaker, on the particular matter referred to by the hon. member, is that I don't receive a specific like that. I just get a general feeling for the amount of extra billing done by the medical profession in general.

MR. TAYLOR: Supplementary to the hon. minister. Will the extra amount in the budget mean an increase per doctor, or is it because of a greater volume of business?

MR. MINIELY: Mr. Speaker, the practice has been when the Health Care Insurance Commission granted a general increase -- how it is apportioned among members of the medical profession has been left with the profession itself, who know and recognize the procedures individual members are performing. So a general increase was given in the fall, and the distribution of that increase was worked out amongst the medical profession themselves.

MR. TAYLOR: One further supplementary. Will the increased amount of money then obviously reduce the tendency to extra bill?

MR. MINIELY: Mr. Speaker, at the time the general increase was granted, we indicated to the medical profession through the Alberta Medical Association that we expected them to keep the degree of extra billing to an absolute minimum. Subsequent to that, by the frequency of telephone calls to the Health Care Insurance Commission -- the public calls that would come in [from] the citizens were of the view that the degree of extra billing was somewhat more than the verbal understanding with the medical profession when the general increase was granted. That was the reason, Mr. Speaker, for my request to the medical profession that they deal with their members on this particular matter.

DR. PAPROSKI: Mr. Speaker, isn't it true that the increased amount just barely meets the increase in expenses?

SOME HON. MEMBERS: Oh, oh.

MR. MINIELY: Well, Mr. Speaker, at the present time I'm not in a position to make a judgment on that matter. I think the hon. member has expressed his own personal view.

## Auto Licence Plates

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Transportation and ask if the government is giving consideration to a recall of the 1975 licence plates?

DR. HORNER: Not to my knowledge, Mr. Speaker. But the hon. member might like to direct that question to the Solicitor General, who is now issuing them.

MR. CLARK: I'd like to ask the Solicitor General then: is he generally considering soliciting the 1975 licence plates to come back?

MR. FARRAN: Mr. Speaker, the answer is, no. I think they're adequate for their purpose of identifying a vehicle.

DR. BUCK: Even if you can't read them?

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Land Use -- Edmonton-Devon

MR. RUSSELL: Mr. Speaker, last week the hon. Member for Stony Plain asked me a question with respect to the Edmonton-Devon Restricted Development Area, and I undertook to get the answer and report back.

The answer is, yes, 9 parcels were removed from the RDA after its original instigation. That involves some 126 residential lots.

## TABLING RETURNS AND REPORTS (reversion)

MR. YURKO: Mr. Speaker, I wonder if I could get the permission of the House to revert to Tabling Returns and Reports, to file with the House the annual report of the former Department of Public Works?

HON. MEMBERS: Agreed.

MR. YURKO: I so file.

MR. FLUKER: I ask the consent of the House to revert to Introduction of Visitors.

HON. MEMBERS: Agreed.

## INTRODUCTION OF VISITORS (reversion)

MR. FLUKER: Mr. Speaker, it's my pleasure today to introduce to you, and through you to this House, some 50 students from the Grade 8 class at the Glen Avon Protestant Separate School in St. Paul. They are accompanied by their teacher, Mr. Zukiwsky. I would ask them to rise and be recognized by this Assembly.

## ORDERS OF THE DAY

## GOVERNMENT MOTIONS

## 1. Moved by Mr. Leitch:

That this Assembly approve in general the fiscal policies of the government.

[Adjourned debate: Dr. Buck]

DR. BUCK: Mr. Speaker, I'm used to more applause. When I got up after the hon. Treasurer had given his budget, the swell was just subsiding when I got my oar in, as you might say. Mr. Speaker, because I did not take the opportunity to engage in the throne debate, I would like to offer my congratulations to the Premier. Even though we don't always agree with some of the things the hon. Premier is doing, we have to admit he is an excellent politician. At the same time I say that I think he will make an excellent prime minister in seven years.

Mr. Speaker, I'd like to offer my congratulations to the new members of the cabinet and to you, sir, as the Speaker of this House. We on both sides appreciate your attempt to be completely impartial, as impartial as you can be. We know it's difficult, but you, sir, do an excellent job.

Before I get directly involved in the budget speech, Mr. Speaker, I would like to indicate to members on the government side, especially new members, my interpretation of what we're all doing here. Too often it seems government members feel we are harassing them, haranguing them. Mr. Speaker, basically that's what we're here for. My animosity ends the minute we walk out of those doors. So if at any time we take swings at the hon. government House members, government cabinet members, it's done in the role of adversaries, because that's what the parliamentary system is all about. At the same time, Mr. Speaker, it's our responsibility to provide alternatives, to be constructive.

With this in mind, Mr. Speaker, I would like to mention one or two concerns I have. First of all is the centralization of power within the cabinet to five members. I would

like to know from the hon. Premier if it is his intention to have a super cabinet within the cabinet, or has it just happened? If we are going the route of the system that apparently they use in Ontario, I think the people of this province should know. Does the entire cabinet function as such, or are there really two cabinets, a maxi- and a mini-cabinet? Mr. Speaker, I'm sure, in the course of this debate, that information will come to light.

I'd like to compliment the Treasurer and the former Treasurer. In fairness to the former Treasurer, when the present Treasurer said what a great job he had done -- if he had done such a great job, Mr. Speaker, I would like to know why he has been moved. The hon. Premier still hasn't justified to me exactly why all the cabinet ministers were shuffled. I can understand, Mr. Speaker, as heads of portfolios after an eight-year period, it will bring new enthusiasm, new ideas. But after four years, after three and a half years, I cannot in all conscience say that was a good move. I'm sure the Premier had some reasons. I would like a better explanation than he has given us.

In turning to the budget, Mr. Speaker, it is really difficult to argue with \$2.5 billion, because nobody shoots Santa Claus. We know this present government can spend it, but I'm not that convinced they can manage it. Mr. Speaker, it's my responsibility, as a member of the opposition leading off the budget debate, to sort of outline the tack we will be taking and the areas of concern we have.

My colleagues on our side, in our party, will attempt to flesh out some of the ideas we are concerned about, some of the areas in which we feel the government is possibly negligent. I will briefly outline these as such: the problem of trying to debate a budget you have seen only 70 hours before; the areas of tax cuts, inflation, and the form of the statistical presentation we have received; is the Financial Administration Act being adhered to, and how does this affect the Alberta heritage savings trust fund.

Mr. Speaker, literally thousands of man-hours go into the preparation of the budget document which we've had in our hands for less than 70 hours. It's almost impossible for any individual or groups of individuals, or even any type of system we presently have, to intelligently digest and present comments on the budget.

We in the opposition are expected by tradition to make objective and reasonable comment on the Budget Address and the attending documents within three days of its presentation. Let me say, Mr. Speaker, we can make some superficial judgments on parts of the budget, but in some areas there must be more intensive study so that we can determine the ramifications of issues such as provincial municipal financing, the heritage trust fund, departmental spending, and other issues. We intend to undertake this and, Mr. Speaker, I would like to recommend to the Legislature that the government give serious consideration to asking that the reply to the budget commence Friday afternoon, a week after the budget comes down. Just because traditionally we have asked for it to be debated on the Monday, to me that is just not reasonable.

The government is to be commended in many areas. We are all elected to this Legislature to do the same thing, to provide services to the people of this province and to look after their financial affairs.

We welcome the increase in the senior citizens' supplement, but I think many senior citizens are under the illusion that all senior citizens would get the \$255. Mr. Speaker, I would like to say that as much as I do not agree with the political philosophy of the government in British Columbia, there are good things they're doing for their senior citizens. They have lowered the age limit from 65 to 60. Now I realize the government has a gigantic mandate. They didn't need too many more plums. But I think, in fairness, they should have a look at lowering the age to 60.

There were no real surprises. We didn't expect any surprises. Because of the election coming shortly after the budget was presented, we didn't expect any earth-shaking developments or ramifications in the throne speech or the budget speech, and we certainly weren't disappointed.

Mr. Speaker, some of the promises that came out during the election campaign -- I think the government is certainly irresponsible in that they are dragging their feet on some of these promises. The \$1,000 for the senior citizens' home improvement grant was a great vote getter. The senior citizens honestly thought this program would take effect almost immediately. But it's going to take about 6 months for the new cabinet ministers to find out what their responsibilities are. So they have in their own minds a reason for not implementing these programs. But that's not what the people out there are saying.

How about public participation in the Alberta Energy Company promised almost two years ago and still not forthcoming -- maybe later this year?

The restructuring of the cabinet and the musical chairs program we've been watching may be an excuse for not going ahead with social programs and people programs. We heard the hon. Premier announce he would be moving his interests out of energy and into social programs. We certainly did not see that in the throne speech or budget, Mr. Speaker.

The shifting of cabinet portfolios with the increase in cabinet positions will add to the confusion in an already complicated government bureaucracy. The real increased costs are reflected in the number of personnel required to staff these new departments. The other perhaps less evident cost increases come from confusion within new departments. Civil servants at the junior, intermediate, and senior levels will need considerable time to become familiar with their positions. Mr. Speaker, I would like to say this is not an excellent expenditure of the taxpayer's money.

The Premier, when rationalizing the questionable logic of a complete shift in cabinet ministers' portfolios, compared his cabinet to a football team. I suggest that, for practical purposes, the government will be about as successful in the smooth decision-

making process as a football team which inserts skilled players into unfamiliar positions for which their skills are unsuitable. I'm sure the hon. Minister of Energy knows what happens in that kind of situation. So, Mr. Speaker, I would like to go on record as saying, as strongly as I can, that I am not in favor of the musical-chairs approach to shifting cabinet ministers around. I am in favor of the changes in portfolios where some are taken out and others re-established. I think that was an excellent idea.

Mr. Speaker, the second area I would like to speak about is some of the proposed tax cuts. I was quite amused to see the grant for the extra \$12.7 million from municipalities for policing, being called an unconditional grant. Now I know the hon. Provincial Treasurer, being a man of the law -- how he could call an unconditional grant an unconditional grant and say, you must spend it for this, or you must spend it for that.

When we look at the proposed schedule for provincial tax cuts, one becomes very aware of the disparity of income in Alberta. For persons with a taxable income of \$500, the saving is 100 per cent of provincial tax payable, a whole \$16, or it amounts to \$1.33 per month. That's really helping the poor people. For someone in the Tory class with a \$25,000 taxable income, the saving will be 28 per cent or \$696. Surely a more equitable system could be devised. Now I can understand why they're called the "Cadillac conservatives". I'll bet anybody in that income bracket, most likely after getting \$696, would certainly hustle out and buy himself an orange and blue card. I wouldn't blame him, for \$696.

AN HON. MEMBER: Why don't you give the figure for dentists?

DR. BUCK: Mr. Speaker, the purpose of taxation is to raise required and needed revenues. If the revenue is not required, why is the tax still there? Mr. Speaker, if we are looking at the gasoline tax as a means of raising revenue, I don't think we need it. If we are looking at it as a means of conserving energy, the price of gasoline should go up to \$1.20 a gallon. But because we do not need the revenue, Mr. Speaker, I would like to say that I think the entire provincial tax on gasoline should have been removed.

Mr. Speaker, there was much to do about nothing, regarding inflation and the government's proposals to help control it. It's fine to say we are lower than anybody else, we are doing better than anyone else. But that doesn't always mean you're doing the best job for the people you serve. In the budget speech, we have reference to the problem of inflation, as set out on pages 5, 6, and 7, and the measures proposed to offset the impact of inflation both upon persons and the social institutions of the province. Many of the proposed programs and innovations are necessary and welcomed by us in the opposition.

Regrettably, however, the government does not appear to recognize that inflation is at present this province's, this country's, and indeed the world's most serious economic problem. While inflation here has eased to an annual rate of some 7 to 10 per cent -- of course it just depends on which index you use -- there are strong indications that recent extremely high wage settlements, which are building costs into the economy, will inevitably force a fresh surge of inflation within the next year. This serious situation must be faced without hesitation and by strong measures. The only effective tool available to this government, and indeed to all provincial and municipal governments, is to exercise extreme restraint. This restraint is in their spending programs. There is no evidence that this government is so inclined. On the contrary, it's just the opposite.

An examination of the Estimates reveals that, compared with the Estimates for the '74-'75 fiscal year, increases have been provided for in 88 per cent of all income appropriations -- 88 per cent of all appropriations -- whereas decreases occur in only 8 per cent, with the remaining 2 per cent unchanged. The aggregate dollar increase in income account is \$533 million, or a staggering 33 per cent. Expenditures on capital account are estimated to increase 30 per cent, or an aggregate in dollars of \$88 million over the Estimates of the previous fiscal year. Mr. Speaker, that is not restraint.

It's also interesting to note that the Estimates for '75-'76 provide for an increase of 65 per cent on income account and 21 per cent on capital account over the actual expenditures for the fiscal year '73-'74. That's the last year for which figures are available. A further examination, in the limited time we had, of some 61 administrative-type appropriations indicated estimated expenditures for '75-'76 of just over \$100 million, compared with estimated expenditures for the preceding fiscal year of \$74 million. Mr. Speaker, this is an increase of some \$26 million or 35 per cent.

The increases in the individual appropriations examined varied widely from a low of 13 per cent, in one instance, to a high of 95 per cent. If you will check the Estimates very, very closely, there are many of them that range -- 95, 85, 71 per cent. As these appropriations are heavily weighted with salary content, it's a matter of concern as to whether there is a giant build-up of bureaucracy in the Alberta public service, far beyond the reasonable requirements for the orderly conduct of government business. I am sure this matter will command the attention of all members, not just the opposition, during the detailed study of the Estimates.

While these increased expenditure trends, given existing inflationary pressures, had to be expected and accepted, and while the government is to be commended on a number of measures taken -- reduction of income taxes and additional assistance to senior citizens and persons on fixed income -- the rates of increase which I've indicated far exceed present rates of inflation. That, Mr. Speaker, is the key point. They exceed the present rate of inflation. As such, they are matters of great concern to all of us, and they should be.

I would emphasize that the government has a duty, even under present economic conditions, to provide a leadership example through exercising restraint in its spending programs. I would also remind the government that the role is that of a trustee, and that all revenues are, in fact, trust moneys to be administered for the benefit of all of the people of Alberta, and that buoyant revenues do not constitute a licence to spend as freely as this government is spending.

Mr. Speaker, I would just like to refresh the hon. members' memory. This is taken from the budget speech delivered by the hon. Mr. Miniely, March 17, 1972. It starts:

Mr. Speaker, it is my great privilege to present to the Legislature the first Budget of the new Progressive Conservative Government of Alberta.

It is a Budget which reflects the determination of our government to establish new directions and new priorities in the provision of public services to the citizens of Alberta.

Now, Mr. Speaker, here is the kicker:

It is a Budget which reflects the determination of our government to establish a responsible fiscal climate in Alberta, and to manage public expenditures and priorities in accordance with the wishes of Albertans.

It is a budget which reflects our commitment to open government and to greater disclosure in the Estimates and the Budget of relevant information to the people of this Province on the financial affairs of their Government.

Mr. Speaker, I do not think the present government is giving us this open lock or great disclosure in the Estimates.

Mr. Speaker, I am concerned about the form of statistical presentation we have received. I think it would be worth while, Mr. Speaker, for all hon. members to read The Financial Administration Act to find out just what the ground rules are as to what a budget is supposed to do.

Mr. Speaker, I think hon. members should look at Section 15:

All public money whatever over which the Legislature has power of appropriation, excepting moneys that are otherwise specially disposed of by the Legislature, shall form one General Revenue Fund to be appropriated to the public service of Alberta.

Mr. Speaker, I'm not exactly convinced we received as much information as we are entitled to. First of all, the way the statistics were used: the statistical comparisons used in the budget document focus on a comparison between 1975-76 estimates and forecast figures for 1974-75. These latter are a combination of 1974-75 estimates with moneys provided by special warrant, \$324 million in special warrants for the 1974-75 fiscal year, less the anticipated unexpended balances in appropriations, apparently some \$155 million for '74-75.

The effect, Mr. Speaker, is very interesting. The effect is to modify the rate of estimated increase in expenditure programs as between '74-75 and '75-76, and to create a comparison procedure not unlike comparing oranges and apples. We are not given the true comparisons, Mr. Provincial Treasurer. The only similarity between oranges and apples is that they are both round. The only similarity between these two is that they're both using the Queen's English. They are not a true picture.

Until the government gives a commitment to control the use of special warrants and does effectively establish such control, we submit that this basis of comparison is invalid and misleading. I submit that using that system is invalid and misleading, Mr. Speaker.

Now how about the heritage savings trust fund? On page 10 of the Budget Address it is stated that it is the government's intention to establish the Alberta heritage trust fund at the fall sittings, and that certain revenues now excluded from the budgetary accounts, but flowing into general revenue, are to be transferred to the heritage fund. This exclusion means the Legislative Assembly is being asked to deal with an incomplete set of budgetary documents as, I humbly submit, Mr. Speaker, certain moneys are unaccounted for and no authority for such omission exists.

If the hon. members would like to look at Section 15 again, it states that moneys will be transferred from the general revenue fund. If this is to be done in the fiscal year '75-76, why are the provisions of Section 53 of The Financial Administration Act not complied with, and appropriation provided to effect the expenditure of transfer?

I realize the hon. Provincial Treasurer is not an accountant, but he has some pretty high-priced help there, Mr. Speaker. I would like to know how we, in all conscience, are going to vote on an incomplete set of records. To me, this is an exercise in futility. Somewhere in this budget, we've got to find out where all these funds are floating around in the air. Because we don't find them here. Where's the \$822 million in the budget? It's fine to say, it's around. But we don't get paid for saying they're such great, fine fellows that we'll just let them have all this money floating around. It's got to be in here because this is to come under public scrutiny. That's what we're here for.

MR. CLARK: It isn't there.

DR. BUCK: Mr. Speaker, I would like answers from the hon. Provincial Treasurer in consultation with the members of the audit department. Mr. Speaker, I humbly submit this is probably the greatest reason the hon. government members, the cabinet, should take the advice of the Leader of the Opposition and bring in an auditor general as the federal government has done, so he can find out some of these things that are going on, so he can make recommendations. And at the same time, Mr. Speaker, because we have fall sittings,

that's the time to look at the supplementary budgets. It would be different if we didn't have fall sittings.

At the same time that hon. government members are reading The Financial Administration Act, I would say they should find out what that act says about special warrants:

Where, at any time the Legislative Assembly is not in session, the Treasurer reports that the Minister having charge of any matter has certified that, in the public interest, an expenditure of public money is urgently required with respect to that matter . . .

et cetera, et cetera. "Urgently required", Mr. Speaker, is what special warrants are all about. But when we have a budget underestimated by \$325 million, to me that's just a bad budget. That's just not looking after the dollars that belong to the taxpayers of this province.

Now, Mr. Speaker, we lost another \$75 million along the road here someplace. But this government seems to think, now what's \$75 million, or what's \$828 million. It's around someplace. But around someplace is just not good enough.

So, Mr. Speaker, maybe the hon. Provincial Treasurer will be able to tell us what happened to Appropriation 2783, the Alberta Syncrude equity fund -- \$75 million. Why isn't it in the Estimates?

Mr. Speaker, I'm sure the hon. Treasurer would say, well, we probably didn't have time to put it in. But, Mr. Speaker, they had time to put it in his budget speech. To me, that is just not good enough. If the Provincial Treasurer is using this as a period to learn how to administer \$2.5 billion, I don't think that is good enough. I want the Premier of this province to justify to me how he can play musical chairs with a cabinet, putting different ministers into different positions at critical times. I would like to hear.

So, Mr. Speaker, these are the areas of concern we have. We would like to see an accounting of that \$800 million plus, better than just saying it's around. We would recommend that the reply to the budget be one week after the budget comes down. This government has paid only lip-service to the fight against inflation.

Mr. Speaker, the budget and the Estimates leave too much room for doubt and it makes me suspect -- and I'm not that kind of person -- that the budget may be used more for political purposes than as an accurate accounting mechanism.

AN HCN. MEMBER: Oh, perish the thought.

DR. BUCK: Now I know this government would be above doing anything such as that.

SOME HCN. MEMBERS: Oh, yes.

DR. BUCK: Now we all know they're fine upstanding gentlemen. I say that in all sincerity. But they are so political . . .

AN HCN. MEMBER: Aren't you Buck?

DR. BUCK: . . . that the statistics the hon. Provincial Treasurer has given us are shaded to put them in the best light.

So Mr. Speaker, in conclusion I would like to say this: we feel that the information in the budget and the Estimates is not complete. We feel that the heritage trust fund should have been set up before this, and the moneys put there so we would know how much there is, and what it's going to be used for. We don't think it should be used for a slush fund where the party in power goes around the province saying, here's \$200 million for this, especially just before an election, Mr. Speaker. To me that's tantamount to bribing the taxpayer with his own money.

I find that just a bit hard to swallow. So, Mr. Speaker, I would like to say that we feel there is need in this province for an auditor general, an independent ombudsman type of auditor general who has the freedom to tell it like it is.

Mr. Speaker, we would like to see the supplementary estimates, the special warrants, discussed in the fall sitting of the Legislature. Mr. Speaker, if we have these things, if we have a complete set of records and a complete budget, I think as responsible members of this Legislature we are in a much better position to have an intelligent discussion of the complete estimates.

Thank you, Mr. Speaker.

DR. PAPROSKI: Would the hon. member permit a question?

DR. BUCK: Certainly, Mr. Speaker.

DR. PAPROSKI: Mr. Speaker, would the hon. member deny that he had the essential basis of this budget since February '75, and that he had ample time to review that budget.

MR. SPEAKER: Order please. The hon. member is not entitled to anticipate his entry into the debate in this fashion. If he wishes to ask a question of fact, that may be another matter. But a rhetorical question, which is actually a form of argument, is not really appropriate at this time.

DR. BUCK: Mr. Speaker, I would just like to say, in light of the unasked question, that we do not sit on the government side, and we were not in any position to know that the budget coming in Friday was going to be practically the same one that came in in February.

MR. NCTLEY: Mr. Speaker, in rising to take part in the budget debate, I certainly concur with a number of remarks raised by the hon. Member for Clover Bar. I want to come to several of them in a moment, especially with respect to the heritage trust fund and general accountability.

I would have to say, in fairness to the government, Mr. Speaker, that most Albertans will applaud the decision to increase the assured income program from \$235 to \$255 a month. Unfortunately though, the government did not decide to go all the way for couples. We have \$255 a month for an individual, but \$490 a month for a married couple. I don't know what the hon. Provincial Treasurer was thinking of. Perhaps he's taking a leaf out of the flower people's book, because there's going to be a \$15 a month penalty clause to be married if you're receiving the guaranteed income plan. Mr. Speaker, I really don't see, under the circumstances, why we couldn't have gone all the way and provided \$510 a month to senior citizens receiving the assured income plan.

Similarly, there's really no reason, with our present wealth, that we could not have reduced the age from 65 to 60. In my judgment too, Mr. Speaker, the submission made on a number of occasions by the handicapped in Alberta is a worth-while one, and I would have liked to have seen the handicapped included under the assured income program. It's my understanding that this matter is now being reviewed by the minister and the government with the handicapped people, and I would hope the government moves on this matter during the year.

Mr. Speaker, while we've made small progress in terms of increasing the assured income program, and that is welcomed by Albertans, when one looks at the budget you see there are still some glaring gaps. No action, for example, on denticare; no action on a pharmacare program for Alberta. On the question of legal aid, a prepaid legal aid program which was raised this morning, again the government is side-stepping any decision on that matter. So we have a long way to go.

As I looked over the budget, Mr. Speaker, I saw another important program which should have been expanded more than it was, the Educational Opportunity Fund, which is crucial, I think, to helping lower income people in our society. Yet when you look at the budget increase, Mr. Speaker, you'll find that all the government is doing is making allowance for inflation. There is not going to be any improvement under this budget for educational opportunity programs in the Province of Alberta. Mr. Speaker, as I see it, that really isn't good enough.

Now the tax reduction is much heralded, and received headlines across the province. Certainly, everybody likes to have a tax reduction. But what seems to me to be equally valid is: are there other routes we could have taken to make sure the major beneficiaries of this tax reduction are the low-income people who need it, rather than the higher middle-income people who don't need it as much. I've often said in the House, and I say this again, Mr. Speaker, that a tax credit system would have been preferable.

The hon. Member for Clover Bar, pointed out that the saving to low-income people with a taxable income of \$500 a year or less will be \$16 a year. On the other hand, the \$25,000 a year and over will have a \$696 saving. But the average of this category of \$25,000 a year and over is approximately \$41,000, Mr. Speaker. Their saving under the tax plan will be \$1,300. So you have \$1,300 handed out to high-income people who don't need it, who can help, if anything, to fight against inflation by restraining some of their own additional expenditures. On the other hand, to the low-income people who do need a boost, their increase, or their decrease, is only \$16.

A far better approach would have been a flat tax credit system which would have made sure that at least the low-income people receive the major benefit from what is a pretty substantial program in terms of our total budget, some \$115 million.

Now, Mr. Speaker, as I review the budget, I look at the expenditures we're going to make in various fields and the tax cuts that will be made, particularly with respect to the petroleum industry. This is the budget where we talk about the petroleum incentive program, the program that is going to be very costly, \$.5 billion a year, possibly as much as \$600 million a year. Mr. Speaker, that's a pretty sizable amount of money to be refunding to the oil industry.

What it clearly indicates, Mr. Speaker, is that despite all the talk we've heard in this House, despite the tough talk last spring and the tough talk last fall that we weren't going to allow Ottawa to get away with the deductibility -- refusing to deduct provincial oil royalties -- in spite of the fact we had a provincial election where this was the major issue, where the government had to get a mandate, practically wipe out the opposition and wrap themselves in blue and orange posters with a picture of Alberta on them to get their mandate, in spite of all these things, we are now, in this budget, picking up the pieces. Through this petroleum exploration incentive plan, make no mistake, Mr. Speaker, we are footing the bill so that the oil companies can pay their taxes to Mr. Turner under the budget provisions of last fall.

Mr. Speaker, I notice, in reading the budget speech by the Provincial Treasurer, that it is portrayed to us in a very matter-of-fact way, almost as if it were something of a victory. Here we're going to have a \$600 million hole in our revenue picture, and it's portrayed to us, Mr. Speaker, as almost a victory.

One wonders what happened to the angry rhetoric of last fall, and the angry rhetoric of the election campaign. Now we have such a calm, restrained approach. They're simply



saying, we've gone down to the energy conference, we got our mandate, 69 out of 75 seats, and now, ladies and gentlemen of Alberta, here's the bill -- the exploration incentive plan, \$600 million worth.

One wonders, Mr. Speaker, why the change of pace. Because the government of six months ago would not have been quite so calm in talking about this kind of commitment by the people of Alberta. One wonders if it has something to do with the election or, perhaps, the future course of political development in this country, especially as it relates to one of the political parties in this country.

In any event, Mr. Speaker, we have a pretty healthy bite in our revenue as a result of this program announced in December by the Premier. In addition to the incentives that will be given the industry under the exploration incentive program, we now have a new dodge. That is, there's going to be a tax break for individuals who invest directly in the oil industry. Now, Mr. Speaker, I find that a little difficult to follow. I can understand the reasons we should provide some additional money to Alberta-based companies that are exploring for oil and natural gas in Alberta. Fair enough. I find it a little difficult to follow the rest of the Premier's exploration incentive program where the other five or six provisions allow just as much money to go to the major oil companies. As a matter of fact, the bulk of the money will go to the major oil companies as will be picked up by the smaller companies operating in this province, without any commitment. In only one of the six provisions is there any commitment that this money will actually be spent drilling for oil and natural gas in the Province of Alberta.

But having said that I have some difficulties with that incentive scheme, the fact is that it is there, it is very costly, it is a massive underwriting of the oil industry by the taxpayer of Alberta. But in addition, we are now to underwrite the investments of people, of individual Albertans, in the industry. That is the rather significant addition to the budget that has occurred, Mr. Speaker, after the election. I think I should just read that section over again:

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 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 payment 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.

So what we're doing in the first instance, Mr. Speaker, is providing a large amount of money to the industry; then in the second instance, we are outlining in this budget a special tax concession program to individuals, obviously to attract investment to the oil industry. But at what cost? Why should we be providing this kind of deferential treatment to the oil industry? What about the cattle industry? What about the farmers who have got into cattle and are now on the verge of bankruptcy? What about the lumber industry? The best we could do for the lumber industry is loans on inventory, not a special tax program for investors in addition to massive concessions from the public treasury in the first place.

What this budget reveals, Mr. Speaker, is that we've got one law for the petroleum industry and an entirely different set of ground rules for the other major industries in the Province of Alberta. It will not be long, Mr. Speaker, before the hon. Minister of Agriculture -- and when the Minister of Energy occasionally doffs his renewable resources hat, these ministers will find a pretty angry group of people saying that if you can provide these kinds of programs for the oil industry, why can't you provide them for us? Mr. Speaker, it seems to me they have a pretty valid point.

Mr. Speaker, another area I want to deal with is to express my very deep disappointment that in this budget the government did not take upon itself to increase the amount of money being allocated under the foundation plan. We've already heard this matter raised in the question period. The discussion took place the other day on schools which are being closed down in the Camrose area as a result of a supplementary requisition which was voted down. I have to tell you quite frankly, Mr. Speaker, that I would doubt, where supplementary requisitions do go to plebiscite, that many of the plebiscites will be passed. I know that in the Fairview School Division at the present time there's a petition going around asking for a plebiscite. I'd just hate to say what would happen if that does go to plebiscite, because I'm sure it'll be turned down, and the net result is that the school division will probably have to close down schools.

Now, Mr. Speaker, with the money the Province of Alberta has at this time, there is clearly no reason under the sun why we could not have increased the foundation plan so we don't have to go through this situation. We can talk a lot about programs to develop rural Alberta, but there is no more important program in all of rural Alberta to encourage people to settle there than your education system. If that education system is shortchanged, or cramped because of insufficient funding, that's going to have an impact on whether or not people will move to that particular district. So I would simply say to the government that the priority which was placed on education in years past has to be found again, and education, in my judgment anyway, has to take a much larger share of our taxpayer's dollar.

That doesn't mean that the money is thrown around and, indeed, as I look at the school divisions I've encountered in the Province of Alberta, I find that they really have a great knack of making-do with inadequate resources. In our little Fairview School

Division, for example, our total administrative staff is a superintendent and a secretary. We don't have 20 or 30 people in the central office of the Fairview school division. It's not overloaded with administration. It's cut down to the minimum. But even so, if the plebiscite is called for and it's voted down, there's no other choice but to cut as many as 8 or 10 teachers from the staff, and probably close down a couple of the schools. Now, Mr. Speaker, I don't believe a government with the amount of money that the Province of Alberta possesses today should be putting our school boards in that sort of invidious position.

Mr. Speaker, the Member for Clover Bar mentioned the \$12 million to municipalities -- the unconditional grants to municipalities -- which are, however, tied to police protection. Mr. Speaker, either these are tied to police protection, in which case they aren't unconditional grants, or, if all the government is going to do is put out general guidelines so the municipalities can use them for whatever they want, we have a serious situation of inequality. Because towns of 1,500 or greater will get this \$12 million. On the other hand, smaller towns, villages, hamlets, IDs, M.D.s, or counties policed by the RCMP will not be eligible for it.

Now, Mr. Speaker, there's going to be no end of hard feelings if the Village of Berwyn doesn't get a grant for this program but, on the other hand, the Town of Fairview does, and the Town of Fairview doesn't spend it on police protection. I just can't understand why we play these sorts of games with our municipalities. Either the grant is going to be available for police protection and that's it, then everybody knows what the ground rules are; or we're going to increase the unconditional grants to all the local levels of government in this province, whether it be the villages or the towns under 1,500 or the municipalities or counties.

Why put them in this position where all we have is a vague sense of guidelines? You know, Mr. Speaker, this may be a rather half-hearted attempt to accommodate the principle of local autonomy. I don't believe that's the proper approach to take. Either we go all the way and say, fine, we're increasing the unconditional grants, you can do with it what you will; or if it's for police protection, we should say so.

Now, Mr. Speaker, I read the budget, and in it I see no major initiatives in transportation, despite the fact we now have a Department of Transportation and despite the fact we have had experience with owning our own air line for 10 months. I would say that in this session of the House we should have had a pretty clear indication of what the government proposes to do with PWA, what role it sees for PWA in interprovincial air travel, what role it sees for the smaller companies like Time Air and Bayview, what the opportunities are for increasing air service to communities in Alberta which presently don't have it, what the practicality is of getting PWA into STOL aircraft. Some of the newer and larger aircraft that have recently been produced could very well be economical between Edmonton and Calgary and provide safe intercity traffic. But we haven't had, as yet anyway, Mr. Speaker, any sort of definitive indication from the minister.

I hope when we get to the discussion of his estimates he will give us a full discussion of just how he sees his department emerging and what, if I can use this Tory term "thrust", the Department of Transportation will have in the coming year. But, Mr. Speaker, is that out now; is there new language? I'll look up the latest publicity handbook from the advertising firm that looks after the blue and orange.

In any case, Mr. Speaker, there's another couple of areas that I want to touch upon under the Department of Transportation. What about the federal government's decision to look at the track in Western Canada? Five hundred miles of track have been abandoned. We have another 6,000 or thereabouts being studied; about 10,000 are being guaranteed until the year 2003. I would hope this government would at least follow the lead of the government to the east of us and make money available to all the municipalities, the chambers of commerce, or the farm groups affected so they can make formal representation to the commission examining the line which is going to be reclassified.

In my constituency there are two lines which will be reviewed by the federal body, and there will be a lot of groups in the area that will want to make representation. I think that's probably true all over the Province of Alberta, Mr. Speaker. I would hope that during the course of this session the Minister of Transportation will be able to look into the old sock there and dig out a few bucks so that we could make money available under some sort of responsible formula for groups which do want to present their views to the commission studying reclassification of track. I say reclassification because I really don't see much of an argument for any serious rail line abandonment, at least of that portion of the 6,000 miles of track left in the Province of Alberta.

Now, there's one glaring omission in the budget, Mr. Speaker, as it relates to transportation and also to agriculture. During the course of the campaign we were given to believe that if the price of petroleum rose, farmers would be shielded from any increase in the cost of farm fuel. Now I don't want to suggest that we were deliberately misinformed, but certainly wherever I went in the Province of Alberta, local Tory canvassers were assuring people that if the price of oil went from \$6.50 a barrel to \$10 a barrel, or \$10.50, don't worry about it because we will make sure that you are shielded.

Mr. Speaker, as I read the budget, all I see is a commitment to retain the 5 cents rebate, not to increase it, not to put it on a sliding scale, not to guarantee rural users that the price of farm fuel won't rise when oil prices begin to skyrocket after July 1. I will be very surprised if we don't see at least a \$2 increase in the price of oil after July 1. That's going to be 8 to 10 cents a gallon. What provision has the government made to make sure that farmers who are in -- in my judgment anyway, I'm not sure that's the view of the government still, but it certainly was three or four years ago -- our most

important industry are not going to see their net income shrunk even further by higher fuel prices? I would call on the Treasurer at some point in this debate to clearly state, so there's no misunderstanding in rural Alberta, that the government is prepared to fully shield farm fuel prices. Mr. Speaker, I think that is really important.

Mr. Speaker, in dealing with the heritage trust fund, I have to agree with some of the comments made by the hon. Member for Clover Bar who mentioned that there was an interesting variation in the statistical data, and even the time sequence. This is certainly true as it relates to the heritage trust fund. Page 19 of the former Provincial Treasurer's speech talks about \$1.5 billion available in the fund by December 31, 1975. This time, for some strange reason, they don't use the same figure at all. Suddenly it is now \$1.3 to \$1.6 billion by the end of the fiscal year.

Mr. Speaker, it seems to me that, because of the importance of the heritage trust fund, there should in fact have been, along with the provincial budget, a thorough accounting of just what moneys we have and what the projection is. Because the former budget speech had used the end of the year, it seems to me we should have been given as well an indication or an estimate as to what the amount would be by the end of this year. So we're comparing apples and apples instead of apples and oranges, or apples and grapefruit, or whatever the case may be.

So, Mr. Speaker, one is a little suspicious as to why this change was made and why the decrease occurred. In his response today, the Treasurer said that the production rate of oil has declined. That's fair enough. He said, too, that he sees two or three incremental increases instead of one. That's fair enough. But it seems to me that that is the kind of information which should have been conveyed to us in the speech, along with a very thorough accounting.

Mr. Speaker, in the remaining minutes left to me in this debate, I want to comment on the Syncrude deal, not in terms of my position on it, because I think I made that abundantly clear during the budget debate in February, but simply to say that before we vote one cent to Syncrude by this Legislature, we should insist that the government have formal hearings by the Legislative Assembly; that at the end of our spring session, which will probably be over by the end of June, we take two, three, or four weeks, or however long is required, and go into Committee of the Whole, Standing Committee on Public Affairs, and have a thoroughgoing investigation of every facet of the Syncrude deal.

Mr. Speaker, why should we do that? Well, we did that in 1969 with the Bighorn Dam, and I think that was an appropriate thing to do. In 1972 the government, when we were discussing the revision of oil royalties, held public hearings. We had four days when the oil industry and all other groups who had views on this matter made representation. We had, it seems to me, an excellent hearing conducted by this Legislature, and as a result, Albertans as a whole had a better knowledge of some of the problems, some of the obstacles perhaps, but certainly the reasons behind what the government was doing.

Now, Mr. Speaker, if that was valid with respect to increasing royalties in 1972, if it was valid with respect to the Bighorn dam in 1969, it must be even more valid with respect to the Syncrude project, which will cost us: \$200 million in direct equity, a loan of \$200 million, a \$325 million power plant, a \$125 million pipeline, \$230 million of infrastructure which, according to the Harries report, is directly related to the Syncrude project.

Mr. Speaker, before we begin to allocate this sort of money from the Legislature, we as MLAs have a responsibility to go into it in depth. The government reviewed the very expensive reports which had been prepared on Syncrude and they released several. They released a summary of the most important one, the Loram report, but not the report itself. Until we have that report, until we can see the technical data, until we know what they are estimating for labor and material costs, until we have some sort of reasonable explanation as to why a \$1 billion project becomes a \$2.5 billion project, how can we as members of the Legislature vote \$75 million? I don't care under which estimate it comes, or whether it's a special vote of the Legislature. We would be totally irresponsible in voting for that money unless we know on what basis we're making the decision.

Mr. Speaker, the reason I say, hold public hearings, is not only because I think MLAs need more information, but [also] the people of Alberta. Let's not for a moment ignore the fact that the Syncrude deal is going to be the pace-setter for development of the oil sands. Every other enterprise considering development in the oil sands is going to use the Syncrude deal as a starting-off point in negotiations.

Mr. Speaker, if that's true, then it's even more important that this Legislature take the responsibility of holding public hearings, so that the people of Alberta can make representation to us on what they think should be done and on how they see this being developed. I would simply state very strongly, Mr. Speaker, that I hope and trust the government will give this consideration.

We heard a lot about open government in 1971, and I can't think of a more important thing to be open about than the development of the oil sands, where literally hundreds and hundreds and hundreds of millions of dollars will be spent and where, in many ways, the future of this province will be determined.

Just in conclusion, Mr. Speaker, there are several other areas to which I would have liked to have seen more commitment made in the budget during this spring session. For example, I think there needs to be some kind of protection for Alberta purchasers of insurance so we don't have a situation of subtle intimidation: if people don't take out fire and casualty insurance, they don't get their automobile insurance renewed. I would call upon the new Minister of Consumer Affairs, who I believe is concerned about protecting the consumer, to move on this matter as quickly as possible.

The question of housing is a very serious concern. That's why there's some inconsistency in this special tax plan for people in the oil industry. Rather than attracting money into the oil industry in the face of record profits, perhaps we could be doing more, Mr. Speaker, about attracting money into the building of apartments and dwelling places in Alberta so we can rectify our present housing situation.

In general summary, Mr. Speaker, there are a number of glaring omissions in the budget. But, however much you may disagree with certain provisions, you can't help but do a lot of good with a \$2.5 billion budget. Many of the programs are worth while, but it's not my job as a member of the opposition in this House to spend my time extolling the good programs. The various members on the government side will do that. With only 6 of us in the opposition, it's our responsibility to point out some of the weaknesses in the budget.

I say quite sincerely, Mr. Speaker, that this budget would please me a lot more if, during the course of the next 2 or 3 weeks, we had a clear commitment from the Government of Alberta that in developing northeastern Alberta there would be public hearings. I was rather surprised today in the Question Period to hear the answer of the hon. Premier on the question of the Northeastern Alberta Commissioner. I thought we had that matter clearly spelled out last spring, in Bill 55, that the commissioner would be present at the subcommittee, and would report to the subcommittee, and we could ask him any questions we wanted, for as long as we wanted. I thought that was clearly understood by everybody in this Legislature. It was certainly my view. Now we find that perhaps it isn't.

I would hope, Mr. Speaker, if we're going to mean what we say about open government, that the commissioner will be available at the subcommittee meeting, and we'll have subcommittee meetings until we're satisfied we've received the answers we are justified in obtaining.

Mr. Speaker, I conclude my remarks by saying that \$2.5 billion can do a lot of good things, and so in many ways it's a good budget. But it would be a lot better budget, Mr. Speaker, if there were a larger commitment to open government.

MR. JOHNSTON: Mr. Speaker, first of all in my first address to this fine Assembly, I would congratulate the Provincial Treasurer on what I think is a fine statement of his economic assessment for this province and the fiscal direction for the forthcoming year 1975-76.

I want just to look at the economic situation in Alberta, which probably forms the background, Mr. Speaker, for this budget and for the direction we'll be taking in the next year, certainly, subject to some of the views which the members of the opposition have presented to us.

I think we're very fortunate in Alberta to have managed to a great extent to escape the serious pressures of recession which have plagued other areas in North America, particularly the United States. We don't realize the problem of bread lines and some of the other unemployment problems that have been particularly significant to the wage earner and the home-owner in these particular areas. I think, in Alberta, the slowdown in inflation may well have been beneficial although we may have had a slight resulting increase in unemployment and perhaps some less aggregate disposable income. Nonetheless, the slowdown in inflation must be considered to be an important aspect.

I think as well, if we can continue to control the pressure from inflation and to be selective in the policies which we take, such as providing greater benefits to our senior citizens, and certainly, reducing income taxes substantially, that with this combination of fiscal policies and spending programs we can keep Alberta in a very strong and viable position.

I think also I probably would take issue with some of the comments from the hon. members of the opposition wherein they suggest that this was not a fiscally responsible program but indeed an expansionary statement of expenditures. They quoted substantially large increases in the various budgetary votes. But I think there is clear evidence in this budget to show this is indeed a responsible and certainly a close fiscal policy for 1975-76. I think I could quote at least three items which would bear witness to this fact. Certainly I think the Premier's policy with respect to incremental oil revenue, which suggests that that amount of money over the \$6.50 level be removed for the heritage trust fund, is ample evidence of this responsibility to the future. The fact we've taken it out of operations and earmarked it for a special fund, of course, I believe, reinforces that.

Secondly, I don't think there's been an expansion although the hon. Member for Clover Bar has indicated there's been an expansion in the work force for the Province of Alberta. Indeed the budget shows a very small and modest increase of 3.3 per cent to meet the needs and the demands of the people of Alberta, Mr. Speaker.

Finally, I think when you can get an economic surplus of \$39 million, while it's small relative to the total budget, and at the same time reduce personal income taxes to 26 per cent, the lowest in Canada, this type of combination has to be total fiscal responsibility on behalf of this government. And to this end, I must allow that I'd certainly agree with the hon. Provincial Treasurer's position in this case.

On the matter of the heritage trust fund, Mr. Speaker, I want to mention that the fund has particular implications for the City of Lethbridge as a major service centre for the south. The \$200 million earmarked from the heritage trust fund will probably be spent largely in my Lethbridge East constituency and to a certain extent, I'm sure, in Lethbridge West, since we are the centre of 2 of the largest irrigation districts in Alberta comprising something in the area of 300,000 acres of a total of 1 million acres. These are the Lethbridge Northern and St. Mary River Irrigation Districts.

Our city has a potential trading population of 160,000 people, many of whom are farmers. Of course, the direction of farm output, the pricing of the sugar beet crops specifically, and other farm production has certainly been beneficial to our town as increased consumption has been reflected in the standard of living in Alberta, and certainly in Lethbridge as well.

I just returned this morning from a visit to my home constituency. It certainly was a most enjoyable weekend for me with the fine weather and, I might add, the lack of wind this time. The city's tree planting program, which I think is a reflection of the quality of life we are trying to achieve in this province, is one of the things which is really remarkable. The trees, as you know, are part of a boulevard program initiated by the city some time ago. It just happened that on June 1 they are particularly remarkable as you contrast the green trees with the beautiful purple colors of the flowering plums.

Lethbridge was also the site of the 1975 winter games, an occasion which marked and heralded the union of all provinces. We certainly were very fortunate to have participated in this manner. Moreover, it was a southern Alberta participation with venue sites being chosen from all across the southern areas, participation by contribution of arenas, schools, and ski slopes for a total southern Alberta outlook.

There was some suggestion, however, during the election that Alberta may be looking towards a separatist point of view. This was suggested by at least one political party, whose absence from this Assembly of course is noticeable; in fact, his absence from the Speaker's gallery is noticeable as well.

Let me assure you that during the Canada Winter Games, and more particularly during the tremendous opening ceremonies attended by the Premier and the hon. Prime Minister of Canada, there was an extremely strong feeling of national pride. Certainly a tremendous spirit of affinity developed. I have to admit that for some time there was quite a lump in my throat as the total participants gathered in the Sportsplex, the themes of Canada were sung, and the various speakers participated. It was certainly a strong feeling. I, for one, cannot concur that there was a separatist movement, certainly not in southern Alberta, and I don't feel across Alberta itself. Let us not forget, however, that we can continue to be proud Canadians but certainly determined Albertans.

Lethbridge is a very fortunate city, experiencing a very rapid expansionary period. As a service centre, as I have mentioned, we have worked hard to attract typical agricultural processing industries. We have one of Canada's largest meat packing industries in Lethbridge. I haven't got the statistics at hand, but they are phenomenal in terms of relative comparison and output for our city and the Province of Saskatchewan. Our seed processing plant is known internationally, with exports into all the American and foreign markets. We support an animal supplement and feed business as a major part of our economic base. Just recently a new food processing plant was opened by the hon. Deputy Premier to provide a fast-food and air line food processing service for all of Canada. This is the type of achievement we are striving to attract to Lethbridge, and we have had some very clear indications of success in the past.

Some very major projects are under way in Lethbridge, both from the private sector and from the two levels of government. Our provincial government has about completed a senior citizens highrise located near the new downtown library. As well, work is initiated on a new provincial building which will provide courthouse accommodation and needed administration buildings for the provincial government in Lethbridge. This is in the downtown core, which is part of the city scheme to revitalize this central area. Woodward's department store is also completing a major shopping centre adjacent to this. Of course this private enterprise thrust, together with the public sector, provides a tremendous amount of investment for the downtown Lethbridge area.

I should note as well, Mr. Speaker, that the federal government is developing on the periphery of the city a \$22 million research station which will serve the needs of agricultural research across the province, as well as in the Dominion of Canada.

As part of the joint cost-sharing programs with the Province of Alberta, the city opened a new bridge over the Oldman River which knits the new University of Lethbridge and the new west side residential development sites with the downtown and eastern sector of the city.

Lethbridge is certainly known for many of its historical and commemorative locations. Fort Whoop-up, which has been sponsored by the Kinsmen Club of Lethbridge, is the commemorative fort which marks the last major battle of Indian significance in Canada. I'm sure you all recognize the importance to Lethbridge of the Japanese Gardens donated to us by the Japanese community which, architecturally, represent a fine contribution to our city.

I might add that from a municipal government point of view, Lethbridge has to its tribute a very fine city council and a responsible civic administration. The last two years for which I have data indicated the city operated at a surplus, and part of the surplus was allocated towards relief of taxation for subsequent years.

Mr. Speaker, let us review briefly some of the direct assistance given to municipalities by the provincial government within this proposed budget. The unconditional assistance grant provided to the various municipal governments in the Province of Alberta amounts to \$45,877,000. This is really only part of the direct assistance provided by the Department of Municipal Affairs. As well, interest rebates to Alberta communities from borrowings from the Alberta municipal finance corporation are directed to maintain an 8 per cent level of interest for these municipalities. The total amount of this, as reflected in the municipal affairs budget, is \$1,220,000.

The Department of Municipal Affairs also provides assistance to home-owners and renters, which follows from the provincial government's philosophy to remove the provincial education tax levy from farmland and residents in the Province of Alberta. The total amount of money committed to home-owners assistance programs is \$95,900,000. This, by the way, is up approximately 16 to 17 per cent over last year. These funds were essentially to relieve the home-owner from the regressive taxes otherwise levied against his property by the municipality, for school costs which are covered by the general revenue funds of this province.

The total of direct assistance to municipalities, interest rebates, and assistance to home-owners and renters has increased by approximately 35 per cent over 1974-75. The grants and interest rebates are direct payments to the municipalities, whereas the relief of property education tax in the province is reflected in the home-owners' taxes. As well, there is a \$500,000 administration amount which is paid to the municipalities to handle the rebate system as set up. Since the last budget, under the Alberta Property Tax Reduction Plan, the total amount of assistance to home-owners and renters has increased by 16.6 per cent as well.

I should note that the provincial government, through my department, also operates the Alberta Planning Fund. This is a true fund from an accounting point of view, since it continues from year to year with surpluses and deficits being carried forward. In 1975-76, the provincial government will contribute approximately \$2.96 million to this fund, which constitutes 80 per cent of the cost of operating this fine organization which contributes so much to the localities and municipalities of this province. The total contribution this year is up 46 per cent over previous years.

Mr. Speaker, I want to talk just briefly about the area of fiscal responsibility. As I said, this was the note that I found most prevalent in the Budget Address. I think certainly we should give it some thought because of the consequences of inflation, and certainly the power and the clout of spending, not only on behalf of provincial government across the province, but the aggregate effect of all the municipalities as well. The last information I have suggested that approximately \$1.2 billion is spent by municipalities throughout Alberta. As you can perceive, this is a tremendous economic power or lever which these municipalities have in terms of the gross national product of our province.

Request for expanded services at the municipal level creates definite pressures on those managing the finances of local governments. The direct property tax is a major base of local government income, and a charge against property can only be expanded at the cost of government, and as the needs of citizens increase. If the other sources of local authority revenue are relatively inelastic, the only recourse is to increase the annual tax levy. There is little doubt that property taxes are regressive in the sense that the tax tends to charge, or relatively the poor-income family relatively more than the high-income family. Therefore, in terms of percentage of his disposable income, the home-owner on a very low scale is paying a percentage above that of the wealthy home-owner. It is also assumed that the taxation of rental facilities can be passed on to the renters, and therefore we are impinging on the disposable income of two classes of citizens of Alberta; the low-income owner and the person who rents his premises.

Of course, I suppose we could get into considerable discussion about whether this is a regressive tax. Some of the technical aspects of it suggest that if we can define measured income, we might find the regressive taxation not as regressive as suggested. If we look at it in terms of a life-long income, or in terms of the income potential of an entity over the period, perhaps it is less regressive than suggested, but that's essentially an argumentative point of view.

I think it can be revealed that in Alberta, almost without fail, the percentage of net tax change after the education tax rebate has been stable over base of 1970. This is an interesting statistic because it reflects or shows to us the effect of the Property Tax Reduction Plan instituted by this government. Should we suggest that 1970 was a base, it is only because it's close to the date of introduction and shows the relative changes before and after the introduction of the education tax rebate. We'll find that the net tax change, which is defined as the total taxes minus the property tax reduction, has essentially been stable over that period. It's stable in the sense that it has changed roughly, for example in the case of Calgary, to 104.9 over base of 100 since 1970. We must remember also that the consumer price index increased over this period.

So it may well be suggested that indeed the property tax to the individual has been reduced. I think we can see that the impact of the Property Tax Reduction Plan has been tremendous and has been one of the major things which have maintained the individual in his home. Certainly I have been supportive of this philosophy.

Yet the province is facing continuing pressures to absorb unpopular budgetary increases through further grants to municipalities, grants and aids of various kinds. Mr. Speaker, it is suggested that the unconditional grants provided in the current budget are less than required by the municipal governments to meet their needs and services for the forthcoming year. This grant in itself, as I mentioned, is roughly a 15 per cent increase over that provided in '74-75; yet with an inflationary condition, that is if inflation at a rate of 10 per cent per annum is considered, we have probably increased our contributions beyond the inflationary rate.

It seems to me that there has been a move by the municipal governments into this field, that is expansion of their spending and of the service required by the citizens of their local authorities. What is germane, I think, is that some governments allow expenditures to outdistance their present and future level of sources of revenue. I don't believe the provincial government can continue to advance additional and substantial funds

to local authorities to allow them to expand into all areas of services demanded at what might be described as an alarming rate. In this sense the provincial government must continue to serve the best needs of the people of Alberta by allocating these funds to municipal governments in a very careful manner.

The government has already recognized the need to shift responsibility in some areas back to provincial government, to take it out of general funds. Good examples, of course, are in the areas of health, welfare, and education, of which the major amount of dollar contributions over the past three or four years has been substantial, an infinite increase taking place here as well. The government recognizes, Mr. Speaker, that a rearrangement of responsibilities between the province and the municipalities must be considered, that there must be some further research in this area.

Indeed, the government has indicated its priorities already. It has made some suggestions of the direction it would take onto itself in terms of general revenue funding. Let us not forget that the provincial government provides grants to finance the approved costs of all general and auxiliary hospitals to the extent of approximately \$401 million in 1975-76, an increase of 32 per cent over the past year. This final-dollar funding is part of this rationalization, part of this redirection of the cost sharing between the provincial government and the municipal government. Let us not forget either, Mr. Speaker, that the provincial government also reimburses municipalities for 90 per cent of the assistance to welfare recipients covered under The Social Development Act, and provides as well 80 per cent of the municipal assistance administration costs.

The list of assistance to municipalities can go on almost endlessly. I would mention only a few of them: transportation, environment, recreation, certainly the policing grants which have been commented on today; but there will be others who will dwell specifically on these topics within their own portfolios, and the other speakers who follow. But there can be no doubt that the contribution by this province to the municipalities has been very substantial.

The real problem, I suppose, Mr. Speaker, is in defining the areas which have to be shared by the municipalities and by the provinces respectively. I have a recent letter from the City of Calgary in which they spell out several major areas which they consider should be shared further by the provincial government, or covered entirely by the provincial government. I can mention only a couple of these. We can see the direction of the pressure for these kinds of changes, as more and more of the municipal governments move into areas of service not clearly defined under current policies. They feel that the provincial government should pick it up out of the tremendous amount of money, in their words, that we have on hand.

They suggest, for example, that deficits for homes for the aged should be covered; that the cost of free transportation on city transit buses should be provided; that we should cover the costs of handicapped, both in terms of transportation and further additions to their programs. We should also pick up the deficit for ambulance services: the amount mentioned in Calgary is a deficit of some \$1 million this past year, \$900,000. We should also provide further funding for hospitals to add to the large collection of dollars already spent, the cost of land and site improvements. One item mentioned which I do have some feeling for is that we should continue to fund further the Victorian Order of Nurses. Well, we are providing to them, as I understand, \$25,000 per annum. It's always been one of my favorite charities.

This does underscore the point, I believe, that there are areas which have not yet been clearly defined, areas of responsibility which have to be covered by some level of government, but it's not been mooted which level should assume that responsibility. I think that in the next few weeks, and perhaps next few months, this will be one of the major tasks facing the Provincial Municipal Finance Council as we move towards the resolution of some of these problems.

I wanted to make just a few general comments, partly because of the pressures from members of the opposition who suggest that we should delineate where our directions are and where we may be moving within various departments. This is a good opportunity for me to talk about the Municipal Affairs department.

Briefly, by way of background, and of course it was good information for me -- it was the first time I had a chance to review what we had done in our department: our department was incorporated or, I understand, was organized six years after we entered Confederation, in 1911. As you know, it has been a major backbone to many provincial governments along, Mr. Speaker. The department is now completing a major structural reorganization to provide better services to the communities within the province. I might add that many of these major changes over the last four years were promoted by the hon. minister who preceded me. Some of them are coming into fruition now, and he's left me a very simple task of carrying on with the job. I might suggest that I appreciate the efforts that he has done in that department.

We are setting up a new -- in fact, we're moving to our new buildings today. As of June 2, we'll be located in the Jarvis Building. We're setting up in four general areas of operation, or functional areas as they may be described. We're looking at finance, assessment, planning, and general municipal administration. The department will be set up under one deputy minister and three assistant deputy ministers.

I have three or four major directions I think are important for my department which, hopefully, will give you a feel of some of the problems we're encountering and some of the tasks and goals we'll attempt to meet in the next four years of office. We intend to expand the consultative facilities of our department to assist those municipalities generally under our acts, and to provide a broader basis of support for small communities,



counties, and municipalities generally. We previously had what we considered an investigation branch, or an inspection branch; but the thrust now is away from this kind of attitude. We're posturing more towards a consultative point of view, providing people with information on current by-law changes, information on federal assistance; also provincial assistance, the programs available within our organization, and the other types of grants which are available to small communities. We feel that the consultative facility will be one we want to underscore and develop in the future. We do not foresee ourselves becoming a second-line government, I might add, Mr. Speaker, but we do think that the spirit of this will add much to the consultative prospects the various municipalities have requested.

As well, we'll continue our emphasis on planning. We expect to introduce into the Legislature this fall the new planning act which has been under draft and under review, with inputs from various levels of citizens. We hope that we'll reflect in the new planning act, after it's been tabled, some of the recommendations and changes forthcoming from the Land Use Forum. We recognize the importance of this, and we hope to have it concluded this fall.

Thirdly, the northern communities of Alberta have been mentioned often in the past discussion, and our department will be attempting to derive some form of local autonomy for those in the northern settlements, allowing them to have an opportunity to make decisions affecting their future and their community. Involved also in the broader question of land tenure for indigenous people, I will be working with the hon. Minister Without Portfolio to arrive at some type of settlement arrangement for people without any title to property on which they reside.

As well, we have a tremendous backlog of amendments to The Municipal Government Act, and we expect to be opening it up this fall to make it more readable, operative, and understandable, and to allow these local governments to operate perhaps more efficiently.

Finally, we'll have to revitalize the Provincial Municipal Finance Council. It was organized in the fall of 1973, for the hon. members' information, to examine and recommend upon those services which should be provided by the provincial and municipal governments and the sources of funding for such services. Secondly, the outline of that order in council suggested the requirements and sources of revenue of capital works in rapidly growing municipalities. Thirdly, [the council was] to consider the question of property assessment and taxation procedures, and fourthly, to review the Alberta assessment equalization procedures.

Mr. Speaker, I can announce today to the members of the Legislative Assembly the five MLAs who will be members of the council for the next term. They are: the Hon. Dallas Schmidt from Wetaskiwin-Leduc, Mr. William Diachuk from Edmonton Beverly, Mr. Eric Musgreave from Calgary McKnight, Mr. Gordon Taylor from Drumheller, and myself from Lethbridge East. We also have five appointments from the local authorities, and they will remain unchanged. They are Mr. Christoffersen from AAMD and C, Mr. Roland from the same association, Mr. Newman and Mr. Priddle from the Urban Municipalities Association, and Mr. Clark from the Alberta School Trustees Association.

It's my very clear responsibility that we move quickly in the direction of assigning the goals and objectives of the Provincial Municipal Finance Council, that we move toward arriving at some accord between the provinces and municipalities. As well, I would state that we have on my staff Mr. Ellis, who will be the full-time executive director, together with a complement of economists and other research people who will be working on the general problems we're facing, making recommendations of a specific nature to the Provincial Municipal Finance Council, and perhaps suggesting alternatives or strategies which may be considered.

I further think we should look at the specific problems we'll be dealing with in the Provincial Municipal Finance Council, ones which have been suggested to me by letters from the various constituencies, other areas, the MLAs themselves, and certainly from the various organizations which represent municipalities and local authorities. These are: the area of small landholdings on urban fringe areas, which have a differential in terms of the assessment as to the farmland which will be neighboring them; considerations of methods of distributing municipal grants -- we've already touched much upon that, the question of how we'll distribute the grants, new formulas, and new approaches; consideration of the equalization of industrial taxation throughout the province. These are at least three or four of the specific areas which will be touched on by the Provincial Municipal Finance Council as we move to attempt some of these solutions. It is my hope that within two weeks we can arrive at an agenda and that hopefully by the end of June, or certainly the first part of July 1975, we'll have a meeting of this important group.

In conclusion, Mr. Speaker, I just want to revert to what I think are the problems facing municipal governments in Canada. As I said, I think the most important aspect in the near term will be the question of revenue sharing between the provincial and municipal governments. It would seem, however, that no rational settlement can be made without first defining the areas of responsibility which accrue to the province and to the municipalities. This will be one of the most important aspects of the PMFC. I can really see no long-term equitable fashion in which revenue sharing can be resolved, until it has been relatively well determined what areas of responsibility rest with which levels of government. Should we even be able to attempt a resolution in this important area of financial responsibilities to local governments, we will have been able to accomplish very much in this next four-year term.

[applause]



MR. HORSMAN: Mr. Speaker, may I add my congratulations to the Provincial Treasurer for the budget which he introduced last Friday evening.

In participating in this debate, I am pleased to follow the hon. Minister of Municipal Affairs, representing as I do another corner of southern Alberta with perhaps some different points of view than those in southwestern Alberta, although with a much better point of view on March 26 than was evident in 1971.

Mr. Speaker, touching on the question of fiscal policy, the manner in which the budget is presented and implemented by a government has always been, of course, one of the most powerful instruments of any government's policy. Chancellors of the exchequer, finance ministers, or provincial treasurers in history have, by and large, set the pace for the success or failure of government policy in two spheres. Those spheres, of course, are economic and social policy. There are a few items of social policy which I would like to touch on now, if I may.

First of all, may I say that I was very pleased, following the election, to hear the Premier's stated intention that he would devote some more time to social policy than he had been able to, due to the economic circumstances of the oil and gas situation. I suggest to the members of the House, Mr. Speaker, and to the people of Alberta, this will be a good thing indeed for the social programs of this government, because when the Premier directs his attention to problems, things happen and things get done.

Dealing in particular with the question of senior citizens, if I may, the other day I heard a discussion among several members, all of whom were laying claim to having the most senior citizens in the province in their constituency. I don't lay claim to that, Mr. Speaker, but I do indicate that Medicine Hat and Redcliff are communities where there are large numbers of senior citizens. Therefore, the items in the budget relating to senior citizens, I think, merit particular attention from my point of view.

I think the term "fiscal responsibility" used by the previous speaker is interesting. I had written down here in my notes "fiscal integrity". I think senior citizens, above all citizens in this province, appreciate fiscal integrity. These are the people who built this province, Mr. Speaker, with a real concern for wise saving and wise spending. I therefore am sure, Mr. Speaker, that the senior citizens of this province are particularly aware of the necessity for fiscal integrity, and they particularly appreciate the fact that this government has once again presented a budget which has a surplus position, at the same time providing for those social policies which are so necessary.

If I may just touch for a moment on the assured income plan. I know that this plan, providing as it does the highest level of support of any province of Canada, will meet with the approval of the senior citizens of Medicine Hat and Redcliff, and throughout the whole province.

I know, Mr. Speaker, that many senior citizens in Medicine Hat, and I'm sure throughout the province as we've heard over the past few days, are concerned that the \$1,000 grant program for home assistance has not been included in this budget and in this session of the Legislature. But I suggest, Mr. Speaker, that that is a very wise thing, because it is absolutely necessary that an expenditure program of that nature be implemented only when it is quite clear that all the plans have been laid to do it effectively, so that no abuses, or as precious few as possible, can creep into that type of program. While I would like to have seen it included at this time, and I'm sure the people of Medicine Hat and Redcliff would have liked to have seen it included, I would suggest the government has acted wisely in planning before it is implemented.

On the question of senior citizens housing, Mr. Speaker, I'm pleased to note there is an additional \$25 million provided for the construction of senior citizens housing. In Medicine Hat I am pleased that tenders are being called for a new highrise by Alberta Housing Corporation, and those tenders will close on June 17. That will bring a much-needed complex for senior citizens housing to our community. I am also pleased the Minister of Housing has indicated that an additional expenditure for the purchase of land and the hiring of an architecture firm will be undertaken immediately for the Lutheran foundation in Medicine Hat.

On that subject may I congratulate the government for the implementation of the policy, through Alberta Housing Corporation, whereby voluntary organizations will participate and run these institutions. That, I think, is a good measure: putting the control and the operation in the hands of local citizens who are really concerned, who are not civil servants but who are locally oriented, locally concerned.

Mr. Speaker, I think it is absolutely clear that when this budget is passed by this House, senior citizens in Alberta will be receiving the best treatment anywhere in Canada. I congratulate the government and the Provincial Treasurer for that inclusion in this budget.

One other item of social policy relates to the question of hospitals and health care. I note that the budget contains an additional \$33 million over and above the sums included in the February budget to reflect those contracts of hospital employees which have been negotiated since February -- \$33 million in that short period of time. I suggest that in the next year the government must, Mr. Speaker, seriously look at this whole aspect of social expenditure.

During the election campaign this became quite an issue in Medicine Hat and Redcliff. The point I tried to make, of course, was that local governments, through their hospital boards, now have control over these expenditures. All the government can do is pay the bill when it is presented. I wish to make it quite clear, Mr. Speaker, that this has created a good deal of confusion and controversy, particularly in regard to that last potential strike just around election time. Maybe it didn't affect some other hon.

members as much as it did me in the election campaign, but I am particularly sensitive to that aspect of our budget.

The final item I wanted to mention specifically on social policy is Early Childhood Services. Here, Mr. Speaker, I am very pleased indeed to see there is a 50 per cent increase to \$14 million in Early Childhood Services in the budget. Prior to the 1971 general election, Mr. Speaker, I remember very well attending a conference sponsored by the party now in office. At that time there was no service of this kind provided at all: nothing other than some privately run and operated preschool kindergartens largely located in the major centres. Those areas outside the major centres were not able to participate, because they did not have funds nor perhaps trained personnel. So I congratulate the government and the Provincial Treasurer for that significant step forward.

Dealing briefly now, if I may, with economic policies, I note a reference in the speech to "a stable, diversified, and decentralized economy". Coming as I do from a smaller city in the province, representing the City of Medicine Hat with a population of 28,000, and the Town of Redcliff with just under 3,000, I appreciate, perhaps more than most, the absolute necessity of the thrust developed by this government in this area.

I read with a good deal of interest, Mr. Speaker, an article which appeared in the Medicine Hat News on Monday, May 26, in which the leader of that party, which is not represented in the House, thank goodness, was quoted as saying that we should be "hewers of wood and carriers of water". Mr. Taylor, there's his name, sorry, said it would be much better to export the gas and let Medicine Hat residents take part of the extra royalties and income to develop their renewable resources and improve the quality of life in the city. Well, if anybody is the carrier of water, or water buckets, I would suggest that that leader is carrying a water bucket for the federal government presently in office in this country.

Furthermore, during the campaign that party attacked the development and expansion of industry in smaller centres. I suggest there's never been more misrepresentation of government policy than I've heard from that particular party. I suggest if he ever read or listened to the Premier or other members of the cabinet explain the industrial development policies of this government, he didn't want to hear or understand. It reminds me, Mr. Speaker, of the old saying that there are none so deaf as those who will not hear, and there are none so blind as those who will not see. Fortunately the people of Alberta heard and saw.

I reject completely, Mr. Speaker, on behalf of the people of Medicine Hat and Redcliff, the concept that we are to take our raw materials or our agricultural produce, put them in a pipeline or on a railroad, ship them elsewhere, and buy them back, bearing the freight rates and the cost of processing so the people of Alberta can pay more. That's what has happened, Mr. Speaker, over the economic life of western Canada.

That is why I was so interested, Mr. Speaker, in the Western Economic Opportunities Conference held in Calgary. There we saw the problems facing western Canada outlined clearly. I suggest, Mr. Speaker, we Albertans are not prepared to adopt the policies outlined whereby we would ship products away and not process them here in Alberta.

I'm very pleased, Mr. Speaker, at the thrust indicated towards transportation policies. I'm very pleased that a Department of Transportation has been established to co-ordinate the development of this efficient transportation system referred to in the Budget Address. I don't want to deal too much with that point.

However, I'm delighted the present minister has indicated he will do more in the near future to improve communications between those two good cities in southern Alberta, Lethbridge and Medicine Hat. The hon. Member for Lethbridge West, and I'm sure East, will agree with me that part of our lack of communication may be that we can't really readily get to see each other on that highway. As a matter of fact, Mr. Speaker, every time I go home to Medicine Hat or Redcliff people say to me, what are you going to do about Highway No. 3? After hearing about 100 of these people, I finally decided the best answer would be to say, it is now the official policy of the government to abandon the highway. However I trust and I know that will not be the case.

AN HON. MEMBER: You hope.

MR. HORSMAN: Coming as I do from the City of Medicine Hat, we have experienced rapid growth in the last few years. I say it has come about in large part due to the policies of this government. I look forward to increased growth, but I recognize, at the same time, Mr. Speaker, that there are problems attendant upon growth. There are the problems of environmental controls, and I think if we look for a moment at the policies of this government under the former minister, which I'm sure will be carried out by the present minister, we have implemented some of the toughest environmental control legislation anywhere in Canada. I will certainly press for this type of control to be maintained and improved.

Financing is another area in which the government has moved in a major way to help with this decentralization process. After all, it was not so many years ago that businesses wanting to start or to locate in small communities, such as Medicine Hat, Redcliff, Lethbridge, and other smaller centres, could not obtain the necessary funds anywhere for long-term financing. It was not until this government moved forward with the Alberta Opportunity Company, the Alberta Agricultural Development Corporation, with increased funding under the treasury branches to provide and stimulate local people to operate, to plan, and to progress -- I'm very pleased to see in the budget, Mr. Speaker, that AOC will receive an additional \$22 million for loans; the Alberta Agricultural

Development Corporation will receive a further \$25 million. I applaud those moves, and I suggest that that is the type of responsible government and fiscal integrity that the people of this province want.

In conclusion, Mr. Speaker, I just want to touch on the question of agricultural industry and the importance of agricultural industry to the future of Alberta. I have said before, many times, that the misrepresentation of government policy over the past few years has been to the effect that all we want to do is bring in big, smoky, smelly industries associated with petrochemical development. That is not the policy and has not been the policy of this government. The development of agricultural industry, whereby we process in this province the agricultural products into a final form for sale outside and inside the province, has been a major component of our industrial development policy.

In Medicine Hat, we have one of the largest greenhouse areas in all of Canada. I would point out to the Minister of Municipal Affairs that we are the only province that presently taxes the greenhouse industry other than as an agricultural industry, but I trust that will receive his considered attention. Those greenhouses, together with the irrigation, which by the way does touch on Medicine Hat at the east end, will, I'm sure, in the coming years develop this type of agricultural industry whereby Alberta, and southern Alberta in particular because of its long growing season and its heat units, will develop the type of agricultural industry which will supplement and complement the petrochemical industry. The two types of industry can co-exist, and I suggest, Mr. Speaker, that this government is moving in the right direction, as indicated by the hon. Minister of Municipal Affairs, with the provision from the Alberta heritage savings trust fund of the sum of \$200 million for irrigation.

I look forward to working with the other members of this House in developing those policies so that Alberta, southern Alberta, and all of Canada will benefit from those forward-looking policies.

Mr. Speaker, it has been a privilege for me to participate in this debate. I wish the Provincial Treasurer well, and I hope his budget passes very quickly.

MR. DONNELLY: In rising to join this debate, first let me say this is not a maiden speech, but a start-up speech -- an opportunity to get my feet wet. I say this because, it being International Women's Year, we should really make all the changes. It is certainly an opportunity that comes to one once in a lifetime, and one I'm appreciative of, and I take this opportunity to thank the people of Calgary Millican for their trust and confidence, as well as the responsibility they have entrusted in me.

While on the subject of representation from my constituency, I would be more than remiss if I did not mention one of the finest gentlemen to serve this House, in the person of Art Dixon. He is a man who served not only his constituency but all of Alberta and gave it 23 years of his and his family's life. I think Art is to be commended and thanked by this Assembly.

Calgary Millican is a very patient and basically happy constituency; a constituency which has learned to live with industry and annexation, at the same time separated from the niceties other constituencies enjoy. It is certainly a constituency with a wide scope in regard to people. By this, I mean they come from all areas of middle- to high-income brackets and all aspects of industry and business. We have one problem constituent. He was never home for my door knock. The constituent I refer to sits between the Minister of Federal and Intergovernmental Affairs and the Minister of Transportation.

For the benefit of the new members, and perhaps to jog the memory of some of the older members, I would like this Assembly to know that Calgary Millican, Mr. Speaker, contains 60 per cent of Calgary's industry, trade, and commerce, as well as 25,000 interested and concerned people. People who are not chronic complaining individuals, but who are anxious that we get on with the business at hand and carry on with the government to give our youth the challenges and opportunities they desire, to give business and individuals the right to operate under a free and open enterprise system. A system free of excessive legislation, yet one that considers all avenues of good government and one that is more than considerate of the people who had a hand in building this province -- our senior citizens. I can only hope that we not only help senior citizens financially as we should, but also give them the participation in government decisions. Who knows better what is needed by senior citizens than senior citizens?

In regard to the budget debate, I think the thing to remember is, when you don't have it, it's not too tough to be careful with your dollars. But when you do have it and are still careful, then I consider that good management. I know there are people in this House who would spend it as fast as they could get their hands on it. That is not good management. That is foolhardy. If I can leave this House 4, 8, or 12 years from now, depending of course on my constituents and my family, and leave my successor in the same happy financial situation we find ourselves in today, I will feel that we have done our job.

I would at this time like to elaborate further on the budget presented on May 30. In the area of senior citizens, the approach taken by this government is an aggressive and progressive one that I know will be welcomed not only by senior citizens but by all citizens in this province, and envied by the rest of Canada. I say this with full confidence of an ongoing program befitting a most deserving group in Alberta.

In the area of municipal grants, I can only say I feel our government has considered the problems of the municipalities and has met the challenges. I can only hope the municipalities will consider their own financial direction and work at it as hard as this House has.

I will touch only briefly on the steps taken to rejuvenate our hydrocarbon and agricultural industries. I mention this only to make the point that a buoyant economy helps everybody from the large manufacturing plant to the corner drugstore. Something has got to make it all tick, and the two areas mentioned are important parts of that clock.

Being a rookie, I will not try to extend myself on this subject, nor will I try to kid the members in this House that I have total grasp of everything going on at this time. I can only say on these matters and on other aspects of this House that, as the Member for Calgary Millican, I will be back. Thank you.

[applause]

MR. HYLAND: Mr. Speaker, as I rise to make my first speech in this House, I agree with my office-mate from Calgary Millican that this year it is probably very unwise to call it a "maiden" speech.

I'd like to start with a brief outline of my constituency. Basically it's agriculturally oriented, with a little bit of irrigation in one corner around the Bow Island-Burdett area and trailing quite narrowly to the edge of Medicine Hat. This area has among the largest number of heat units in Alberta, higher than Brooks by quite a considerable amount. The Bow Island irrigation area has the potential of being one of the greatest producers of agricultural products around. Mr. Speaker, the Town of Bow Island has had inquiries from agriculturally oriented industries for quite a considerable period of time. They seem to get reasonably close, then they change their minds and sometimes opt for a larger centre.

The Town of Bow Island is the largest in the constituency, Mr. Speaker, with a population of approximately 1,200. It's my home town. The people of this town did a great deal toward my majority, putting me here. I would like to have it noted in the record that I am very grateful.

A little further south, there is an area comprising quite a good percentage of dryland farming. In this area there are many big farms, some of them corporate farms, a great many of them large family farms. This area comprises the Village of Foremost and several very small hamlets: Skiff, Etzikom, Manyberries, and Orion.

In this area each hamlet has a community hall. The community halls in Manyberries and Etzikom, Mr. Speaker, have been upgraded by grants. These halls are holding the areas together. When everything else has gone, the community hall is a place for the people to get together. In some of the towns it is virtually the only thing left.

An area a little further south, probably 15 miles north of the border all the way across to the bottom of the constituency, is almost totally ranching. Some of the big ranches in Alberta are there -- the various Ross ranches. Also in this area is the Manyberries research station.

In the area around Elkwater provincial park, farming involves a great deal of cattle and some dryland farming.

North of Highway 1 there are some large dryland farming and cattle operations. This includes the Irvine-Schular-Hilda area. It may be of interest to note that I was told, when I was campaigning in Irvine, that it's one of the older towns in Alberta. It was built a great deal on the railway, and over the years, through centralization, it lost a considerable amount of population. It's beginning to be found again in the fact that it's becoming somewhat of a satellite community for Medicine Hat.

The area of Cypress is approximately 196 or 197 townships -- a great deal of area with a variance of natural resources in the land, and a great deal of variance in the farming and cattle operations there.

I think, Mr. Speaker, probably one of the greatest points affecting Cypress is that of transportation, and I was very happy to hear of the new department created for transportation. This department is definitely going to be of assistance through the years in the constituency of Cypress. It is estimated, Mr. Speaker, by the district engineer that the construction of rural roads in the Cypress area, is approximately 10 to 15 years behind [those] elsewhere in the province. These roads need upgrading. The major numbered highways in the area need upgrading.

The hon. Member for Medicine Hat has just talked about Highway No. 3 as the highway to have abandoned. Well, I'm about halfway down that abandoned highway, and I have no fear that my town is going to become a ghost town. I, like him, will continue to work for that link between Medicine Hat and Lethbridge, and through the constituency of Cypress -- a very important link indeed.

I talked briefly earlier about the agriculture industry, Mr. Speaker, in the Bow Island area. This highway is the key to it. This highway is going to bring the raw product in, and take the finished product out. The other numbered highways are very important too: Highway 61, serving the southern portion, and Highway 48, providing a link for the eastern part of the province to the American border. These highways, I hope, in a few years time will be upgraded and paved.

There's one fact that nothing much has been said too much about today, Mr. Speaker, and that is rail abandonment, particularly the area that I'm in. I think the Department of Transportation is very important for the reason that, if something happens to those rail lines, those roads have to be upgraded to get the product out. I think we have an hon. member who is quite capable of doing this, the Deputy Premier.

I'd like to pay tribute to my predecessor, the Hon. Harry Strom, who served Cypress, I believe, from 1955, the year he was elected, to March 26 of this year. I knew him personally. He was a good man. He served as an MLA, as the Minister of Agriculture, and

as the Premier. I would like the record to note that the people in the area were quite happy with his service.

[applause]

Elkwater park is the only provincial park in Cypress. It's not terribly large in area, but there is one area that is quite confined and quite heavily developed. I think it's somewhat of a shame. This was brought up when we were talking about the new Department of Recreation, overdevelopment of provincial parks. Cypress is developed enough to the stage where it has parking stalls, sewer hookups. I think what we need to develop more is to give the people the feel of the real outdoors. If they come from the city and they are all up tight about their business pressures, there isn't much difference from that when you go to a trailer park where you have 30 trailers in a row, thin walls and people yelling at their kids and all. You are a lot better outside where you can really enjoy the fresh air under the trees.

I was very happy to see the increased amount for ECS in the budget. This has really been something for rural children, to be able to meet with others they don't normally have the chance -- where they may just see other people once in a while.

In conclusion, as the hour seems to be approaching, I'd like quickly to pay tribute to the senior citizens. They are the people, especially in my area, who had a damned hard go of it in the early years. I must say they did it on their own. They did it with very little government help, and they made a really good country out of it. If we can hand it on to our generation, like they handed it on to us, it would make me very happy.

In my final remarks I would just like to thank the people of Cypress, the constituents who voted for me, who saw fit to elect me as their representation in this Assembly, Mr. Speaker. I am very humble and very proud to be here and to be able to address the Assembly today.

[applause]

MR. SCHMIDT: Mr. Speaker, I move we adjourn the debate.

MR. SPEAKER: The Assembly stands adjourned until 8:00 o'clock this evening.

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

\* \* \* \* \*

[The House reconvened at 8 p.m.]

#### GOVERNMENT MOTIONS (continued)

2. Mr. Hyndman proposed the following motion to the Assembly:  
Be it resolved that the hon. Speaker do now leave the Chair and the Assembly resolve itself into Committee of Supply to consider of the supply to be granted to Her Majesty.

[The motion was carried.]

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF SUPPLY

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will come to order.

MR. HYNDMAN: Mr. Chairman, the first item of business is to set up the two subcommittees. I would like to read the highlights of the motion, in respect of which notice was given this afternoon under Notices of Motions.

I move that two subcommittees of the Committee of Supply be established, Subcommittee A and Subcommittee B -- the chairman of Subcommittee A being the hon. member, Mr. Little, Calgary McCall, the chairman of Subcommittee B, Dr. Backus, constituency of Grande Prairie -- and that the following portions of the Estimates of Expenditure of 1975-76 be referred to the subcommittees as follows: Subcommittee A, Vote 1300 Education, Vote 3300 Consumer

and Corporate Affairs, Vote 1420 Native Affairs; and Subcommittee E, Vote 1100 Agriculture and Vote 2100 Municipal Affairs. In making the motion, Mr. Chairman, I'd like to ask leave of the House to not go through the list of some 37 names of members of the committee, copies of which were distributed to members of the opposition this afternoon.

MR. CHAIRMAN: You've heard the motion. Do you all agree?

HON. MEMBERS: Agreed.

[The motion was carried.]

#### Department of Environment

MR. RUSSELL: I thought perhaps [before] we got into the vote on a detailed basis, I would like to take seven or eight minutes to briefly outline the major structure of the department, and what our objectives will be during the next fiscal year insofar as policy and the use of our financial resources are concerned. I hope all members will find that of use and assistance as we go through the vote.

The Department of Environment tends to be rather a technical and complex one, and in many ways deals with a variety of items of a very, what you might call, sophisticated nature by way of technology, research, or implementation. I think before we go on, I would like to take a moment or two to recognize the contributions of the predecessors in this post. First of all, Jim Henderson, who has now gone back to the private sector, started the department in 1971. Secondly, my colleague, the hon. Mr. Yurko, built on the foundation and organized the department into what it is today. I think it's probably recognized today as the best department of environment in Canada. Not only did Mr. Yurko make a very substantial contribution to Alberta, but I think he did a lot on the national basis by way of leadership, and brought together the association of ministers from across the country in a renewed and more vigorous way. Members may be interested to know that the Canadian Council of Resource and Environment Ministers is having its annual meeting in Edmonton next week. From all initial response we've had, it looks like it's going to be very successful. In a way, this is a tribute to Mr. Yurko, who, up until March 26, was president of that association. I inherited that role and will give it up at the election on June 11.

One interesting thing that's going to occur, and I hope it will be beneficial to Alberta, is: the last three-quarters of a day of that meeting, we're taking all the resource and environment ministers from across Canada, including the federal minister, into the Alberta oil sands region on a tour of GCOS and Syncrude so they will see the magnitude of the problems involved in the development of that Alberta resource, also what we are trying to do in an environmental way. I'm very hopeful that getting the other provincial ministers and the federal minister up there for a half day of informal sightseeing and information gathering will help Canadian understanding with respect to the magnitude of that development.

The department had a new deputy as of April 1, and a new minister as of April 3. So you might say it's a case of the blind leading the blind, although . . .

AN HON. MEMBER: Agreed.

MR. RUSSELL: . . . probably the deputy doesn't really fall in that category, and I'm being unfair to him.

Of course, some of you knew very well the previous deputy, Dr. Ballantyne, who now is on a three-year contract with the government as a special projects co-ordinator for the Department of Environment. He will have three major roles plus some minor ones. He's going to be a part-time member of the Alberta Oil Sands Technology and Research Authority. He's going to be in charge of getting the Alberta oil sands environmental research project under way, and the Vegreville lab, which is in the planning stage right now.

Insofar as the department itself is concerned, if hon. members will notice, it has four major divisions, each headed by an assistant deputy minister. The major divisions look after pollution prevention and control, the development of engineering services, planning and research, and land conservation and reclamation. The minister is responsible for about 12 acts in the department.

In addition to the responsibilities and opportunities under those pieces of legislation, we have four major position papers, which have permitted the government, through the department, to do some pretty major works throughout Alberta, mainly in co-operation with municipal governments. I'm referring to the municipal sewage treatment program and its companion program, the municipal waterworks program. A fairly new one, one which I think has a lot of potential, is the relocation of industries as a result of environmental considerations. The last major one is the sort of miscellaneous one dealing with water management projects.

All of those have some element of grants or cost sharing. Depending on the nature of the program, in many instances there is 100 per cent funding by the provincial authority. There is an opportunity for all of us to do something really meaningful for our constituencies, especially looking at the smaller municipalities, whose level of services with respect to water delivery and sewage collection hasn't been very good. The response

to that program has been very good. I think this will supplement the regional programs we are undertaking. By that, I mean things such as the St. Paul water line and the Red Deer-Airdrie water line which will tend to bring opportunity for development to very large areas, bigger than the municipality the other programs tend to be aimed at.

Just a couple of comments now about the major challenges in the coming year. I feel there are several, and I haven't attempted to list them in any particular order. Certainly one that must go near the top of any list is the development of the eastern slopes. Members are aware of the extensive review and public participation there has been in trying to develop guidelines and some consensus as to what should happen with respect to the development of that very rich and very exciting resource. I am very hopeful that before too long, in this present calendar year, we will be able to make public the government's guidelines with respect to the development of the eastern slopes and perhaps actually release or unplug some of the specific projects which have been pending. We are now reaching a position where we are close to being able to do that with some confidence with a number of projects.

I shouldn't talk about the eastern slopes without some mention of the coal industry. Although it is not specifically related to the eastern slopes, the potential for the development of an industry which is getting a strong second wind seems to lie within the eastern slopes area. To my way of thinking, this has been one of the most controversial and sensitive items the public has been concerned about insofar as the eastern slopes are concerned. I think it is probably inevitable that there will be some additional development of the coal mining industry within the eastern slopes area.

Members are aware of the apparent difference of opinion between the recommendations of the Environment Conservation Authority and the Energy Resources Conservation Board. It appears the challenge is going to be to use the techniques of good management, good environmental considerations, and careful pollution control measures to allow that emerging industry to develop in an orderly way.

I think we are going to have, in the Department of Environment, another challenge insofar as industry is concerned, aside from the coal industry, which I specifically mentioned. That deals with the location and relocation of industries throughout Alberta and, of course, the issuing of licences and permits under the clean air and clean water acts, that will go with some of these industries. Members have heard a lot about the possibilities of a petrochemical industry for Alberta and the government's desire to spread that throughout the province if and when it does proceed. The members have heard the hon. Premier's statement with respect to the northeast corridor, which is going to be a very purposeful swinging away from built-up metropolitan centres of new development that will occur as the oil sands are developed in northern Alberta. So that corridor concept from McMurray to Skaro Junction and thence east and south to Hardisty will take a lot of work and in some cases, I am sure, if signs up to the present are any indication, some very tough and blunt negotiating with industries, in attempting to get them out of the more traditional locations in the metropolitan centres.

But we're committed to the concept of the northeast corridor, we're committed to the principle of decentralization, and we're also very concerned with how the agricultural land in Alberta is used. More and more attention will be paid during the coming months to the matter of how much good agricultural land is given over to purposes of industrial development.

The hon. Minister of Agriculture spoke earlier this session insofar as irrigation projects are concerned, but those members who read the little brown information booklet that was put out by the Department of Environment and the Department of Agriculture recognize that about \$110 million of the \$200 million in capital will come from the Department of Environment. Those funds are not in this fiscal year's budget, but the activities with respect to preliminary planning and discussions, surveys, allocating priorities, trying to put the whole thing together in one master package will occur during the coming year. Outside of some minor expenditures, that \$200 million from the proposed heritage trust savings fund is not in this year's budget, although I expect the work involved in getting ready to spend that money will occur during the coming year.

There's no question that the department is going to be very actively involved in matters relating to land assembly and land acquisition. Members are aware of the special conservation, wildlife, and recreation projects that in many instances involve land acquisition. There will be other, bigger ones insofar as some of the restricted development areas are concerned. We expect this year to continue with a fairly substantial land acquisition program for the Fish Creek Provincial Park in the City of Calgary.

Speaking of parks, members will notice that this year's budget for the department includes \$10 million in capital funds for the ongoing work involved in the Capital City Park here in Edmonton.

Something new that has been added to the budget, from the time it was presented in February until now, is the \$2.5 million for the oil sands environmental research program. This is a program of very complex and detailed environmental research, monitoring, and studying, that will be carried out in the oil sands area in partnership with the federal government. It's a 10-year program and this is year 1. We expect that the total cost of the program over the 10 years will be \$40 million, about \$4 million a year -- approximately 50-50 by each government. I say "approximately" because the provincial government is committed to spend not less than \$20 million and the federal government up to \$20 million, and it looks as if it's going to be about an equal cost sharing in that program. When one puts that study together with the other research and planning work that

is going on in the oil sands area, I think it's just a very substantial amount of research and planning money that is being used by the federal government, the provincial government, and by industry in order to protect the environment and the wildlife that supports it, to make sure that the development of the industry and the supporting infrastructures are done in the best way that we can see.

This year, I think we will see the major construction phase of the Red Deer-Airdrie water line, to proceed in two parts: one from Calgary by way of the Spy Hill jail over to Airdrie, and the other major leg down from Red Deer as far as Crossfield. I intended to serve all the communities in the Red Deer-Calgary corridor with improved domestic water supply for a variety of purposes, including industrial.

In conclusion, I expect the hearings and activities of the Environment Conservation Authority to increase in intensity. There's no question but that they're broadening their terms of reference as they proceed and get experience. They are finding there's more and more interest by the public in what they are saying and doing. Not only the Authority, but the two supporting advisory committees that serve it so very well, are starting now, after three years, to make some very valuable contributions to government. This is of major assistance when we have some of these very difficult decisions to make. Earlier I talked about the development of coal and the development of the eastern slopes. Those are two right there.

Last but not least, it's a small vote, but I think the Environmental Research Trust, which was set up to administer trust funds on a research basis by a board of citizens, is working well. We expect it will get into broader research programs in the next fiscal year.

So when you take that package together, Mr. Chairman, as major spheres of activity for the coming year, it's quite a platterful: the eastern slopes, coal, new industry, water, land assembly, some major capital works, an expansion of research, and we hope along with that, an expansion of public input.

In conclusion, the department estimates contain many dollars for many hundreds of specific projects within your individual constituencies. I think it's quite likely I'll be unable to answer detailed questions on perhaps all those very specialized capital works projects, especially with relation to the matter of water management, but we'll do our best.

With those words, I would like to recommend adoption of the votes in Section 2900, Mr. Chairman.

MR. CHAIRMAN: Excuse me, may the hon. Minister of Energy and Natural Resources have leave to revert to the Introduction of Visitors?

HON. MEMBERS: Agreed.

MR. CLARK: Thirty seconds.

#### INTRODUCTION OF VISITORS (reversion)

MR. GETTY: Mr. Chairman, we've been joined by the 157th Boy Scout Troop from Riverbend. I would like them to stand and be recognized by the Committee. They are accompanied by their leader, Mr. Bodenberger, and his assistant, Mr. Law.

#### Department of Environment (continued)

#### Appropriation 2901

MR. CLARK: Mr. Chairman, if I could make some rather general comments here, and then perhaps ask the minister a couple of questions which relate directly to 2901 and 2902.

Let me say at the outset, we on this side of the House welcome the priorities set forward by the minister. When I say we welcome them, that doesn't mean we'll agree with every one of the priorities, but we think the minister has set a good pattern for his colleagues to follow as to setting out those things his department expects to be involved in, in a most concentrated manner, in the course of the next year.

Could I say to the minister that I, personally, am extremely pleased at the priority he placed on the eastern slopes. It seems that, in light of what the minister said this evening, he, along with his colleague, the hon. Mr. Adair, will really shoulder the major responsibilities as far as the eastern slopes are concerned. I commend the minister for the priority he has placed there.

Might I simply say, on the question of eastern slopes and the possibility of more coal, that I don't think there is a member in this Assembly who doesn't recognize that in the next 20 to 25 years in this province coal is going to be a very important part of Alberta's energy package. That being the case, and we have something like 50 per cent of the reserves of Canada's coal in Alberta, naturally the eastern slopes are going to have to be one of the areas that will have to be "managed", if that is the correct term.



I would caution the government very genuinely in not taking hclus-bolus the comments made by the Energy Resources Conservation Board at the expense of the Environment Conservation Authority. I think all members recognize that Dr. Gcvier and his staff have an excellent reputation, and over a period of many years have done excellent work in the area of the Energy Resources Conservation Board. But I would just caution the government not to buy all the arguments that are in the course of the recommendations they have made dealing with the recommendations from the Environment Conservation Authority. I would like to re-emphasize the point I have made in this Assembly on more than one occasion, that is, the real advantage of looking at this question of zoning as far as the eastern slopes are concerned. Might I add just once again, when we are looking at this kind of zoning approach, we would be very wise to look at zoning which could be tied to legislation. That would then enable us to make changes twice a year, if necessary, but it would take a tremendous amount of pressure off the minister or ministers involved. Once again, before there could be changes in that zoning, there would have to be public input or, in fact, public hearings.

The other area, in the minister's comments, that I have special interest in deals with this question of land use. Perhaps the hon. minister, Mr. Russell, may not want to speak on this, but some time in the course of the estimates it would be very helpful if we had a rather far-ranging and free-flowing discussion on this whole question of land use and when to expect the report of the Land Use Forum.

When you look at some of the problems of the sale of agricultural land, when you look at not only the sale of agricultural land, but other questions impinging on the use of agricultural land, we can't afford to wait around for an extended period of time before we come to some decisions there.

Thirdly, I would be less than fair if I didn't say to the minister that there is a group of people in the area between Red Deer and Airdrie who, despite the way they conducted themselves sometime in March, are very grateful that the water line is going ahead. I would hope some time in his estimates he could be, perhaps, a bit more specific on the period of construction, when he sees the project being finished in that particular area.

I would just like to conclude, Mr. Chairman, my general comments with just two questions to the minister. I assume in light of what the minister has said this evening that we can anticipate a continuation of a strong and active role by the Environment Conservation Authority. You will recall during the Speech from the Throne there was more than one member from this side of the House who indicated his concern with regard to the future of the Environment Conservation Authority. I would hope the minister, perhaps at this time or sometime later, would take the opportunity to put that nod of his head on record so we might refer back to that at some time in the future.

As far as the oil sands research program is concerned, would the minister elaborate as to who really is heading this particular area, and the arrangements he sees between the research council and the federal government? I recognize that just recently the province engaged someone to head the program, but what are the relations between the Alberta Research Council, industry itself, and the University of Alberta, and the kind of relationships that we have in that particular area?

Now, if I could ask two rather specific questions of the minister, dealing with estimates. I noticed that one of the areas that has increased a sizable amount in the department deals with this question of administrative services. There is something like a 32 per cent increase in votes 2901, 2902, 2904. It would be very interesting to know what you anticipate in those particular areas. As I say, when you compare the estimates of last year and this year, there's a 32 per cent increase in the administrative services portion of the department.

One other area that bears some questioning in the course of these estimates, certainly, should be Vote 2940 -- this basically deals with environmental co-ordination services -- where we look at something like an 84 per cent increase. This might be another area the minister could enlighten us on as we get to that particular portion of the Estimates.

MR. TAYLOR: Mr. Chairman, I'd like to say just a few words generally about the department too. I would like to congratulate the minister, or the previous minister, on the selection of a deputy minister. I think Mr. Solodzuk brings with him a wealth of experience. Also, his ability to deal with people and his great technical engineering knowledge, I'm sure, will be a real asset to this department. I congratulate whoever is responsible for his appointment.

The item I would like to speak of first of all is just generally in connection with coal. I believe those who are crying that there be no development at all in the eastern slopes are being very unrealistic. Surely we can't expect to have a resource like that and let it sit idly year after year after year. I believe all of these things were put on the earth for the betterment of mankind, and I think we can develop our coal on the eastern slopes and do it with good management and good pollution control. I think that's what the majority of the people of this province want. They don't want to take the extreme attitude that some are taking in this province, don't lay a hand on anything in the eastern slopes, because it seems almost like a sacred ground. These things can be developed, and the people can have the benefit of the development along with proper pollution and environmental control. I think this is what the people of the province expect the government to do.

I'd like to say a word or two in connection with, I think, one of the most important things this government can do, and will be dealing with, that is the supply of water throughout this province. It doesn't matter where you go, there's concern about water. If this government is able to leave a heritage of good water in the various communities in the various parts of the province which today do not have good water, do not have enough water, it will be a real masterpiece.

I think we have to raise our sights in regard to water. Sometimes we are inclined to think of water for one community, one village, one hamlet, one town, or one city. I like the approach that is being taken in the Red Deer water line where water is going to be made available to a number of communities. The sights have been raised. There are other areas in the province where this same thing can be done. The areas from Rumsey east to Hanna probably right to the Saskatchewan boundary are areas where there is not adequate water, where, if there is going to be development, we are going to have to have more water.

I am hopeful that we will not simply use a Band-Aid in dealing with the water supply in that very great area, but that we look upon some program that will bring water from, say, the Red Deer River right through to the Saskatchewan boundary so that each community will not only have a better supply of water, but also an adequate supply of water. It will encourage industry and population in those areas too.

I notice that the water vote is up 5 per cent, and I'm a little concerned about the sewage vote, which I note is down about 10 per cent. I'm hoping the minister will have some explanation for that. Possibly there's money in another vote. I haven't had time to check that yet. But along with water, this matter of disposal of sewage is a very important item as far as our environment is concerned. I would hope that each year we're able to increase the amount of money that is spent on water and sewage development, because they go hand in hand in giving us a good and clean environment, good and clean air, and good and clean water. I don't know what single item we can tackle that will produce more benefits for the people than a good supply of water and excellent sewage to look after the pollution of an area.

MR. NOTLEY: Mr. Chairman, just making some very brief comments on the estimates. First of all, dealing with the question of the east slopes, I just want to underline that my reading of the recommendations of the Environment Conservation Authority on the east slopes is not that they took a rigid anti-development position at all, but that the Authority did make the observation that if there is a conflict between proper environmental safeguards and industrial development, that conflict must be resolved in favor of the environment. So, I wouldn't want the debate on this issue in Alberta to revolve around two extremes: the suggestion that the Environment Conservation Authority was saying, no development on the east slopes, and the ERCB was saying, total development. In actual fact, the distinction is somewhat more subtle than that, and I think the importance of the recommendations in the Environment Conservation Authority report, especially in terms of where we draw the line in resolving those conflicts, is one which merits support by the government. I would hope, Mr. Minister, that we would see a position taken by the Alberta government before the fall session and that whatever position the government finalizes on this matter, there would be an opportunity to debate it during the fall session of the Legislature. I would hope you would introduce it in the form of a position paper, which then could be debated during the general discussion which occurs in the fall session, or at some point where members will have an opportunity to make their representations.

I want to deal with three other general areas that are covered in the estimates, but make my observations in the overall introductory debate. I am glad to see that there is an increase in the amount of money under the metis water supply program, but I would hope that when we get to that particular section of the estimates, I could ask the minister to report on what progress has been made to date, and to what extent we still have work to do to finish the job. It seems to me the supplying of adequate water is certainly one of the minimum objectives at this time.

The third thing I would like the minister to consider is the whole question of the present financing of drainage programs under the Department of Environment water resources division. As the minister is aware, 100 per cent of the costs of doing a technical survey on a particular drainage project is funded by the department, but when we get to the construction phase of the project, 50 per cent is raised either by the local municipality or the farmers involved.

That may be all right with small projects and in certain areas of the province. But I can assure you that in the IDs it really isn't workable, because there just aren't funds available in the improvement districts. Frequently some very desirable programs, researched by the Department of Environment water resources division, lie dormant for literally years because the money isn't available to fund the 50 per cent local requirement, either from the farmers who will benefit or from the ID itself. I think we have to take a second look at the financing. I can appreciate the arguments for some local share, but I really question whether that local share should be 50 per cent.

Finally, as far as hearings by the Environment Conservation Authority are concerned, I'd like to make this observation: I hope the minister will honor the promise made in Lethbridge by the former minister, that there would be hearings on the Raymond ammonia plant by the Conservation Authority. This is no slur on the hearings by the ERCB, which have already taken place, but the fact of the matter is that the Environment Conservation Authority would allow broader input not only on the physical aspects, but also on the

environmental and social implications. I would hope, especially in view of the fact we've had representation to the government from the City of Lethbridge, that the government would proceed with this commitment and ask the ECA to conduct hearings over the summer.

Similarly, with respect to the proposed petrochemical development in the Red Deer region, I realize that the ERCB is conducting hearings, but I would urge the minister to seriously consider asking the ECA to hold full-scale hearings as well, because the other implications of petrochemicals are probably even greater than in the case of the ammonia plant. So I would urge the minister to ask the ECA to conduct hearings in both Lethbridge and Red Deer with respect to the ammonia plant and the proposed world-scale petrochemical development.

Appropriation 2901 agreed to:

\$87,690

Appropriation 2902

MR. CLARK: Mr. Chairman, would the minister like to take this time to explain the 32 per cent increase in general administration in 2901, 2902, and 2904?

MR. RUSSELL: Yes. The information I have on both those votes shows the major increase is for salaries. I could very quickly go through both votes and give you some indication of the increases. First of all, in Vote 2902, fees and commissions are up \$7,000. That merely contemplates using consultants more, by way of a fee or commission, to carry out studies under this vote. The big increase in 2902 is in salaries, which go from \$347,000 to \$440,000. Travel expenses are up slightly, as are other expenses. So the major increase is in three new positions plus a contemplated raise in salaries for the other positions.

The situation in 2904 is similar. Salaries, again, went from \$128,000 to \$255,000. Other expenses went from \$91,000 to \$158,000. The major item of increase in other expenses is for the rental of outside computer service, which they are starting to use more and more each year. I'd say salaries and computer service in 2904 constitute the major items of increase.

MR. CLARK: Mr. Chairman, to the minister. The minister talked about outside computer services. Are you, in fact, telling us we don't have sufficient computer capability within the government complex?

MR. RUSSELL: It's my understanding, Mr. Chairman, that we do use some outside computer services throughout the department -- not just computers, but also such things as drafting, rather than in-house drafting, and duplicating services as well, which are not done entirely in-house.

MR. YOUNG: Mr. Chairman, I would like to ask the minister whether the same rate of salary increase applies throughout the estimates in each appropriation, or whether we are seeing different rates of salary increase in different appropriations. I am having some difficulty reconciling. I would either abandon my efforts or redouble them, depending upon . . .

MR. RUSSELL: Mr. Chairman, I can appreciate that it's difficult to work through it that way, because of the different classifications within each different vote. I said at the beginning of my introductory remarks that the Department of Environment happens to be fairly technical and complex. In that way, it has a high percentage of employees who perhaps have, on a percentage basis, higher academic or professional qualifications than we see in many other departments. In competing with industry at the senior management level, I anticipate a lot of those raises might be fairly substantial. Of course, the other thing is the additional manpower in some of these. For instance, there is an increase of 8 people in 2904, and 3 people in 2902. There are 11 persons, as well as raises, perhaps, in classifications fairly high up in the senior management level.

MR. YOUNG: Mr. Chairman, a second question which also relates to quite a number of the appropriations. The department is obviously heavily involved in engaging outside services. The notations used are "contracts and agreements" and "fees and commissions". What is a "contract and agreement" as opposed to a "fee and commission"? Do both purchase manpower skills?

MR. RUSSELL: Yes.

MR. YOUNG: You mean, yes, we could use one line instead of two in every case? What's the reason for two lines, if one will do?

MR. RUSSELL: In some instances work is done by way of a fee or commission. An architect or engineer might work on a commission basis or a per diem rate, not necessarily open-ended, but perhaps tied to the cost of the project, whereas other services or commissions are bought on a tendered basis. For instance, the supply of materials, and certain kinds of non-professional contracts such as the rental of equipment, are done on that basis. So

you might get a call for provision of draglines and tractors and trucks, with the men to provide them. That would be under a contract basis.

MR. CLARK: Mr. Chairman, would the minister take the time to give us the details on the 11 additional people we are going to have in these particular votes?

Also, would he comment on 2904, where it talks about "general services in communication and duplication"? If I recall the arguments about three years ago on this whole question of communications, that's why we moved in the direction of this rather centralized communication approach. Are we now moving in the other direction?

MR. RUSSELL: Mr. Chairman, I don't have the details of that staff complement. I will have to report back to the members on that.

MR. CLARK: I'd like to comment on the question of general services and communication. It was my understanding, about three years ago, that we move in the direction of a centralized communications vehicle in the government.

MR. RUSSELL: Well, Mr. Chairman, I presume the hon. member is talking about the Bureau of Public Affairs. I think each department pays for and has somebody who is assigned to each department by the Bureau of Public Affairs. I know there is such a person in Environment and there was one in my previous department.

Appropriation 2904 agreed to: \$635,800

#### Appropriation 2920

MR. PURDY: Mr. Chairman, I'd like to ask the minister a couple of questions on this particular vote. He may not be able to answer it for me, but just west of Edmonton we had some pretty severe flooding in the winter of 1973. I believe \$50,000 was allocated for the Deer Park project, which takes in the area south of Highway 60. I think the department, to my knowledge, did some work during the winter of this year because of the very shallow snowfall we had. I'm wondering if the project will be carried on this year the way it is supposed to have been, that is the whole area opened up and drained to the North Saskatchewan River, as the County of Parkland and the citizens in the area have asked.

The second one I'd like to ask about is the Sturgeon River program from Gibbons out to Lake Isle.

MR. RUSSELL: Mr. Chairman, that's an example of votes I think we'll find in either of the capital votes 2981 or 2983 if the member can wait.

Appropriation 2920 agreed to: \$1,910,490

Agreed to:  
Appropriation 2922 \$1,516,330

#### Appropriation 2924

MR. YOUNG: Mr. Chairman, just one quick question. I note here it says "... provides for operation of water resource regional offices". How many regional offices does the department have, and is this an expanding area?

MR. RUSSELL: Well, my colleague says, God knows. There are about eight, but again I would have to confirm that, because they're related to river drainage basins. There's one in each major centre for each of the major river basins. My memory says there are about eight, but I can confirm that for you.

MR. YOUNG: So it's not been expanded yet?

MR. RUSSELL: No.

Appropriation 2924 agreed to: \$1,269,500

#### Appropriation 2926

MR. R. SPEAKER: Mr. Chairman, just a quick question. Is the \$9 or \$10 millions the federal government committed to projects sort of the complement that the province puts into this program? Is this the operational side of their investment?

MR. RUSSELL: Yes, that's right, Mr. Chairman, and these are things the province would be doing in any case, notwithstanding the agreement. The other votes you would be interested in are 2993 and 2995, the capital votes that spend those federal funds.

MR. R. SPEAKER: In development, at one time there was a proposal -- this was back 8, 9, 10, 12 years ago or more -- where one of the structures between Carseland and Bassano was to be not only a dam, but also a road crossing. I was wondering how you co-ordinate programs such as that with the Department of Transportation, your department, and the federal government to ensure not only that a transportation system to save a bridge could be built in this place, but also we could have water conservation?

MR. RUSSELL: Mr. Chairman, in that last eight- or nine-year period, I think we have developed some good interdepartmental working relationships through standing committees of senior civil servants. The Natural Resources Coordinating [Council] and the Conservation and Utilization Committee are both examples of groups that would deal with those kinds of things.

MR. R. SPEAKER: Mr. Chairman, I'm not sure if this is the right place to ask this, but in the transfer of lands from the federal government to the provincial government with regards to the Bow River project, has the federal order in council been completed so that this transfer can be finalized at this time, or are we still debating over mineral rights? Are you aware of that situation at the present?

MR. RUSSELL: As far as I know it's been cleared, because we're ready to make a subsequent agreement with one of the irrigation districts.

Appropriation 2926 agreed to:

\$330,700

Appropriation 2930

MR. TAYLOR: Mr. Chairman, is The Beverage Container Act now being subsidized in regard to the payments for bottles and cans or is it paying its own way?

MR. RUSSELL: It's paying its own way, Mr. Chairman.

MR. TAYLOR: Good.

MR. CLARK: Mr. Chairman, while we're talking about paying our own way -- this is perhaps the first estimate to come up where we had a special warrant last year, something like \$85,000. Then we see something like a pretty substantive increase, especially in the salary areas here, once again, a fair addition. First, I wonder if the minister can give us some indication of the need for the special warrant last year? We can discuss it now or wait until we get to all the special warrants at the end of the estimates.

Secondly, can he give us some indication as to what these people who are coming on staff are going to be doing? It looks something like 18 in this particular appropriation.

MR. RUSSELL: Mr. Chairman, this particular vote covers a number of programs under a number of acts, and I'm afraid I would have to go back and check the order in council that passed the special warrant to see what it was for. I would also need time to find out the details of the staff complement you mentioned, because I don't have any details with me tonight with respect to the additional staffing.

Appropriation 2930 agreed to:

\$2,270,000

Appropriation 2931

MR. NOTLEY: Mr. Chairman, I'd like to have the minister explain, a little more than he did during his introductory remarks, how this program is going to work, what the basis is for grants to aid industries in relocating. Is there a standard yardstick that will be applied, or is it a play-it-by-ear proposition? Generally, I would like the minister to give the committee in as detailed a way as possible, just how he sees this program working.

MR. RUSSELL: Yes, Mr. Chairman, the criteria would be, if it's to the general benefit of the community where the industry is located to have that industry relocated for major environmental reasons. Now that's something, of course, that's open to a wide degree of interpretation. That's why I believe this particular program is one that will probably proceed fairly cautiously as we go along. You will notice that this is the first appropriation under that vote, and this one is for the relocation of City Packers in Lethbridge, which has been a major environmental problem for that city.

The basis on which financial support is given is related to the appraised market value of the industry being located, excluding the value of land, which is negotiated under a separate agreement by way of site exchanges or some other means. So an industry will get somewhere between 25 and 50 per cent of the costs of relocation, depending on the appraised market value of the improvements.

MR. NOTLEY: Mr. Chairman, I can agree with the Member for Lethbridge East about the wisdom of proceeding as far as Lethbridge packers is concerned. But who makes this decision,

because I am sure that eventually you will have a number of applications from around the province. Is that decision made by the minister, or is there any mechanism within the department to make the decision on an ongoing basis? I realize we have here, in a sense, just an experimental program, but do you have any mechanism developed to decide which firms will be given this assistance and which won't?

MR. RUSSELL: No, we don't, Mr. Chairman. All we have at the present time are the various acts which are the responsibility of the department and the regulations thereunder.

In some cases it has been possible to go back to industries and successfully negotiate a clean-up, whether it's Calgary Power and new stacks or fly ash control or whether it's some of the gas processing plants and improvements by way of emission control orders. But I suppose we are going to find some developments throughout the province where it is just totally unrealistic to improve the existing industry and where the only solution involves relocation.

The hon. member was correct. In a way, this is still in the experimental stages. We are proceeding very carefully, because it's something that could easily be abused. But in the case of this first one, City Packers, that's a very obvious one, and I think there are probably three or four other very obvious ones in the province. We will deal with those on a priority basis.

MR. NOTLEY: I think now, just to follow that up, Mr. Chairman: the decision is made by the minister as each case arises?

MR. RUSSELL: I wouldn't say it's made by the minister alone, Mr. Chairman, because obviously the Department of Business Development is concerned. The site municipality is certainly brought into the discussions and negotiations and, of course, a wide variety of support personnel are involved in making the decision, as well as the Provincial Treasurer.

MR. YOUNG: Mr. Chairman, if I may, my understanding is that the \$566,000 is all for the one relocation, and there is no provision in the estimates for any other relocations. They would come to our attention as special warrants?

MR. RUSSELL: That's correct, Mr. Chairman.

MR. BRADLEY: Mr. Chairman, I'd like to ask the minister a few questions. I'm very pleased to see the government embarking on an industrial relocation program.

The minister is very well aware of the situation of Coleman Collieries in my constituency, and the fact that the pollution from that company affects the daily lives of a number of my constituents. I would like to commend the department on the work to date in trying to make the situation more livable for the citizens of Coleman, but I would like to ask the minister if he would give priority consideration in future estimates to possibly giving assistance to Coleman Collieries for relocating the cleaning plant out of the valley floor, away from the Town of Coleman.

MR. RUSSELL: Well, Mr. Chairman, the last order in council passed with respect to Coleman Collieries and their latest development, Tent Mountain No. 3, puts the cost of relocating that tippie squarely on the customer of the company. The licence issued included a \$2.00 per ton reclamation fee. To date, we've taken the attitude that if these non-renewable resources are going to be exported to foreign or domestic customers, the cost of clean-up and relocation will be part of the consumer's price.

MR. BRADLEY: A further question, Mr. Chairman. In light of the fact that the present cleaning plant was built there with approval, or an error on the part of the former administration in allowing them to build a new cleaning plant there 8 or 10 short years ago, would the government, realizing that Coleman Collieries has put quite a few dollars into building a new cleaning plant -- and it was an error to allow it to go there -- give consideration to giving Coleman Collieries some assistance in relocating that plant?

MR. RUSSELL: Well, Mr. Chairman, there have been extensive discussions carried out with Coleman Collieries, primarily by three departments: Municipal Affairs, Environment, and Business Development. In many instances, Transportation was also involved, as was the Alberta Housing Corporation. A very substantial amount of work has to be done, and we hope can proceed at not too late a date, in the Pass area with respect to infrastructure and relocation of the highway, improvement and upgrading of housing, improving and upgrading of the industrial facility. We've had numerous discussions with the owners and management of Coleman Collieries insofar as who's going to pay for what. We think it's quite fair in this case that the company, by way of the reclamation fee, which we understand now, by way of common international agreements, should pass that fee on to their customers. I believe they have the ability to do this. As the hon. member may be aware, we're also hoping that lessening the fragmentation of municipal forms of government down there will help. To date we have been pleased with the response we've been getting in that regard.

MR. BRADLEY: Thank you, Mr. Minister.

MR. NOTLEY: Before we leave this estimate, the minister mentioned 3 or 4 additional possible moves or relocations. Was there no way that we could get some sort of estimate as to the costs, so that in fact we wouldn't have to pass a special warrant, that there would be more money allocated in this appropriation than the amount necessary to move capital packers in Lethbridge?

MR. RUSSELL: The vote you see here with respect to City Packers is a result of about two to two and a half year's negotiations. Because of the newness of the program and the experimental nature of it, I'm not too sure that another one might be undertaken this year. If it is, I suppose that's so much the better. But the only definitive one that we can budget for with any confidence is the one we've mentioned.

Appropriation 2931 agreed to: \$566,000

Agreed to:

Appropriation 2932 \$510,000

Appropriation 2933 \$167,000

Appropriation 2934 \$1,763,300

Appropriation 2936

MR. HANSEN: Mr. Minister, under this appropriation, is a municipality allowed to use some of that money for the disposal of sewage in a hamlet, for hauling it away when they haven't got the facilities to dispose of it?

MR. RUSSELL: Well, Mr. Chairman, the only restriction on these programs, 2936 and 2939, is the ability of the hamlet to pay the cost-sharing portion of the program. Unfortunately, under existing legislation, which filters right back up to the legality of capital by-laws under the Local Authorities Board, the bill for the hamlet must go back through the county or the parent municipal district. Over the past 12 or so months, we've discovered some difficulties. These two programs are not going to work in all cases for hamlets. I notice that one of the members has put a resolution on the Order Paper for private members' day, with respect to the matter of these services for hamlets. I'm looking forward to listening to that debate because, hopefully, it will deal with the very problem you have brought up.

Appropriation 2936 agreed to: \$602,000

Agreed to:

Appropriation 2938 \$800,000

Appropriation 2939

MR. CLARK: Mr. Chairman, might I ask the minister if this is the vote where we find the Airdrie-Red Deer water line? If it isn't, where is it? When does he see the date of completion, and so on?

MR. RUSSELL: Well, that's not in this vote, but I don't mind answering the question at this time. As a matter of fact, knowing where the hon. member comes from, I think he'll be quite pleased with the matching grants under this section for municipalities in that part of the province.

This is a cost-sharing program with respect to the supply of water facilities for municipalities. The biggest one this year is for the Town of Peace River, \$400,000. We have one here for Bow Island, \$175,000; one for Fort Chip, \$170,000. Then there are a number of ones, \$100,000 or less, spread fairly well throughout the province. The water line is not in here, it's in one of the capital votes at the end. But I can tell the hon. member that the process is now under way of acquiring the easements for the right of way. The pipe has been tendered, and we're very hopeful we will see pipe going into the ground this fall.

MR. COCKSON: Mr. Chairman, in noting these three estimates, 2936 to 2939, you seem to have lost your battle to acquire extra funds for pollution control water supply. In view of the fact that we're trying to decentralize, and the heavy demand for sewer and water facilities throughout the smaller municipalities in the province, I wonder how you rationalize an increase in mosquito control with a reduction in sewage and water facilities. It seems like a strange kind of priority.

MR. RUSSELL: Mr. Chairman, perhaps I should comment on that. I think the hon. Member for Drumheller raised a similar question earlier. The decrease in dollars does not represent a decrease in the progress of the program itself. For instance, in 2936, the financial assistance is by way of payments of capital debentures. So once you get the program going, you can keep an awful lot of projects under way by paying the capital debenture payment that is above the level of \$13.70 per capita. In the case of 2936, once the

initial rush of new projects has been carried out in the first two years, you can keep this year's coming on stream and maintain those per capita payments with less funds.

In the case of 1939, we think we've peaked over the high demand part of the curve with respect to that program. There are about 20 municipalities budgeted for this year, which represents a pretty good ongoing pace when you take that in context with the first two years of the program.

MR. CLARK: Mr. Chairman, before we leave 1939, I wonder if the minister could report back to the committee the reason for the \$1,770,000 special warrant last year. I assume it was for assistance to municipalities. So perhaps it would suffice, if that's the case, just to bring us back a list of the municipalities included last year.

Mr. Chairman, might I also say, if the minister would do the same thing for 1934 and 1932, where there were special warrants also, it might hurry up the discussion when we get to the special warrants.

MR. RUSSELL: Well, I can do that, Mr. Chairman. In the case of 1936, I can give him a complete list of municipalities right now, also in 1939, right down to the exact amount. But it's not broken down as to original vote or special warrant. The reason for the special warrant, as the member says, is that more municipalities came forward than had been budgeted for. Do you want the list now?

MR. CLARK: You can give it to us now if you want.

MR. RUSSELL: Well, all right. If you look at 1936, municipalities receiving assistance are: Dewberry, Eaglesham, Minburn, Plamondon, and Stony Plain. Those which have applied for assistance and the application is under way are: Beaumont, Gibbons, Legal, Milk River, Okotoks, St. Paul, Sundre, Bellevue, Cold Lake, Lacombe, Sexsmith, Three Hills, Tofield, Wabamun, Vimy, Hillcrest, East Coleman, Leslieville, Macmine, and Two Hills.

In 1939, the municipalities which have received assistance during the year -- they may have applied the previous year -- are: Barons, Calmar, Clyde, Edberg, Sexsmith, Stavely, Wembley, Crossfield, Fort McMurray -- Fort McMurray was for \$1 million in that case, Glendon, Lac La Biche, Onoway, and Tilley. Those which have applied for assistance but where the application is not yet finalized are: Devon, Brooks, Cremona, Consort, Cowley, Delburne, the County of Red Deer, the County of Lamont, Lethbridge, Irricana, Champion, Fort Saskatchewan, Leduc, and Rosedale.

MR. JAMISON: Mr. Chairman, I'd like to ask the minister if there would be any money in Appropriation 1939 for a feasibility study, if the municipalities on a regional basis requested that. Would there be money in this appropriation for regional study?

MR. RUSSELL: Well, I know the feasibility study the member is referring to. It's budgeted for, but it's not in this vote.

Appropriation 1939 agreed to: \$1,953,000

#### Appropriation 1940

MR. YOUNG: Mr. Chairman, I presume that in this appropriation, the purchase of Holy Redeemer College would have been at least administered. Could the minister report on the present status of Holy Redeemer College? Is it in here?

MR. RUSSELL: No, it isn't. There is a capital vote at the end for land purchases, but it was done by special warrant in that case.

MR. YOUNG: Is the administration of the purchase in here? In other words, does this appropriation cover those people who are responsible for that type of governmental activity?

MR. RUSSELL: Yes, it does. The land buyers are in this section.

MR. CLARK: Mr. Chairman, this is perhaps the appropriation with the largest increase -- 84 per cent across-the-board. I wonder if the minister can give us some indication as to what's going to take place as a result of the 84 per cent increase, and perhaps we can go from there.

MR. RUSSELL: There has been the usual increase in salaries, a very substantial increase in salaries, going from \$622,000 to \$941,000. The number of salaried positions has gone from 50 to 71. I presume the member will want the details of that, which again I don't have.

The other large increase -- there is a consequential increase in travelling expenses that goes with that, because these land buyers and support staff are all over the province, as the hon. member can appreciate -- is in the grants section, which went from \$400,000 to \$650,000. There is a great variety of grants that are given out under this section. I have the details of those if the member wishes them.

There are a number of grants that are made to other parts of the government service. I'll go through them quickly. There is one for \$60,000 on sports fish, made to



Recreation, Parks and Wildlife. Another one to the same department for \$50,000 on furbearers, and one for \$40,000 on upland birds. There is an interdepartmental undertaking for \$100,000 on grants of a biophysical nature. Really, this deals with plant growth, wildlife, forestry, and recreation areas, and includes funds for a mapping program. There is a grant of \$100,000 to the Alberta Research Council, and one for \$78,000 to Lands and Forests with respect to a Canada land inventory in northern Alberta.

So, you can see that perhaps "grants" is a misnomer in this case. They are really transfers to other service departments in government. One for \$36,000 to the recreation division in Recreation, Parks and Wildlife. One for \$72,000 to fish and wildlife as part of the Canada land inventory dealing with ungulates, and \$115,000 as a grant to the Conservation Utilization Committee, which is an interdepartmental committee chaired by an assistant deputy minister in the Department of Environment.

MR. CLARK: Mr. Chairman, I would ask the minister: is the bulk of the increase, staffwise, people who fit into the area of land buyers and so on? In addition to the corridor project from Fort McMurray to Hardisty, where else will they be bending their efforts in the course of this next year? It seems to me like an increase of 21 people. The last time I checked the government still had a freeze on acquiring additional land in the corridor.

MR. RUSSELL: They're not all land buyers. Of course, there is a support clerical staff in the offices for them. But if you look at some of the projects in which we are involved, there is a government land purchases act which will be coming in soon. That will involve a substantial investment in land. There is the continuation of the restricted development areas, and we are now getting substantial land-buying activity in those areas. There's one around three sides of Edmonton, two more adjacent to Edmonton up and downstream, and one in Fort McMurray. There's the Fish Creek Park as well as the Capital City Park and, as the member knows, there are the easements for the Red Deer water corridor. All of these require manpower out in the field. As well, there are the traditional ones the department has always been involved in with respect to various recreation or conservation areas all over the province.

MR. CLARK: Mr. Chairman, I'd like to ask the minister if, in moving in this direction, the government gave consideration to making use of and perhaps beefing up the landmen in Highways, because there is a substantive number there. I certainly don't know the number, but it would seem to me that those people should have had the greatest expertise in government. Frankly, I just wonder at the wisdom of building a larger group here as opposed to acquiring that service and strengthening that service over in Highways.

MR. RUSSELL: Well, Mr. Chairman, there's a clear definition of responsibilities insofar as land purchase is concerned. Because of the degree of activity in this field, we've been working on an interdepartmental basis to try to strengthen the land-buying procedures that are adopted by the government. We would hope the Department of Highways would only purchase land they need for roads or bridge sites or those which are involved in the actual projects of their department. That applies also to Government Services; that they would only buy land for specific projects carried out by some department of government.

Alberta Housing is the only other agency that does a lot of land buying, and it does it specifically for urban development or housing projects. That leaves you out here with this great variety of land-buying activities that somehow have to be fulfilled. It may be buying low flood land in various water courses. It may be buying rights of way for something like a water line. It could involve a lot of man-hours in the restricted development areas, and the land acquisition, especially for Fish Creek Park, is really going to be a very heavy task. So that's how we've divided it. The other three departments only buy land for their specific department requirements.

MR. CLARK: Would the minister be prepared to outline to us somewhat -- given the fact we're being asked to approve these additional people -- this legislation that is going to be coming forward, as far as the government land purchase act. It may not be the minister's legislation, nevertheless the minister is asking us to give approval here for additional people, some of whom will be involved in this kind of program. Can the minister give us some indication of what's involved?

MR. RUSSELL: Well, Mr. Chairman, about a year ago, the Provincial Treasurer indicated that this was the direction the government would like to take. A considerable amount of attention and work has gone into that concept since then. I don't want to mislead the members that these 21 persons are all land buyers. They're in the section of the department that does the land buying, but there are many other activities in that section as well. Just to give you some idea, there are only 3 land buyers in the division now. Certainly that figure is misleading. It isn't proposed to be another 21 but, as I said, I must bring back to you all the details on staff requirements.

DR. BACKUS: Mr. Chairman, I don't know whether this is the relevant appropriation, but I would like to ask the minister if he would consider either in this appropriation or in future appropriations in this area, something that I feel is very important environmentally. A number of dams have been constructed throughout the province, smaller dams to provide reservoirs and so on. These have resulted in preventing the normal

migration of fish up into rivers and lakes. It would be beneficial, both environmentally and recreationally, if the government considered making grants to enable either the government or municipalities to build fish ladders around these dams for the fish to migrate up into the reservoirs and lakes above.

MR. RUSSELL: Yes, Mr. Chairman, that's an excellent suggestion. Under the fourth position paper that I mentioned in my introductory remarks, I believe it is possible to carry out water course projects of that nature, and to get funding up to a level of 100 per cent in some instances.

AN HON. MEMBER: I feel a speech coming on.

MR. BRADLEY: I don't know if this is the proper appropriation to bring this up, but I notice under this appropriation there is funding to administer The Land Surface Conservation and Reclamation Act. I'm wondering if Sections 44 and 45 of that act, to reclaim abandoned coal mine sites where the corporation no longer exists, have been put into force.

MR. RUSSELL: Yes, that's correct, Mr. Chairman. In addition to that, as a matter of fact, some fairly detailed regulations that reflect these two sections are being considered for amendment at the present time.

DR. BUCK: Mr. Chairman, I would just like to say this land acquisition section really bothers me. This is a typical example of the way bureaucracy grows and grows and grows. You set up a department, you have to set up another branch to duplicate what another department is doing. So we have the Alberta Housing Corporation, the Department of Highways, DPW or Government Services, AGT, the Alberta Liquor Control Board, now the Department of Environment: everybody seems to be having a land acquisition section. Why doesn't somebody pull this all together and have one section responsible for acquiring land for all these different departments? In spite of the government saying its civil service grew only 3.3 per cent, I find that just a little bit hard to swallow, in spite of the statistics handed to us.

AN HON. MEMBER: The Treasury Branches too.

DR. BUCK: Yes, another one, the Treasury Branches. They need land. Everybody needs land, so everybody who's got a department sets up a land-buying division.

Mr. Chairman, I really think somebody should try to have a look at developing some type of co-ordinating organization, and cutting out about half that staff. Every time you set up a department, you need secretaries. The secretaries need assistants for the assistants, and the old mushroom grows and grows and grows. When we look at the budget, just about every one of these administrative things, 80 per cent, is manpower. That's a lot of people to push a lot of paper around.

So, Mr. Chairman, I would like to see the hon. minister lead the charge, and see if he could co-ordinate a section, possibly under Municipal Affairs or Environment, to have a central -- no, not to set up another one, to set up one and cut half the bodies out. Save the taxpayer some money. But, quite obviously, the government isn't too interested in saving the taxpayer any money. What's a million-dollar airplane here or there? That is just a typical example of the way the bureaucracy works, just keep adding on and on and on. Every time you think of a new program, set up another section under that program. That's the way the old taxpayer gets fleeced.

MR. RUSSELL: Well, Mr. Chairman, a correction and a response should be made to the statement.

The additional bodies the hon. member mentioned don't have separate land-buying capabilities. They go through the appropriate department. If the liquor board or the Treasury Branch requires a site for a specific building, they get it through Government Services. They're not out there buying their own land.

I mentioned the four agencies in government that now have the authority to purchase land. I mentioned also that a year ago our Provincial Treasurer had given some indication as to how this might be centralized and improved, along the lines the hon. member is mentioning.

The other thing that's interesting, of course, and this is a judgment decision, is how you balance an increase in the civil service with respect to additional programs you are running. I think we've responded fairly well in meeting the demands, putting these programs in. But even in the case, for instance, of a Fish Creek Park in Calgary, somewhere between \$10 and \$20 million worth of land has to be purchased, and purchased very carefully because it's being done with public funds.

Now, you can't do that by decreasing the civil service. I think the Legislature as a whole supported the concept of a provincial park. I could name other programs which generate a great deal of activity. There must be some support staff to carry out these programs. I know hon. members a year ago wanted increased mortgage funds for housing. The government responded, but you can't jump from \$5 million in mortgages to \$65 million in mortgages and do it with the same number of civil servants. The waiting period would be very long. And it's the same in the case of land buying. Many hon. members want pieces

of land bought for recreation or flood control or drainage purposes in their constituencies, and you have to have some core group of qualified people to do that.

DR. BUCK: Mr. Chairman, I'd just like to add a point or two. I'd like to get it coordinated so we don't have it under four departments. I think there are some advantages to that.

Also, has the Conservative government never heard of private enterprise? When Dow Chemical or Sherritt Gordon want to acquire some land, they don't set up a land-buying department. They hire a real estate firm to pull the parcel together for them. Has the government never heard of free enterprise? Have they not thought of taking that approach?

MR. RUSSELL: Yes, as a matter of fact that is the method we are using to acquire the right of way for the Red Deer water line.

AN HON. MEMBER: You going to pull together?

MR. CLARK: It would be unfortunate if we didn't ask the minister, frankly, if the department doesn't think there would be a real advantage in pulling the people involved in land acquisition into one agency, I don't particularly care which department they are in. But there are down periods for each particular area and really I think there is an advantage in pulling them into one particular area. If that isn't valid, then we'd better look at a number of other areas where we've done the same thing over the past many years, not only in the past four years. And as the minister said himself, we now have people acquiring land in four different areas. That's a pretty delicate operation under any circumstances, so I would ask the minister seriously to think of the situation.

MR. RUSSELL: I thought I had indicated, Mr. Chairman, that the Treasurer had previously mentioned it and spoken on it, and that it is under active consideration. We would hope to be in a position to announce something before too long.

Appropriation 2940 agreed to: \$2,648,000

Agreed to:

Appropriation 2942	\$807,000
Appropriation 2944	\$818,200
Appropriation 2950	\$2,500,000

Appropriation 2975

MR. CLARK: Mr. Chairman, in the outset I asked the minister, would he comment on the future of the Environment Conservation Authority, and he nodded his head. I was quite enthusiastic about the nod. I'd like to have the nod in Hansard. Would the minister indicate what role he sees the Environment Conservation Authority playing in the future.

MR. RUSSELL: I see it playing an expanded role, Mr. Chairman. We intend to fill the fourth vacancy that exists on the Authority in the coming months. We're looking for an appropriate appointee right now. During the past year, the staff has moved into new quarters. They have taken on two additional staff people. We have the commitment to a 30 per cent increase in operating funds and to filling the membership of the Authority. I have also in front of me a fairly lengthy list of proposed hearings they hope to hold between now and 1980. They appear to be a very vigorous and energetic group, one we want to continue, and we are trying to support them by way of budget.

DR. BUCK: Mr. Speaker, I am pleased to see that the Authority is going to remain active, but I'd also like to make sure that it remains free to do what it feels it should do. I don't know if it can stand too many harangues from the Deputy Premier when he doesn't agree with what the Authority suggests. I don't know if it can survive the Deputy Premier's assaults.

This Authority was set up as an independent body. Then your predecessor seemed to have the idea that before this Authority went out to find out what the people were really thinking about environmental matters, it had to come and check with the minister. That procedure emasculated the intent of the Environment Conservation Authority. I hope the new minister will give it back the freedom that it needs to function.

MR. TAYLOR: Mr. Chairman, I'd like to say a word or two on that. I see arguments being advanced that are going to take the control of things from the government, the elected people. I don't mind any board having a free hand to make its own recommendations. But surely the decision has to be made by the government. The government may agree with that decision of the board, or it may not. But let's not have commissions running the province. The government was elected to run the province.

DR. BUCK: Mr. Chairman, I would just like to ask the hon. minister a question or two on the modus operandi of acquiring land for the green belt around Edmonton and the surrounding area.

Mr. Chairman, for a government that prides itself on open government, I think the hon. minister is aware, and the members of the government are aware, to the best information I could acquire, there was no consultation with the people who had their land frozen. The hon. minister has told me the only way they could acquire the land was the secret fashion that they used.

Now, Mr. Chairman, I find that just a little hard to believe. Even some of my good Conservative friends, one of my former Conservative opponents, the first notice he got -- and he should have some inside information if anybody is going to have some inside information -- was when the caveat was handed to him. Now, that's consultation.

AN HCN. MEMBER: How did he vote last time?

DR. BUCK: The poor man is in Jamison's constituency, so he can't vote for me or against me.

Mr. Chairman, the people who are affected are gravely concerned that they had absolutely no participation in the decision-making whatsoever. I would like to have the minister try to justify to the members of this Assembly just how the procedure went.

MR. RUSSELL: Well, I suppose to start at square one, one looks at the need, justification, or reason for invoking an RDA or restricted development area. That decision, in the final stage, rests with government. Looking ahead in the case of the City of Edmonton, it seemed in the best interest of the municipality to proceed with that restricted development area. There have been many rumors and speculations with respect to what the thing might be used for or where it might be. The names of people very interested in finding that kind of information are well known to all of us. So, for obvious reasons -- and we were talking about the care needed when the government spends money or does something legislatively with respect to land -- the utmost care must be used. For those reasons, we try to achieve secrecy and confidentiality, insofar as invoking the RDA is concerned.

Once the RDA has been declared, immediate steps are taken to notify the owners that has happened. That is followed up by public information meetings which are conducted by the department. In the past, and I hope to continue this, if somebody was still concerned, they had a meeting with the minister to have it described to them.

If somebody wants to extend or change the use of the land, under the terms of the caveat they must get a ministerial order to do so. There have been many instances when, of course, additional activities or expansion have been permitted on the land. If a person is unhappy and doesn't want to be in a restricted development area and wants to sell, the department commences negotiations to purchase. The department tries to assess the value of the parcel, gets the assessment or appraisal reinforced by an appraiser from the private sector, and an offer is then made to the vendor. The vendor, of course, can also get an appraisal done if he doesn't agree with or doesn't like the government appraisal. From there, it proceeds on the normal buyer-seller relationship.

I'm not sure of the number of parcels acquired in the Edmonton zone. Another one was acquired last week. There are several in the stage of final active negotiations at the present time. Some people are quite happy to be in the RDA and like the protection it gives them. So you get a variety of reactions.

DR. BUCK: Mr. Chairman, I can't understand. There wasn't any money spent, as far as I can tell, when the minister arbitrarily took a pen and somebody's department drew a map and said, that is the frozen area. There was no money expended. I don't know why you're worried about speculation, because the land value has gone down. If the frozen area could have been used for other purposes previously, if the government is going to compensate that farmer for what it could have been used for, I can certainly understand why the government would want to acquire this land in secret. But when they arbitrarily took a pen and drew on a map, this will be the area, they didn't have to worry about running around and buying up that land, because they just froze it and said, we will pay you what we think is fair market value.

There didn't have to be that secrecy. When the price of your land is going down, you're in no hurry to sell it, except for the poor fellow whose development is restricted. In fairness to the minister and the department, for the people who are staying in the area, they haven't been hassled too badly as far as -- let's say they're going in a -- what's that stuff under glass -- greenhouse business, and if they're going to stay in it, there hasn't been too much of a problem to increase their holdings and the size of the operation. But just the basic principle of a government that prides itself on open government, participation, dialogue before anything happens, public hearings; it just doesn't seem to follow that pattern the government has been dragging about when they arbitrarily draw a line and say, that's the thing.

So, Mr. Chairman, the people that are involved are just not that enthusiastic. We'll be watching with great interest some of the areas that were bought that were going to be housing developments. Some of the areas have beautiful views and would make nice country acreages and high-priced land. It will be quite interesting to see what the government pays for the potential that is there for some of this land.

MR. YOUNG: Mr. Chairman, I don't see how it's possible to proceed in any other manner than the government has done, in terms of the acquisition, or at least in terms of the declaration of the RDA.

But I am concerned about how the government administers the land that it may eventually purchase in the RDA, and secondly, whether the government ever sells, provided the purchaser is going to maintain the use within the restrictions which are laid down. Where are we with respect to this, especially in the Edmonton area? Are we selling? Are we buying from buyers and later on, if the market opens up, selling? If not, are we leasing land? What are we doing?

MR. RUSSELL: Well, certainly the department or the government has no desire to get into the business and change the use of the land. The whole concept of purchasing is to maintain the existing use and zoning of the land, if the person feels he's being hard done by. My understanding is that in some cases, the owners sell and then lease back. It depends on a variety of circumstances, again what the capital gains tax situation is for the vendor. So in some instances we've had to go slowly and investigate whether it's a corporate sale or an individual sale. But the prime purpose of acquiring the land is to maintain it in its existing use.

MR. YOUNG: So we're not reselling any of it then. In other words, we're not buying to accommodate a seller who wants to get his investment out from under the RDA situation, and then reselling later on. We are holding the land and leasing where we can and otherwise finding some use for it.

Appropriation 2975 agreed to: \$732,000

Total Income Account agreed to: \$22,628,890

MR. CHAIRMAN: If you would turn now to the Capital Accounts, page 11.

#### Appropriation 2981

MR. NOTLEY: Mr. Chairman, it's under this section that I would just like to make the representation I did during the general introductory debate, that we give some consideration to funding the portion of the drainage programs which have to be met, either by local levels of government or by the individuals concerned.

MR. RUSSELL: Was that a question? I didn't get it if it was.

MR. NOTLEY: Mr. Chairman, it was more a representation than anything else. I would hope that the government would consider this matter and look to possible changes in the formula for funding for drainage projects at this time.

MR. PURDY: Mr. Chairman, to the minister. I wonder if he could elaborate on what I questioned him on previously, the drainage projects west of Edmonton? Have you got that information, Mr. Minister?

MR. RUSSELL: Well, I have it, but it's five pages of single-spaced small typing, Mr. Chairman. If the member wants to see me afterwards, I can give him, or any other MLA, details.

MR. PURDY: I'll see it afterwards.

Appropriation 2981 agreed to: \$9,600,000

Agreed to:  
Appropriation 2983 \$1,905,000

#### Appropriation 2985

MR. NOTLEY: Mr. Chairman, I wonder if the minister could outline for us what the department foresees undertaking this year for the \$10 million in the appropriation, also give us an up-to-date accounting of the \$5.5 million spent last year. To what extent have we made progress, and what does he foresee being done for the \$10 million this year?

MR. RUSSELL: The management and progress of those kinds of things is carried out under a joint policy management committee which includes two members from the City of Edmonton and three members from the provincial government. Last year, the major expenditures the hon. member mentioned were for land acquisition either done directly by the province or, under agreement, by the municipality, and then reimbursement to them. There are a fair number of consultant studies under way with respect to the various capital improvements in the park. Those two things represent the major expenditures.

Insofar as this year is concerned, there is another \$5.5 million for land purchases. The rest is in contracts, fees, and commissions for consultants, and awards for work which might be undertaken.

MR. NOTLEY: Mr. Chairman, just following along with several questions on the Capital City project, is the minister in any position to give the committee an indication of the housing stock that will be replaced as a result of the Capital City Park? I realize the City of Edmonton plans some parks expansion adjacent to the Capital City Park, but I would be interested in knowing just how much housing stock will be taken up by our part of the project.

MR. RUSSELL: Mr. Chairman, I am glad the hon. member raised the matter of housing, because I think it is just ludicrous, in this time of a housing shortage, that any government would contemplate wiping out that many houses to put the land to another use. Insofar as the province's plans for the Capital City Park are concerned, I think there are only 11 or 12 houses that may have to be acquired at a later date, but we are in no hurry at the present time to acquire those. The several hundred homes in the three communities that the hon. member has referred to are in adjoining areas, neighboring the proposed Capital City Park, that the city, in the long run, would like to put in to the overall river valley park area. In no way is the province supporting the annihilation of those neighborhoods.

DR. BUCK: Mr. Chairman, I would just like to say every year I make a plea to the government that we would like to see some indication of exactly how much money this park is going to cost the taxpayers of Alberta. We had a beautiful glorious sketch here -- was it two years ago, one bright Friday morning -- and it said, here we are. The Edmonton MLAs had a little caucus meeting and announced to the lucky people of the City of Edmonton they were going to have the Capital City Park. It's going to cost \$34 million and we have never, ever seen in this House, or any other place, any kind of study, any kind of report, anything to indicate how that \$34 million is going to be spent.

Mr. Chairman, I would like to stand in my place and say, by the time the year '78 comes around, when the Commonwealth Games will be here, we're going to be well over \$34 million. We'll probably be closer to \$50 to \$55 million. Surely a government that's responsible to the people should have some indication of what they're going to do and how they're going to spend that money. That's completely and totally irresponsible.

Now it's a great publicity stunt and I am in favor of the concept. But I just can't sit here, Mr. Chairman, and let this government spend that kind of money without some responsibility to table, in this House, how the money is going to be spent, and how they arrived at the figure of \$34 million. I think they are derelict in their duty.

The former Minister of the Environment can smile all he wants. If he could put his documents on the table, then he could smile all he wanted to. Then he could have a grin from ear to ear like the cat that stole the cream and say, look what a great job I did, for \$34 million we're going to do this, this, this and the next thing. I'd be happy and so would the taxpayer. But this government is establishing a pattern of saying, we're going to do it and the rest of you guys can go to you know what, because we are king and what's good for General Bullmoose is good for everybody in Alberta. That is not a responsible approach for a government, any government.

Mr. Chairman, I will keep asking this question, and asking this question, until somebody on that front bench lays a document on this table saying, this is what we're going to do and this is how much money it's going to cost.

MR. RUSSELL: Well, Mr. Chairman, if I'm not mistaken that's exactly what was done.

SOME HCN. MEMBERS: Come on.

MR. RUSSELL: The brochure, the statement on the park, the agreement with the city -- all these documents were tabled by the former minister. The agreement with the city is certainly a public document. It spells out very clearly what each segment, each program, and each expenditure in the park is for, whether it's capital or operating.

The hon. minister before me tabled that information in the House and it was broken down into major headings such as: land acquisition, the construction of the weir, bank stabilization, the science centre, bicycle paths, beautification, and water quality enhancement. Now that came to the total figure of \$34 or \$35 million.

It was emphasized that those were estimates and figures based on 1974 dollars. This is what the entire construction industry is doing now. They're qualifying projects that are due to be finished three or four years down the road by saying, this is the value in terms of '74 current dollars. As a matter of fact, when the administration centre for the park was opened, the then Minister of Lands and Forests said that publicly, and he said it on television, so everybody who was watching the news that night knew the cost of the park was \$35 million in terms of 1974 dollars. The \$35 million was arrived at by adding up the cost components of the things that I've mentioned.

DR. BUCK: Mr. Chairman, quite obviously the government is waffling already. We're going to start talking about '74 dollars, because when we hit \$60 million in '78, they're going to say, well, that was projected in the 1974 figures, but because of inflation, et cetera, we're up to \$60 million. Where is the technical data to arrive at that figure of \$34 million? There has never been any technical data.

Now we're worried. Some of the specialists say, are the river banks going to slide in? The next ones say, no, they're not going to slide in. Mr. Chairman, where is the technical data? That \$34 million was nothing but a ballpark figure. That's just not the

way to run a government. It was beautiful politically. It elected 16 more MLAs to this Legislature. That thing alone bought more votes than you can imagine.

What a beautiful thing it is to have a capital city park. You know, we are going to be waterskiing up and down the river. The Deputy Premier is going to be skating -- and I remember I mentioned once before, he's the only man who can skate on water. That river doesn't freeze in the winter. It's a little hard to skate on it.

There just hasn't been the technical data. There are too many differences of professional opinion about what may be happening to the banks, the erosion, and all the environmental problems that can arise. That data just isn't available.

I remember a little exercise called the Bighorn Dam.

[interjection]

Right. Yes. But we took the honorable approach, Mr. Minister. We had a public hearing in this Legislature. You can't say that about this government.

DR. BUCK: When it's to their advantage or after the fact, they will have a public hearing -- after the fact.

MR. CLARK: If it's to their advantage.

DR. BUCK: We had the royalty hearings after the fact. That was window dressing. They said to the oil industry, come on in fellows, we'll have a little discussion. But the government had decided what they were going to do. They made the oil industry feel they were really participating in the process. And they were not, because the government had made the decision.

Governments are elected to make decisions. That's what the people put them there for. But let's cut out the charades. Let's play the game according to the rules. Let's lay it on the table, so that we in this Legislature, and that includes all the silent 69 members who sit back there, pick up their pay cheques and don't do anything except listen to the cabinet -- let's get them involved, to find out if this thing is really worth while to the taxpayer.

When the minister starts giving me that old soft soap about '74 dollars -- I am sure he knows in his heart that it's going to cost more than \$34 million. I have great confidence in the minister. As an architect, when he's going to design a building for you, he doesn't say to some contractor, look, it's going to be about this much or that much. He wants it in hard, cold facts: the heating is so much, the plumbing is so much, the electrical so much; not, there are going to be paths, there are going to be banks, and there is going to be a weir. Well, a weir can be that high, or this high, or that wide, or that deep. I mean, that's just not good enough. It's just not good enough.

I get just a little sick and tired of being treated like -- nobody in this Legislature, or nobody out there, really knows anything. All the knowledge is up there. It isn't all up there. The only man who is even close to having all the knowledge is the former Minister of the Environment, because he knows everything. At least, he tries to tell you he knows everything.

I remember when we were on a committee together, I said, Bill, not even I am so smart that I know everything.

AN HON. MEMBER: I'll buy that.

DR. BUCK: But seriously, we just have to be more responsible with the taxpayers' dollars than to say, it's going to be about that much. Because "about that much" is not the way governments should be run.

SOME HON. MEMBERS: Hear, hear.

MR. RUSSELL: Well, Mr. Chairman, I don't know why the hon. member is so exercised over this. He talks about the Edmonton MLAs, many of whom have come into the office, asked questions, looked at the progress charts, looked at the plans for the park, and gone away satisfied.

To my knowledge, this is the first time the hon. member has shown any concern, at 10 o'clock at night getting up and making an off-the-cuff speech. But I can understand the points I think he was trying to make.

Those estimates I mentioned that went into the component prices of the project were arrived at in the exact method outlined by the hon. member. That is, outside consultants gave, to the best of their ability, an estimated construction cost based on sketch plans. I don't think there is any way any consultant in this province would give a firm figure for a 1978 construction project at this time, not with what's happening to labor and materials costs. He couldn't.

Notwithstanding that, the documents have been tabled. They have been made public. The caveat has been put: the estimates are based, to the consultants' best ability, on 1974 costs and dollars. After many weeks of public negotiation, we've entered into an agreement with the elected council of the City of Edmonton. They have signed the agreement, so presumably they like it.

DR. BUCK: You're paying for it.

MR. RUSSELL: Now, nobody is forcing the park on them.

DR. BUCK: \$34 million.

MR. RUSSELL: Nobody is forcing it on them. I've only detected one sour note in the Edmonton region with respect to the park, and that's by the hon. member.

DR. BUCK: Mr. Chairman, that is not a fair or true statement. It is not. That's the trouble with this government, Mr. Chairman. Just because you don't agree and swallow everything they hand you, that means you are not in favor of something. I am in favor of the concept, but I am not in favor of the way they are operating this show. That's what upsets me, and that's what rankles. If the hon. minister wants to keep waffling all over the place, that's fine. But I'll leave it to history, Mr. Chairman, to find just how far out they were in their estimate.

You know, the chickens start to come home to roost. The Deputy Premier found that, so he bailed out. He bailed out. He gave it to my honorable friend, Mr. Moore. Mr. Moore couldn't understand why I felt so sorry that he inherited the ministry of agriculture. In a year or two he'll find out, because the chickens are really starting to come home to roost.

Mr. Chairman, I would just like to say that it is our moral responsibility in this Legislature, and our reason for being here, to question, if the details are not laid on this table. It would be really interesting to have details on that table, real engineering details in dollars and cents, because estimates for a project of \$34 million can be plus or minus \$10 or \$20 million. But we'll let history decide, Mr. Chairman.

AN HCN. MEMBER: What about Syncrude?

Appropriation 1985 agreed to: \$10,000,000

MR. NOTLEY: Before we move on, Mr. Chairman, I wanted to ask the minister just one additional question: do any of the estimates, in the preliminary work that has been done, vary beyond the normal increase that is taking place in Alberta construction generally?

MR. RUSSELL: No, they haven't, not so far, Mr. Chairman. Quite honestly, we're not far enough along to give an unequivocal answer to that. They're still in sketch-plan stage for most of the projects. The science centre complex is not in working drawings yet, and the weir is still going through conceptual alternate drawing phases.

If the hon. member can appreciate, estimates are usually made at three stages of a construction project: first, when the initial concept is unveiled; secondly, when you go into final sketch plans, that is, a final idea that is then transposed to working drawings; and thirdly, just before tendering, when the working drawings on which the contractors bid are produced. On all these projects, we are somewhere between the first and second stages I mentioned. I do want to emphasize, Mr. Chairman, that three items -- policy, progress, and financing -- are managed by a joint intergovernmental committee. I can assure you that committee, together with the support staff it brings with it, is keeping a very close and watchful eye on the items I mentioned.

Agreed to:	
Appropriation 1987	\$2,800,000
Appropriation 1989	\$1,500,000
Appropriation 1991	\$528,000
Appropriation 1993	\$1,200,000
Appropriation 1995	\$700,000

Appropriation 1997

MR. CLARK: Mr. Chairman, would the minister outline a bit of detail about what he has in mind here. We have an appropriation from \$750,000 to \$2,300,000.

MR. RUSSELL: Well, I could give the hon. member a very quick list of the planning services that are being paid for. There's the Red Deer River project, \$50,000; the Cooking Lake-Moraine project, \$50,000. In each case the \$50,000 covers the printing of background material that has been collected, mainly by the Environment Conservation Authority, for public use in the public hearings. The \$50,000 also covers some costs of the public hearings. The Sturgeon River studies, a continuation of the study costs and reports printing, \$80,000; the Athabasca River hydro site studies -- we're going into the second year of a 5-year program there -- \$200,000, and this was a program that had been previously announced; the Oldman River basin study, again a continuation of studies that had started -- all of these deal with water management projects -- \$100,000.

There are seven regions with respect to regional projects at \$25,000 per region, these are river basin regions. That comes to \$175,000. There's one on flood control and recreational facilities for St. Albert for \$50,000; water-based recreation opportunities -- and that's a variety of projects throughout the province -- \$80,000; a project site beautification program which is ongoing, \$100,000. The big one this year is the Dunvegan Dam site on the Peace River for \$1,500,000 in the next fiscal year.



MR. CLARK: Mr. Speaker, would the minister care to elaborate on the Dunvegan Dam site on the Peace River and the arrangements involved?

MR. RUSSELL: Yes, Mr. Speaker. Through private consultants, they're going into detailed studies with respect to the engineering and feasibility for a hydro-electric and flood control dam at that site.

MR. CLARK: When does the government expect to have the report from the consultants and a decision? Is Calgary Power involved in the discussions and picking up part of the cost?

MR. RUSSELL: No, this is a government-funded study, Mr. Speaker, and we expect to have the report in about two years.

Appropriation 2997 agreed to: \$2,385,000

Total Capital Account agreed to: \$30,618,000

MR. CLARK: Mr. Chairman, just before the resolution is reported, I wonder if we could have it held until the minister reports back on the increase in salaries in the three areas -- additional people -- that he's agreed to bring back?

MR. RUSSELL: Yes, I can get that very easily, Mr. Chairman.

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

HON. MEMBERS: Agreed.

[Dr. McCrimmon left the Chair.]

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[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and begs to report same:

Resolved:

1 (a) That two subcommittees of the Committee of Supply be established with the following names: Subcommittee A, Subcommittee B.

(b) That the membership of the respective committees be as follows:

If I have leave of the House, I won't have to read the 37 names.

HON. MEMBERS: Agreed.

DR. MCCRIMMON:

2 That the following portions of the Estimates of Expenditure 1975-76 be referred to subcommittees as hereinafter set forth for the reports thereon to the Committee of Supply: Subcommittee A, Vote 1300 Education, vote 3300 Consumer and Corporate Affairs, Vote 1420 Native Affairs; Subcommittee B, Vote 1100 Agriculture, Vote 2100 Municipal Affairs.

Mr. Speaker, the Committee of Supply has had under consideration the following resolution, begs to report same, and asks leave to sit again:

Resolved that a sum not exceeding \$53,246,890 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Environment Department.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, I move the Assembly do now adjourn until tomorrow 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 tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:20 p.m.]

