

## LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, November 13, 1975

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF BILLS

## Bill 52

## The Natural Gas Pricing Agreement Act

MR. GETTY: Mr. Speaker, I'd like to introduce three bills today. The first bill I beg leave to introduce is Bill 52, The Natural Gas Pricing Agreement Act. This being a money bill, His Honour the Honourable the Lieutenant Governor has been informed of the contents of this bill, and recommends the same to the Assembly.

Mr. Speaker, The Natural Gas Pricing Agreement Act provides the legislative framework for our understanding with the federal government on gas pricing, and provides for the flowback of export differential moneys to Alberta producers and Alberta people as royalty holders.

[Leave granted; Bill 52 introduced and read a first time]

## Bill 48

## The Coal Conservation Amendment Act, 1975

MR. GETTY: Mr. Speaker, I'd like to introduce Bill No. 48, The Coal Conservation Amendment Act, 1975. The purpose of this act, Mr. Speaker, is to provide a strengthening of protection for Alberta requirements, and to introduce the industrial development permit concept in the development of coal.

[Leave granted; Bill 48 introduced and read a first time]

## Bill 60

The Alberta Energy Company  
Amendment Act, 1975

MR. GETTY: Mr. Speaker, I beg leave to introduce Bill No. 60, The Alberta Energy Company Amendment Act, 1975. This bill provides that all Members of the Legislative Assembly may hold shares of the Alberta Energy Company, and participate in debates and votes in the House.

[Leave granted; Bill 60 introduced and read a first time]

## Bill 39

The Alberta Opportunity Fund  
Amendment Act, 1975

MR. DOWLING: Mr. Speaker, I beg leave to introduce two bills, the first being Bill No. 39, The Alberta Opportunity Fund Amendment Act. This bill provides for the facility to reorganize the various branches of government in order that they will provide better service to the people of Alberta.

[Leave granted; Bill 39 introduced and read a first time]

## Bill 44

The Northern Alberta Development Council  
Amendment Act, 1975

MR. DOWLING: Mr. Speaker, I beg leave to introduce a second bill, being Bill 44, The Northern Alberta Development Council Amendment Act, 1975. The purpose of this bill, Mr. Speaker, is to better reflect the new role of the Northern Alberta Development Council and to provide an expanded membership in the council in order to provide a broader base for it to operate from.

[Leave granted; Bill 44 introduced and read a first time]

Bill 37 The Teachers' Retirement Fund  
Amendment Act, 1975

MRS. CHICHAK: Mr. Speaker, I beg leave to introduce Bill 37, The Teachers' Retirement Fund Amendment Act, 1975. The purpose of this bill is to permit teachers in private schools, as defined in this bill, to enter under the Teachers' Retirement Pension Fund, and to allow for some flexibility with respect to repayment of funds.

[Leave granted; Bill 37 introduced and read a first time]

Bill 38 The Hospital Services Commission  
Amendment Act, 1975

MR. MINIELY: Mr. Speaker, I beg leave to introduce Bill 38, The Hospital Services Commission Amendment Act, 1975. The purpose of this bill, Mr. Speaker, is to allow for the provision of the appointment of a member of this Legislative Assembly to the Hospital Services Commission.

[Leave granted; Bill 38 introduced and read a first time]

Bill 40  
The Alberta Environmental Research Trust  
Amendment Act, 1975

MR. BRADLEY: Mr. Speaker, I beg leave to introduce a bill, being The Alberta Environmental Research Trust Amendment Act, 1975. The purpose of this bill is to restructure the board of trustees of The Alberta Environmental Research Trust to better facilitate greater public participation in the trust.

[Leave granted; Bill 40 introduced and read a first time]

Bill 41  
The Licensing of Trades and Businesses  
Amendment Act, 1975

MR. HARLE: Mr. Speaker, I beg leave to introduce Bill 41, The Licensing of Trades and Businesses Amendment Act, 1975. The purpose is to regulate bedding, upholstered and stuffed articles, and to transfer this jurisdiction to the Department of Consumer and Corporate Affairs.

[Leave granted; Bill 41 introduced and read a first time]

Bill 50 The Alberta Insurance  
Amendment Act, 1975

MR. HARLE: Mr. Speaker, I beg leave to introduce a bill, being The Alberta Insurance Amendment Act, 1975. The purpose is to amend several sections of the act relating to insurance companies and to provide for priority of payment for medical and accidental benefits.

[Leave granted; Bill 50 introduced and read a first time]

Bill 42  
The Universities Amendment Act, 1975

DR. HOHOL: Mr. Speaker, I beg leave to introduce a bill, being Bill 42, The Universities Amendment Act, 1975. The purpose of this bill is to expand the definition of ownership with respect to the universities in the province.

[Leave granted; Bill 42 introduced and read a first time]

Bill 43 The School Amendment Act, 1975

MR. KOZIAK: Mr. Speaker, I beg leave to introduce Bill 43, The School Amendment Act, 1975. The amendments provided for in this bill, among other things, will provide for the current needs of school boards and

will clarify the position with respect to the annual Farmers' Day holiday.

[Leave granted; Bill 43 introduced and read a first time]

Bill 45 The Cooperative Associations  
Amendment Act, 1975

MR. COOKSON: Mr. Speaker, I beg leave to introduce Bill 45, The Cooperative Associations Amendment Act. It's basically designed to clarify the definition of director, to permit provincial co-operatives to combine with federal co-operatives, and to permit extra-provincial associations.

[Leave granted; Bill 45 introduced and read a first time]

Bill 46  
The Criminal Injuries Compensation  
Amendment Act, 1975

MR. LITTLE: Mr. Speaker, I beg leave to introduce Bill 46, The Criminal Injuries Compensation Amendment Act, 1975. The purpose of this bill is to update the administration of the act and to expand its jurisdiction.

[Leave granted; Bill 46 introduced and read a first time]

Bill 47 The Department of The Environment  
Amendment Act, 1975

MR. KIDD: Mr. Speaker, I beg leave to introduce Bill 47, The Department of The Environment Amendment Act, 1975. The purpose of this bill is to streamline some administrative details, to more clearly define the manner in which the minister may make grants, and to make some changes with regard to restricted development areas, including enabling the filing of restricted development area regulations against the land title by more effective caveat.

[Leave granted; Bill 47 introduced and read a first time]

Bill 51  
The Marriage Amendment Act, 1975

MR. HYLAND: Mr. Speaker, I beg leave to introduce Bill 51, The Marriage Amendment Act, 1975. The principle of this bill is to allow the people of the Bahai faith to solemnize their marriage vows in accordance with the rights and usage of their faith, and to enable mentally incapacitated people the right to enter into the contract of marriage upon receipt of a certificate of capacity from a qualified medical practitioner, thus taking the onus off the li-

cence issuer and the commissioner performing the ceremony.

[Leave granted; Bill 51 introduced and read a first time]

Bill 53 The Pharmaceutical Association Amendment Act, 1975

MR. MUSGREAVE: Mr. Speaker, I beg leave to introduce Bill 53, The Pharmaceutical Association Amendment Act, 1975. The purpose of this bill is to modernize The Pharmaceutical Association Act so as to incorporate changes resulting from federal legislation, and to provide for ongoing education of practising pharmacists.

[Leave granted; Bill 53 introduced and read a first time]

Bill 54  
The Social Services and Community Health Statutes Amendment Act, 1975

MR. PLANCHE: Mr. Speaker, on behalf of my colleague, Mr. Les Young, the hon. Member for Edmonton Jasper Place, I beg leave to introduce a bill, being Bill 54, The Social Services and Community Health Statutes Amendment Act, 1975. This bill, amending departmental legislation, affects The Child Welfare Act, The Maintenance and Recovery Act, The Welfare Homes Act, and The Nursing Service Act. The main purpose of these changes is to provide more comprehensive service to the recipients covered by this act.

[Leave granted; Bill 54 introduced and read a first time]

Bill 56  
The Public Utilities Board Amendment Act, 1975

MR. DIACHUK: Mr. Speaker, I beg leave to introduce a bill, being The Public Utilities Board Amendment Act, 1975. The purpose of this bill is to increase the membership of the board from five to nine, and to be able to exempt certain companies from the operation of The Public Utilities Board Act because of the broad definition of public utilities.

[Leave granted; Bill 56 introduced and read a first time]

MR. HYNDMAN: Mr. Speaker, I move that the following bills be placed on the Order Paper under Government Bills and Orders: No. 37, The Teachers' Retirement Fund Amendment Act; No. 40, The Alberta Environmental Research Trust Amendment Act; No. 45, The Cooperative Associations Amendment Act; No. 46, The Criminal Injuries Compensation Amendment Act; No. 47, The Department of The Environment

Amendment Act; No. 51, The Marriage Amendment Act; No. 53, The Pharmaceutical Association Amendment Act; No. 54, The Social Services and Community Health Statutes Amendment Act; and No. 56, The Public Utilities Board Amendment Act.

[Motion carried]

#### INTRODUCTION OF VISITORS

MR. STROMBERG: Mr. Speaker, may I take this opportunity to introduce to you and to the members of this Assembly, 12 special guests from the 'Rose' constituency. These 12 special guests are from the Rosalind High School. They are accompanied by their teacher and one of the parents, and are currently attending Grade 12. They came a great distance, and I would ask them to stand and be recognized by this Assembly.

#### TABLING RETURNS AND REPORTS

DR. HORNER: Mr. Speaker, I'd like to file with the House two copies of our submission to the Hall Commission, and to notify hon. members they will all be receiving a copy of it.

MR. RUSSELL: Mr. Speaker, I'd like to table the answers to Motions for Returns No. 124 and 157.

While I'm on my feet, Mr. Speaker, continuing our campaign to keep members of the House well informed, I'd like to table a series of reports. There are 11 dealing with the Capital City Recreation Park in Edmonton. I won't read all the titles. There are also 2 copies of a report by the Environment Conservation Authority: Review of Interaction between Migratory Birds and Athabasca Oil Sands Tailing Ponds; another report dealing with the land-use study in the Suffield block; and another series of reports dealing with Athabasca River power developments, more specifically, the Crooked Rapids Dam Feasibility Study.

MR. SPEAKER: I would like to mention to hon. members that I am tabling two copies of the report of the Indemnities Committee, which was previously circulated to all hon. members.

#### MINISTERIAL STATEMENTS

##### Department of Agriculture

MR. MOORE: Mr. Speaker, I would like to announce today that agreement has recently been reached for the largest single sale

ever of Alberta pork to an export market. Co-operative efforts of the Alberta Hog Producers' Marketing Board, meat packing companies, the Alberta Export Agency, and the marketing division of Alberta Agriculture have resulted in a major sale of Alberta pork to Japan.

Mr. Speaker, in 1972, my colleague and then Minister of Agriculture, Dr. Horner, visualized such developments with the formation of the Alberta Export Agency and the marketing division of Alberta Agriculture. The challenges put forward at that time to the marketing division and the Export Agency were twofold. Primary effort was directed at working with farmers, processors, distributors, and marketing boards to improve Alberta's share of Canada's domestic food market.

The second thrust, and one of equal importance, was the development of export markets outside Canada for the wide variety of agricultural products produced in this province.

Soon after these groups began work, it was recognized that the most desirable and successful method of export marketing was that of long-term sales contracts tied to the cost of production. Such contracts guaranteed the producer an adequate return, and guaranteed the purchaser a stable supply of high-quality products.

A great deal of credit, Mr. Speaker, must be given to hog producers themselves, for showing confidence in their marketing board and for working with the meat-packing industry to show leadership in developing long-term contracts. Hopefully, their efforts will provide encouragement to other sectors of Alberta's agricultural industry.

In 1973, Mr. Speaker, a small initial contract was signed with the Japanese. In May of 1974, Dr. Horner announced in this Legislature a second and larger pork contract with Japan. These two preliminary contracts provided the experience and testing ground for this present sale. In August of this year, a special project team was created of representatives of the Alberta Hog Producers' Marketing Board, the Alberta Export Agency, and the Department of Agriculture. Several weeks of negotiations resulted in a system of coded bidding, which provided for the tendering of bids for the sale and purchase of pork. Seven bids were received and considered.

Mr. Speaker, the successful contracts were awarded by the Alberta Hog Producers' Marketing Board to Gainers Ltd. for 360,000 hogs over 36 months, and to Swift Canadian for 48,000 hogs over 24 months. The total value to Alberta farmers, Mr. Speaker, of this particular sale will be approximately \$41 million. In addition, Mr. Speaker, we expect other contracts will be developed over the coming months as negotiations with potential Japanese purchasers are continuing.

Mr. Speaker, we believe that this is the largest long-term contract ever negotiated for the export sale of hogs [to] Japan and are certain that it will establish Alberta as the major North American supplier of pork to Japan.

## ORAL QUESTION PERIOD

### Rent Regulation

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier, or perhaps to the Minister of Consumer and Corporate Affairs -- several questions flowing out of the announcement the Premier made yesterday regarding rent controls.

I'd like to ask the Premier or the minister: is it the government's intention that the rent controls will apply during the 12 to 18 months the Premier outlined would be the length of the anti-inflation program in Alberta? Are we looking at rent controls for a period of 12 to 18 months?

MR. LOUGHEED: Mr. Speaker, yes. The intention at the moment is to have the rent regulation legislation cover the approximate same period as the temporary anti-inflation measures act.

MR. CLARK: Mr. Speaker, a further supplementary question. Will the proposed rent control program or companion legislation ensure that tenants will not be evicted without just cause, that there may be some sort of tenant security clause in the legislation, primarily getting at the problem of tenants who complain about increases and then, in a few cases perhaps, would be harshly dealt with by the landlord?

MR. LOUGHEED: Mr. Speaker, I believe I answered that question in part by saying that our rent regulation would be tied to the unit rather than the tenant. Any further details with regard to that will have to await the introduction of the legislation.

MR. CLARK: Mr. Speaker, a further supplementary question. Is the Premier in a position to indicate to the Assembly for what period of time new apartments would be exempt from the rent controls?

MR. LOUGHEED: Mr. Speaker, I believe I said yesterday -- if I did not, I intended to -- that the intention was the legislation would entirely exclude new apartments and new accommodation.

MR. CLARK: A further supplementary question, Mr. Speaker. Will there be a municipal tax push-through provision in the legislation so that if municipal taxes go up, that will be pushed on through to the tenant?

MR. LOUGHEED: Mr. Speaker, that is, of course, one of the items under consideration in the review of details of the legislation and again, I think on that point, would have to await the introduction of the bill.

MR. CLARK: Mr. Speaker, one last question in this particular area. Will the Premier be in a position to indicate to the Assem-

bly whether it is the intention of the government to establish an administrative mechanism in Alberta to look after the rent control program? Or will that be delegated to the federal Anti-Inflation Board?

MR. LOUGHEED: Mr. Speaker, no. In the area of rent control, the proposal the federal government made to all provinces is that that would be the jurisdictional and administrative responsibility of the provinces. Therefore, it would be our intention that our legislation would be administered on a provincial basis.

MR. TAYLOR: Supplementary to the hon. Premier. Will the legislation make some provision for the tenants who vandalize property?

MR. LOUGHEED: Mr. Speaker, that's part and parcel of the details of the legislation that I'm just not in a position to respond to today, but certainly one that will be under consideration. It may be that the actual legislation we're referring to doesn't cover that area, and that perhaps amendments to The Landlord and Tenant Act may.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Has the government determined yet what the annual rate of increase will be, or will the announcement be deferred until the legislation is introduced?

MR. LOUGHEED: Mr. Speaker, that would be deferred until the legislation is introduced.

MR. NOTLEY: One further supplementary question for clarification, Mr. Speaker, to the hon. Premier. In dealing with the definition of a new building, will the five-year ground rule applied by federal officials in their white paper be used in Alberta?

MR. LOUGHEED: Mr. Speaker, that's the present intention, although the drafting may alter it somewhat.

MR. TAYLOR: One further supplementary to the hon. Premier. Is there any attempt to secure uniform legislation among the provinces? I notice Ontario has already introduced a bill, and I think it would be wise if, as a country, we could have some uniformity in this matter.

MR. LOUGHEED: Mr. Speaker, there's a great deal to be said for what the hon. member proposes. But there are different conditions of development and progress within the various provinces, some in a much more expansionary nature than others, some lending themselves to different types of accommodation. But it will be the intention of the government in considering the drafting of the legislation to do an evaluation of the legislation in the other jurisdictions, to recognize the premise upon which the hon. member based his question.

#### Land Ownership

MR. CLARK: Mr. Speaker, the second question I would like to ask the Premier deals with the conference held in St. John's on the question of foreign ownership of agricultural land in Canada. Has the Premier received correspondence from the Prime Minister in which the Prime Minister indicated that the federal government was prepared to pass on power to the province to prevent non-Canadians from acquiring land in that particular province?

MR. LOUGHEED: Yes, Mr. Speaker, and that correspondence, including ours related to that fact, together with an explanation of some verbal conversations I've had with the Prime Minister, I would prefer to defer to the nature of a ministerial statement, perhaps next week.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier or perhaps to the Minister of Agriculture. Is it the government's intention, despite the Premier's intention to give a ministerial statement next week, to bring legislation forward in this session which would impinge at all upon the question of just Albertans in Alberta being able to acquire agricultural land?

MR. LOUGHEED: Mr. Speaker, that comes very closely within the ambit of the remarks I hope to make with regard to the ministerial statement, and I will try to deal with it at that time.

MR. CLARK: Mr. Speaker, a further supplementary question. I raise this to ask if, in fact, the Premier or the Minister of Agriculture is aware of a deal pending in the Ponoka area where, I believe, German and Italian interests have an option at this time on 6,000 acres of land. The price involved is in the vicinity of \$1,000 an acre, which is about 3 times the going rate for agricultural land in the area. It's my understanding that the option is close to running out, and the deal may be very close to being finalized.

MR. MOORE: Mr. Speaker, I'm aware of a number of situations which have not been confirmed as far as I'm concerned, where foreign companies are proposing to purchase agricultural land in Alberta. I'm not particularly aware, Mr. Speaker, of the one to which the hon. member refers, in terms of having any knowledge of when the option might expire.

However, I would say with respect to some offers to purchase very large tracts of agricultural land in Alberta, we have recently been encouraged by the fact that the Foreign Investment Review Act, and the provisions thereunder which are federal in nature, may well apply to some of those very large purchases.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Agriculture. I wonder if the minister would give a commit-

ment to the House that he would check out the question of options on a very immediate pending land transaction with the [Ferrybank] Hutterite colony in the Ponoka area and Canada Trust, and report to the Assembly. I understand there is considerable urgency in it.

MR. MOORE: Mr. Speaker, I really don't have any particular capacity within the Department of Agriculture to check out the nature of private contracts which might be entered into by way of option. On the other hand, if the hon. member does have knowledge and is acquainted with the persons involved, I would be only too happy to receive the information as to who is involved in the contract and whatever details you might have.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier. In the ministerial statement the Premier is planning to make in the coming week, will there be a report with regard to foreign land acquisition relative to the statistics and the information we're collecting in the Land Titles Office at the present time? That's part of the question.

Secondly, has an up-to-date report been submitted to the Premier that may be available to the members of the Legislature?

MR. LOUGHEED: Mr. Speaker, the general report we've received is that the matter, at the moment, is not significant in terms of acquisition of land. Our concern is pretty essentially with what we see as the attractiveness of Alberta, as a province, as a hedge against inflation for the future. In the course of my remarks in the ministerial statement, I will attempt to ascertain an answer to the point the hon. member raises.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Does the government at this time possess any statistics as to the number of corporations or syndicates that have sought exclusion under The Land Titles Amendment Act passed in 1974?

MR. LOUGHEED: Mr. Speaker, I don't, but I'd have to check that information.

MR. NOTLEY: A further supplementary question, Mr. Speaker, to the hon. Premier . . .

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. NOTLEY: . . . in the light of his proposed ministerial statement. Can the Premier advise the House when the government anticipates the final report of the Land Use Forum?

MR. LOUGHEED: Mr. Speaker, my understanding is -- and I'm not sure of final report, but I presume we could deal with it as a major report of the Land Use Forum, would be received by the government in January or February 1976.

#### AEC Shares Sale

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Energy and Natural Resources. With reference to Bill No. 60, introduced today, would members of the Legislature have any conflict of interest if they buy bonds now, before the bill becomes law?

MR. GETTY: It's my understanding, Mr. Speaker, that applications for the Alberta Energy Company shares would not be a problem for members of the House right now.

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Energy and Natural Resources and ask him to tell the House whether it's true that top officials of the Alberta Energy Company are entitled to borrow, interest-free, company funds in order to acquire shares in the Alberta Energy Company.

MR. GETTY: Mr. Speaker, that would be a matter for the management and board of directors of the Alberta Energy Company. I am not familiar with that information.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. In light of the fact that the money now in the hands of the AEC has been appropriated by the Alberta Legislature, does the minister not feel that any options such as this should come under the purview of public discussion in the Legislature?

MR. SPEAKER: The hon. member is asking a question which could clearly lead to debate, but perhaps, because of the open-ended implication in it, the hon. minister ought to be allowed to answer it.

MR. GETTY: Mr. Speaker, companies operating within Alberta and Canada are able to devise a variety of means of executive compensation which will allow them to obtain and hold the best people possible to do the job that's necessary to be done. I think the qualified, capable Albertans we have on the board of directors and in management of the Alberta Energy Company should be able to do just that.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. I wonder if the hon. minister could just clarify the first answer he gave. Has he received any information, or have there been any discussions at all between your office and the AEC, concerning this matter?

MR. GETTY: There have been no discussions on the matter, Mr. Speaker. I should point out to the hon. member that he has access to the prospectus presently being passed throughout Alberta, and that prospectus should have within it matters such as this for the information of any Albertans who are considering participating in the shares of the company.

DR. BUCK: Mr. Speaker, a supplementary, just to the previous statement the minister made in relation to private companies. Can the hon. minister indicate to the House how many other private companies have had \$75 million of taxpayers' money infused into them?

MR. SPEAKER: Order please.

MR. TAYLOR: A supplementary, Mr. Speaker, to the hon. minister. [Not recorded] employees of AEC not be entitled to the cost of the bond less the commission, as is done in any ordinary business?

MR. GETTY: I'm not sure of that matter, Mr. Speaker, but I am sure the Alberta Energy Company would try to operate as much as possible like any ordinary business.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the hon. minister. Can he advise the House of the status of the pay roll deduction feature of the Alberta Energy Company? Does the company plan to go ahead with that, as discussed several years ago when we originally dealt with the legislation?

MR. GETTY: Mr. Speaker, the hon. member is referring to the means of distribution of the shares whereby an Albertan might be able to purchase shares, or make a commitment to purchase shares, and have the funds to pay for them deducted from his or her pay roll, presumably through the employer's facilities. The company was unable, as I understand it, to develop that kind of method of payment for the shares, and that is not part of the present distribution system.

#### Doctors' Fees

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Hospitals. I wonder if he could indicate the present status of negotiations between the government and the Alberta Medical Association with regard to doctors' fees.

MR. MINIELY: Mr. Speaker, I really can't say more than the fact that it is under negotiation. We're back having discussions. When those discussions result in any conclusion, I'll be in a position, Mr. Speaker, to report to the Assembly.

#### AEC Shares Sale (continued)

MR. GHITTER: Mr. Speaker, a number of my questions have already been answered, but I would ask like to ask the minister responsible for the Alberta Energy Company whether he could advise the House as to the exact number of shares the Alberta Energy Company intends to sell, as set out in their prospectus.

MR. GETTY: It's difficult for me to give an exact amount now, Mr. Speaker, because I understand the Alberta Energy Company board of directors intends to assess the response of Albertans to the share issue and determine then how many total shares, up to a limit, though, of 7.5 million. In other words, it may be possible they will not end up distributing 7.5 million, but they will not distribute more than that.

MR. GHITTER: A supplementary, Mr. Speaker. I'm wondering if the hon. minister could advise the House as to what work was rendered by the dealer-managers to entitle them to 10 cents per share over and above the 32 cents commission a broker would receive.

MR. GETTY: As I understand it, Mr. Speaker, this is an arrangement companies enter into with a managing investment advisory group to develop the prospectus, to develop the distribution scheme, and to build up both a selling force, advertising, and a subsequent ability to protect the investment in the after-market. All these things are part of the services the investment advisory group is able to provide to a company.

MR. GHITTER: A supplementary, Mr. Speaker. Is there then an obligation upon the dealer-managers to respond to the after-market, or is it just a good-faith undertaking on their part?

MR. GETTY: It would depend, Mr. Speaker, on the individual arrangement between a company and its advisory group. I have not been a part of the negotiations between the Alberta Energy Company and its advisory group.

MR. TAYLOR: A supplementary to the hon. minister. Are the shares going like hot cakes?

MR. GETTY: It's my understanding Albertans are showing a high degree of interest in the shares, Mr. Speaker. I certainly trust that is maintained over the period of Alberta preference. I certainly think it would be just great if Albertans took all the shares available, and those outside Alberta who might want to participate would then be forced to participate through the after-market.

MR. TAYLOR: One further supplementary, Mr. Speaker. Is there any intention of extending the time frame beyond a week from tomorrow, or is that a definite closure for Albertans?

MR. GETTY: Mr. Speaker, I have not had any discussion with the Energy Company with regard to that matter. Because it does relate to policy of the government that preference be given to Albertans, I would check that matter with the company and advise the hon. member.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister, dealing

with the question of the fees for the dealer-managers. In addition to the 32 cents and the 10 cents the hon. Member for Calgary Buffalo raised, will any additional costs, expenses, or payments from the company go to the dealer-managers?

MR. GETTY: None that I could imagine at this stage, Mr. Speaker, but I trust the hon. member will avail himself of ownership of the shares and be able to ask those questions directly to the management and directors.

#### Regional Air Service

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Transportation. Could the minister report to the House what consideration has been given to providing air line service to our smaller centres?

DR. HORNER: That's under active review at the moment, Mr. Speaker, in relation to the expansion of our third-level carriers. But preliminary discussions have to be held with the federal Ministry of Transport in regard to the necessary airport qualifications before we can expand the third-level carriers.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister been in contact with any of the commercial air lines providing service such as this to our smaller centres?

DR. HORNER: Yes, Mr. Speaker, we've had discussions with the third-line carriers now operating in Alberta. They've certainly shown some interest in looking at new routes which would include a number of the growing communities in Alberta. At the same time, in my department we've been looking at those airports to get them to the stage where in fact they could mechanically handle third-line carriers.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Has the minister had any discussion regarding third-level carriers with the federal Minister of Transport since the shuffle of the last cabinet?

DR. HORNER: No, Mr. Speaker. I've had no opportunity to have a discussion with Mr. Lang as yet in regard to transportation matters, but I did have some discussions with the former federal minister, and indeed with the air committee of the Canadian Transport Commission.

#### Highway Accidents Report

MR. LITTLE: Mr. Speaker, I would address this question to the Minister of Social Services and Community Health. Is it the intention of the minister to file in this Assembly the report of the Task Force on

Highway Accidents, chaired by Dr. MacKenzie?

MISS HUNLEY: Yes, Mr. Speaker. I'm sorry if I've omitted to do that already. I was under the impression it had already been mailed to all members of the Legislature, but I will check that out.

[interjections]

Yes, it's possible, Mr. Speaker, it's in the mail.

#### Municipal Affairs Legislation

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Minister of Municipal Affairs, seeing he did such a great job of going round and round the mulberry bush yesterday. I would like to ask the hon. minister if he can answer this question: will he be bringing in the new planning act at this fall sitting?

MR. JOHNSTON: Mr. Speaker, the legislative plan is not to introduce the new planning act at the fall sitting.

#### Special Warrants

MR. R. SPEAKER: Mr. Speaker, a follow-up to my question yesterday to the Premier. Could the Premier indicate today whether the Legislature will have a special opportunity, in committee or otherwise, to discuss special warrants?

MR. LOUGHEED: Mr. Speaker, I haven't had an opportunity to take the matter raised by the hon. member into consideration. I would try to do so over the course of the next few days and discuss it with my colleagues.

#### Anti-inflation Program

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It concerns the statement he made yesterday about provincial involvement in the federal wage and price restraint policy.

Mr. Speaker, the first question is whether the Government of Alberta is satisfied with the price control features of the federal plan, and whether representation either has been made or is planned to strengthen the features of it?

MR. LOUGHEED: Mr. Speaker, I think the only fair judgment of the intention of the federal government with regard to that area, which is strictly under its jurisdiction insofar as the present position is concerned, subject to any complementary legislation we may have, would be to give it a fair opportunity to see if it can work out effectively.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Has the



government set any deadline as yet, as to what he means by a fair opportunity for the plan to work -- three months, six months -- before an evaluation or assessment is made on the workability of the price features of the plan?

MR. LOUGHEED: No, Mr. Speaker, we haven't. It would be a matter of ongoing review and assessment, and certainly, because of the nature of it, one that really is on a national basis. I think it would be a matter of general national consensus.

MR. NOTLEY: Mr. Speaker, a further supplementary question, this time dealing with the wage side of the equation. Has the government given any consideration yet as to the impact of the provincial guidelines on catch-up salary provisions? Now, just as an example, hospital workers had a fairly substantial raise last year. Will they be subject to the 10 per cent, 12 per cent, or 8 per cent provision of the federal guidelines?

Has the government concluded how it is going to deal with the impact of the federal guidelines on catch-up salaries?

MR. LOUGHEED: Mr. Speaker, it would be a matter under the proposal I outlined, and as our legislation will, I think, develop. But that matter would be referred for interpretation to the federal Anti-Inflation Board, to ascertain what the position would be under the precise guidelines which would be identical to the federal guidelines.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Premier. Has the government had an opportunity yet to assess the impact on what you might call wage anomalies. An illustration in point would be the fact that a social worker who works for the Department of [Social Services and Community Health] receives less than a social worker employed by a hospital. Has there been any consideration on the wage anomalies for people doing the same type of work?

MR. LOUGHEED: Mr. Speaker, that is usually a matter taken into consideration in the normal bargaining process, and I hope would continue to do so. But again, it would be subject to interpretation as to whether or not it fits within the wage guidelines established.

#### Municipal Affairs Legislation (continued)

DR. BUCK: Mr. Speaker, I'd like to address another question to the Minister of Municipal Affairs. I'd like to know if he is contemplating introducing any legislation this fall relating to an industrial tax-sharing system right across the province.

MR. JOHNSTON: No, Mr. Speaker.

DR. BUCK: Mr. Speaker, I'd like to ask a supplementary. Is the hon. minister contemplating introducing any legislation relating to municipal affairs? I'm not being facetious, I want to know if he is going to.

MR. JOHNSTON: Mr. Speaker, we will have some very comprehensive legislation forthcoming in due course.

#### Family Planning Clinics

MR. MUSGREAVE: Mr. Speaker, I'd like to address this question to the Minister of Social Services and Community Health. It is my understanding, Mr. Speaker, that family planning clinics are presently being funded in several cities of the province, but a proposed family planning clinic for Calgary has not received preventive social service funding and is presently limping along on federal funds and volunteer effort.

I would like the minister to advise if the government is considering examining all preventive social service programs to ensure that only those programs serving a great need are continued, that new programs are evaluated in terms of present programs, and whether you will be recommending elimination of programs of questionable value.

MISS HUNLEY: Mr. Speaker, I hope I might have authorization of the Chair to make a major speech, because I think that is what it would require to answer all those questions. I'll try to be brief, though, Mr. Speaker.

To begin with, I think it is important the members of this Legislature keep in mind that programs initiate locally, at the municipal level. They must be approved there under the preventive aspect guidelines. They must also receive not less than 20 per cent funding municipally. Therefore, the local people will determine what the important programs are and where their priorities lie. At least this is my anticipation. The limitations we will have will be our budgetary restraint and in some instances -- the hon. member has referred to a specific problem in Calgary of a program that was ongoing under federal funding, and it was not possible to extend the PSS funding available in my budget this year to accommodate that. This may occur from time to time, and under the 11 per cent guidelines I would anticipate it may happen fairly frequently. Therefore, it's important that the municipalities determine their own priorities, and we will do our best to accommodate them within the PSS budget allocated to this department by the Legislature.

#### Meeting with Beef Producers

MR. NOTLEY: Mr. Speaker, I would like to direct a question to the hon. Minister of Agriculture and ask whether he intends to

meet with farmers in the Wandering River area tonight to discuss the cow-calf problem.

MR. MOORE: Mr. Speaker, as I indicated yesterday, I was in that area on October 22 and met with a number of people who were interested in the problems of beef producers. Late yesterday afternoon, I advised Mr. Dascavich of the National Farmers Union, who was purported to be leading the group there, that our meeting scheduled for 3:30 p.m. Friday of this week was still scheduled so far as I was concerned. I suggested to him at that time that it might be well that he would bring with him to my office tomorrow representatives of those people who are interested in discussing the matter.

Subsequent to that, I received early this afternoon a telegram from Mr. Dascavich suggesting to me they were not, perhaps, willing to meet in my office tomorrow, and that they wanted me to come to Wandering River tonight at 9 o'clock. I advised them by telegram that I had other obligations and would not be able to attend tonight. Indeed, I'm going to be listening to the hon. Leader of the Opposition's speech in the Legislature.

So at this point, Mr. Speaker, I'm looking forward to meeting with that group tomorrow afternoon, here in Edmonton.

#### ORDERS OF THE DAY

MR. LOUGHEED: Mr. Speaker, on a point of order with regard to the Hansard preliminary, unofficial report of my remarks yesterday, I'd like to make a correction of the information I stated regarding the core housing incentive program. I stated it provides provincial funds at 8 per cent for apartment construction, but 50 per cent of the units must be rent-regulated for families with \$6,000 to \$12,000 gross annual income. Apparently, yesterday I said in error \$8,000 to \$12,000. I would appreciate it if Hansard would make the appropriate correction.

#### MOTION FOR A RETURN

186. Mr. Clark proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
The total cost of preparing the report on the Olds Government Centre Programme.

[Motion carried]

#### MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Moved by Mr. Horsman:  
Be it resolved that the Government of Alberta consider the introduction of legislation which would:
  - (a) empower courts in all matrimonial causes to divide the property of the spouses between them.
  - (b) require courts in arriving at such division of property to consider the contribution in dollars and effort made by spouses; and
  - (c) remove by amendment such inequities as may exist in Alberta laws relative to matrimonial property rights.

[Adjourned debate: Mr. Horsman]

MR. HORSMAN: Mr. Speaker, I welcome this opportunity to conclude my remarks on the subject of matrimonial property reform in the Province of Alberta. Towards the conclusion of the spring session of the Legislature, I had spoken very briefly in introducing my concern regarding the question of matrimonial property in this province.

Since the conclusion of my remarks at that stage, we have had a major report issued by the Institute of Law Research and Reform in this province, in August of this year. All members, no doubt, have received it, and I trust have taken the opportunity of observing the recommendations that have been made in that report.

I think that most people would agree, Mr. Speaker, there is a real necessity for reform and change in the law respecting matrimonial property in this province, and indeed throughout the other provinces of Canada, and Canada itself. I think it's appropriate this year in particular, which has been designated as International Women's Year, that we should be discussing and debating this matter in this Legislature.

I am particularly pleased to see in the gallery today the co-ordinator for Alberta of the International Women's Year, Miss Donna Fraser. I am sure many members will welcome her here today, listening to the remarks which will be made concerning this matter of great concern.

I say great concern, because it applies to all Albertans who are married and have property. There are, of course, other Albertans who are not married as yet. Some members of this House fall into that category; nevertheless I'm sure they are still concerned about what is happening in this field.

I say there is a real necessity for reform in this area. It's not just because of the most recent decision in the Murdoch case, with which many members are familiar. I know many women in particular have expressed a great deal of concern about the decision which has been reached in that area.

I think one of the things members should be cognizant of is that, at the present time, it is possible to obtain judicial relief and judicial action with

regard to matrimonial property. But to do so, it may be necessary in some cases to launch as many as three different legal actions. Of course, those legal actions could consist of such things as, first of all, judicial separation action in the provincial jurisdiction, a divorce action under the federal jurisdiction, and in case of jointly-held property, action under The Partition Act, which dates back many years in English law.

Of course, that type of legal action only results in a great deal of additional legal expense to both parties in the divorce. While I am quite in favor of lawyers earning legal fees of an appropriate nature, I'm certainly not in favor of seeing a great deal of extra legal expense "trundled", if I may use the expression from the Minister of Environment yesterday -- trundled onto the backs of the people who are seeking redress in the courts of this province.

I say it is important that we have reform and change as well, Mr. Speaker, because I think there is an increasing expectation and an increasing awareness on the part of our citizens of the inequities which exist in the law in this province. This concern has been demonstrated throughout Canada by the fact that many provinces have already instituted law research and reform commissions, and many of them have already reported their findings to the various legislative bodies in Canada. I've had the opportunity of reading some of these reports -- in particular our own, of course, in Alberta, the Canadian working paper on matrimonial property, and the British Columbia report. I've also had an opportunity of reviewing, although briefly, the Saskatchewan report.

Now I think we must look at the laws that exist today and agree -- and I hope we will agree -- that reform is necessary in this very important field. There are really, I think, four options open to this Legislature, Mr. Speaker.

The first is to make some minor changes in the law, but basically leave the law as it exists today in Alberta. This of course was considered by our commission in Alberta. In fact, one of the members, although the member doesn't appear to be identified in the report, indicated that would be his choice -- one out of eight.

We could then go to the second option, which I suggest, Mr. Speaker, is to go into community of property, in which all property acquired by the parties to a marriage, following the marriage, becomes community of property, and it will be divided in an appropriate manner. In that regard, Mr. Speaker, I might add that the British Columbia royal commission of family and children's law report is available in the Legislature library. I suggest, Mr. Speaker, it is a very well-written document. Mr. Justice Berger, who is known to many of our members, was one of the primary authors of this report. It's interesting to note that this particular report had five commission members, and they were unanimous in their agreement that there should be a law of community of property in

the Province of British Columbia. I would urge members who are really concerned with this problem to obtain a copy of this report and read it.

As a matter of fact, I particularly wish to refer to the introduction to this report which sets out, as clearly and succinctly as I've ever had the opportunity of reading, the nature of property law between spouses, and how the law has changed over the years since English law originally had the property belonging entirely to the husband, and in fact, the wife was a belonging. That of course has changed, not significantly in the minds of some people, unfortunately, but that's another matter. The law has changed.

I would urge that members at least read the introductory remarks to this report which is only five pages long but, as I say, sets out, in very clear form, the transition of the law to its present state.

In British Columbia, as I said, Mr. Speaker, the commission recommended a community of property. In Alberta, that concept was rejected unanimously by our institute. Instead, they discussed the two remaining alternatives, one of which is known as deferred sharing and the other, for simplicity, as judicial discretion. The concept of deferred sharing was approved by four of the eight members of the Alberta commission. The concept of judicial discretion was approved by three of the eight members.

Quite frankly, Mr. Speaker, I was disappointed there was such a marked degree of uncertainty. In fact, I would like to refer the members to page 24 of the report where the matter is analysed. It's a real concern to me that there was not a degree of unanimity on the part of our commissioners in this province regarding the method of dealing with this problem. There is a considerable difference in the two methods discussed.

So we are in a difficult position as legislators in this province, because we do not have a clear-cut recommendation from our own commission. Nevertheless, I would like to discuss the merits of the two proposals as I see them as a member of this Legislature. I think I would certainly like to make it quite clear at the beginning that I am in favor of the minority report. I've been in the minority before, and I'm not sorry in this particular case to be in that same position.

The deferred sharing concept which, as I say, was approved by half the membership of the commission, is an extremely complex, new method of dealing with matrimonial property. It provides a fixed formula and in the report takes pages 34 to 118 to explain. I think it would have some very serious defects, in that it would turn our judiciary in determining the question of matrimonial property distribution into mathematicians more than judges. I also think it could be either a divorce lawyer's dream or a divorce lawyer's nightmare, depending on how the courts interpreted the law as proposed.

Mr. Speaker, I would also like to point out one particular recommendation of

this report with which I take very serious issue. That is the concept, espoused by the proponents of the first recommendation, that the law would not apply to any marriages which existed prior to the law coming into effect. I suggest we must reject that proposal out of hand. What it would be doing, in effect, is creating two different classes of married people in this province. In a way, Mr. Speaker, it would also put the position somewhat like this, if I can perhaps paraphrase a famous politician on the federal scene of years ago in Canada. It comes out something like this: retroactivity if necessary, but not necessarily retroactivity. That would really be a very unfortunate situation for the people of Alberta.

[interjections]

I didn't quite get the remark from the hon. Member for Edmonton Highlands; he didn't speak with his usual clarity.

The other recommendation deals with judicial discretion. This is the particular recommendation I would like to urge upon members of the Assembly. It really does fit within the terms of the motion I introduced during the spring session. In fact, I would like to quote from the report on page 26 very briefly, if I may, as follows -- and I am quoting:

The three members of our Board who favour judicial discretion find two great merits in it in comparison with deferred sharing. The first is that a discretionary system could be expressed and applied more simply than deferred sharing, which they consider unnecessarily complex and cumbersome and which they think will, because of its complexity, lead to misunderstanding and to litigation. The second is that a discretionary system would allow the courts to make a decision based upon the individual merits of the particular case rather than upon the rules prescribed by a deferred sharing regime, which they considered rigid, unlikely to be as suitable to the particular circumstances as a discretionary order, and unlikely to distinguish satisfactorily between the deserving and the undeserving.

I heartily endorse that concern and the approach of judicial discretion.

Therefore, judicial discretion has two things which I think are important. One is simplicity. I think the courts of this country, in dealing with the question of matrimonial break-up, should in one legal action be able to determine what will happen with respect to the marriage itself, to the property, to the children and the custody of the children, and the maintenance and support. It should not be necessary to launch a series of applications in the courts, as I said at the beginning of my remarks. In addition, this report recommends that the family home be included, either as deferred sharing or in the judicial discretion alternative, and that is important because it does add to

the simplicity of dealing with this very difficult question.

Also, the individual merits of the case can be dealt with by the courts. Here I'd like just to comment briefly, Mr. Speaker, on what has happened in Alberta. We have had, in this province, the Supreme Court and district courts now involved in dealing with matrimonial relief, and these courts have been dealing fairly and in a discretionary manner under the laws that exist. In particular I would refer the members to what happens with regard to The Family Relief Act. The same type of discretion exercised under that act, can be exercised fairly for the benefit of those concerned.

The following items must be taken into consideration by the courts in dealing with this very serious question. They are found on page 121 of the report. The considerations the court must look at in arriving at a final decision would be the contribution. Now, this is a very thorny question, and contribution can mean a great deal. But the report makes it clear, and my motion makes it clear, Mr. Speaker, that it's not just contribution in dollars. It is contribution in effort by both members of the family toward running the home and raising the family. That is an essential ingredient, and that is one of the ingredients lacking in the law at the time the Supreme Court of Canada was called upon to make the decision in the Murdoch case.

Secondly, we must deal with the economic circumstances of both parties and be able to determine, from those economic circumstances, how best to order the distribution.

The duration of the marriage is a third matter which must be considered. I think all members will agree that the length of time put into a marriage by the parties is a very important ingredient. Under the deferred sharing system, or under community property, that does not receive the same amount of attention. I suggest it is very important, particularly in the case of second marriages, which often happen, when it is perhaps the intention of both parties, if they have children from prior marriages, to pass on to their children the benefits of the first marriage, to some degree at any rate. This is very important for the courts to consider.

The conduct of the parties is also a matter the courts should consider. Time and the manner of acquisition of the property is another matter. The wrongful disposal of property by one of the spouses in anticipation of a dissolution is also a factor the courts must consider. If, in fact, one of the parties has tried to divest himself of property in order to avoid the other spouse obtaining a rightful share upon dissolution of the marriage, there should be a consideration of that by the judge.

The final things which must be considered are previous agreements, dispositions, and legal systems. I would hate to see, Mr. Speaker, the development of a marriage contract system in this province, so that each young couple setting out on the marriage trail would have to go into a legal

contract. I think it would be very unfortunate to see that development in this province. Yet I would suggest, Mr. Speaker, that the first system being espoused would lead to that development, and I suggest we should reject that.

Now there has been -- and other speakers may very well develop upon this -- a concern for the method of distribution and division and payment. That is set out on page 128 of the report and would require the court, in the order, to deal with the distribution in a number of ways: either payment over a period of time, with or without interest; one spouse to give security for all or part of the judgment; to charge the property itself with payment of all or part of the judgment; or in the last resort, I suggest, to order that property be sold and the proceeds be divided between the spouses in such proportions as the court may direct.

I appreciate, without any question, the very real and valid concern held by many agriculturalists, who do not wish to see the family farm, the economic farm unit, forced into sale. I would suggest that this judicial discretion is absolutely necessary in determining how the award is to be paid, so we don't find people ending up one with a quarter section of land, the other with another quarter, and neither of them being able to make a real and viable living from that land itself.

Mr. Speaker, I know there are many other members who wish to contribute to this debate, and I will conclude with this remark. I urge all the members of this Legislature to seriously consider this problem: to recognize the real necessity for a change in the law as it exists today in this province, and to join with me in endorsing the motion which is before the House and which, in effect, is an endorsement of the minority report of the Alberta law research and reform commission.

MR. MUSGREAVE: Mr. Speaker, in this International Women's Year I think it's most significant that a new government member for Medicine Hat-Redcliff should be the one responsible for bringing this motion before us. I think I would like to hope that, as a new member of the Legislature the same as myself, perhaps we are breathing some new light, some new concepts, and new ideas into this House for a problem that has been with us for a long time.

You will note, Mr. Speaker, that the motion refers specifically to the division of property between spouses. All of us are concerned with the treatment of women in our province, particularly in the cases of marriage breakdown. I thought it was unfortunate that the hon. Member for Medicine Hat-Redcliff mentioned the Murdoch case. It has given our province a lot of notoriety, and putting on my male chauvinist hat for a minute, I would suggest that perhaps the male in this particular case has not had a fair hearing through the news media. However, the problem is a severe one, and it epitomizes the kind of situation we've got ourselves into by not addressing ourselves to the problem.

But, Mr. Speaker, I think it's most important we recognize there is much in the way that has to be done in this Legislature, not just in the concerns of matrimonial property but to make sure women are treated as human beings, as persons, as individuals with rights and concerns.

We know that in the past some provinces have classed women as non-persons. They were in the same category as insane people. They were in the same category as minority children who couldn't look after their own rights. They were unable to manage property. They were unable to enter the professions, except under great duress. They couldn't vote. They were kept out of business. They were kept out of trades. In effect, they were kept out of everything. They could bear children. They could clean offices. They could nurse in hospitals after Florence Nightingale launched her program. But otherwise they were to be seen and generally not heard.

Mr. Speaker, I trust and pray that the members of this Legislature will bring our province into the forefront of legislation in Canada. We don't enjoy that position today. In many ways, many jurisdictions in our country are ahead of us in this regard, and I would hope that by the time this session of the Legislature is complete, we would have changed this significantly; not only in the division of property, which we are debating today, but in the field of enforcement of discrimination under existing legislation. Our Individual's Rights Protection Act may be valuable to say, a government agency that wants to launch an action against a private company that discriminates because of race, creed, or color. But can you imagine a secretary, or a stenographer, or a waitress launching a suit against an international hotel chain or an international oil company, because they are paying a male more than a female who is doing the same job. I suggest, Mr. Speaker, we should be looking at what I understand is the new legislation in the Province of Ontario, whereby the Department of Labour is charged with the responsibility of enforcing the human rights act in that province. So if there are cases of discrimination we don't leave it up to the person, who is quite often in the lower socio-economic sphere of activity in our country, to launch any necessary legal action, which is her right under our existing legislation.

I would suggest that unless the members of this Legislature address themselves to this problem -- and regrettably there are too many of us of the same sex here.

[interjections]

I notice Miss Hunley agreed too, Mr. Farran.

I think it behooves all of us to consider what the future of many of you here may be. I would like to quote from Mrs. Nellie McClung, who was here many, many years ago, and she said:

Women have cleaned up things since time began; and if women ever got into politics, there would be a cleaning-out of pigeon-holes and forgotten

corners, on which the dust of years has fallen, and the sound of the political carpet-beater will be heard in the land.

That's Mrs. Nellie McClung probably 50 or more years ago. I think it's most significant that a member of this House raised that so many years ago, but I think it's regrettable it has taken us so many years and our progress has been so limited.

Now I appreciate the changes we are debating today in this motion are very complex and of a very difficult legal nature. When I listen to the hon. Member for Medicine Hat-Redcliff, I kind of get the feeling the legal profession would generally like to leave things the way they are. They are prepared to do a little bit of dressing up here, and a little bit of dressing up there. I'm saying the hon. Member for Medicine Hat-Redcliff would probably be an exception in his profession in that he wants to grasp the nettle as it is, and do something. But I get the feeling that members of the legal profession in our province and throughout our land are saying, you know it's complex, it's difficult, it's tough to deal with, there's going to be a lot of litigation -- there's always lots of litigation whenever there's new legislation written -- but I think we'd be doing a disservice to half the constituents of this province if we didn't try to change the laws relating to the holding of property.

I appreciate that, particularly in the case of sharing of small farms and the sharing of small businesses -- how long do you keep them going or how do you eventually dispose of the properties. But I think we should consider, too, that in the past if a woman has primarily looked after the home, has left the business world many years ago or perhaps was never part of it, if the marriage breaks down and there is a dissolution and she has little or no income, quite possibly she could end up on welfare. I think this would be a most regrettable situation.

So, Mr. Speaker, I think I would urge all the members here, as did the hon. Member for Medicine Hat-Redcliff, to concern themselves with this legislation and to support this motion. I feel it is opening the door, Mr. Speaker, that's all it's doing, opening the door and hopefully casting some light, and hopefully getting the male members of the community to recognize that the female members -- and I hate to make this discrimination -- but getting the legislators who are primarily men to recognize the very difficult problems faced by women in our community. As I mentioned earlier, they are human beings, they are persons, and we should start to treat them as such, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, while I don't know much about marriage, I think that bachelors and spinsters in this House should really speak on this debate, because they can look at it more objectively than our married colleagues.

I am going to support the resolution, but there's one section I want to deal with

briefly and that's (a) where it says, "empower courts in all matrimonial causes to divide the property of the spouses between them". That leads to some cause for concern for me, because you can divide it with 10 per cent going to one and 90 per cent going to the other. It's certainly a division. I would like to see the word "equally" somewhere in there in regard to the amount of the estate that has been obtained or has been gathered since the date of marriage and to the date of the dissolution of the marriage.

I believe that should be set out and defined very, very carefully. If that is not done, if we're simply going to divide the assets at the time of the dissolution of the marriage, then it could be just as unfair as I believe the Murdoch case was, with the husband retaining, as the papers said, \$200,000 of the assets which were obtained since the beginning of the marriage and the wife getting \$200 and a black eye. It certainly was a division, but in my view, it was not a fair division. I would hope that any legislation we bring in will make it very, very clear we want an equal division of the assets obtained or gathered through the efforts of both, or by either singly, from the date of marriage until the dissolution of marriage.

Now I think there has to be some common sense applied to a rule like that. Certainly the wife wouldn't want her share of the man's trousers, or her share of the man's coats and jackets, and I don't suppose the husband would want his share of the spouse's dresses or hosiery, et cetera. There has to be some common sense in dividing the property, but with regard to the cash assets that have been obtained, I can't see any difficulty there.

I do see some difficulties in dividing the effort, but I was most concerned in the Murdoch case where it appeared that the lady was considered to be just doing the ordinary duties of a wife in cooking, sewing and doing all the other menial tasks of the household, even though some evidence indicated she was out on the plough and feeding cattle too. But even had she only remained in the home and done the work of the woman of that house, surely that was making a contribution and the assets obtained during that period should, in my view, be equally divided. I can't follow the argument that because the man is out working and the woman is in the house, he should have a greater share of the assets when they have already joined together as a team and become a married couple. As Longfellow said, "It's not thine and mine, it's ours after marriage", and that's probably one of the reasons I'm still single.

Some people say marriages are made in heaven; I personally don't believe that. I believe marriages are legal contracts, made on earth. If it is a legal contract, then certainly it should be applied equally to both parties, the party of the first part and the party of the second part. If that is done I think there would be very little difficulty.

Now when we introduce other things, such as discretion as to what amount should

go to the woman and what part should go to the man, I think we're asking for some difficulties and some injustices. Because while that discretion is supported, as far as I'm concerned, in regard to assets like the woman's dresses and apparel and to the man's apparel, I can't follow that in regard to the effort which has been made and the assets that have been obtained together from the date of the marriage. Certainly there should be no discretion there. If they have a value of \$50, then it should be divided. If they have a value of \$100,000, then it should be divided as equally as possible between the two, if that unfortunate time comes when they are going to separate.

The matter of discretion, however, in regard to the standard of income to which each is accustomed, gives me some concern. Surely a man and wife are accustomed to somewhat similar standards of living during the period of their marriage. I suppose it's feasible to think that the wife stays home and eats hamburger and the husband might go out and dine at the Chateau Lacombe every night, but I don't think this is a real thing. I think most of the standards of living of married couples are very much in line, and if they are, then surely the standard of living to which each is accustomed should not be a factor in the division of the estate. Whether one is poor or one is rich -- the word welfare is mentioned for some -- if this is going to be the case five months after marriage, that maybe one of them had to go on welfare, then I don't think it would be a fair disposition, or fair at all.

I think the division has to be based on the period between the date of marriage and the date of dissolution. Whatever those assets are at that time and during that period, then those are the things that should be divided. I think we simply complicate this whole thing and muddy the waters by bringing in what's going to happen before they were married or after they are divorced. I don't think that has anything to do with it.

Take the case of a 42 year old man, who is a pauper, who marries a 70 year old woman who is wealthy. Should he have a share of her wealth that she worked for, with hard work and efforts, for perhaps 70 years, simply because he marries her? I don't think so. There's probably a dower right, but I don't think he has any legal right to any share of that estate which she made on her own if he marries her and they are divorced 6 months, or 1 year, or 2 years later, and vice versa, where a poor woman marries a wealthy man.

Surely we're not going to encourage that type of thing, that people simply marry to get their fingers or hands into the cookie jar of the other person because the other person happens to have lots of cookies in the jar. I don't think that's the type of thing we want in this country at all, and it shouldn't be encouraged by law. But if you take the assets obtained from the date of marriage to the date of dissolution, then I think all those types of things are avoided and I think it's

fair.

I don't support the claim that there should be a division of assets made after the dissolution or before the actual date of marriage. In connection with that I do support the resolution with those qualifications. Possibly those will really be what the mover of the resolution means, although it doesn't say "equally" and that is possibly because he didn't want to divide the clothes, et cetera, but equal assets I think should be divided.

One of the other things that bothers me a little bit about this, too, is when this will be applicable. I have had some representations from women in my constituency who are very much concerned about the fact there's some suggestion that legislation would be effective only for marriages after the act is passed. I don't think that would be satisfactory at all, personally. I think if this is not retroactive, it will probably do some good in the future. But it certainly wouldn't give much consolation to hundreds of women today who are worried about this, not because they're contemplating divorce or separation, but because they feel an unfair thing has happened in our country. They think any people who are legally separated or divorced should have a better deal than what we have seen given to one or two women in this country.

So, Mr. Speaker, I'm supporting the resolution, and I'd just like to qualify once again the three items I'm concerned about. There's one item I forgot to mention. I don't agree at all with this opting out of marriage, making a contract before you marry that you're not going to have an equal share. If the legislation is passed, I think it should be applicable to all who marry. They should know that before they marry, and accept it as a condition of the marriage, that whatever assets they make together during the term of that marriage, be it long or short, are going to be as equally divided as possible, if they should come to the unfortunate event of separation. I don't think providing opting-out clauses in marriages is going to do the country any good. I don't think it's going to encourage the thing this type of legislation is trying to encourage: a fair division of assets made together through a husband and wife, through their joint efforts, living as man and wife, and working together.

The whole matter of the children in this regard creates other problems, of course. But I think this resolution is dealing with the simple facts of a man and wife at this period; the children, however, would have to be very, very definitely dealt with in any legislation, in order that children coming from that marriage would be dealt with fairly. If the children are under the care of one of the spouses, and they're minors, I can see that an equal share to that spouse would look after the problem. If they are no longer minors, possibly there is some reason to think they should be out on their own and should not secure a share of the estate, unless, of course, they too had a very definite hand in building a part of that

estate.

I think we have to take a very careful look at any suggestion that we're going to have contracts prior to a marriage that permit opting-out, or contracts that will deny the right of law to the parties in case there is a dissolution or a separation.

So I'm generally supporting the resolution, and I'm looking forward to seeing the legislation brought in by the government in this regard.

MR. COOKSON: Mr. Speaker, I don't know if I can speak with the same authority as the Member for Drumheller. Obviously, he's done some pretty fair research, even though he may lack some experience in the area of marriage.

I was rather interested in the resolution -- not that I'm contemplating divorce, although my wife may be on occasion. But I think it affects a very large number of people, in particular property owners, because that's what it basically deals with. Secondly, I always think that laws are too important to be left totally to lawyers.

SOME HON. MEMBERS: Agreed.

MR. COOKSON: The report on matrimonial property, which is an excellent report, I think bears some close scrutiny by other than the law profession. That includes the report by The Institute of Law Research and Reform, which is also an excellent document.

I think the Member for Stettler initiated this resolution several years ago, and that's when I became quite interested, in particular in the Murdoch vs. Murdoch case, which was certainly well publicised. Perhaps the whole story was never really told, but it did initiate directions towards some form of law reform in this particular area.

Now I think before we try to establish some way of correcting the inequities, we have to assume certain things, and the Member for Calgary touched on these briefly. First, that all persons are equal, and I think this has been basically established through this government's passing the Bill of Rights; secondly, that marriage is basically a partnership; and thirdly, that the economic provider and the homemaker are basically equal: that is to say, it really shouldn't matter who is earning the income in the home. When you're partners, you really should share directly in any benefits that derive from this.

Now the Murdoch vs. Murdoch case didn't come to this conclusion, basically because we didn't have any kind of statutes at the time, I suppose, and still don't, to deal with a particular situation. We have certain statutes that protect our spouses from inequities to some degree. The Dower Act, for example, I think was touched on, which gives some protection -- at least the quarter section on which the home is located, to the spouse. Many breakdowns in marriage are dealt with through the divorce act. In many cases, this results in a

lump-sum payment to the spouse in order to provide some form of income. Then there's the law of separate party, which, unfortunately, doesn't take a woman's contribution into consideration.

The report by the Institute of Law Research and Reform touched on a number of areas. But I was really interested in the report on matrimonial property, published in British Columbia. It operates on the basic premises which I've suggested, but offers a number of alternatives to settle this kind of a dilemma, which unfortunately, by the way, happens more and more frequently in our society.

In their submission they have suggested three alternatives. One is the traditional method, traditional property, where the husband generally assumes management of all the property, deals with any transactions, and most of the property is in the husband's name. This is really close to the traditional thing as we know it today. They also suggested in their submission a full and immediate community. What that basically means is that once the vows are given and accepted, both parties are then party to a common contract which entitles them to share equally in the accumulation of assets once that point is reached. That goes on unless, unfortunately, there's a dissolving of marriage.

The other one suggested by this particular report on matrimonial property was the deferred community concept. I think the Member for Medicine Hat-Redcliff touched on this. That, in effect I suppose, is a compromise between the other two. It suggests that once the marriage is consummated, accumulation and administration of property is still in the hands, generally speaking, of the man of the family. However, if there is a breakdown in marriage, both parties share equally in the assets. Any of these three alternatives has basic problems, but the one I wanted to touch on just briefly was, I suppose, the area which I'm most concerned with and that is the business of accumulating large sums of assets, which happens on farms and in business enterprises.

Generally speaking, most people who go into the agriculture business live poorly but they die rich. I see that around me in my constituency, where they go short of many, many things through a long period of fairly hard work, and then they accumulate assets with the intention of retiring and being independent of any kind of financial assistance. So when you start talking about a marriage breakdown and the problems that are forthcoming in a situation like that, you deal with a number of situations that I think would have to be resolved before it would be totally acceptable, certainly, to the agricultural sector, and I'm sure the business community.

For example, one suggestion was made that we should be required to get approval of the spouse before spending sums of \$2,000 or more. Now I can assure you that those kinds of transactions go on in the auction marts and the machine shops pretty nearly every day in every operation on every farm. And if we had to go through



the dilemma of getting our wives' permission, I think we would certainly slow down the economy of the province.

Then there is the problem of separating property, where you end up with separate titles and separate subdivisions. Maybe this is the motive behind the whole process. It's getting more and more difficult in my area to obtain subdivisions, and this might be conceivably used as a method of splitting land. Well, as soon as you split property, you destroy the economic operation. It's as simple as that. I use this example: if a divorce came about and the woman of the house received the bull worth \$10,000, and the man of the house received 10 cows [each] worth \$100, neither of those assets would be of much value to either one. It's something like the biblical story about splitting the baby. So I think this has to be given very careful consideration before anyone attempts to split an economic unit, whether it's in the business sector or in the area of agriculture.

Any of these recommendations tend to ignore the cause of breakdown, and maybe that's important. One says that he became an alcoholic because his wife was running around, and she said she began to run around because her husband was an alcoholic. I don't know which comes first, but it probably is a combination of factors.

The one thing I would like to assure the legal profession is that they do their very utmost to make whatever system is acceptable to the people of Alberta as simple as possible. Certainly the report on law research and reform wasn't a simple report. I understand that they have to go into all the ramifications of this sort of settling of property. But it must be made simple and easy, because if it isn't, the one thing I worry about is the possibility that most young people before they marry will enter into some kind of marriage contract. The vows will become second nature to a marriage as such. They'll simply enter into a contract which will be applicable after marriage.

MR. NOTLEY: Mr. Speaker, in rising to make a few brief comments about the resolution we are discussing today, I'd like to join the other members in saying how impressed I was with the report of the Institute of Law Research and Reform. Clearly, the commission has done an excellent job in reviewing a rather -- at least in the last several years -- controversial question, although I think it's fair to say, Mr. Speaker, that in the last several years there has been a growing consensus that we need to make changes as far as the division of matrimonial property is concerned. So what was a very controversial matter at the time of the Murdoch case has perhaps changed somewhat as people recognize the importance of changes in the law.

Mr. Speaker, in reading the report, I see that the majority proposal talks about judicial discretion for existing couples, and deferred sharing for those who form couples after the new legislation is enacted. I'd like to comment just briefly, Mr. Speaker, about the whole question of judi-

cial discretion. I can appreciate the arguments made in the commission report for existing couples, but it seems to me there are problems with judicial discretion. The first problem is that it does not really specify equality. Recognizing the contribution of the spouses can mean virtually anything. It can mean an equal division, or it can mean almost nothing at all.

Judicial discretion also brings in a certain element of uncertainty, Mr. Speaker, which, of course, is inevitable to a certain extent, but it obviously will involve a delay too in the final division of the assets or the property of a marriage. I don't raise this as a major point, because we are now talking about the changes in the judicial system, but I really question whether we are not wasting the court's time to a large extent with a large number of divorce cases dealing with the division of matrimonial property.

Again I say, Mr. Speaker, I rather find the deferred sharing concept more attractive. Now, the deferred sharing proposal the commission suggests for those couples who now get together after this becomes law, I think has a number of important features. It recognizes the contribution of both spouses as equal with respect to the acquisition of property. I think -- and other members have made this point too, Mr. Speaker -- that any acquisition of property or valuables during the course of the marriage is not just a result of the work of the wage earner or the salary earner. The other spouse can make just as important a contribution to that couple's overall economic well-being.

I often think, Mr. Speaker, of many of the wives who work to send their husbands to university. The husband gets a B.A., Master of Arts, a Ph.D. or what have you, suddenly has an earning power which is very, very substantial once these degrees have been accumulated. But the degrees could never have been obtained had it not been for the fact that the spouse was prepared to sacrifice pretty substantially. I think it's rather arbitrary and unfair to suggest, then, that if a break-up occurs, the spouse is to be left high and dry. As a matter of fact, I often think that the spouse has almost a claim on the earning power of the individual, because of the sacrifices that have often been made during the education process itself.

Having made those remarks, Mr. Speaker, I think the proposal we have before us in the form of a resolution is a timely one, because it does give us an opportunity to debate this important report. I feel that the report offers the basis for some realistic changes in this whole area. It's a report that should be acted upon quickly by the government, and I fully support its implementation.

MR. R. SPEAKER: Mr. Speaker, in making some remarks with regard to the resolution, I'd like first of all to say I certainly appreciated the report that has come in, the comprehensive coverage by the committee, and the very straightforward manner in which the recommendations were presented

for our consideration.

I, too, would like to voice support and encouragement for the resolution before us. But certainly I would like to say at the beginning that I place my priority more on the majority recommendation than the minority recommendation. I feel at this point in time and in our history, the division of property, the sharing of husband and wife, is certainly a more equitable thing in the family unit. I feel that in building a farming operation, a business operation, the man and wife share in a more equitable manner. There's equity of responsibility, equity of decision making. I think these are factors to be taken into consideration.

We have to recognize that the education and experience level of both husband and wife in the family unit at this point in time are greater than ever before. I think those two factors in the family unit reflect better understanding, better communication, and certainly a partnership in the decision-making process.

What we are discussing here is a marriage getting to a point where there is breakdown. I think at that point in time we have to assess the fact that a contribution has been made by both partners, a contribution to some type of entity or economic unit. At that point in time, I feel that present procedures, through the judicial system, really haven't brought about equity and fairness. I can think of examples, just as other members have outlined in this Assembly, relative to farmland. The wife was in a situation where she couldn't tolerate the circumstances of living in that particular environment on the farm, or with the husband, and felt her only alternative was to leave. But if we look at it historically, she may have spent 10 or 15 years building the farm unit. But when she walks away, she has access to nothing in legal procedures at present to protect her, and is in no way rewarded or compensated for the part of her life she has given.

I feel in light of that, legislation certainly needs to be brought into the House of that protects some of these rights of either partner in the marriage when a marriage breakdown occurs. Certainly, we support a position, as I said the majority recommendation, where husband and wife share the economic gains made together during the compatible time of their marriage. Certainly we feel we can support deferred sharing and balancing of payments. There may be some difficulty in coming up with final result in that particular manner. But we have to recognize that in the judicial process, it's the same thing. A judge must make that particular decision. I feel if some formula is established, some precedent, when a situation like this occurs, the court can refer to that, and make a decision very quickly.

We also support, along with that, that the courts should be given power to reduce or cancel the share of a spouse where they find the contribution of that particular spouse has not been equitable, or has not been as reasonably expected, as the report

points out. We feel that appeal procedures should certainly be there, so an out is there, because there are going to be situations that do occur in that manner. But, Mr. Speaker, we appreciate the report. We certainly hope legislation is forthcoming, and that changes are made to update this particular procedure in our society.

MRS. CHICHAK: Mr. Speaker, having regard for the day of the week and the time on the clock, I move to adjourn debate on this motion.

[Motion carried]

PUBLIC BILLS AND ORDERS  
OTHER THAN GOVERNMENT ORDERS  
(Second Reading)

Bill 207 The Auditor General Act

MR. CLARK: Mr. Speaker, I'm pleased to have the opportunity to rise in my place and move second reading of Bill No. 207, The Auditor General Act. I think it's fair to say that a number of things have taken place since last spring when this piece of legislation was first introduced in the Assembly. They are, to say the least, encouraging as far as the concepts involved in this piece of legislation becoming a reality here in the Province of Alberta.

I want to say at the outset, Mr. Speaker, that none of the comments that I, or I'm sure other hon. members, make today would in any way want to detract from the very excellent service given to this province by the present provincial auditor, and the former provincial auditor, Mr. Keith Huckvale.

I think it should be stated clearly at the outset that the decision, as far as the official opposition was concerned, to move in the direction of proposing an auditor general's piece of legislation in the Assembly, is no reflection upon the present or former provincial auditor in this province. Moreover, Mr. Speaker, we see it as being perhaps a late move, perhaps one that should have been made somewhat earlier -- one could even go so far as to say perhaps by the former administration -- to move in the direction of the concept of a full attained auditor general.

I would be remiss, Mr. Speaker, if I didn't say to the members of the Assembly that we on this side of the House are certainly not mindful -- I believe the present Government House Leader, when he sat on this side of the House, moved a similar piece of legislation in 1970 or 1971. I would say also that when we look at this piece of legislation -- we're mindful also, I think it was on September 18 this year -- that the present Provincial Treasurer, when speaking to a group in the city of Calgary -- if my memory serves me correctly, I believe it was the Calgary-

Egmont Constituency Association -- indicated to . . .

MR. CRAWFORD: What party?

MR. CLARK: What party? Well, I don't believe my colleague Mr. Notley, or Mr. Taylor, or I would ask the present Provincial Treasurer to come to any of our meetings. The last time [interjections] I spoke to the leader of the Liberal party in Alberta, he didn't indicate he was going to have the Provincial Treasurer at any of his meetings, so I just assumed members would assume it was at a Tory annual meeting. Now, if I left any doubt on that, I want to make it very clear that it was, I believe, a Calgary Egmont Tory constituency meeting. That took place in Calgary, I might add.

But I'd be less than fair if I didn't say to the Provincial Treasurer that we were indeed pleased with the announcement, at least the general principle, he outlined on that particular occasion.

We do have, frankly, Mr. Speaker, a couple of concerns from the announcement the Treasurer made at his meeting in Calgary: first of all, that legislation may not be able to be in place for some time yet; secondly, that this move by the government would make a change as far as the pre-audit function is concerned, that in fact the pre-audit function would be taken over by the provincial controller in the Treasurer's department. I'll have some comments in that particular area later in the course of my remarks.

But I want to say now that we see a real danger, if in fact the provincial controller -- and we have a provincial controller in the legislation that we are debating now -- becomes an employee of the Provincial Treasurer's department, or any other government department. In our judgment, the provincial controller, who would serve many of the functions of the provincial auditor today, should remain independent and accountable to the Legislature, and certainly not to a particular minister of the Crown.

I would urge hon. members to spend the next period of time in this debate looking at the bill from the standpoint of the basic principles involved. We believe the basic principles involved in the bill are good. Being very candid with the members, in light of some discussions we've held since the bill has been produced, and also in light of a federal report which came out on the review of the Independent Review Committee of the office of the Auditor General of Canada. I think there are some worthwhile suggestions in that particular report that may very well, in due course, find their way at least into considerations here in Alberta. But generally, I would like to ask members to look at the bill from the standpoint of the principles involved, and perhaps we might be able to avoid getting involved in some of the particular sections that may cause some concern.

Now, in looking at the basic question of the reason for a provincial auditor and The Auditor General Act, I think it's

rather straightforward. We've seen tremendous growth in the budget for the province . . . In 1971, if my memory serves me correctly, the budget for the province was under \$1 billion. Yet in 1975 we're looking at a budget in excess of \$2.5 billion. All members of the Assembly have now been through at least one session of the estimates, and some members have had the experience of sitting on the Public Accounts committee. When we think in terms of the way in which the Public Accounts committee has functioned over a period of many years, in fact as long as I've been here, it really leaves some questions about how effective that particular committee is.

A second area that raises concern, and I think points out the need for an auditor general, centres around the question of the growth of the public service, and the large number of consultants that has been taken on during the last four years. I think it should also be pointed out to hon. members, as perhaps a third reason why we should be looking at an auditor general, that at this particular time there are something like 62 Crown corporations, boards, commissions, agencies, and trusts which the present provincial auditor looks at and reports on yearly. But I would encourage the hon. members to look at, I believe, volume 2 of the public accounts and then at the kinds of comments that were made. If my memory serves me correctly, in the last public accounts, in only 5 of the 62 agencies were there any comments under the auditor's report, and in regard to 18 of the agencies were there comments on the way in which the agency had in fact done its auditing or kept its books.

I'm not suggesting, Mr. Speaker, on this particular occasion anyway, that the 62 Crown corporations, boards, commissions, agencies, and trusts are in fact hiding anything. But I am suggesting, Mr. Speaker, that with the way the Legislature operates, it is virtually impossible for us to have the kind of scrutiny there should be as far as those agencies are concerned. I do think that a provincial auditor, with the terms of reference outlined in this bill, could provide a real service, not just to the Legislature, not just to the government, but in fact to the people of this particular province.

I would like to go on, Mr. Speaker, and make the point once again that Public Accounts, as we know it today, meets for a very few hours each session -- perhaps 3 hours on 8 or 10 occasions, something like 30 hours when select members of the Legislature go over the public accounts from the previous year. I would hope that in addition to some consideration on the auditor general's bill, before long we would look at some way of strengthening the public accounts mechanism we have right now.

I think it goes without saying, Mr. Speaker, that with the kind of growth we've seen in government, it's now impossible for cabinet ministers to really realize what kinds of activities are taking place in their own particular departments. We have some examples in those particular areas that we could become involved in if it

appeared necessary.

I think it's also rather obvious, Mr. Speaker, that regardless of who the government is or who the ministers are, it's no longer -- if ever at all, but certainly not now -- humanly impossible for ministers to really determine whether we're receiving value obtained in the public dollars spent. That's one of the areas I would hope the provincial auditor could become very actively involved in.

Basically, what we're suggesting in the legislation before the House today is that because of the growth of the budget and the growth of the public service, because of the ineffectiveness of the present mechanism as far as public accounts are concerned, and, Mr. Speaker, because we've had develop in this province a kind of new public-government mix vehicle, we've seen today in the Legislature -- when the Member for Spirit River-Fairview asked one of the cabinet ministers a question regarding the \$75 million that the government has put into the Alberta Energy Company -- that in fact we get into a situation in this Assembly where the government maintains it is not accountable for that \$75 million.

Now that's not the only example we have of this kind of public-private mix in Alberta. We have the Syncrude venture, where in fact the people of Alberta, through the government, have invested and will continue to invest very large sums of money in Syncrude operations. Yet we really have no accountability in this Legislature.

Thirdly, we have the acquisition of Pacific Western Airlines, and \$35 or \$36 million of public funds into that particular venture. Once again, we don't have in this Assembly a feeling that the government is accountable for the expenditure of that money. Somehow we have this rather mystical feeling in the Assembly, and throughout Alberta right now, that we're not accountable for that \$75 million in the Alberta Energy Company, the \$35 or \$36 million in PWA, and the money that's going into Syncrude.

I suggest to the members of the Assembly that we are accountable for that, whether we like it or not. No member of the Legislature can really dispatch his responsibilities without having some concern in those particular areas, some accountability for them. For us to be told in the Assembly that that's a private company and that's their own business -- as was said by my colleague from Clover Bar today, I know of no other private company that ever received \$75 million, and then went from there.

So we have developed in this province a new type of animal -- perhaps that isn't the right word -- but some new type of public vehicle, which is a government and private enterprise mix. As long as this Legislature is going to pour money into those kinds of ventures, we're accountable for that money. In the course of the last few months, we've had the situation of grants in the Department of Culture, that venture now being before the courts. So it seems that this is a pretty reasonable time

for us to be looking at an auditor general.

What we're really suggesting in the bill, Mr. Speaker, is that when we set up the office of an auditor general, he would have the power to become involved in investigating a variety of areas. He could be requested by the Executive Council, the Premier, a minister, or the Public Accounts committee to investigate a variety of areas.

We're also saying in Section 7 of this legislation that in fact the auditor should report annually to the Assembly the results of his examinations, and shall call attention to every case in which he observes that there is any significant degree of a number of, shall we call them malfunctions, where: an officer or employee willfully or negligently omits to collect or receive money; any public money is not duly accounted for; any appropriation was in excess or applied to the purpose or in the manner not authorized by the Legislative Assembly; expenditure was not authorized or not properly vouched or certified for; there had been excess deficiencies or loss through fraud, default, or mistakes of any person; a special warrant has authorized payment of any money; or reasonable value of money has not been obtained in the expenditure of public funds.

I'd like to stop at that particular area for just a moment, Mr. Speaker, and say that as I understand the auditor general and the auditing situation across Canada and North America today, as far as government auditing is concerned, this is some sort of departure, some sort of new concept. We certainly don't claim any originality for the concept of reasonable value for the money spent, or performance auditing, as it is sometimes referred to.

I would refer hon. members to the report of the Independent Review Committee of the office of the Auditor General of Canada. In fact one of the recommendations in their report that struck me as being most valid was that the federal Auditor General for Canada might become actively involved in this area of endeavor, of performance auditing, of saying to the government, the Legislature, and the people affected that in fact, in our best judgment, this money was not well spent.

I can see how members on the government side could contrive this being an area that oppositions and people who want to be critical of the government would jump upon on every occasion. Far more, I would rather challenge the members of the government side to say pretty frankly, the size of opposition we have in the Assembly at this time -- likely it isn't your fault -- but the fact is, it is impossible for the opposition to cover the whole water front. The situation of my colleagues is: each of them tries to monitor six or seven various government departments, receiving complaints from people across the province in those areas, trying to have policy alternatives, in addition to his responsibilities to the Legislature.

Perhaps a government will never have a better time in Alberta when it's applying the concept of an auditor general to commit

itself to the concept of performance auditing, and the concept of value received for expenditure of funds, than when it has a very large majority like it has now. An opposition of six people on this side, regardless of how hard it tries, certainly wouldn't be in a position to turf out the government in the middle of a term as a result of anything that might come out of this type of area. So I would urge the government and the members of the Assembly to resist the easy temptation of saying, we won't buy the concept of performance auditing. I would urge them to think seriously in that particular area.

There is provision in the legislation, Mr. Speaker, for the auditor general, in addition to reporting to the Assembly once a year, to report to the Assembly more often than that if, in his judgment, extreme circumstances develop.

One other section of the legislation I would like to deal with for a moment, Mr. Speaker, deals with the auditor general being dismissed. The suggestion that we've incorporated in the legislation here is an almost exact replica of the legislation in Nova Scotia where, in fact, if the auditor is to be dismissed, [there is] a procedure of the Premier and the Leader of the Opposition almost working in tandem as it were, and then this has to come before the full Legislative Assembly within 30 days. That is a portion of the Nova Scotia legislation, and the last time I spoke to people in Nova Scotia it appeared to be working well.

So I would commend to the members of the Legislative Assembly the principles outlined in this bill. I would commend to them the idea that perhaps, if this piece doesn't receive approval, we would be looking at some of this kind of legislation from the government side, hopefully in the spring session this year. So that by a year from now we'd be in a position perhaps where all members of this Assembly could be rightfully proud of the fact that we've moved on the concept of an auditor general, that we've moved in a direction with dispatch, and that, yes, in Alberta we have indeed cut some new ground once again. That would be a commitment to the concept of performance auditing.

MR. TAYLOR: Mr. Speaker, I would like to say a word or two on The Auditor General Act. I'll start by saying that I opposed the principle of the auditor general when I was on the government side, as did the hon. member who just spoke, and I still oppose the principle. I can see no reason for it, and I can see several reasons against it. I want to outline those at this time.

In the first place, the bill sets up a huge bureaucracy. An auditor general is appointed at a very high salary, probably at least as much as a provincial auditor, so there's \$37,000 or \$40,000. Then he's given a staff that's going to redo everything the auditor has already done. He may station in any department any person employed in his office to enable him to more effectively carry out his duties. That means he could station somebody in every

department of government to keep an eye on the minister on everything that's going on. In other words, he could set up, if he chose, a huge bureaucracy of spies to fish for something that might be wrong.

Are we assuming things are so bad that we have to hire fishermen, place them in every department, and hope that one of them might catch a fish, or one that's bad? I can't see that principle. I think responsible government doesn't require that type of thing. On the cost alone of this bureaucracy we are setting up, I could not support it. It's inflationary. It's contrary to the principles that have been set out to try to stop inflation. It's setting up a bureaucracy. What they are going to do other than fish for something that's wrong, I, frankly don't know. I don't think there's any purpose in that type of thing in a Legislature in any province in Canada.

When I look at the Canadian government and find out what the Auditor General has done, and try to ask myself how much better is Canada, or how much better is its administration, because they spend several hundred thousands of dollars on a post-audit for an auditor general, I can't see where we're better off at all. We would be a lot better off if he wasn't even there, in my view. I certainly don't want to have a similar set-up in the Province of Alberta. I don't believe in a post-audit. A post-audit can do nothing except tell you what has already gone on. We already have the set-up in our legislation to do that if we want to do that type of thing.

If there's something wrong with our ability to audit the accounts of this province, and there is some need to go into this -- which I failed to gather in the arguments advanced by the mover of the bill -- then there might be some merit in considering the appointment of an auditor general. But frankly, I can see no use, and I can see a lot of things that aren't useful at all.

For instance, the hon. mover of the resolution mentioned Syncrude. He said the government was not accountable -- at least he felt they were accountable but somehow or other, how he figured it out I don't know, they are not accountable for moneys invested in Syncrude, or moneys spent for PWA. I've never heard a minister of this government say they are not accountable for those sums of money. As a matter of fact, the Premier and several ministers have spent a lot of time showing how they are accountable for those moneys. More than that, the whole thing was placed above the table at the last provincial election. The people had a complete view of the money being spent on Syncrude and PWA. It was done before the election and not after. The government could have been kicked out of office if the people of the province were not happy with the investments or the judgment of the government with regard to Syncrude and PWA.

There are people in almost every constituency who outlined what they thought was wrong about this, but the people still sent back a majority, supporting the gov-

ernment who invested the money in Syncrude and PWA. How anybody comes to the conclusion that the government is not accountable for these large sums of money is beyond me; it escapes me. I can't see why anyone could properly say to any audience in this province that the government is assuming it's not accountable for those moneys. It is accountable for those moneys. It has assumed the accountability, and it must continue to assume the accountability. I have seen no effort on the part of the government to deny that or to get away from that accountability.

Assuming that the government was not accountable, assuming that the government said, we invest this money and it's none of your business, we'll do what we like with it, what would an auditor general do about it? What would he do about it? The money's invested. Can he get it back? Can he stop the transaction? No, not at all. All he can do is tell the general public that the government invested money that he thought was done in poor judgment. That's his opinion. But what more could he do? So we're going to pay a huge sum of money for somebody to come and tell us what the government's already told the people and told the Legislature: that they've invested the money. There's nothing secret about it. The PWA account was done in accordance with legislation. I, frankly, think it was a good investment. I would have been happy, too, if the government could have taken over the CPR at the same time. We would have had a lot better transportation system in this country if something had been done about that.

PWA was purchased, out in the open, with public money. A full accounting was done in this House by the present Minister of Energy and Natural Resources. All the papers were laid. I went through them; I could find nothing wrong. Other members went through them and could apparently find nothing wrong. But if something is wrong, we have the availability to raise that matter in Public Accounts. The Public Accounts is there. They can spend the entire time on PWA if Public Accounts wishes or chooses to do so. It can't be hid.

The beginning of the difficulties with the former chairman of Alberta Housing could have been pursued in Public Accounts and could have avoided the public inquiry had Public Accounts decided to do so. It was started, but it was not followed. It was followed to a point where a public inquiry later took place. Had that public inquiry not taken place, Public Accounts could have -- if members still thought there was something wrong, and apparently there was something wrong according to the court cases -- pursued that to the point where court cases could have commenced.

But Public Accounts has the authority now to delve into any item of public expenditure, whether it's done by order in council, special warrant, or by appropriation made by the Legislature. So I can see no reason to set up another whole mass of machinery to go over the auditing that a very capable auditor has already done. The

hon. mover of the resolution paid tribute to the former auditor and the present auditor, and I'd like to do so too.

The former auditor gave the Public Accounts committee every help you wanted. It didn't matter what any member raised: he was there to get you the details, the actual papers, and so on. The present auditor has already told us he's prepared to do the same thing. If we think there's something wrong with some of the papers, with some of the transactions, let's ask the auditor to produce them on the floor of the House for the Public Accounts committee, and we can delve into them. We don't need to spend another \$200,000, which would probably be a minimum of what an auditor general would cost the people of this province, to find out if there's something wrong. We have the set-up here.

Now, in our Financial Administration Act, there are definite responsibilities given to the auditor today. He's required, for instance to "maintain a system of pre-audit of all expenditures" -- not a post-audit, but a pre-audit before the expenditure is made. And that's when something can be done about it. I remember at one time when I was in Highways, the auditor sending an item back. He said, there's no money left in the vote, you can't go ahead with this expenditure. It was a pre-audit.

Now, an auditor general, what would he have done in that case? He would never have known it had happened unless the auditor told him, or unless he found out afterwards, but nothing could have happened. When I found out there was no money left in that particular vote, we simply cancelled that item. It was never carried out, because a pre-audit prevented that, and the auditor had every right to do that under the legislation:

The Auditor shall maintain a system of pre-audit of all expenditures from the General Revenue Fund and shall from time to time and not less than once each year audit the revenues of the several departments.

Every appropriation account shall be examined by the auditor on behalf of, not the government, on behalf of the Legislative Assembly. That's his responsibility.

In the examination of an appropriation account, the auditor shall ascertain

- (a) whether it is supported by proper documents or proofs of services having been rendered . . .
- (b) whether the money being expended is being applied for the purposes for which the appropriation was intended.

There is another section, if we go back to Part 4 of Public Accounts, to make sure that that money was appropriated by the Legislature, because the government is responsible to the Legislature. The government has no right to spend money unless it's appropriated by the Legislature, except in certain conditions, and they are

set out by the Legislature in this Act, the conditions under which they may spend money which has not been appropriated by the Legislature. It's set out in detail. I'm not going to take the time to run through all the accounts, unless the hon. members want that done.

But in my view, what I'm trying to prove at this point is that the present system of pre-audit is doing the job in this province. It is making sure that public money is spent properly, as appropriated by the Legislature. If the judgment of some minister, which may happen in any government at times, is not as good as it should be, and money that has been appropriated has been spent in a way that the members of the Legislature are concerned about, then we have the real chance to explore further, to go into the details of that in the Public Accounts committee.

In my view, that does give the people of this province protection in regard to the money of this province, to see that the money is properly spent. Of course, at every election we have, there is an accounting of the government to the people of the province for the expenditures they have made. Supporters of the government are required to show to the general public that they have secured value for money expended. If they can't, the people know what they can do: they can vote for somebody else in whom they have greater confidence, or they can elect somebody else who is not supporting the government. We have those things in this country. If we were in Moscow, where there's one party, and where there's no pre-audit and no post-audit, and no accounting to the people of moneys expended, then there might be some purpose in an auditor general over and above the present auditor as set out.

So, Mr. Speaker, the other argument advanced by the hon. Leader of the Opposition was that the size of the opposition is a reason for the appointment of an auditor general. I have difficulty following that. The opposition is this size because the people of the province wanted it this size. It's just as simple as that. They didn't elect any other opposition. If the people of the province want it that way, surely the people are supreme. They have spoken. It places, in my view, a greater responsibility on the government than if the House was approximately equal. It places a greater responsibility on each supporter of the government, the backbenchers, because they, too, now have a greater responsibility to make sure that money is expended properly, properly appropriated, and so on.

The duty of the Legislature is to appropriate money for the expenditure of programs the Legislature wants the government to carry out. The government gives leadership in providing programs it thinks should be carried out, and with a majority behind it, it's able to carry out a program it thinks is acceptable to the people of the province who elected it.

So, to say that because we have a small opposition, we should set up a bureaucracy that's going to cost the people -- I'm using \$200,000; I'm doubtful if we could do

it for that if they're going to duplicate everything being done by the present auditor in a post-audit way. I'm using the figure \$200,000. I haven't made any great detailed study of what it would cost, but I think it would cost at least that.

I can see no reason at all to say to the people, we're going to spend another \$200,000 of your money to appoint an auditor general and his office, and a building for him, because you elected a small opposition. We'll show you. We'll make you pay for electing a small opposition. I can't follow that argument at all. The size of the opposition shouldn't make any difference in regard to public money.

Surely every member of the House, whether he is on that side or this side, should be equally responsible to make sure that every dollar of public money has value for the people. I have no greater responsibility for that than the Member for Ponoka, or the Member for Lac La Biche-McMurray. They are equally responsible. I'm not taking on my shoulders the responsibility of 75 members of the House. I'm one member only, and I take the responsibility of one member. Surely I shouldn't assume that other members are not assuming that same responsibility. So we have that point right there.

Now, in regard to the size of the opposition, I think I should properly say that I think the government has gone the second mile in trying to give us the necessary machinery to carry out research, and do a good job on behalf of the people. I think this is a wise move, because certainly with an opposition -- many people go to the opposition with every problem [on which] they can't get satisfaction with the government. Many come directly to the opposition, because they think the opposition is there for that purpose. So opposition members, I think, probably do get a greater share of work province-wide than many government members who look after only their own constituencies, and I'm not speaking of ministers.

The government, in advancing money for researchers, providing secretaries, and so on, certainly has enabled my office, or enabled me, to increase the capacity of serving the people. So I appreciate that attitude of the government. Because of greater work, I'm able to provide a better and greater service to the people than I otherwise would be able to do, being one person only. I think the government is to be commended for its attitude and actual acts in regard to the fact that the people did elect a small opposition. But to use that as an argument that we should now appoint an auditor general, I personally cannot follow.

To sum up, Mr. Speaker, my views on an auditor general are: we are simply spending money unnecessarily; we will not get the value for that money; it would do the very thing that the hon. member wants done, namely to get full value for the money. I would suggest that we will not get value for one dollar of that \$200,000 that's spent unnecessarily, completely unnecessarily, in view of the present audit



system we have in this province. So it's a waste of public money. It's building up a bureaucracy that we don't want enlarged in this country. If we're going to do anything, let's reduce the bureaucracy. Let's not increase it. It's inflationary. At a time like this when we're trying to fight inflation, here we are asking the government to spend another \$200,000 on what I consider a completely unnecessary exercise. So I oppose the second reading of the bill.

MR. McCRAE: Mr. Speaker, in rising to offer a few words on Bill 207, I'd like to say that I'm generally supportive of the bill, although not for the same reasons necessarily that the Leader of the Opposition favors the bill.

I would like, however, to commend the Leader of the Opposition for bringing forward the bill and for not only being a leader and showing leadership to his band over there, but also recognizing leadership. I think our party has shown that we are in support of an auditor general, at least the principle thereof, and the leader opposite has shown that he can accept a good idea whether it comes from this side or that side of the House.

Mr. Speaker, I feel a special affinity for this Bill 207, in that during my by-election in 1973 one of my personal platform planks was that I supported the concept of an auditor general. Subsequent to arriving here -- and I should say in passing that I think probably that had some assistance in my being here, although I would accord the vote as being substantially party-oriented. My personal satisfaction is that I think some of it had to do with the personal platform and the personal character of the person espousing this party viewpoint.

DR. BUCK: In all humility, sir . . .

MR. McCRAE: In all humility, in all modesty.

On my arrival here, Mr. Speaker, I put a motion on the order paper -- I believe we had it there twice, and it just didn't come up for debate -- but I was again supporting at least the consideration of the auditor general principle, and I would have liked to have seen a debate at that time. However, it didn't come up.

Looking back into the history of the proposal, Mr. Speaker, I found that the present Minister of Intergovernmental Affairs in 1971 produced a private member's bill rather colorfully called The Taxpayers' Protection bill. It encompassed the principles that no doubt would be shown in any auditor general bill. Additionally, in 1971, it was a part of the then opposition platform of the Conservative Party. Obviously, the electorate grabbed the idea and liked it, among many other issues that we have brought forward. I think there were some -- I don't recall the number of things in our platform at that time, but certainly 75 to 80 per cent of them have been carried out by this time. It would be nice to see progress made in this area too.

MR. MANDEVILLE: Let's hear you enumerate some of them.

MR. McCRAE: I should. If you give me a list, then I will, Fred.

Also bear in mind the statements of the Provincial Treasurer in September of this year when he spoke to a constituency meeting of the Progressive Conservative Association in Calgary. He announced at that time the concept of an auditor general had the support of the government and would probably be implemented in the months ahead. I note he has said the bill would probably be brought forward in the fall of '76, and implemented sometime after that.

I think we do want to go very cautiously about the adaptation of this principle for some of the reasons the Member for Drumheller has pointed out. Number one, we should be very cognizant of the fine efforts the present provincial auditor and his predecessor have brought to bear on his office during the past many, many years.

I believe the present system has been with us for some 50 years, and really in that time there has been no hint of a scandal or a little wrongdoing that would cause us to rush out and with undue haste grab and adopt the principle of an auditor general. So we do want to go about it very cautiously. I think we want to maintain the pre-audit system we have had in the past, and with that adopt a post-audit system, which would assist us in assuring that provincial expenditures are carried out in the best interests of the public.

I suppose part of the reason for that concern at this time or the awareness of the need of an auditor general is the fact that your government has brought unusual and unprecedented prosperity to the province in the last several years. The budget has grown from \$1 billion to \$2.5 billion, but it has grown without deficit spending.

DR. BUCK: Special warrants have grown.

MR. McCRAE: Not only are we solvent and able to pay our bills as they come upon us, but we have at this time approximately \$1.5 billion in a heritage fund. Additionally, we have some 20,000 government employees. So I think it's important at this time that we do give some consideration to the adoption of an office of auditor general.

The Member for Drumheller, Mr. Speaker, adverted to his concern about a growing bureaucracy and the size of staff that would be required for the auditor general. I would hope that his fears in this area are unwarranted and that the office of the auditor general could be staffed with just a very few people. I just don't see any burgeoning bureaucracy in that area. I would think it would take him and a half dozen very competent experts in the field of accounting.

I think it goes without saying that some of the responsibilities of the auditor general, if we do adopt such a position, would be that the auditor's reporting responsibility must be established, and the general kind of information to be reported must be understood by all parties. Addi-



tionally, the auditor general must be guaranteed access to all pertinent information. We must also follow realistic procedures for the funding of the office of the auditor general, and special arrangements must be established for his appointment, dismissal, term of office, and salary level. The level of technical qualification of the position and the staff would also be required to be clearly stated. This is where the discussion on the bureaucracy would come out. I think the bill would prescribe what his qualifications and the qualifications of the staff would be. Additionally, a separate auditor general act should be enacted. I think it goes without saying that we could adopt those general principles for the establishment of the office.

Another reason, Mr. Speaker, why I think the office of auditor general would be helpful to the Legislative Assembly is the Public Accounts committee. I know the member opposite said the accounts committee could carry out any function required to examine departmental expenditures, but frankly, in my two years here, I've been a little concerned about the depth to which the Public Accounts committee has been able to get into departmental affairs. We meet here once a week on Wednesday when the Legislature is in session, and I don't think we have time during those two- or three-hour meetings once a week. We've neither the time nor the expertise to get into the various departments and find out really what we do, or might want to know. Granted, there's nothing hidden in there; there's nothing we're particularly concerned about. But if the committee is to function properly, I think it would be of assistance for them to be able to direct the auditor general himself, or some of his staff, to take a particular department and examine it in great detail.

I would like to say, as the member opposite has, that the Provincial Auditor has in fact provided every courtesy and assistance possible to the Public Accounts committee over the years, but, again, it's in responding to particular questions. I don't think he's been out there. He's not been able to be out there and prepare in advance detailed information for the accounts committee, which would assist them in examining the particular departmental estimates. I think one of the reasons I would support the concept of auditor general would be to assure that the Public Accounts committee had his assistance in examining departmental estimates.

Mr. Speaker, in establishing such an office, I think we would have to be very careful, and very clear that his jurisdiction would not go into examining and commenting on government policy. This is for the Legislature itself, and I don't think for an appointed official like the auditor general. I see no reason at all why he should get mixed up in governmental policy.

We look at the other jurisdictions, a number of provinces of Canada. I believe British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland, and of course the Government of Canada, have

each established an office of Auditor General. By and large, each one of them has tried to keep him out of the policy area. I have suspected that on occasion the federal Auditor General may have gotten into policy areas, and I base this suspicion on some of the newspaper and media comment, and the general noise that has often come out of that area. I am thinking back to the Mr. Diefenbaker days when there was quite a bruhaha over the number of shoelaces that had been purchased for the armed forces, also the question of horses on the payroll, and things like that. I think at that time there may have been some thought that the particular officer was getting into policy, and not dealing with departmental estimates.

Mr. Speaker, I think the question of Auditor General relates to the cost of government, inflation, and so on. I'd like to offer a comment or two on the position paper of our provincial government responding to the inflation question, when our Provincial Treasurer announced on September 17 that our government, and government emanations, would be bound by an 11 per cent guideline. Also, our general support of comments yesterday given by the Premier in this Assembly on the extent that we support the federal wage and price control program.

I noticed in the press last night that one of the opposition members took exception to our position on that and suggested that in addition to our statement we should have imposed some kind of credit controls. I think he must surely be aware that in Alberta today, and indeed in all Canada, credit is a way of life. There's no way you can go out and tell a young couple, about to have their first child, that they should . . .

MR. SPEAKER: Order please. In fairness to the hon. member who proposed the bill, I would suggest we're now leaving the area of the bill and getting on to some extraneous matter which has been raised in the press, and perhaps could be answered in the same place, or brought up under a separate resolution.

DR. BUCK: They're running out of material.

MR. McCRAE: Mr. Speaker, I bow to your superior wisdom and will come back to the main purpose of the bill. Dealing with some of the specifics of Bill 207, Mr. Speaker, and having said that if we do adopt the position of auditor general, he must surely stay out of policy and stick to examining the departmental estimates and expenditures.

In that connection I am somewhat concerned with Section 5(b)(3) of the bill which indicates that the Public Accounts committee of the Legislature might cause the auditor to "inquire into and report on any matter relating to the financial affairs of the Province or to public property . . ." -- and this is the catchy or dicey part here, Mr. Speaker -- "or on any person or organization that has received financial aid from the Government . . ."

There are many, many organizations and individuals that receive financial support from the government. We have grants. We have mortgages. We have lending from government emanations to the private sector.

Surely the member who sponsored this bill is not suggesting that the auditor general should have the power to examine the accounts of any individual or organization simply because they have done financial business with the government. I think that is much, much too broad. It would virtually permit a witch hunt in the books of any organization that might want to do business with the government, and would assuredly discourage any such business between the private sector and the government. That is the way I interpret that section, Mr. Speaker, and I would hope that any bill we might bring in would not contain wording such as that.

Another section that causes me some concern, Mr. Speaker, is Section 7(h) which provides that the auditor general should report annually to the Legislative Assembly the results of his examinations and shall call attention to every case in which he has observed that to any significant degree. And then we come down to subsection (h): . . . in any other manner the financial transactions of the Province or of any department have been carried out in any way that the auditor general considers should be brought to the notice of the Legislative Assembly."

Mr. Speaker, I would suspect that is much too broad and would give the Auditor General the power and ability to go out and examine government policy and to comment on it. I think that is something that the Legislature as a whole would want to comment on or consider, and it's something, as the member opposite has said, the people consider at election time. So I would think a section like that should be deleted from the bill.

Coming back to the Provincial Treasurer's statement in September of this year, he indicated that we, as a government, were considering generally the adaptation of an auditor general principle. With such adaptation should be the maintenance of the pre-audit system, and I generally support that view, Mr. Speaker.

I'll look forward to the production of the bill sometime in the fall of 1976, and to the comments of the members opposite and on this side. I will watch its final evolution and the appointment of an auditor general in due course of time, and will also be very cognizant and aware of the concerns of those who have expressed a concern over the possibility of a burgeoning bureaucracy in this area. As I have said, I think we can keep it to a minimum, and we'll be watching to assure that does happen.

DR. BACKUS: Mr. Speaker, I'm delighted to see the introduction of this bill for two reasons. First, it reflects the objectives stated in the platform of the Progressive Conservative Party in 1971. The fact that the hon. Leader of the Opposition was in the Legislature that rejected Bill 134, put

forward by the hon. House leader in the same year would indicate to me that the atmosphere the hon. Leader of the Opposition has been living in for the last few years has done something to change his point of view.

My second reason is that it is timely. I don't mean it's good timing for the bill, but it's timely because it brings before this Assembly a subject that is really of popular concern. I think the tremendous response of the press to the Provincial Treasurer, when he made his speech to his constituency group in Calgary, indicates that the public is certainly very concerned about this position of post-audit reflected in this bill. It does raise quite a big issue of what is more important, the pre-audit or the post-audit. It raises the relative merits, or the importance and ability to handle the post-audit aspect by the Standing Committee on Public Accounts.

I think it is probably time we have a review and a reconsideration of the way public accounts are scrutinized, both before and after they are spent. But I don't think this bill, or the principles stated by the hon. Leader of the Opposition, can really justify the introduction of this bill at the present time.

I've quite a little bit I want to say about the apparent attitude of the Leader of the Opposition with regard to accountability. As the time is getting near, I wonder if I might beg leave to adjourn debate.

MR. SPEAKER: Having heard the motion for adjournment by the hon. member, do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The time being indistinguishable from 5:30, the Assembly stands adjourned until 8 o'clock this evening.

[The House recessed at 5:30.]

\* \* \* \* \*  
[The House reconvened at 8 p.m.]

MR. HYNDMAN: Mr. Speaker, I beg leave of the House to revert to tabling of documents, so the Minister of Energy can table a document relating to a bill introduced today.

HON. MEMBERS: Agreed.

#### TABLING RETURNS AND REPORTS (reversion)

MR. GETTY: Mr. Speaker, I'd like to thank the House for the opportunity to revert to tablings.

Mr. Speaker, on page 2 of the Natural Gas Pricing Agreement Act, introduced today, there was reference to an exchange of letters. The actual letters are required in order to assess and understand the bill itself. Therefore I'd like to

file with the House copies of those letters, so members will have them as they review the bill.

#### ORDERS OF THE DAY (continued)

#### GOVERNMENT MOTIONS

2. Hon. Mr. Lougheed proposed the following motion to the Assembly:  
That the Assembly approve in general the operations of the government since the adjournment of the spring sittings.  
[Adjourned debate: Mr. Clark.]

MR. CLARK: Mr. Speaker, I welcome the opportunity to take part in the debate, which I suspect has more commonly been referred to as the state of the nation debate, or the state of the province debate, I should say. Excuse me.

MR. NOTLEY: That's in two months' time.

MR. CLARK: That really wasn't an accident on purpose mistake either.

I'd like to break my remarks down basically into three areas this evening. First of all, I'd like to share with you some of the concerns and problems my colleagues and I have dealt with in the course of getting around the province rather extensively this fall. Secondly, I'd like to deal with the economy as it relates primarily to Alberta, and to Alberta's role in the federal government's anti-inflation program. Thirdly, I'd like to deal with the question of treatment of the Legislature because, in fact, at this session we feel the two paramount issues will be the economy and the treatment of the Legislature itself. I'd like to [make] just a few preliminary remarks before I become involved in the discussion of some of the things we noted as we travelled across the province in the past few months.

First of all, I would want to express my sympathies to the family of the late Mayor of the city of Edmonton, Mr. William Hawrelak, and very sincere regrets on behalf of my colleagues on this side of the House at the very untimely passing of a man who has given a great deal of his life to public service in this province.

Secondly, I would like to do something that will perhaps surprise a number of members of the Assembly. I'd like to pay tribute to one of my colleagues who doesn't always agree with me. I say one of my colleagues, because he's in the Assembly. I refer to the dean of the Legislative Assembly, the Member for Drumheller. The hon. member and I don't always agree, but I'd like to think it's somewhat appropriate that I could pay tribute to the hon. member as dean of the Legislative Assembly. I find myself in the odd situation, per-

haps, of being the member who's been in the Assembly the second longest period of time. So perhaps I can say to the hon. Member for Drumheller that as dean of this Assembly, despite the fact I don't always agree with the views he has put forward, I would have to say that the Member for Drumheller is an outstanding example of the kind of service every member in this [Legislature] can attempt to give to his or her constituents.

[applause]

A number of years ago, I had the opportunity to take part in some of those meetings with the hon. member. It wasn't long ago that I had the opportunity to be in Drumheller. I think I can report to members of the Assembly that the hon. Member for Drumheller, the hon. Gordon Taylor, is continuing to give that very splendid kind of service to his constituents. I commend that, because in a day and age when people perhaps become more and more cynical of politicians, I think it's appropriate that -- at least I'd like to give that recognition to the hon. Member for Drumheller.

Now, Mr. Speaker, into the matter of the first of the three areas I'd like to deal with, the question of our travels across the province.

Perhaps while I'm handing out compliments, it would be fair to say if I were to have passed out any compliments across the way to the members in the front bench during the spring session this year, I would have commended the Minister of Agriculture. I wouldn't want the minister to feel that compliment, doing a fine job, lets him off the hook as far as this session is concerned. I'm sure it won't.

At the risk, perhaps, of picking out one other member of the Assembly, the Minister of Housing and Public Works, I believe, has given an excellent account of himself in the course of the last number of months in an area that, in my judgment, is indeed very, very difficult, and so I commend him. That doesn't mean we won't differ, on occasions, perhaps rather pointedly. Nevertheless, I believe that comment is appropriate.

I should perhaps make a comment or two as far as the remarks yesterday of the hon. the Premier are concerned. I think perhaps one could compare the Premier's remarks to the state of the economy. The Premier talked [for a] sizable portion of his remarks about the economy and the need to tighten our belts and so on. In fact the Premier really did that in the course of his remarks yesterday. If my memory serves me correctly, that was the shortest address we've had to start off the fall session, and perhaps that's in keeping with the inflation psychology. It's rather appropriate for all of us in this Assembly to keep in mind.

In the course of our getting across the province, I think perhaps many members, after listening to the Premier yesterday, would have had the impression that there aren't really many problems in Alberta. It isn't our job, nor are we going to tell the government of some of the good things the government has been doing. And there are a

few; I'd have to admit that. It isn't our purpose to stand over here and tell the government all the good things. It is our purpose to stand over here, it seems to me, and to reflect to the government, to the Legislature, some of the legitimate concerns that come to our attention.

So when we have been getting across the province in the last while, we had the opportunity to be in Fort McMurray for two days. The four of us spent two days in Fort McMurray, and you don't get an indication of all the problems in Fort McMurray in two days. At the outset I'd be remiss if I didn't pay credit to the northeast commissioner for the hospitality he showed us on that occasion.

But several things struck us when we were in Fort McMurray. We didn't really go up to see the progress as far as Syncrude was concerned. We didn't really go up to see GCOS, although we did spend some time at both sites. Rather we tried to focus our trip on some of the people problems we all know are in the area.

I was rather impressed with the comments of my colleague from Brooks when he talked about, how in the world is it possible that lots can cost between \$15,000 and \$20,000 in Fort McMurray, when in fact we, the people of Alberta, own those lots. We really haven't got an answer for that. If the Minister of Housing is going to speak later this evening, I wish he'd address himself to that. When we talked to the commissioner, to the town board, and to people living on the riverbanks, it was pretty hard to get any kind of indication from those people as to why lots in Fort McMurray were costing \$15,000 to \$20,000 a raw lot with services to it, when we, the people of Alberta, own the land around.

I'd suggest to any member who is going to be in Fort McMurray that he might take a walk along the riverbanks or in, I think it is, the Lions Park and see the kind of situation people are putting up with. I reckon very well it isn't easy to deal with the problems of a new town like Fort McMurray. But I urge each of the hon. members to go to Fort McMurray. Don't tell people who you are. Just simply, if you'll pardon the expression, sleuth around. We've got lots of problems in Fort McMurray.

I was disappointed that in the course of the Premier's remarks no reference was made to the problems of the native people and some of their claims that were made as far as the tar sands are concerned. Once again, we over here recognize it isn't an easy problem, but we over here also recognize that we can't be satisfied at having a very, very small percentage of our native people involved in the development of northeastern Alberta. It isn't going to be solved overnight. But I think Albertans expect just a bit more than we've been doing in this area -- just a bit more. It isn't going to cost a lot of money, but it's going to cost the commitment of a number of people on the front bench, the back benches, and on this side of the House too, if we're going to get that kind of thing done.

My colleague, the Member for Little Bow, spent some time looking at the hospital facilities. I suppose it would be fair to say to the new Minister of Hospitals that we might well get some additional hospital beds into Fort McMurray.

I would have to say to the hon. member who is on the Syncrude board that when we were out at the Syncrude project and talking to people around town, the hon. member's name wasn't at all what you would call a household word in Fort McMurray. In fact, I would hope the government is keeping a much closer eye on the Syncrude developments than appeared to us in the course of our trip to Fort McMurray.

My colleague, Dr. Buck -- who will be here shortly, and frankly is out to an REA meeting at this particular time -- and I spent a portion of the time in Vegreville. Do you know, we found it pretty difficult to explain to farmers in Vegreville why they were being asked to pay 7 per cent for their loans this year when the cattle situation is at least as bad as it was last year. Why, in fact, are farmers being asked to pay 7 per cent for those loans this year when they didn't pay any interest on those loans last year? We found it extremely difficult to try to explain to those people why the government couldn't subsidize the loans again this year when the petroleum industry was going to be getting many hundreds of millions of dollars in their incentive program to encourage oil well drilling. We came away from Vegreville with the impression the farmers in that area expected a bit more. Not an awful lot more perhaps than they had last year, but just a bit more than paying 7 per cent interest on loans they didn't have to pay any interest on last year.

Then we had the opportunity to be at the Alberta school trustees convention in Calgary. I suppose we could use the same terminology again and say, as far as expecting more is concerned, I don't really think the school trustees and the teachers of this province expected the Minister of Education to announce great reams of additional money. I've been in that seat. I know the problems there. But I came away from the convention with the very definite impression that they expected to know more about the three-year financing program. As they left that convention, they were in no position to be able to go home and start their budgeting for 1976. I would urge the Premier to sit down with a number of trustees and teachers perhaps and explore more fully his point of view expressed yesterday when he talked about social programs and that quantity doesn't necessarily mean quality. Indeed that's right. But it isn't really good enough to say that here to the trustees and teachers of this province. It would mean a great deal more if the government would sit down with the trustees and the teachers and try to work in that direction collectively.

We were down at Lethbridge and talked to some of the people at the college and the university. They didn't expect more. They just wanted to know where they stood as far as the adult education act was

concerned, especially when the Minister of Advanced Education is really taking the approach: well you know, it doesn't really reflect my thinking. They don't want a great deal. They're not unreasonable. They just want to know where they stand.

We had a chance to meet with a number of people in various government positions in Calgary. Perhaps the thing that came through the loudest and the clearest was that just to hold even for next year, Calgary says it's going to be looking at a 15 to 17 per cent increase in its expenditures. That's not to add any additional services; that's just to break even, just to keep on the treadmill.

They also impressed us with some of their concerns about this question of provincial debt, more so than provincial debt to local governments. I would encourage the members to take the time to look at some statistics that compare the amount of per capita municipal debt in Alberta with that in other provinces across Canada. The national average of per capita municipal debt is in the vicinity of \$527. In Alberta our average across the province is something like \$744. So when we talk about Alberta being so healthy, as a province we can be healthy. But we're not really healthy unless our institutions -- our municipalities, our school boards, and our hospital boards -- are indeed healthy too.

The Premier mentioned the plight of New York. I'm not a crepe-hanger in saying that we're in that situation at all with our municipalities. But let these trends of municipal debt continue over an extended period of time, and we will have some serious problems, very serious problems. My colleague, the Member for Little Bow, talked during the spring session about how we might well use a portion of the heritage fund to do something about the municipal debt in an orderly and mannerly way. We'll have more to say on that when the heritage fund gets into the Assembly.

When we were in Grande Prairie, the concerns expressed to us by some of the people on the small rural school boards were rather interesting. They just wanted to know where they stood too, as far as next year is concerned. I suppose if one were to try to reflect the kind of attitude, or one of the things that has come through to us as far as the city of Edmonton is concerned, it would be the schmozzle, for lack of a better word, involved with the Capital City Park weir. I'm sure many members in the Assembly recall the day the Capital City Park was announced, and how several times we'd been assured that the various concerns regarding the bank stability and the weir had been adequately looked after. Yet in the last week to ten days we've apparently found out the real facts. I would say that I commend the Minister of Environment for in fact, at long last, getting the reports out and having the gumption to say the weir has to go.

So when we try to pull together or summarize the feeling we've come away with, from people we've talked to across the province, I think it's that Albertans have

expected just a bit more from their government -- not in the sense of more money, but "more" from the standpoint of more direction, more assurance of where we're going as far as municipal and educational finances are concerned; our institutions of higher learning, more of an idea of where they stand; our farmers shaking their heads and saying, we can't understand why we're paying 7 per cent interest on loans this year that we got for nothing last year.

Mr. Speaker, to move on to the second area of my comments. That deals primarily with the state of the economy. I'd like to start my remarks here by quoting from Hansard on June 2 of last year. These are the comments made by my colleague, the Member for Clover Bar, who led off the debate on the budget, from the opposition. Page 351:

Regrettably, however, the government does not appear to recognize that inflation is at present [this province, this country,] and indeed the world's most serious economic problem. While inflation here has eased to an annual amount of some 7 to 10 per cent -- of course it just depends on which index you use -- there are strong [indicators] that recent extremely high wage settlements, which are building costs into the economy, will inevitably force a fresh surge of inflation [in] the next year. This serious situation must be faced without hesitation and by strong measures.

And I'd like to emphasize this:

The only effective [tools] available to this government, and indeed to all [provinces] and municipal governments, is to exercise extreme restraint. This restraint is in their spending [program]. There is no evidence that this government is so inclined.

I read that, Mr. Speaker, because one of the rather surprising things about the government's 11 per cent guidelines is that the government has hailed them as such a breakthrough. I don't at all plan to stand here this evening and say the opposition deserves all the credit for that. But if we really want to see where the comments were initially made in the Legislature last year, they were made by my colleague from Clover Bar.

Secondly, with regard to the 11 per cent spending guidelines, far more impressive would it have been to Albertans had the government done some hacking in its own areas before it asked school boards, hospital boards, and municipal governments to live with 11 per cent. Initially there was no commitment from the government that 11 per cent applied to the overall budget for the year. Recently the government has come forward and said the 11 per cent guideline will apply to the provincial budget too, with two exceptions. We can support that.

But in supporting that, I would have to say it seems to me there are some areas

where it may be necessary for us to spend a bit more than 11 per cent, and there will be other areas where we can spend a great deal less than 11 per cent. Simply to have an 11 per cent across-the-board kind of thing. . . As long as the end result is 11 per cent, the government will have our support in what it's trying to do in this particular area.

During the past session, the Premier said inflation was a national and international problem, and it was up to the federal government to take appropriate steps to battle it. The Prime Minister belatedly took some action on October 13, 1975. Then the Premier came back to Alberta, and for a period of four weeks we had little indication from the provincial government as to what the response of this province was going to be.

I look at the federal government's move quite simply. First of all, I am not enthused about several aspects of the federal program. On the other hand, if every opposition politician across Canada, and in the federal House of Commons, spends the next three or four or five weeks complaining and bellyaching, and whatever terms you want to use, about the federal program, it's never going to work. It would seem to me that we must view the federal program, with its problems, as nothing more than a breathing space for us as Canadians and as Albertans. Hopefully we won't make the same mistakes the Americans made during their wage freeze.

The challenge to us during this, whether it's 12 or 18 months or 2 or 3 years, is that during that period of time, governments at all levels -- federal, municipal, and provincial -- collectively bring their spending in line with the productivity of the nation and what we can afford, that business and labor organizations prepare to tighten their belts too, and that as individuals we be prepared to do the same kind of thing. Because what we're trying to do collectively, it seems to me, is to break the back of this inflation psychology across the country, or to put it another way, perhaps to develop a kind of psychology of reduced expectations. Frankly I had hoped the Premier would have come forward prior to yesterday and given some general indication of direction as far as Alberta is concerned. But I do commend him for taking the opportunity yesterday to do that. I agree with the Premier that Alberta is a special case, as far as agricultural products and energy are concerned. But I don't agree in the analysis of why it's appropriate now that we can live with wage controls.

As I recall the Premier's remarks yesterday, he explained that the basis of inflation really has come from a commodity cost push, and that's now moved to a wage cost push. I left the session yesterday afternoon with the feeling that with this shift it's now possible to support wage and price controls. I hope we're not saying that now the public is prepared to accept wage and price controls politically. I think that's the game the Prime Minister has played.

I would be extremely concerned if, as a Legislature in this province, we tried to use labor as a scapegoat for inflation. Unquestionably labor is one of the factors. But we in this Assembly are one of the factors too. We've all been involved in spending over the course of the past four years, and I'm as bad as any member in going to various ministers and wanting things done in my own particular constituency. But as an Assembly we've contributed a great deal to the inflation psychology in Alberta. Certainly the business community has contributed also, not to mention the international situation.

In a news conference we held on October 28, I said labor should be held to the federal guidelines, also that the province should put its own watchdog in place with the federal anti-inflation review board until it is set up. I'd like to withhold any commitments as far as the provincial government's anti-inflation program in Alberta is concerned until I have seen the legislation. But one of the things that does concern me is that we're going to have the federal government, as I understand it, with one anti-inflation office in the prairie provinces -- a kind of typical federal government attitude.

One of the things we've pushed for -- and I push for again this evening to the Minister of Consumer and Corporate Affairs -- now that the department has offices in Edmonton, Calgary, and six regional offices, is that the department should be involved in monitoring price increases and accepting consumer complaints about such increases. That wouldn't need a great addition in the staff of the department. We're doing that now; we have these weekly things that come out from the department. The Department of Agriculture and Unifarm were doing farm input studies.

If we really were to bend our efforts in this area, it seems to me the province and this Legislature should say to Alberta consumers, where you can document inordinate increases in prices, bring them to Consumer and Corporate Affairs, and we'll do our level best to check them out. If Consumer and Corporate Affairs finds there is gouging in those areas, it seems to me it's incumbent upon the department to say so publicly. Some irresponsible organizations respond best to the kind of public pressure or public comment that the Department of Consumer and Corporate Affairs could make. To simply say we're going to pass that responsibility on to the federal government, with its one office in western Canada -- I'm really not impressed. In fact I'm depressed that that's the kind of approach. Now I know someone's going to say, well, that would be adding to the establishment. Perhaps I might suggest we take some people from the Export Agency and ACCESS and a few other areas. Take them into Consumer Affairs, and make them busy there. They would likely cause [fewer] problems.

AN HON. MEMBER: . . . they could make more use of the consultants there.

MR. CLARK: One other area, as far as the economy is concerned, that I'd like to deal with is the trip the Premier and a number of members of the Executive Council took to Europe. The Premier suggested it was an unqualified success. I've had the chance to talk to people who were involved in that trip, and they indicate that, in fact, there were many good aspects of that trip.

But let me say that this trip came at the same time the government announced 11 per cent spending guidelines across the board. This trip came at the same time the Premier, in speaking to a group in Vancouver, said Canadians have got to tighten their belts. So what do we do in Alberta? We fly off to Europe with \$300,000 for a couple of weeks. The \$300,000 isn't a large portion of the budget. But, members of the Assembly, it's important we recognize that what we are fighting here is an inflation kind of psychology. And while we're over in Europe, we buy a \$1,000,000 airplane so we can get across the province, because PWA can't get us there well enough.

It's pretty hard for Albertans to be enthused about the commitment of the government to a program when those kinds of things are going on. They may be small in the course of the whole provincial budget, but they're not small in the minds of people.

With regard to the comments the Premier made on the 11 per cent exceptions -- law and order, and Kirby recommendations -- I think we can support some extra effort in those particular areas. The Premier indicated yesterday that likely all of us in the Assembly were responsible for some of the problems in the court system of the province. I think that's likely a very apt assessment. As far as law and order is concerned, the members will recall that during the spring session last year, as part of the non-confidence motion we moved, we centred it around the question of additional expenditures for law and order. So we can certainly support those.

When we're looking at programs in the budget that have to be hacked back -- and some are going to have to be hacked back very severely if we're going to live with the 11 per cent guideline -- I urge the government to use criteria that really centre around programs providing an essential service people can't afford to obtain for themselves. If we've got to make exceptions, those are the areas where the exceptions must be made.

If you'd like some comic relief, look at one of the returns that was tabled yesterday in the Assembly -- some of the grants from the Department of Culture, Youth and Recreation. These are grants since January 1, 1975. One of the amounts granted was \$160, and the purpose was "to assist in helping 35,000 tribespeople become literate." That's the answer we got yesterday when we asked about the grants. Another one, for [\$406], was to an organization "to employ 600 Tibetan refugees in weaving industry to become self-sufficient." You know, it's humorous on one hand, but on the other hand, I guess it says the kind of attitude this government

has for the Assembly, when we get those kinds of answers from motions for returns ordered by the Assembly.

So when we're . . .

MR. SCHMID: Mr. Speaker, on a point of privilege, I think I find it rather dreadful if the hon. member across takes the international aid program that has been applied for by various people in the manner he has spoken of it in the House.

MR. CLARK: The minister can take it however he wants. He's the last person I thought might be rising in his place.

Mr. Speaker, with regard to some of the areas we can look at and do some pretty serious hacking as far as the next year is concerned. One, we can look at the grants in the culture department. We ask the question, are those programs getting to the people who really need them? The answer is a rather resounding no. We can look at the Export Agency and some of the successes and lack of successes there. It's another area we can cut back.

AN HON. MEMBER: Forty-one million dollars.

MR. CLARK: We can look at ACCESS as another area that we can cut back very, very severely.

MP. HYNDMAN: How about the opposition research fund?

MR. CLARK: Yes, we could look at the opposition research fund. We likely won't be spending it all this year.

AN HON. MEMBER: We can tell that.

MR. CLARK: No, that's likely another example of the attitude of the government as far as the Assembly is concerned. We can look at the question of why the government hasn't announced, to date, an across-the-board freeze on hiring in the government. We could ask ourselves -- when we're supposedly committing ourselves to the federal anti-inflation program, more or less -- about the rate increase for Alberta Government Telephones.

I know Alberta Government Telephones people will tell you the rates in AGT haven't been raised for many years. In fact I made some public comments, as far as AGT is concerned, that the rates shouldn't go up more than 10 per cent. That evening I received a call from, I assume, someone who was an employee of Alberta Government Telephones. I don't know where he was. But he was a bit concerned about some of the comments I had made on AGT. He said, you know, we haven't had an increase in AGT for something like, I think it was, 15 or 18 years. I said to him, I recognize that. But every organization, every individual, and every department thinks they can have exceptions to the guidelines. Despite the fact the Public Utilities Board has said to AGT they can go ahead and have a 20 per cent increase, I would urge the government to reconsider that particular situation.

I'd like to make just three brief



comments as far as the Department of Environment is concerned. After the weir project in the city of Edmonton and the information that has been made available on summer reports on the Syncrude project and sulphur emission, I frankly don't know whether those calculations are on beam or not. We're attempting to do some work in that particular area. But it does seem to me, Mr. Speaker, the Department of Environment might very well do three things to perhaps help regain some of its credibility. The first one might be -- and perhaps the minister feels he's already done this -- to restate the principle that all studies and reports done by the Department of Environment will be made public.

Secondly, I would hope that in the course of this session the minister will give a definite commitment as far as the eastern slopes are concerned, not just to say a development is going ahead and two or three pages of window dressing that went along with that. But I'm hopeful. I understand one of the regional planning commissions is doing some work on zoning of various areas in the eastern slopes that fit into its planning region. I hope that's the forerunner to a regional or zoning kind of concept across the whole eastern slopes.

Thirdly, and perhaps most important, I'd like to ask the Minister of Environment if he'd be prepared to consider re-establishing the teeth, really, of the Environment Conservation Authority. Members of this Assembly will recall that in the 1972 session, an amendment went through that really made it impossible for the authority to become very deeply involved in any public studies without the approval of the minister. Surely the government now has a large enough majority in the Assembly that it is not fearful of the kinds of studies the Environment Conservation Authority may become involved in, and that we can once again put some teeth into the Environment Conservation Authority so that, in fact, it can be meaningful in that area.

Mr. Speaker, the third and last area I would like to address my remarks to is the treatment of the Legislature. I suppose it's somewhat traditional for opposition to be concerned in this area. I've said on several occasions, and will continue to say, I think it's imperative that the Assembly continue to control the purse strings in the province. Each spring the government brings in a budget, and each spring we examine and approve that budget. In the course of each year, following the approval of that budget, the government goes on and passes special warrants -- last year about \$260 million plus in special warrants. In the last cabinet meeting, just before the House opened, I notice another page and a quarter of special warrants came through. Yes, the money was granted by the Legislature in supplementary estimates last spring for the \$261 million of special warrants that were passed after, but that's after the fact.

My colleague, the Member for Little Bow, asked in the Assembly that we have some period during this session to look at

the special warrants already approved. Now this isn't the only suggestion, but perhaps one way we might do that is to put the appropriate motion on the Order Paper so we could revert into a committee study and simply ask the various ministers involved -- very much like we do in the estimates -- the reasons for the increased expenditures in a variety of areas.

The second area I want to talk about, as far as treatment of the Legislature is concerned, is the question of ministerial responsibility. I notice that yesterday in the Premier's comments, he made no comment at all about the Legg report, and his criticism of the Deputy Premier as outlined in the report. On October 10, I released a short research document which, I think, sets out rather clearly the parliamentary practice as far as this kind of situation is concerned. From my reading of the Legg report, it's clear to me that the Deputy Premier must assume political responsibility for the events which took place. Following the Legg report, it would have been very easy for me to ask for the resignation of the Deputy Premier. I chose not to, to the distress, I guess, of some people in the media, and some people outside the media too.

Frankly, I'd hoped that either the Premier, when he returned, or the Deputy Premier would make some statement, either in the Legislature or publicly to Albertans, as to how they view this question of ministerial accountability. I don't think it's good enough that any cabinet minister, regardless of who he is, take the bows for the new pork sale to Japan today, or other things that happen in the province, in his department, without also being prepared to take the responsibility for some of the regrettable things that go on in that particular department.

In light of the fact that the Premier made no comment in his remarks yesterday, we are using the prerogative granted to the opposition last spring, and putting a motion on the Order Paper that will be discussed next Thursday afternoon for one hour, in which there can be an opportunity for some discussion of this question of ministerial accountability and responsibility to the Legislature.

The third area, as far as treatment of the Legislature is concerned, is the question of PWA and Syncrude and the Alberta Energy Company, and their accountability, or lack of accountability, as far as the Legislature is concerned -- in my view, lack of accountability.

Fourthly, Mr. Speaker, there is the question of legislative committee reports. The Premier has indicated to us that at least one legislative committee is going to be set up this session. I understand there may be more. Perhaps it's time we stop and ask ourselves, pretty frankly, what use we are making of these reports. Perhaps I'm a bit biased in this area, because I was somewhat involved -- and I say somewhat involved -- in the Committee on Regulations. I was, I think, a fairly active attendant at the meetings of the committee until I assumed the responsibility of the



opposition. Then 2 other colleagues from the opposition, I think, were regular attendants there. That report on regulations came in with something like 41 recommendations, of which none has been dealt with yet, to the best of my knowledge. Perhaps we might ask ourselves, are these committee reports simply to keep the members busy, or are we really going to make some use of them?

Perhaps I'll wrap up my remarks on the question of treatment of the Legislature by saying to the members of the Assembly that democracy is a pretty frail instrument, you know. How successful this Legislature is, or isn't, depends not only upon the members of the front bench, not only upon the Speaker or the Leader of the Opposition, but upon the commitment members on all sides of the House have to the democratic process. I genuinely and most sincerely hope that not very many members share the view of the legislative process as expressed by the Member for Edmonton Norwood on June 17, 1975, when she said, "Surely, if we're talking about the democratic process, we had that on March 26." To us, it goes a great deal deeper than that, and I feel confident that it goes a great deal deeper than that to many members of this Assembly.

In conclusion, Mr. Speaker, in many areas I think the people in Alberta have expected a bit more from their government in the last few months. Not more from the standpoint of more money in a lot of areas, not more cultural grants and things like that, but perhaps a more honest and frank relationship as far as the Department of Environment is concerned, perhaps a more responsible and accountable attitude as far as the treatment of the Legislature is concerned, and perhaps more leadership as far as the question of the economy has been concerned. We live in a period that's extremely difficult. It has been said by many that people have never lived closer together and yet been more confined in their own individual ball of wax, almost, as far as interpersonal relationships are concerned. It is a very difficult period to be a government. It's a difficult period of time to be Members of the Legislative Assembly. It's an extremely difficult period for citizens who are facing the problems of inflation and some of the problems we've already talked about in the course of this session.

Mr. Speaker, my last comment would be that as members of this Assembly we set one example to the people of Alberta rather quickly: that we're concerned about what's happening with inflation, and as an Assembly we deal with the report you tabled today in the House quickly and with dispatch, and that members of the Assembly take nothing more than an increase that is in keeping with the federal guidelines.

MR. NOTLEY: Mr. Speaker, in rising to take part in this debate, I would like to draw to the attention of the members of the House the very regrettable passing of a former member of this Legislature. Mr. Ernest Lee, who between 1963 and 1971 represented the constituency of Dunvegan,

which is half the present Spirit River-Fairview constituency, was accidentally drowned during the summer. I know members on both sides of the House will certainly second the tribute I pay to Mr. Lee as a very fine member of the House, and a person who conscientiously served his constituents and served them well.

[applause]

Mr. Speaker, because I have the constraints, as have all other members but the Premier and the Leader of the Opposition, of half an hour's speaking time, I want to deal with the question of poverty in Alberta and the effect on poverty of the present war on inflation in this province. But before doing that, Mr. Speaker, I want to make several short comments, first of all dealing with several matters within the Spirit River-Fairview constituency.

As hon. members are probably aware from the last provincial election campaign, there was some doubt on the part of many people that certain government promises would be fulfilled in the constituency, were an opposition member elected to the Legislature. I am very pleased to say, Mr. Speaker, that the process of democracy has gone rather well in this case, and that the hospital, the public building, and indeed even some work on the roads have been undertaken. I congratulate the government for doing that.

I mention the question of the roads, Mr. Speaker, because of the hon. Deputy Premier, who has been euphemistically described by Edmonton Report, that great intellectual example of journalism, as the grizzly bear of the cabinet. I think that deserves some credit in this area. I'm certainly not going to be quite as generous next week when we get into the discussion of the Legg report and some of the other questions of agricultural processing. But as it relates to highway development in northern Alberta, I think we have seen some important steps forward.

Also, I think the suggestions [on] integrating northern rail lines made by the Government of Alberta before the Hall Commission make a great deal of sense. However, I would suggest to my honorable friend across the way that there's a good deal of feeling in the Peace River country that we should not only integrate the Alberta lines, but look at linking up with the BCR, because that would bring at least a good part of the Peace River country somewhat closer to tidewater.

Mr. Speaker, I want to deal with the question of poverty, but in the light of the whole area of government restraint and the most recent fight on inflation. I found it rather interesting yesterday to listen to the Premier call upon members of the House to dampen expectations. That's a rather stark contrast to the mood, the style, and the flamboyance I saw in this House in the three weeks prior to dissolving the House for the March 26 election. At that time, if I can borrow a phrase from the Social Credit caucus, the view of the government was virtually horizons unlimited. There was nothing they weren't going to do. There was no program that wasn't

going to be considered, no amount of money that wasn't going to be available. In contrast to that optimism, enthusiasm, and indeed, Santa Claus-like attitude, we have dampened expectations.

Now, Mr. Speaker, the Leader of the Opposition, in his contribution to the debate, I think quite properly pointed out that if we're going to talk about dampening expectations as members of the Legislature, we probably have to set an example. The government itself has to be the first to set an example. That's why he raised the question of the European tour, a tour that has aroused, as members of the Legislature are well aware, some scepticism among the public of Alberta.

The Leader of the Opposition also mentioned the new government plane -- \$1,050,000 approximately. I want to just take a moment, Mr. Speaker, in view of the Premier's call for us to dampen expectations, just to review a motion for a return, tabled yesterday, concerning this very government plane. Approximately \$875,000 is the list price for the plane, but there are extras. Avionics, \$6,587. But some additional extras as well, described as equipment -- \$168,000. And what is the equipment? Well, first of all we've got a two-place couch, we have a two-armrest couch, we have two-drawer couch, we have cabin tables with lights, we have one centre-aisle carpet runner. And we have an interesting thing here, a forward R/H 200-10 three-drawer with ice. Three-drawer with ice. My, my! Am I to understand we're actually going to have alcoholic beverages in this plane? Good heavens! Gee, things have changed, you know, there's no question about that.

So, Mr. Speaker, what I see here totals up to \$168,000 of additional little extras on the government plane which, in my view anyway, stands in rather intriguing contrast to the call, very eloquently put I must admit, to tighten our collective belts.

Mr. Speaker, when the Premier spoke yesterday, he talked at some length about the fate of New York City; the Leader of the Opposition also mentioned it in the course of his remarks. It seems to me we should look at New York City and ask ourselves, what are the real lessons of the present plight of the City of New York. President Ford and the banking community and the right-wing establishment in the United States see the lessons as very simple: overexpenditure, living beyond the means of the city, too many social programs. The answer to them is very simple: cut back on these programs. I got the impression in listening to the Premier yesterday that that was essentially the message that was coming through in his remarks. Well, Mr. Speaker, I think perhaps the lesson of New York City was better put by Galbraith some 15 years ago in *The Affluent Society*, where he talked about private opulence and public squalor, where he talked about vast sums of money that are available for skyscrapers and luxuries on one hand, and on the other, inadequate funding for education, for health and so-

cial services. I suspect, Mr. Speaker, if we look at the problems of New York City, we will see in those problems a rather severe indictment of a system which most members of this Legislature support.

Mr. Speaker, I want to bring this, really, to the major thrust of my remarks tonight, to deal with the issue of lack of opportunity, and poverty in the Province of Alberta. I raise this issue deliberately tonight, Mr. Speaker, because before we assess the significance of the heritage trust fund, before we have an opportunity to debate in this Legislature how this money will be invested, I think it's important that we recognize as a starting-off point that Alberta, despite the fact that it is a very rich and wealthy province, has within it many citizens who are not rich, who are poor and do not share in the standard of living which perhaps the majority have at their disposal. Samuel Johnson once said that a "decent provision for the poor is the true test of civilization."

In 1968 you will remember, Mr. Speaker, that the Economic Council of Canada issued its report on poverty in this country. It found, rather in contrast to much of the conventional wisdom of the 1950s and 1960s, that poverty in Canada had grown worse, not better, that there was very serious structural poverty in every part of this country, including the Province of Alberta.

Well, Mr. Speaker, what happened in 1968? For a while politicians of all parties decided that the time had come, as a result of this excellent report prepared by the Economic Council, to engage in a massive war on poverty, and we had in the Province of Alberta, I think, some excellent work undertaken by the former government dealing with human research development. The establishment of the Human Resources Research Council and a number of useful programs, preventive social service and others, programs which incidentally, I think, will long be remembered as one of the more constructive contributions of the former administration in this province.

Then, Mr. Speaker, it wasn't too long before we found that that old villain inflation was coming along. In 1969 Mr. Trudeau stopped the entire country to have a great televised announcement on his war on inflation. At that time, as many of the members will recall, the Prime Minister said he was going to lick inflation even if it meant unemployment rising to 6 per cent. His recipe for attacking inflation was very similar to the recipe which we get now. It didn't have the wage and price controls, but was all the old arguments about reducing government spending, tightening our collective belt, and somehow we're going to bring inflation in line. Mr. Speaker, we then had John Young criss-crossing the country with his so-called price and incomes policy. We found that unemployment rose sharply, but the effect on inflation was marginal, to put it mildly.

Mr. Speaker, I recognize, and I think most of us in this House acknowledge, that some concerted effort has to be undertaken

to deal with the problem of inflation in Canada today. But at the time we make that commitment, it is equally important that we recognize inflation should not be fought on the backs of the poor, that we should not stall government spending in areas that deal with the quality of life, or programs which are going to improve conditions, especially for lower income people. It is very easy to talk about reducing government spending, Mr. Speaker, but I think the social consequences of doing so have to be weighed very carefully.

I'm all for cutting certain types of government spending. I read the federal guidelines, and one of the things that intrigues me is the suggestion that we should reduce expenditures on consulting fees by 10 per cent. I certainly agree with that. As a matter of fact, we might go a little further. I think we might not engage any more consultants until the cabinet ministers have read all the former consultant reports that we have at the present time. I think we might save a good deal of money that way. But the point is, Mr. Speaker, that there are certain types of expenditures -- luxury expenditures, additional expenditures -- where we can indeed be very sharp and can bring out the axe and cut some of these expenditures. When it comes to social service programs, I think we're looking at a rather different matter, because these are programs which eventually affect the quality of life.

Yesterday I listened to the Premier tell us that Alberta had the best record in social service, hospital, medicare, and education expenditures in Canada. Well, Mr. Speaker, that is a rather interesting comment, but as I see the estimates for the present year of the provinces in Canada -- and I look first of all at hospitals and medicare, and add social services and community health, two important areas -- I find, Mr. Speaker, that we do not rank first, but in fact rank fourth after the Province of British Columbia, the Province of Ontario, and the Province of Saskatchewan. Similarly in education. The most recent data I have is the gross general expenditure as of March 31, 1974, and again I find Alberta does not rank first, but fourth. After P.E.I., Newfoundland, and New Brunswick, Alberta is in fourth place.

Mr. Speaker, I think it's important that we stop for just a moment and ask ourselves whether simply reducing government expenditures is going to affect inflation in a serious way. Are we to suggest the only kinds of pressures in an economy that increased prices are government expenditures? That kind of suggestion, Mr. Speaker, is just patent nonsense. The total amount of goods and services being sold, whether privately or publicly, affects the rate of inflation. To single out social service, education, and grants to municipalities as the villain of the piece is just economically inaccurate.

It's rather interesting to note what has happened in three areas, the services which the premier has singled out for restraint: health, education, and municipal grants. In 1974 our expenditure in

these areas was \$942 million. In the 1975 estimates which we passed in the spring, the amount rose to \$1,180 million.

But let's look at two other types of expenditures in the Province of Alberta which have been rather inflationary, to put it mildly: the whole question of what we pay for fuel, natural gas, gasoline, diesel fuel, what have you in the Province of Alberta, and housing. We find that in 1974 our prices within the province for fossil fuels amounted to some \$527 million; this year, an estimate of \$812 million, or an increase of almost 60 per cent.

In the case of housing, \$955 million last year; this year, \$1,060 million. As far as I am concerned, of course, our problem is that we need more funds for housing, not less. That, of course, is one of the problems with across-the-board guidelines. One of the points the Leader of the Opposition made was particularly valid. There are some areas of expenditure that need to be increased, not decreased or held within an 11 per cent increase. Other areas, on the other hand, could be decreased or, perhaps in certain isolated cases, eliminated altogether.

The point I want to make, Mr. Speaker, is that when you look at the goods and services in the Province of Alberta, the increase in health, education, and municipal grants has been proportionally less than the increases in some of the other expenditures which every Albertan -- whether he lives in Edmonton, Spirit River, Taber, or wherever it might be -- has to expend each day of the year on housing and on energy costs. I think we have got to put this in perspective. What troubles me about the program announced by the federal government is that we really aren't going to be doing too much in an effective way to control prices at this time. The mechanism that Ottawa has established is so unbelievably cumbersome that by the time they track down price increases, it will be just a theoretical question.

Mr. Speaker, the question I want to move to now is, have we really made any progress? I mentioned the Economic Council report of 1968. Since that time, have we really made any progress in redistributing income in Canada or Alberta? I suggest to you, Mr. Speaker, that the answer quite clearly is, no, we have not. The National Council of Welfare released a report on children in poverty in Canada, entitled "Poor Kids". It's dated March 1975, and it shows that some 24.5 per cent of the children in Canada live in poverty. In the Province of Alberta a rather shocking number, 135,000, is actually living in poverty.

We have additional information which troubles me. In 1974 the Edmonton Social Planning Council pointed out on page 22 of its report that very little has changed in Alberta's social assistance program in the last two years. Relative to the Senate poverty line, recipients in Alberta were 10 per cent worse off in 1973 compared to 1970. I think I should point out, in fairness to the government, certain improvements have been made subsequent to that report. But even so, the maximum social

assistance in this province, when you compare it to the Senate poverty line, is only at 75.3 per cent, for a family of four, of the Senate poverty line, three-quarters of the income necessary to sustain people at the poverty level. That's surely not something to be proud of in a province as rich as Alberta.

We have lack of action on jobs in the oil sands region. I think one of the reasons we have a major court case looming today stems from frustration among the native community about lack of opportunities on the job site, whether working directly for the companies involved or for Canadian Bechtel. So, Mr. Speaker, I think when one asks the question, have we made any significant improvement in redistributing income in Alberta notwithstanding our buoyant economy and massive investment in large industries, the answer is quite clearly, no, we have not made any significant progress in that direction.

Mr. Speaker, let me just take a moment to ask the question, who are the poor in Alberta? Well, the Senate report on poverty in looking at this question, not only in our province, but across the country, clearly indicated that the poor, to a very large extent, are people who are not well educated. Some 89 per cent of low-income family heads have not completed high school. That's one of the reasons the 11 per cent restraint on education, in my view, is a serious error -- a serious error because it's going to place school boards in an almost impossible position.

Yesterday I listened, with interest, to the Premier's suggestion that if school boards are able to settle with teachers for 8 per cent, perhaps there will be some 3 per cent leeway to improve the quality of education. That may be true, Mr. Speaker, if all other things are equal. But when you consider the impact of declining enrolment, when you look at some of the areas in the province with very low assessment, when you look at the increased cost of busing, when you examine the increased energy costs . . . We haven't heard yet what's going to happen to the natural gas price shelter, but we do know that it's going to be drawn back substantially and that the price of natural gas for heating our schools will go up enormously, much more than 11 per cent. We already know power rates are going to go up by more than 11 per cent. These are the kinds of costs which will have to come out of the 11 per cent increase before the school boards are even able to begin to negotiate with teachers.

So, Mr. Speaker, the fact of the matter is that in large areas of the province we are not going to have any elbow room, even if the teachers settle for 8 per cent, to introduce new programs at all, because so much of those costs will already be eaten up in the increased grant before the school board even gets to the bargaining table. If members of this Legislature are not cognizant of that, let them go out and talk to the trustees in the different districts, especially the rural divisions in this province, and the secretary-

treasurers or the division superintendents as I have. In case after case after case it has been brought to my attention very forcibly, Mr. Speaker, that the guidelines as they are presently set out are going to cause real trouble in the smaller divisions.

Oh, some members can say, increase a supplementary requisition. But we've even lowered the flexibility of the school divisions on that from 15 per cent last year to 11 per cent this year. What were there this year, Mr. Speaker -- some eight divisions that had supplementary requisition plebiscites? Seven of the plebiscites were turned down. So the likelihood of these referendums being passed is so remote that what's going to happen in so many of these divisions is a serious lowering of the quality of education, especially in districts where, if anything, we should be improving our standards of education.

Mr. Speaker, that's one aspect of the poor. Education is lacking. Others? When you look at poverty in this country, you immediately look at the physically and mentally handicapped. For the last four years I have had the pleasure of working on a joint committee of MLAs with the physically handicapped. But you know, Mr. Speaker, we still have not made any real progress so the physically handicapped can receive medical appliances under the Alberta Health Care Insurance Commission. I think too, where do we stand on this question of a mini-income or a mincome program for the physically handicapped, so they are not kept at the virtual poverty level of public assistance if they aren't able to find gainful employment? That is certainly the case with so many of them.

I'm willing to acknowledge that we have made progress as far as a building standards code is concerned. I think that's an important step forward, and I recognize the work, particularly, of the former Minister of Manpower in that field. I shouldn't say "former Minister of Manpower". I've just lost half of his portfolio -- the Minister of Advanced Education and Manpower. I acknowledge the step that has been taken forward, but I think we have to do a great deal more.

Clearly, as well, Mr. Speaker, when you look at poverty in this province, you have to examine the plight of native Albertans. I think it was disturbing, to put it mildly, to see some of the statements of the last five or six weeks -- the major legal move which, in my judgment at least, was partially stimulated as a result of frustration by the Indian people of northern Alberta lacking job opportunities in the oil sands. We have the president of the Metis Association making it very clear that notwithstanding the initiatives of the Minister of Housing, he for one is not overjoyed with the performance to date. As far as the Anchor organization is concerned, he feels that much more should and could have been done.

Mr. Speaker, it's troubling to know that even a very large number of those people on permanent disability pensions has to receive public assistance. I have

information which has been compiled by the research department of the Alberta Federation of Labour, but the source is the Department of Social Services and Community Health. It's interesting to note that these are total numbers of public assistance cases reporting income from workers' compensation. Not all of these people are receiving permanent disability pensions, but I raise this because some years ago the Deputy Premier, when he was on this side of the House, made a great to-do, and rightly so, about a permanent disability award in his area who had to receive public assistance. I think it's worth noting that in April 1974 there were 188 of these cases; in May, 1975, it dropped down. It came up again in July 1975, still 181. Mr. Speaker, that is certainly not something which we can be proud about at all.

Mr. Speaker, I see my time has virtually elapsed. I want to conclude my remarks by saying that as we consider additional expenditures in the years ahead, and as we look at how we can invest the heritage trust fund, I simply make the submission to the members of this Assembly that an investment in people, quality education, preventive social service, programs which will slowly but surely work away at the barrier of poverty which stops so many people from advancing as far as they should and could go -- this kind of investment, not for all the funds, but for a large part of the funds, could well be of the kind that would pay dividends, not only in this province, Mr. Speaker, but throughout Canada.

I suggest that we can talk about investing in industrial programs, huge industries that capture the headlines. But I just close my remarks by saying that even as a representative of a party which embraces democratic socialism, I don't believe that any group of ministers now is going to be so wise and so capable that it can chart the future of this province for the next 10, 20, or 30 years, and that its investment decisions are going to be so sagacious and shrewd that that is the kind of route we should take. Far better that we recognize the investment in skilled, able, alert people -- people who can think for themselves, who have knowledge behind them -- that kind of investment, in the long run, Mr. Speaker, will make Alberta better equipped to deal with the challenges that lie ahead. Thank you.

MR. YURKO: Mr. Speaker, may I first say that it's again a very great privilege for me to stand in my place and speak in this House. This privilege is accorded to very few in our society, and should be respected and cherished above all else in our careers.

I can remember very well, Mr. Speaker, my grandparents and my parents often expressing to me the fact that the political profession is the highest of all professions. To be good in the political profession requires boundless energy, sound character, great compassion, and above all else, empathy -- the ability to see through another man's eyes, to hear with another

man's ears, and to feel with another man's heart.

Those who rise to the heights of the political profession are certainly not very many. But I want to say, Mr. Speaker, that the late Bill Hawrelak -- and I indeed knew him as a person and a politician -- was one of these people. One day not so long ago he told me that the political profession was also held as the highest of professions in his family, as it was in most of the families that fled eastern Europe around the turn of the century to find freedom of conscience, the right of individualism, and the privilege to work at upgrading of humanity. He practised politics from a very early age, and told me that, as a boy, he used to speak to trees and animals to practise the art of speaking. Bill Hawrelak found these great gifts that I spoke about in Alberta, he used them to the extent of his capabilities, and he succeeded greatly. Not all can possibly know the extent of his success, the heights to which he was esteemed by his people. He was the example. He showed it was possible to rise, against unmeasurable odds, from mediocrity to greatness in one generation. The utmost sympathy on my part has gone out to his wife and his family, but I felt it appropriate to record these words in my first speech to the House this fall.

Mr. Speaker, I have said the political profession is, and in every sense should be, the highest profession of all. But the political profession is losing favor, is regarded with suspicion and disdain by many, and appears to be downgraded frequently. We ourselves are the cause of this type of reaction by the public and, to a large degree, by the press. Certainly lack of objectivity, casting of suspicion on honest effort, personal attacks, and constant disruptive criticism do little else but lower the political profession.

But every now and again, Mr. Speaker, we are offered the opportunity to rise just a little above the normal. In my estimation, the opportunity politicians have been given to rise above the normal in regards to curing and containing the inflationary problem is indeed a unique one. I think it's essential that all Canadians, as well as all Albertans, do everything they can to contain this plague. It is in the interests of our future and our children's future that this plague should be contained. And I don't know of anyone who should be out in front leading more objectively than the politicians of this nation. I know that some politicians can only see the seedy side. I have been somewhat amazed by the phrase, a sly move.

Mr. Speaker, it is my intent this evening to speak on housing. I would hope to speak in four areas. First, I would like to review briefly the housing picture in Alberta; secondly, I would like to outline briefly our goals, both for the short and the long term; thirdly, I will review briefly our policies and programs designed to attain these goals; and fourthly, I hope to review briefly the recent federal housing package and its possible effects on the Alberta housing picture, if

I have time.

Mr. Speaker, in regards to the housing picture in Alberta, I should say at the outset that it has changed frequently during the last year. I have been given a number of progressive projections throughout the months that passed, and increasingly I get more favorable projections. I should indicate that the dwelling starts in Alberta are composed basically of two blocks: that block associated with single, duplex, and row housing, which is generally purchased; and the block associated with rental accommodation.

Very quickly I would like to indicate to the House, Mr. Speaker, that in 1971 in Alberta we had 14,416 dwelling starts in the house category and 11,286 starts in the apartment category, for a total of 25,602. In 1972 the housing starts in the area of single, duplex, and row housing increased to 15,337, and the apartment dwellings dropped to 7,124. Progressively, in '73, the housing, duplex, and row housing stayed about the same, a slight increase to 15,926, and apartment starts dropped to 5,051, for a total of 20,977. In 1974 the single, duplex, and row housing figures were 16,853, and the apartment starts were 3,155.

Earlier this year, when I received the first estimates from the Alberta Housing Corporation, it was indicated to me that they had anticipated apartment starts in the order of 1,500, and a considerable drop in the area of single, duplex, and row housing, indicating a projected total back in June-July of something like 12,500 starts.

I am pleased to say, Mr. Speaker, that the Government of Alberta has acted very forcefully and expeditiously in a number of areas. Our latest figures indicate total dwelling starts of approximately 20,000 in Alberta for 1975, made up of approximately 16,000 single, duplex, and row housing starts, and about 4,000 apartment starts. These are our latest projections, as given to me this morning, Mr. Speaker, from the Alberta Housing Corporation.

Now, Mr. Speaker, in the last six months, we have attempted to review all aspects of the housing industry and met on frequent occasions with anybody who had the capacity or desire to offer us information. Basically, we recognize that in the early part of the year the reason for the drop in projected housing was a result of a number of causes: first of all, the federal government taxation policy which removed the capital cost allowance principle on rental accommodation; secondly, the very rapidly increasing cost of housing, which was composed basically of the cost of money, the cost of land and servicing, the cost of housing parts, the cost of assembly of those parts -- particularly labor, tradesman's labor -- and the cost of time, in other words the cost of the approval process. Also, one of the difficulties with the housing industry was the lack of money. Other priorities commanded much of the Canadian investment capital. As a government, Mr. Speaker, we had to take some form of action in virtually all of these areas, but before I tell you what we have

done I would like to briefly review our goals as we see them today.

We are an expanding province. We are anticipating expansion in a number of industries, and because of favorable employment opportunities, advantageous economic conditions, favorable individual taxation policies, and just a great place to live, we expect an increasing influx of families into Alberta. Now, under these conditions we expect that Alberta housing needs will equal approximately 100,000 dwellings in the next 4 years by 1980. Next year we must reach, in our estimation, a level of supply between 22,000 and 25,000 dwelling starts. To catch up with some shortfall, I think we will probably need more like 25,000 housing units. However, there is increasingly some readjustment in the housing patterns of Albertans.

In establishing our policies and our programs, our legislation and our management structures, we have had to relate not only to the immediate housing problems in Alberta, but also to the longer term of Albertans as I indicated. We are and will be making concerted efforts to move the housing industry from a luxury base to a more modest housing base. To lower land costs and servicing, extensive changes were made to the subdivision transfer regulations by the Minister of Municipal Affairs. Changes to the same regulations will substantially speed up provincial approval processes. To lower land and servicing costs, we are providing front-end financing and management services for bringing lots on to the market through the municipalities. To lower the cost of assembly, we are providing equal access to provincial government mortgage money for prefabricated and mobile homes where applicable.

In some cases, like Airdrie, we are going even further. To encourage rental accommodation we have repeatedly petitioned the federal government to extend the capital cost allowance taxation principle for a minimum of five years. They have responded and have extended it for two years. We have asked the federal government to raise the maximum limits on their assisted home ownership program in Alberta from \$33,000 in Edmonton and Calgary and \$28,000 in the rest of the province to \$42,000 to match SHOP. We have also repeatedly requested the federal government to give housing a higher priority in directing the money supply of the nation. Their recent response was a directive to the banks and trust companies to increase the money supply to housing by 4 per cent.

Alberta has been receiving less than her per capita share of Central Mortgage and Housing funds during the years 1972-74, and we have made strong representation to the federal government in this regard during recent meetings. We have suggested to the federal government that it give serious consideration to implementing, discussing, or investigating a graduated shelter cost allowance, recognizing the need for fixed- and low-income people. Some form of subsidy is being provided to many families now through direct subsidies, lowered interest rates, grants, and so forth, through a

myriad of federal housing programs. Those on low incomes who are not in public housing -- subsidized senior citizens' accommodation, rent-regulated accommodation, or preferred financing housing -- are not so fortunate, and some are in difficulty.

We've also asked the federal government to approve the Alberta Housing Corporation as an approved lender under the National Housing Act. We haven't received any responses yet. Because of sustained growth in the province, we could no longer wait for the federal government to act through its traditional channels -- that is, the National Housing Act and the Central Mortgage and Housing Corporation -- and we have had to act. Therefore the provincial government's housing thrusts were substantial and are continuing, and they're geared basically to a three- to four-year cycle.

Our objectives and thrusts were basically threefold: first of all, increasing housing supply through a variety of programs; secondly, making housing affordable to low- and middle-income groups; and thirdly, repairing existing housing stock through direct loans from the treasury branches, through participation in a neighborhood improvement program, and through the coming senior citizens' home improvement program. For the benefit of some members of the House, the fourth area of concern is shelter. I will give an indication, in a few minutes, of the provincial government's thrust with respect to accommodating the needs of low-, middle-, and fixed-income people in this area.

I hope to review these programs briefly with you, Mr. Speaker, indicate what sort of success we are having with them, and give you an idea of the level of expenditure the province has undertaken in each of these areas. However, I should say that to accomplish and better manage these programs, some reorganization of the department and the Alberta Housing Corporation is contemplated. We expect to bring forth new legislation setting up an Alberta home mortgage corporation, thereby removing this substantive function from the Alberta Housing Corporation. In this way we expect to strengthen management and home delivery.

Mr. Speaker, I indicated that in the area of housing the provincial government programs were basically aimed at the fixed-income, the low-income, and the middle-income people. In all cases, there is some form of subsidy, be it directly by way of a monthly subsidy, an interest rate subsidy, or by way of covering annual operating and maintenance expenses. Mr. Speaker, in the area of home ownership programs, we really have four areas that I would like to discuss briefly: one, the direct lending program; two, the starter home ownership program; three, the farm home lending program; four, the mobile home park program and also staff housing. In this category I can also put the rural and native housing program and the Metis housing program, but I will discuss those a little later.

In the direct lending program, Mr. Speaker, we have totally budgeted this year some \$80.5 million for approximately 2,584

homes, of which mortgage money is being supplied for a little over 1,000 homes. The average loan or cost per unit is \$31,200. As the Premier indicated earlier, new construction involves about 1,578 units requiring about \$56.7 million. I should indicate that 70 per cent of this year's budget has already been approved for construction, and applications are outstanding for the balance.

In regards to the starter home ownership program, or SHOP as it's called, we had budgeted for 1,100 units this year out of the \$200 million revolving fund. The average loan or cost per unit is expected to be about \$34,000, and we expect that about \$37.4 million will be released this year. The demand is strong. So far, only 107 units have been approved, but there are applications outstanding to cover the entire balance of the \$37.4 million. I should indicate quickly that of the approved units, 74 are in Calgary, 6 in Medicine Hat, 8 in Edmonton, 7 in Edson, 6 in Lethbridge, and 6 in Grande Prairie.

In the farm home lending program, we expect 100 units this year. This program was slow in starting and is somewhat sluggish, but we expect it to pick up. The Agricultural Development Corporation is accepting applications on our or on Alberta Housing Corporation's behalf. Again here, the housing units are approximately \$30,000 per unit. We expect to have a total take-up of about \$3 million this year.

In the mobile home park program, we are anticipating a very strong demand. We have budgeted for 642 pads or units. Each pad is costing about \$4,200. We have allocated \$2.7 million. We have about 50 per cent approved, and applications outstanding to cover the balance. In regards to staff housing, we have under construction 133 units, each costing about \$43,000 and with about \$5.8 million committed.

In this total area of home ownership programs, we are directly relating as a province to just over 4,500 homes, with a total expected take-up of \$129 million.

Mr. Speaker, we have a number of rental housing programs. But before I go into that, Mr. Speaker, I would like to touch on Fort McMurray for just a minute and answer the question of the Leader of the Opposition. It's not possible for me, Mr. Speaker, at this time to dwell on Fort McMurray, because of the major complexity of the housing and land development picture. I hope at some point to give a much better account of what we are doing and how things are progressing. At this time I would just specifically like to answer the query of the Leader of the Opposition in regards to the cost of a serviced lot. The government, under its new land sales policy, is marketing the raw land at \$560 per acre, with the proviso that the cost of the land at cost be reflected in the cost of the home.

Now, there are a number of costs involved in taking land from its raw form to a finished lot in a finished subdivision. I should indicate that clearing costs about \$1,500 per acre or about \$6.20 per front foot. Grading costs about \$1,000



or \$1,085 per lot, the underground power distribution system approximately \$300 per lot. The total cost of the lot varies from subdivision to subdivision. But apart from those costs, I would like to give you an indication of what the distribution of on-site servicing costs are. Side drainage and clearing the roads costs about 1 per cent; stripping the topsoil, the roads, and the lanes, 1 per cent; pre-grading streets and lanes only, 5.2 per cent; sanitary sewers, 15.3 per cent; manholes on a 250-foot spacing, 1.6 per cent; trench compaction, 1 per cent; storm sewers and weeping tile service, 23.4 per cent; manholes on a 250-foot spacing, .16 per cent; trench compaction, 1.2 per cent; catch basins, 2.8 per cent; water mains, 13.4 per cent; trench compaction, again on the water mains, 1.1 per cent; fire hydrants, 300-foot average spacing, 4 per cent; 7-inch curb and gutter, 4.3 per cent; 4-foot wide sidewalks, poured in place, 3.9 per cent; 32-foot wide paved streets, 9.8 per cent; landscaping, 1 per cent; street signs, .1 per cent; walkway lights, .3 per cent; service line, trench, sewer and water, 8 per cent; and so forth. So, Mr. Speaker, we know the costs in Fort McMurray, and we know they are high.

In addition to these service costs and the clearing costs I have given you, there are other costs attached to the lots which include park and school appropriations, interest on the land assembly and holding costs, interest on the construction costs, financing charges, advertising -- I don't know how extensive that is -- bonding, municipal assessment, legal fees, engineering fees, planning fees, gas lines, offside services, general distribution and contingency. All these costs in a high-cost area like Fort McMurray add up to quite an expensive serviced lot, even though the raw land is sold for as low a figure as only \$560 per acre. Now the standards in Fort McMurray, Mr. Speaker, are very high, as laid down by the town board, and we have been pressing the town board to in fact lower their standards. The very rich mix of housing by Syncrude also has added substantially to costs, and Syncrude has examined seriously their mix and is reducing the richness.

Mr. Speaker, in regard to the rental housing programs, the core housing incentive program, which was initiated during the last few months, was scheduled to construct about 2,200 apartment units. I should say that the demand is exceedingly strong. About 822 units are approved. On Monday the board of directors of Alberta Housing Corporation is meeting.

Mr. Speaker, where did my time go? I think I had better summarize pretty quickly, Mr. Speaker. In connection with all the programs of the Alberta Housing Corporation -- including NIP, the neighborhood improvement program -- they add up to something like \$296 million this year, of which about \$40 million is federal funding and the rest provincial funding. If that isn't a massive effort by a provincial government toward shelter for fixed-, low-, and middle-income families, I don't know

what is.

Mr. Speaker, in regard to the impact of the federal new housing package, I should indicate that I think in the supply of ownership housing their package would be very marginal. However, we anticipate as is, that that part of the supply market will maintain itself. In regard to stimulating rental accommodation, we believe that the extension of the capital cost allowance for two years will assist in increasing rental supply, which is the area we have to address ourselves to in a substantive way. However, the deleterious effect of rent regulation -- and I'm sure it will be serious -- may very well dampen a substantive increase in supply, unless, of course, provincial money is used again as an incentive to maintain that supply. For instance, the CHIP program was used very effectively to increase the supply this year.

However, Mr. Speaker, in my judgment this government with its initiatives in the housing industry, its foresight, its great capacity to plan within the industrial area and in the social and housing area, will in fact meet our goal of 100,000 housing units between 1976 and 1980. This is intended to match the federal government's goal of 1 million housing units for Canada. In my estimation, Mr. Speaker, we will do this, respecting and maintaining the other government policies of balanced growth across the province in providing shelter for those who are in the greatest need. Thank you very much.

MR. MANDEVILLE: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. member have leave to adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, as to business tomorrow, we would proceed to Motion No. 2, again beginning at 10 o'clock in the morning, and then, depending on the time that debate concludes, continue into second readings of some of the bills that were introduced today. In consultation with the Leader of the Opposition, he has asked that 11 of the bills introduced today be held over until Monday, which we are prepared to do. Accordingly, the bills which members should be ready to debate for second reading tomorrow would be the following: No. 44, Northern Alberta Development Council amendment; No. 39, Alberta Opportunity Fund amendment; No. 37, the Teachers' Retirement Fund amendment; No. 41, Licensing of Trades and Businesses amendment; No. 42, the Universities amendment; No. 45, the Cooperative Associations amendment; No. 46, Criminal Injuries Compensation amendment; and No. 51, the Marriage amendment.

Mr. Speaker, I move the Assembly do now adjourn until tomorrow morning at 10:00 a.m.

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



HON. MEMBERS: Agreed.

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

[The House rose at 9:53 p.m.]

