

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Friday, March 19, 1976 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF BILLS**

**Bill 224**  
**An Act to Amend**  
**The Ombudsman Act**

MR. MANDEVILLE: Mr. Speaker, I beg leave to introduce Bill 224, An Act to Amend The Ombudsman Act. The major purpose of this bill, Mr. Speaker, is to provide an extension of the jurisdiction of the provincial Ombudsman to deal with complaints and problems involving private citizens, local governments, and school boards. The bill, Mr. Speaker, has a clause which would allow any municipal council or school board to opt out by means of a majority vote.

[Leave granted; Bill 224 introduced and read a first time]

**Bill 225**  
**The Parents' Liability Act**

MR. KUSHNER: Mr. Speaker, I beg leave to introduce Bill 225, The Parents' Liability Act. The purpose of this bill is to establish in law the liability of parents for reckless or willful damage, destruction or unlawful removal of other's property by minors.

[Leave granted; Bill 225 introduced and read a first time]

**head: INTRODUCTION OF VISITORS**

MR. ASHTON: It's a pleasure, Mr. Speaker, to introduce 60 Grade 6 students from Waverley School, accompanied by their two teachers and two student teachers. They are enjoying their visit to the Legislature this morning because, as you can see, every one of them is smiling. I'll ask them to rise and be recognized by the House.

MR. LITTLE: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Assembly, Major Len Millar, Salvation Army, accompanied by his wife, Dorothy. They are seated in the members gallery.

**head: TABLING RETURNS AND REPORTS**

MR. CRAWFORD: Mr. Speaker, I'd like to table two copies of the Department of Manpower and Labour annual report for the year ending March 31, 1975.

MR. DOWLING: Mr. Speaker, as required by statute, I'd like to table the 1974-75 annual report of the Department of Business Development and Tourism.

**head: ORAL QUESTION PERIOD****Wage and Price Controls**

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Minister of Federal and Intergovernmental Affairs. The question is posed as a result of the recent announcement by the federal Minister of Justice referring the selective wage and price control legislation to the Supreme Court for a ruling on its validity.

Is it the intention of the Government of Alberta to be among the interveners and to file intervention at the Supreme Court hearing?

MR. HYNDMAN: Mr. Speaker, we haven't entirely finalized our decision on that. It's to be remembered that two issues are probably involved in that reference. First, I might say that we haven't yet been able to receive a full copy of the exact reference to the Supreme Court of Canada. We expect to receive that shortly. The first question relates to a matter raised by the province of Ontario, relating to the question of whether a province can enter the program by an order in council only, or whether legislation is necessary. The five provinces which have requested intervention so far are those which have not proceeded to get involved in the federal plan by reason of a legislative act.

The matter of the general constitutionality of the program involves the issue of the emergency doctrine. Insofar as this province takes the view that those controls and Alberta's entry into them is a temporary matter, it may be that we would be appearing as an intervener with regard to the Supreme Court of Canada's possible interpretation of the emergency power, particularly with regard to the temporariness which in our view must be a basic aspect of what an emergency is.

**Small Motorcycle Legislation**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Solicitor General, and ask what consultation there was between the retailers of small motorcycles in the province prior to the government bringing in legislation in the fall session last year that raised the age from 14 to 16 years.

What kind of consultation was there between the minister or his officials and the industry?

MR. FARRAN: Mr. Speaker, I don't believe any direct consultation with the association was involved. There was considerable debate among the public at large about the anomaly that Alberta was the only province in which 14 year-olds could ride motorcycles. The legislation was introduced into the

House. On second reading, some opinion was expressed by the motorcycle industry, which was apparently alarmed that they would lose their only Alberta market for bicycles for 14 year olds. We have had some representation since the legislation became effective on January 1.

MR. CLARK: Mr. Speaker, perhaps to rephrase the question. Was the minister involved . . .

MR. SPEAKER: Order please. I hesitated to intervene when the question was first asked. But it would appear to me that this might be contrary to one of the principles of the question period, which is to raise a matter of past history. This statute was introduced in the House and presumably debated. The minister or others who may have sponsored it would have been available for questioning at that time. It would seem to me that we're perhaps warming over an old issue.

MR. CLARK: Mr. Speaker, perhaps the issue needs to be warmed again. However, might I ask this question of the minister?

Has the minister met with representatives of the industry since the legislation has been passed? Does he have any meetings with them planned in the future?

MR. FARRAN: Mr. Speaker, I don't believe they have requested an interview, although the door to my office is always open. They have made representations on the premise that they're upset at losing this part of their market. The Yamaha dealers from Toronto in particular have said they would have appreciated earlier notice and that they relied on Alberta for the sale of these bikes. Of course, they put the argument — it was debated in the House prior to January 1 — that Alberta was wise as compared to the other provinces to have a training period for 14 year olds before they got a full licence at 16. That argument was discussed in the House and didn't win the day.

MR. CLARK: Mr. Speaker, one further supplementary question. Is the minister aware that the industry had to place their orders some months before the legislation was introduced, so they could in fact have cycles available for this spring? The orders had to be placed before the legislation came to the House and before the minister ever talked to the industry.

MR. FARRAN: No, Mr. Speaker. I was not aware of that. The legislation was introduced in November. I would presume that their main sale to the 14 year olds would have been in May or June, which is some six months later.

I would imagine that this is a possible argument they might have with the Yamaha company in Japan. But I would doubt if most small motorcycle dealers would have to lay out any cash six months ahead of receiving the bicycles.

#### **Provincial Parks Policy**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Recreation, Parks and Wildlife. Can he advise the Assembly whether

the government is considering at this point in time the introduction of an across-the-board user fee in provincial parks, as recommended by the Land Use Forum?

MR. ADAIR: Mr. Speaker, in responding to the question, if you recall, sometime this past summer we said we were looking at the possibility of what the other provinces across the Dominion of Canada were charging for park fees.

I can assure you, sir, the members of this House, and the people of Alberta, that that will not happen in the year 1976. But we are looking at that.

MR. NOTLEY: I share the relief that we will be spared this in 1976.

But Mr. Speaker, my supplementary question to the hon. minister is: has the government considered, along with the question of user fees, the suggestion by the Land Use Forum that some kind of assistance should be made available to low-income people, whether through the public assistance program or what have you?

MR. ADAIR: Mr. Speaker, in response to that, yes. In regard to the recommendations of the Land Use Forum, we are looking at that and will be reviewing them very carefully.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the minister in a position to tell the Assembly what timetable the department is considering at this point in time, both for the question of user fees as well as for any cushioning of the effect on low-income families?

MR. ADAIR: Mr. Speaker, we haven't set a firm timetable for that at the moment.

MR. NOTLEY: A further supplementary question to the hon. minister. Has the department at this point in time developed any policy with respect to the highway campsite program, particularly with respect to the recommendation that some of the highway campsites be leased to private concerns?

MR. ADAIR: Mr. Speaker, in relation to highway campsites, if I may, I'd defer the question to the Minister of Transportation.

DR. HORNER: It's not anticipated that we'll be leasing these to private concerns, Mr. Speaker. But we are looking at the possibility of senior citizens' clubs and other service clubs in a variety of areas which might do an excellent job for us in Alberta running these campsites in the summertime.

MR. NOTLEY: Mr. Speaker, I'd like to direct an additional supplementary question to the hon. Minister of Recreation, Parks and Wildlife. Can he advise the Assembly what specific steps will be taken during 1976 to bring in a system of complete classification of parks?

MR. ADAIR: Mr. Speaker, if I may just take a moment, in relation to classification I think we should wait for tonight's budget speech to start with. As we said last year, we are looking at the classification

system. I haven't received my final report on that as yet.

MR. NOTLEY: Mr. Speaker, I have one final supplementary question to the hon. Deputy Premier and Minister of Transportation. Is the government at this point in time considering leasing water-resource-based or resource-based highway campsites to any other than service groups or senior citizens' groups?

DR. HORNER: No, Mr. Speaker.

#### **Alberta Food Products Ltd.**

MR. JAMISON: Mr. Speaker, I'd like to address a question to the hon. Minister of Agriculture. This is a follow-up to my question yesterday.

I was wondering if the minister has been informed of any delays in the Alberta Food Products Ltd. rapeseed crushing plant in the M.D. of Sturgeon, and if this delay is permanent or just temporary.

MR. MOORE: Mr. Speaker, yes, I have now been informed that Alberta Food Products apparently have made a decision to delay the construction of their rapeseed crushing plant in the M.D. of Sturgeon. My understanding is that the reasons given by the company for the delay were with regard to freight rates on processed rapeseed products. I would expect as well that the company did have under consideration such things as the available supply of raw material and the escalating capital construction costs.

MR. JAMISON: Supplementary question, Mr. Speaker. I was wondering if the minister has met with the Alberta Rapeseed Growers Association recently or whether he plans to meet with them in the near future.

MR. MOORE: Mr. Speaker, I have not met with the Rapeseed Growers Association since my attendance at their annual meeting, I believe, in late January of this year.

#### **Kananaskis Provincial Park**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Recreation, Parks and Wildlife. The question concerns snowmobiling in the new provincial park at Kananaskis.

Has any decision been made on permitting snowmobiling in parts of this park?

MR. ADAIR: Not at the present time, Mr. Speaker. On the question of snowmobiling in that particular area, I might point out, too, one of the areas of concern to the snowmobilers is outside the proposed boundaries of that particular park right now. But we are looking at that possibility.

#### **STEP Modifications**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Advanced Education. Could the minister indicate to the Assembly whether STEP will be in operation this coming year?

DR. HOHOL: Yes, Mr. Speaker, at the present moment STEP is being put into place for the summer in a modified form in comparison to last year.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Are any changes proposed in the program to iron out some of the difficulties students had last year?

DR. HOHOL: Yes, Mr. Speaker, we should remember that STEP, as such, didn't have problems. Two new programs that had not been in place since 1971, in contrast to other programs that were in place since 1971, had the usual start-up problems, somewhat added to by the fact that the elected people were elsewhere for a short period of time. But that has been worked out. We have much more lead time this year than we had last year to develop these programs for the summer, so I don't anticipate any difficulty whatsoever.

I should say, Mr. Speaker, that should any hon. member have representation from students or constituents with any difficulty, I'd be most pleased to hear them and make certain the programs are as effective as possible.

MR. YOUNG: Mr. Speaker, a supplementary. With respect to the expression the hon. minister just used, "in a modified form", would the minister expand upon that? Does this relate to modification of the program in terms of numbers of students who would be affected, or does it relate to the type of program?

DR. HOHOL: Both, Mr. Speaker. In our projections and the prediction analysis for the summer, that is one consideration we looked at. Another is the matter of fiscal restraints. The other is just the sheer common sense of waiting and knowing the circumstances with respect to the labor market. Unlike other reports across this nation, particularly from Ottawa and other constituent groups in the labor force — particularly in education, as it relates to students — in Alberta we do not feel that the market for jobs for young people will be as difficult as many of the reports emanating from other quarters appear to indicate. However, we'll certainly take a look at the circumstances as they are. In the meantime we've made provisions for a start-up program that we think is fair, reasonable, and proper at this time, as we view the situation for May, June, July, and August.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. minister. Will the portion of STEP that relates to the physical education students also be continued?

DR. HOHOL: Yes, Mr. Speaker. Within the last few days we made arrangements to continue the program under a different name. There will be an announcement on that specific program, which has some changes in it. It's modest but not inconsequential. That program will be under the hon. Minister of Parks, Recreation and Wildlife. It will continue.

### Fish Stocking Program

MR. WOLSTENHOLME: Mr. Speaker, my question is to the Minister of Parks, Recreation and Wildlife. I understand the federal government is imposing a ban on the importation of fish eggs and fingerlings effective January 1, 1977.

I was wondering if the hon. minister could inform this Assembly of the possible effect this is going to have on stocking our lakes and streams.

MR. ADAIR: Mr. Speaker, at the annual meeting of the Alberta Fish & Game Association in Calgary, I did express to the members the fact that come January 1977 we may be in the position — and I say may — of being short of imported eggs and fingerlings that we use for stocking the various lakes in the province of Alberta. As a result, we have been gearing up to do that ourselves. We may not be able to meet that particular timetable they imposed on us. We are seeking a delay of that particular regulation from the federal government.

### Individual's Rights Protection Act

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. Will amendments to the existing Individual's Rights Protection Act be introduced this session?

MR. LOUGHEED: Mr. Speaker, at this time there is no contemplation that such amendments will be presented to the spring sitting of the Alberta Legislature. The Human Rights Commission has been meeting with the Minister of Labour on the matter. He may have something further he wishes to add.

MR. CRAWFORD: Mr. Speaker, the meetings I've had with members of the Alberta Human Rights Commission have been extensive and most instructive. I took the opportunity to find out from them some of the concerns that they have had about the first couple of years of operation of the legislation.

I think it's fair to say that one of the attitudes of this government has always been that where something is learned from experience and some change should be made, very often that is the course that's followed afterwards. These discussions are continuing. The only reason they haven't been finally resolved yet is that the commission hasn't finished their deliberations.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is it the intent of the minister along with the commission to bring in a total redraft of the act in, say, the fall session?

MR. CRAWFORD: Mr. Speaker, I wouldn't think so. That would be an extraordinary thing for the commission to propose. I have to say that all the communication so far has been oral, in the sense of meetings with them. Any document has not yet come to hand.

### Hail Suppression Program

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Agriculture. Did the hail suppression program during the last year bring out any new and informative information?

MR. MOORE: Mr. Speaker, I have not yet had an opportunity to review the results of the hail suppression program of the past year, or what research benefits may arise from those results. As soon as I've had an opportunity to do that, Mr. Speaker, I could provide the hon. member with that information.

### Provincial Bird

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of Government Services and Culture. Can the minister inform us of the status of the proposal that the great horned owl be our provincial bird?

MR. SCHMID: Mr. Speaker, a vote was taken by Alberta school children some two years ago, I think. At the time my reply to the Alberta federation of naturalists was that other legislation would have priority. I'm afraid this is still the case, but of course we would propose it to the Legislature as soon as possible.

### Civil Service Housing

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. It arises out of an invitation to tender and/or [inaudible] provincial staff housing at Smoky Lake.

Mr. Speaker, my question to the hon. minister is: how extensive is the practice of the government building accommodation for members of the civil service?

MR. YURKO: Mr. Speaker, that is an item which is well identified in the budget. I would hope to identify that item in detail next week when I have an opportunity to speak on the budget.

DR. BUCK: Mr. Speaker, maybe the minister can indicate to the Legislature the guidelines and the general philosophy for providing accommodation for the civil service.

MR. YURKO: Mr. Speaker, the requirement for staff housing is reviewed on an annual basis by the various departments under some fairly substantive guidelines. Basically, staff housing is only constructed where there is no other alternative. In most northern communities where there are, in fact, few alternatives to staff housing, it is indeed constructed.

As I indicated the number constructed in the course of a year will be revealed in the budget, but it has varied from about 100 to 125 per year.

DR. BUCK: Mr. Speaker, a supplementary question. Can the hon. minister indicate the ground rules for the renting of these accommodations? Is it tied to wages or is there a basic rate?

MR. YURKO: Mr. Speaker, there are guidelines by which rental rates are established. I don't happen to have them here, but they refer to some degree to income levels. I would, of course, be willing to bring those guidelines forward if the hon. member would consider putting that on the Order Paper.

#### AEC Shareholders List

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Minister of Consumer and Corporate Affairs. Has he, or his colleague, the Attorney General, had a chance to check out the question of the availability of lists of shareholders either at the Alberta Energy Company or National Trust?

MR. HARLE: Yes, Mr. Speaker. During the question period on March 15, I was asked by the hon. Leader of the Opposition if any complaints had been received suggesting that the lists of shareholders of the Alberta Energy Company were not available for examination by the shareholders or the public, as required by Sections 56 and 57 of The Companies Act.

There have been no complaints to the knowledge of the deputy minister of the Department of Consumer and Corporate Affairs or the Registrar of Companies.

I might add, Mr. Speaker, that National Trust, under Section 57 of The Companies Act, has the shareholder list at its Edmonton office. This list is available for examination by shareholders and the public. In addition to this main list, a supplementary sheet of share ownership transactions is received daily so that current information is always available.

Only four or five requests to examine the list have been directed to the National Trust Calgary office, and a lesser number have been received at the Edmonton office since the initial share distribution in December.

It is the practice of National Trust to assist any person making inquiries to find information from the list. Indeed the list is very voluminous since it contains 63,000 names as a result of the rather spectacular success of this share distribution.

MR. CLARK: A supplementary question to the minister. Is the Department of Consumer and Corporate Affairs satisfied that all provisions of The Companies Act are being adhered to by National Trust and the Alberta Energy Company as far as shareholders lists are concerned?

MR. SPEAKER: With great respect, a legal opinion as to whether the provisions of The Companies Act are being complied with should perhaps be sought otherwise.

MR. CLARK: Mr. Speaker, then I'll rephrase the question to the minister. Is the government satisfied that the Alberta Energy Company and National Trust are living with all provisions of The Companies Act?

MR. SPEAKER: If I may say with respect, the hon. member is repeating the same question, except in this instance he is asking the government for its legal opinion.

MR. CLARK: They are not doing it.

#### Education Spending

DR. PAPROSKI: Mr. Speaker, a question to the hon. Minister of Education. Has the minister received any communications or suggestions from the Alberta teachers' associations, Alberta school trustees, or any school boards regarding areas they feel are frills or non-essentials in aspects of education and could be removed from further funding without loss of the main quality of education?

MR. NOTLEY: Yes, the minister.

MR. KOZIAK: Mr. Speaker, the representations I usually get from those groups go the other way.

DR. PAPROSKI: Mr. Speaker, a supplementary. In view of restraints across the country and the province, does the minister expect, hope for, or anticipate any such communication?

MR. SPEAKER: The hon. member is inviting the minister to prophesy. Perhaps that might be done otherwise.

DR. PAPROSKI: Mr. Speaker, with respect, if the minister would like to answer that, I would appreciate it.

MR. KOZIAK: Mr. Speaker, I think we can all contain our enthusiasm until 8 o'clock this evening. Perhaps we should wait until then.

DR. PAPROSKI: Another supplementary question if I may, to the hon. Minister of Advanced Education. If I may repeat, has the minister received any communication from colleges or universities regarding frills or non-essential aspects in postsecondary education?

AN HON. MEMBER: Talk to the doctors.

DR. HOHOL: I'm not clear whether the representations, as the hon. Member for Edmonton Kingsway refers to them, would be in the area of reducing them or adding to them. In any case, I have not had representations of this kind. In periods of fiscal restraint — and it's unfortunate — I think any enterprise looks at priorities only during those periods of time. If that's the case, they certainly do. In periods of fiscal restraint they should, as a way of developing an institutional program, direction, and policy.

#### Surface Rights Leases

MR. NOTLEY: Mr. Speaker, I would like to pose a question to the hon. Minister of Agriculture. Can he advise the Assembly whether he received from farmers in the Redwater area a letter of complaint dated March 16, along with a petition concerning surface rights leases held by Imperial Oil?

MR. MOORE: Mr. Speaker, I'm not aware that I have.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. Is the government considering any changes in the surface

rights legislation this year to permit compensation changes before January 1, 1972?

MR. MOORE: Mr. Speaker, that matter has been considered. I would probably have to speak at length about the considerations which went into the upgrading of surface leases which went in prior to January 1, 1972. Basically, our decision is that the companies involved in those leases have generally been doing a fairly adequate job over the short term they have had in upgrading old leases.

Over the next couple of years we would expect to watch with some interest the degree of progress they make in that regard. We are indeed hopeful that the voluntary process will be such that it will not be necessary to legislate an upgrading of leases prior to January 1, 1972.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the fact that a number of oil companies have made considerable progress in voluntary compliance with upgrading old surface rights leases, but Imperial Oil does not seem to have made any significant progress at least in the Redwater area, has the government undertaken any steps to negotiate with Imperial Oil or make representation that, in light of what other companies are doing, Imperial Oil should follow suit?

MR. MOORE: Mr. Speaker, I have talked personally and directly with those in Imperial Oil who are involved in the upgrading of surface leases. I'm satisfied that the formula they're using to upgrade surface leases is adequate in terms of lost land, additional costs in farming cultivated land, crop loss, and so on. I'm also familiar, Mr. Speaker, with the situation of some individuals in the Redwater area. I hope that mutual co-operation between the company and the landowners in that area will solve that particular problem.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Did I hear the hon. minister correctly when he indicated that the ground rules being used by Imperial Oil were, in the judgment of the Government of Alberta, adequate in terms of providing compensation for these pre-1972 surface rights claims?

MR. MOORE: Mr. Speaker, the hon. member heard me correctly when I said the formula which the officials of Imperial Oil advised me they were using, indeed the formula that was upgraded after my talks with them in 1976, is sufficient in terms of the kind of compensation provided for land use and other inconveniences suffered by the owners of the surface.

I should go on to say, Mr. Speaker, that I'm not satisfied that is the case with every company reviewing and upgrading surface leases, but in my view it is with that particular company.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the minister had an opportunity to meet with the surface rights owners in the Redwater area who, from their letter of March 16, are still rather unhappy?

MR. MOORE: Mr. Speaker, I'm not aware that I've met with all of them. I think perhaps over the course of the last year I may have met with one or two individuals in that area. Certainly after reviewing their letter of March 16, which I have not yet seen, it may well be that I or someone with responsibilities in that area in the Department of Agriculture would meet with them.

DR. BUCK: A supplementary to the hon. minister. I would like to thank the hon. minister, Mr. Getty, which I am sure will shock him. He did follow up a problem in that area that I was trying to have looked into.

My question to the hon. Minister of Agriculture is: has the hon. minister received many complaints about well sites that were taken out of production and have been reclaimed? Many of the sites have not been restored to anything close to their original surface content.

MR. MOORE: Mr. Speaker, I'm not aware that I've received any complaints directly in my office, or very many complaints at least. It could well be that the Surface Rights Board, the Farmers' Advocate, or others in the Department of Agriculture have received those. I'd be happy to check to see to what extent complaints are being received by the department with regard to the kind of thing the hon. member mentions.

#### Compensation for Power Lines

MR. CLARK: A further supplementary question to the minister, dealing with this question of compensation to farmers. Is it the intention of the minister to bring forward legislation during the spring session that would deal with the problem of compensation to farmers who have high-voltage transmission lines running across their land?

MR. MOORE: I'm not exactly sure what the hon. member is referring to, Mr. Speaker.

MR. CLARK: Mr. Speaker, I'm referring to the report done by officials of the minister's department on the question of compensation to farmers who have hydro-electric transmission lines running across their land. The recommendation indicated favorable consideration for some compensation to farmers who have these transmission lines.

My question is: is it the intention of the minister to bring forward legislation at this session or enact policy that would make that recommendation become a fact of life?

MR. MOORE: Mr. Speaker, the existing situation is that those lands are acquired either by agreement between the taker and the land holder or by expropriation, in which case the individuals, as far as I'm aware, have always received some compensation. The report commissioned by this government — and the Surface Rights Board held hearings in 1974 — indicated that a number of rural residents and farm organizations would want compensation on an annual basis, rather than in a lump sum. Mr. Speaker, that matter is still under consideration by the government.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister with regard to power lines crossing property. This is with regard to land in the irrigation area. Eight or nine years ago, power lines were placed across the lands. Now mechanical irrigation systems can't operate because of these lines.

Has the minister established a program to assist the farmers in having the lines moved off the lands?

MR. MOORE: Mr. Speaker, we haven't yet. We've looked at a variety of programs that might be of assistance to farmers and to power companies which are desirous of moving power lines that are running on an angle across land that's suitable for irrigation. We've come to no decision yet on funding a program of that nature, or how that funding might be split between those wishing to irrigate the land, the power companies involved in the lines, and perhaps the Government of Alberta. Mr. Speaker, we will be continuing discussions in that regard. I'm hopeful that in due course some arrangements may come about by which we will perhaps be able to move some lines presently running on an angle across land that would be much more valuable under irrigation than it is now. Mr. Speaker, hon. members should appreciate the difficulty with some high transmission lines, towers, and that type of thing where the cost of moving is simply greater than the benefits that might occur.

#### **Provincial Bird** (continued)

MR. SCHMID: Mr. Speaker, a supplementary to my reply regarding the great horned owl. I would like to show hon. members what the bird would look like. It has been voted on by 120,000 school children in Alberta, out of the black-capped chickadee, the western meadowlark, the mountain bluebird, the red-winged blackbird, the black-billed magpie, the Canada jay, the prairie falcon, and of course, finally, the great horned owl. This is the bird, called in Latin, *Bubo virginianus*.

MR. SPEAKER: It's a matter of some regret to the chair that the meadowlark lost out in this. [laughter]

#### **Foreign Investment**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Premier. In the Alberta mission to Europe report, the Premier is quoted as saying that the Foreign Investment Review Agency and the Alberta government had agreed on "45 out of 46" of the first cases. Could the Premier elaborate on what is meant by agreements?

MR. LOUGHEED: Mr. Speaker, the arrangements made with regard to relationships between the federal and the provincial government, relative to the actions of the Foreign Investment Review Agency within this province, were worked out over a period of time by officials of the Department of Federal and Intergovernmental Affairs. The minister may wish to supplement my answer.

Our position was that the particular approach of legislation was not one that we favored. We felt this

country has prospered from foreign-risk investment on a job-creating basis, and that it should continue to be encouraged. What we really should be doing is spending more time finding ways in which we can develop our own capital funds and risk enterprises here in Alberta and in Canada.

Nevertheless, the federal government proceeded with the Foreign Investment Review Agency. We were concerned, as are a number of other provinces, with the nature of that agency and the way in which it would operate. When we had the mission to Europe we were advised in our advance briefing that there was a degree of sensitivity about that, that Canada had always been considered an area that welcomed foreign investment. We were apprized and aware of the report of the select committee of the Alberta Legislature on that matter.

So we entered into very detailed discussions at the official level to try to assure that when the federal Foreign Investment Review Agency was operating within the province of Alberta, it would operate as closely as possible with the provincial government, with our views of economic diversification and strategy, and with our views of development.

What we were trying to express is that to that point and at that date we felt the agency had not developed any significant obstacles in terms of development of this province and opportunity for Albertans.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. It was agreed on 45 out of the 46. Does that mean that 45 of the applications were approved and one was rejected?

MR. HYNDMAN: I'll check the details on that, Mr. Speaker, and provide the information to the hon. member. I'd like to satisfy myself as to which companies and what date the honorable gentleman is relating this question.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the Premier been in contact recently with the federal government regarding the proposed changes in the Citizenship Act which would allow the province to regulate non-resident ownership of land in Alberta?

MR. LOUGHEED: Mr. Speaker, that's a matter I'd prefer to deal with at a subsequent time when I'm in a position to give the House more information.

#### **Regional Libraries**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Culture. Are any regional libraries planned for the coming fiscal year?

MR. SCHMID: Mr. Speaker, inquiries have come from around the Drumheller area and Olds, but presently no actual application has been received.

#### **CSA Legislation**

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Provincial Treasurer or the Minister of Labour. The question centres around whether there

will be legislation coming forward at this session dealing with the Civil Service Association of Alberta, giving that association the right to represent contract employees in provincial institutions.

MR. LEITCH: Mr. Speaker, I'm not exactly sure what the hon. leader referred to when he said, "contract employees in provincial institutions".

MR. CLARK: Mr. Speaker, could I put the question to the Provincial Treasurer this way: is it the intention of the minister to bring in legislation that would allow the Civil Service Association to represent individuals in provincial institutions, especially hospitals, who are not members of the Civil Service Association?

Will it be possible for the association to bargain for those people with the government?

MR. LEITCH: Mr. Speaker, it is our intention to introduce legislation involving a repeal of The Civil Service Association of Alberta Act as it now stands. There would need to be some transitional provisions.

I want to say that at the present moment the legislation would involve very little change in the present circumstances of the Civil Service Association. Actually, it's questionable how much it enlarges the capacities they now have. There's a difference of view among the lawyers who have looked into this question as to what those capacities are. But the legislation we are contemplating would remove any doubt about that. They would be able to represent or have as members of their association people who, on one interpretation of existing legislation, they couldn't now represent.

#### **Arctic Institute**

MR. NOTLEY: Mr. Speaker, not knowing exactly to which minister to direct this question, I'm going to direct it to the hon. Premier and ask whether he can advise the Assembly if it's true that the Arctic Institute of North America came to the University of Calgary campus in February on the strength of a promise of a \$500,000 grant from the Government of Alberta.

MR. LOUGHEED: Mr. Speaker, I'd refer the question to the Minister of Advanced Education and Manpower.

DR. HOHOL: Mr. Speaker, for the information of the Assembly and Albertans generally, the Arctic Institute made the move to Calgary on the resolution of the board of directors of the Arctic Institute, with no conditional or qualified kinds of relationships with the Government of Alberta.

MR. NOTLEY: Supplementary question to the minister. Were there any discussions with officials of the Arctic Institute that financial assistance in the neighborhood of half a million dollars would be considered? The question is: were there any discussions?

DR. HOHOL: I'm not clear about the discussions, but there was correspondence over a period of time, over the last several months, maybe in the area of a year to two years. There were some discussions, too, more recently. The figure the hon. Member for Spirit

River-Fairview mentions may not be the exact figure. I'd have to check the files. I just want to go on record as not necessarily agreeing with the figure by not mentioning it.

There were discussions, there was correspondence. But, as I say, it's important and significant to note the move was made some months ago on a resolution of the board which is in the minutes of the board itself.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In the discussions or correspondence, was there any implied commitment that financial assistance would be forthcoming from the province of Alberta, should the Arctic Institute move?

DR. HOHOL: I would say, Mr. Speaker, that my extremely deliberate and careful reading of the files and the correspondence leads me to the conclusion that there was not, in fact, any commitment made by this government to the board of directors or any of the officials of the Arctic Institute.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the government seriously considering, at this time, financial assistance to the Arctic Institute?

DR. HOHOL: Well, this is something I can't comment on in the way the question was put. Governments consider all matters brought before them for consideration. The Arctic Institute continues to bring the matter before us. I think that's the fairest and most reasonable commentary I can make on that question, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, one final supplementary question for clarification. Perhaps I could put this a little more clearly. Is the government giving favorable consideration at this point in time?

DR. HOHOL: To the best of my ability to respond in fair and proper way, I would have to say my prior answer would have to fit the more recent question.

MR. RUSSELL: Mr. Speaker, I wonder if I might have the agreement of the members to revert to Introduction of Visitors.

HON. MEMBERS: Agreed.

#### **head: INTRODUCTION OF VISITORS (reversion)**

MR. RUSSELL: I can't see them, Mr. Speaker. I hope they're there. I'm told that from the constituency of Calgary Elbow there are members of the four Girl Guide companies who have come to Edmonton today to visit the House, the 5th, 9th, 78th, and 135th Companies. I'd ask them to rise, with the parents who are with them, to receive the welcome of the Assembly.

MR. MANDEVILLE: Mr. Speaker, I also would like to get permission from the House to revert to Introduction of Visitors.



HON. MEMBERS: Agreed.

MR. MANDEVILLE: Thank you, Mr. Speaker, and members.

Mr. Speaker, I'd like to introduce to you, and through you to the members of the Legislative Assembly, a group of Boy Scouts who travelled up from Duchess and Rosemary in my constituency. They've got their leaders with them, Mr. Gibb and Mr. Hall. I was pleased that they were able to be up and to observe the proceedings we had here on the wise old owl. For you members who aren't aware of where Rosemary and Duchess are, they're just out of Bow city.

They're in the public gallery, Mr. Speaker, and I'd like them to rise and be recognized.

MR. GETTY: Mr. Speaker, I'd also like to have leave of the house to revert to Introduction of Visitors.

HON. MEMBERS: Agreed.

AN HON. MEMBER: A bunch of guys from Bow city?

MR. GETTY: From just north of Bow city.

Mr. Speaker, I'd like to introduce a group of students from the Cartier McGee Grade 9 class, who just entered the members gallery. They are accompanied by their teacher, Mr. Bill Kobluck. I ask them to rise and be recognized by the House.

## ORDERS OF THE DAY

### head: GOVERNMENT MOTIONS

#### 1. Moved by Mr. Hyndman:

That Standing Order No. 5 be suspended in order that the Assembly may sit at 8 p.m. on Friday, March 19.

[Motion carried]

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

Mr. Shaben proposed the following motion to the Assembly: That an humble address be presented to His Honour the Honourable the Lieutenant-Governor of Alberta as follows:

To His Honour the Honourable Ralph G. Steinhauer, Lieutenant-Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate: Mr. Young]

MR. YOUNG: Mr. Speaker, on Wednesday last at 5:30, when I interrupted my remarks, I was dealing with my constituency and some of the developments in the constituency. I had identified three developments which I thought might be of interest to members and that were in some sense unique. Mr.

Speaker, I'd like to make two more observations about the constituency.

One, which I think can be generalized across the province, has to do with the general state of economic affairs in the constituency. As you know, it's part of the Edmonton area. I just wanted to reflect for the members, without getting into statistics, Mr. Speaker, the very favorable economic conditions my constituents are enjoying. Mr. Speaker, Edmonton Jasper Place has a rather extensive industrial portion. Our economic conditions and development of that area have been so favorable, Mr. Speaker, that, rather unusual for me, I have had three cracked windshields from flying stones within the boundaries of the city of Edmonton in the last four months, due to travelling past construction sites. I think, Mr. Speaker, if I look on the positive side of those occurrences, they indicate just how much activity there is in the city of Edmonton and in Alberta generally, and the tremendous benefit that must generate for constituents in this province.

Mr. Speaker, the other area I wanted to mention is more closely related to a particular item in the Speech from the Throne. That has to do with the item on pages 6 and 7, where the speech discusses workers' health and safety. Mr. Speaker, a large portion of my constituents are involved in construction and service industry related activity. The Speech from the Throne has identified a significant new program for the better protection of workers, in terms of health and safety. Mr. Speaker, I am sure all my constituents welcome this move and look forward to this development, and that all will benefit from it.

Mr. Speaker, I want to reflect for a moment on a broader basis. In one sense, the initiative for my reflections comes from the opportunity presented me last autumn to visit the subcontinent of India, in connection with the annual gathering of the Commonwealth Parliamentary Association.

Mr. Speaker, I could not, with justice to either India or the delegates I met there, begin to remark upon that experience except to say — and I hope I do not leave the impression that I was negatively impressed by some of the things I saw in India. I have to confess, Mr. Speaker, that the point I want to make and the point which was brought home very closely to me, and with great emphasis, relates to the opportunity for individuals to develop themselves.

Mr. Speaker, that deals with citizenship and the opportunity to be responsible citizens, the opportunity to develop oneself to function as a citizen and as an individual in our society. Mr. Speaker, we have opportunities in this province, in this country, which I can assure you very many other people in this world do not have. We have the opportunity to exercise more freedom of speech than many citizens of other countries.

We have the opportunity, Mr. Speaker, to be by ourselves from time to time, if we wish, to contemplate without turning around and running face to face into one of our fellow men. That may not sound very significant to us here, but I can assure you that a visit to certain countries would make it seem much more significant. Mr. Speaker, I mention it today because the throne speech has outlined a concern and a priority of our government. I am sure that this evening the budget speech will outline some

of the fleshing of that particular objective.

Mr. Speaker, I wish to refer to the need for consolidating existing programs, the need for restraint. I'd like to relate that to the fact that we need to be very vigilant in our governmental activity. I speak not just of this Assembly and this government. Government in general in Canada has tended to extend more and more into areas where citizens formerly had the discretion to make their own decisions.

Mr. Speaker, that is reflected by the fact that in 1950, 22 cents of every dollar went to government by way of taxation; in 1975, 44 cents of every dollar. Mr. Speaker, another way I think one could reflect upon that is to say we now have twice as many decisions made for us by government, or partially for us, than we had a matter of 25 years ago. We're living in a more complex interrelated world. My concern is that we have tended to move into areas with the best of intention, unquestionably areas of need. We all agreed that it was a good thing to do. But I think we have reduced the opportunity for individuals, or confused the opportunity for individuals to engage in volunteer activity the way they used to do and the way they saw it was their responsibility to do.

In a way, Mr. Speaker, we have confused citizens by having subsidized programs. While these are beneficial, they are also confusing in the sense that citizens find it very difficult to develop the information they need to understand clearly how much a particular decision of theirs means in terms of having to forgo some other decision.

Obviously, Mr. Speaker, this is a problem in the health care field. Very few people today could tell you, if asked, what it cost them to attend a doctor, what it cost the public and them indirectly, or to have a stay in hospital or to send their children to school. Very few people know the answers to those questions. Mr. Speaker, it's highly important that, in fact, we as citizens have the opportunity to understand the implications of our actions and to understand that every action we take, every time we avail ourselves of a service which appears at the moment to be free, reduces our ability to make a decision in some other area simply because it takes more tax from our income.

Mr. Speaker, from your note, I'm afraid I've engaged upon a topic on which I cannot fully expand. Maybe I shall avail myself of an opportunity during the budget debate.

Mr. Speaker, I would like to conclude by again focussing for members upon the throne speech and especially page 1. Three particular thrusts are identified there. In this throne speech, we have had presented to us the government's intention and concern for housing and accommodation, law enforcement, workers' health and safety, land-use planning. Mr. Speaker, these surely have to be the important thrusts in this particular session in the area of new legislation.

Restraint also has to be an important consideration. It has to be one which no one will quarrel with. We all know the devastating effects of inflation. I hope we all bear in mind we are going to be called upon — and I'm sure the budget will evidence that to us — to make some very hard decisions, to establish some priorities in a manner which we may not have been

forced to do in past years. Mr. Speaker, that is the second point in the throne speech debate.

Mr. Speaker, my last point is a related one. It concerns consolidation of existing programs. I think the throne speech has very adequately outlined to this Assembly the important and necessary considerations, and the main themes for this session of the Legislature. I am sure this will be followed up in due course with legislation to implement the new suggestions and with the budget indications in order to execute through our civil service and our programs the thrusts we have discussed here. Mr. Speaker, I think the throne speech has outlined well what we need to bear in mind in 1976 and in this session. I commend its support to all members of this Legislature.

MR. MANDEVILLE: Mr. Speaker, I also would like to have a few words in this throne [speech] debate and bring up some concerns I have. I've waited about as long as I can. If I'm going to get into the debate, I'm going to have to do it this afternoon.

I want to congratulate the mover and seconder for the excellent speeches they made in starting off this throne speech debate on a very good tone. The mover did indicate that in the short period of time he's been in the House, he has been on both sides of the House. I've been in the House a little longer, Mr. Speaker, than the honorable mover of this motion. I've been in since 1967. I've sat on the right side of you, Mr. Speaker, and I've sat on the left. Now I'm sitting over here in the corner. So the honorable mover can look forward to getting set over in the corner.

I've been trying to make an assessment of the move of some of the members from one side of the House to the other. I'll have to say I do appreciate that we do have justice, whether it was arranged by drawing from a hat or by ability, or whatever way they did it. The Premier indicates they drew it from a hat. But there's even justice in lotteries, because we have a lady on each side of the House. If we have to have some government members on this side of the House, we're pleased that we do have one lady in our midst, because we do like beauty on this side of the House as well.

In travelling throughout the province, there is one concern brought up on many occasions. It has problems, and I think we all realize it's an area that is going to have problems; that is, the rural gas distribution program. We have many co-ops which have had very trying moments, trying to get this particular program ironed out and rural gas to the people of this province. I do appreciate very much that the minister came down and helped us get our Dinosaur Gas Co-op. We had a banquet and got it started. After all the trials and tribulations it had, we did get it started off on a good tone with the minister. I appreciate that very much.

However, I would like to indicate to the hon. Member for Stony Plain — he did indicate that the Lac Ste. Anne Gas Co-op set the groundwork and set it out to run smoothly throughout this province. I can recall, when I first got elected to the Legislature in 1967, we had a co-op they called Tirol which was Tilley and Rolling Hills, which certainly had many, many, many problems. One of the problems, they had an engineer doing the work there who didn't

have a certificate to do the engineering. That's where we were running into the problems as far as the government was concerned. However, I would like to say at this point that one of the best run co-ops in this province is Tirol. They have the cheapest gas at this time for the consumers in the Tirol Co-op.

Another co-op set up was SR&B Gas Co-op, which was set up, I would say, in about 1971, before the rural gas program got going too extensively. This co-op was the first one to come up with a formula to amortize part of the capital into the gas pricing. So before the program got started extensively, we had two co-ops operating successfully down there. I'll have to say that the majority of the co-ops in my constituency are new co-ops, and are operating quite satisfactorily along with the old co-ops.

However, I took a trip to the northern part of the province. It wasn't a political trip. It was so I could realize the problems our people in the north are having and appreciate them more. There was the concern that many of the gas co-ops were not running very well. One co-op, the North Peace Gas Co-op, was very concerned. Their customers all applied. They had signed up to go ahead with the gas co-op. Now that they have it set up, they are afraid the price of gas is going to get too high.

What's going to be so unfair in a situation such as this, where we're amortizing part of the capital with the pricing of gas, [is that] the people who do hook on and pay for the capital and the pricing of gas are going to be paying a considerable amount for the establishment of that project. The people who don't hook on, don't use the gas, and are not paying for the capital through the pricing of gas, could run their gas very high. At the present time, it's \$1.75 a thousand. But they're anticipating, if not enough customers hook on, it could be over \$2.50 a thousand. They feel that's going to be too high for them to use as a heating fuel.

We met with the county of Grande Prairie. I see where they have announced they're pulling out of the gas program. They're going to lose \$50,000. It's not really going to be lost, because it's consulting fees. If they go into the program later, they'll be able to use the consulting fees they've set up for their gas co-op. However, the county decided that at this point their capital cost is going to be \$4,400. They decided to withdraw from the project at this time.

Mr. Speaker, I certainly appreciate the announcement made by the minister in charge, the hon. Dr. Warrack, that we're going to pick up 75 per cent of the capital over \$3,700. This is going to relieve the pressure as far as a lot of the co-ops are concerned. At the present time, the province is picking up 50 per cent from \$3,000 and over. Now it's going to pick up 75 per cent over \$3,700, which is a step in the right direction.

While I'm on public utilities, there's another area that I'm getting complaints on. That's on ILS, or individual line service — telephones to rural areas. What has happened here is the new policy announced by AGT on January 1 that if a farmer or someone in a summer cottage disconnects their individual line service or their phone on a temporary basis, there's going to be a basic rate of \$100 plus \$25 per quarter mile to reconnect the phone. This is really going to hurt some of these people who weren't aware of the program and disconnected their phones

in summer cottages. Now when they want to hook their phones back up, they're going to have to pay this large sum of money to hook up their line. I see the Premier's taking note of this. I certainly hope something will be taken care of in this area. At least I hope, Mr. Speaker, this is what he is doing, that he's recording this complaint.

Mr. Speaker, another industry I would like to have a few comments on is our honey industry. It's an industry that's very important to this province. We produce from 40 to 45 per cent of Canada's honey in Alberta. It's not only honey that we get from this industry. It helps in many agricultural areas with pollination of many of our legume crops. This is one area in the honey industry where we certainly need some research. The honey association has been doing some itself. Ontario has a fairly extensive research program as far as the honey industry is concerned. In Alberta we do have a small degree of research at Beaverlodge.

When I mention research, Mr. Speaker, I'm thinking in the area of being able to winter bees in Alberta and in Canada. At the present time, we have to import all our bees from the United States and Mexico, where the climate is much different from Alberta's. I would like to see us work, say, with Finland. In Finland they have a really good honey industry. If we could get bees and import them, or get a variety of bees that would work in Canada, it would certainly be a step in the right direction. Some of the honey producers tell me that there haven't been any changes in the last 25 years, as far as research in diseases is concerned, and trying to propagate a bee that would be acclimatized in Alberta and in Canada.

In the bee industry — I know the minister and many other members of the Legislature are getting complaints as far as the commission is concerned. I really don't think they're complaining about the commission because the commission is only going to be involved in research and possibly in marketing. However, a number of our beekeepers are writing us letters. They're concerned because it wasn't taken to a vote of the beekeepers of this province.

I understand there are between 1,700 and 2,000 beekeepers in the province. Approximately 200 will qualify under the commission or will be involved in the check-off. I understand they held meetings throughout the province when they put in the bee commission. In the northern part of the province, it was supported that they go ahead with the commission. In the southern part of the province, they were opposed to setting up the commission. However, at their annual meeting they had a vote on whether to set up the commission or not. Fifty-one members voted to put in the commission, and nine beekeepers voted against it. That's the way they established the commission.

I would like the minister to possibly take a survey to see if the people are in favor of going ahead with this commission. I understand they're going to have their annual meeting this fall. This will be discussed and be taken into consideration.

MR. MOORE: Let them vote.

MR. MANDEVILLE: Right.

Mr. Speaker, I think another area that needs some attention is the development of our water resources.

Every time I stand up in the House, I have something to say in this area. As far as oil and gas are concerned, I think our private companies will develop them. But as far as our water resources are concerned, we can't get private industry involved in developing a resource such as water. I think it has to be developed by our different levels of government.

I think it is a very important resource. I think we could replace some of our energy needs by developing our water resources. We could also bring much more land into production as far as irrigation is concerned. We would have water control in the province if we could develop some of our basins and put in reservoirs or dams to store water. This year I've heard many of the irrigation districts indicating that there's going to be a shortage of water. With the amount of snow we have, they're afraid there's not going to be enough water. If we did develop our basins, we could have this water in storage over a period of years.

I do believe we should use our water in Alberta. I'm not in favor of exporting water to the United States. As several members have indicated in the House, at the present time only 4 per cent of our agricultural land is under irrigation. It's producing 25 per cent of our produce in this province. We could certainly enlarge on this. Thousands of acres are potentially available for irrigation if we just had the water to irrigate this land. In the constituency I come from, we have one of the largest irrigation districts in the province, the Eastern Irrigation District. In that project itself, 200,000 acres of good arable land could be put under the ditch if we had the water.

I was pleased in the question period that the hon. Minister of Federal and Intergovernmental Affairs agreed to participate in the cost-sharing of financing as far as the Brooks aqueduct is concerned. The EID was afraid that if a freeze was put on there, they were going to have to come up with \$75,000. They are very pleased that this is going to be a cost-sharing agreement. Two years ago the PFRA agreed to go ahead. At that point it was \$4 million to develop the new project on the aqueduct. Now it's up to \$12 million, and if we freeze the project it could be up to \$15 million in a period of two years.

The other question I proposed to the minister was on the Eyremore dam and the rehabilitation of the Bassano dam. The minister indicated that, from the PFRA study, it looked like they could be going downstream from the existing Bassano dam and building a new dam. They also indicated, Mr. Speaker, that the proposed Eyremore dam would be putting a lot of acres of land under water.

I would just like to say to the hon. minister that on the east side of the river 5,000 acres would be going under water as a result of the proposed Eyremore dam, and it's very undulating land. On the west side of the proposed dam, it's pretty well all Crown land.

I would like the hon. minister to recommend to the PFRA that they do a feasibility study on this. We have had a study by Calgary Power, but I know the Eastern Irrigation District would like to have a comprehensive study on this particular proposal. I think it would be an area that would store approximately 300,000 acre feet of water, and it would be a multipurpose dam. We could use it for irrigation. We could use it for recreation. We could use it to generate power. We could also use it as a highway across the river. So it

would be a multipurpose project, if they were to go ahead with this dam at Eyremore. I would like the minister to put what pressure he can or, if he feels this is a good recommendation, to make this proposal to the federal government. I know it would be very much appreciated by the Eastern Irrigation District.

Just a few words, Mr. Speaker, on transportation. I would like to see the hon. Minister of Transportation speed up four-lane construction on Highway 1. The traffic is very congested on this highway. I would like to see him continue with the program, coming from the west, and also start another project, starting at Highway 36 and working east. This way we could soon have four lanes on Highway 1 across the province of Alberta.

I do appreciate the contract that the minister recently awarded on the Patricia road and the John Ware road in my constituency. This has been long-awaited and is very much appreciated.

When we were in the northern part of the province, we did find that some of the people in the Peace River country would like to use some of the road grants to prevent erosion. They would be willing to give up the grants they have available for roads if they could be applied to controlling erosion in some of their areas.

In conclusion, Mr. Speaker, I would just like to make a few remarks as far as agriculture is concerned. I think we've got to be a little concerned with all the optimism so many of our government people have as far as agriculture is concerned. I think we could see a depression in the agricultural economy such as we're facing in the livestock industry right now. If our prices decline as far as produce is concerned — even if the cost of input stays the way it is, or increases — we could be facing a serious situation in agriculture. Our net income could be very much decreased.

As for the cattle industry, Mr. Speaker, I do hope it's on the way to recovery. If it isn't, it's going to be pretty serious. The reason I feel it's on the way to recovery is that we're now slaughtering so many more of our breeding stock. One week I took a record. It was the first week of March. The cow kill was up 20 per cent in Canada. The kill went from 11,000 in 1975 to 14,000 in the same week in 1976. The same thing was experienced with calf slaughter. It decreased very much in this week — the first week of March in '76 — over 1975.

However, the same week in the United States, the slaughter of beef was up 4 per cent. Then in the second week of March, the slaughter had increased to 11 per cent. The reason for this, Mr. Speaker, is that they've got a new grading system in the United States, the same grading system we have in Canada. They are applying that in the United States, and it's going to decrease the tonnage in our beef. I think it's going to level out as far as beef production is concerned.

At the present time, we're importing 1,500 cattle per day into Toronto, and we're only exporting 500. However, I'm very pleased with Australia. They're putting voluntary restrictions on bringing cattle into Alberta.

There's an increase of 48 per cent of beef on feed in the United States in '76 over '75. One of the reasons is the fact that the farmers have been holding their cattle back. The feedlot operators across the line have been holding their cattle back as a result of the new grading system. I'm sure it's

going to iron itself out and our cattle situation will be on the upswing. But I think we're going to have to be a little careful in promoting cereal grains, or we're going to run into the same situation there as we ran into in the cattle industry.

The hon. Minister of Agriculture indicated in the House a few days ago that we weren't going to be marketing light cattle, 300-pound cattle, to the European countries at this time. He thought if we're going to export, we should export 1,200-pound animals. In the future, I think this is right. I think this is the way we should market our cattle. But at the present time, I think we should be marketing our lighter cattle, because the feed costs are much higher than the cost of the cattle production. The lighter we can market our cattle today, the more money our ranchers and our feeders will be making.

Mr. Speaker, I want to thank you for the opportunity to make those few remarks.

MR. SPEAKER: Are you ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: Having heard the motion by the hon. Member for Lesser Slave Lake, seconded by the hon. Member for Calgary Bow:

That an humble address be presented to His Honour the Honourable the Lieutenant-Governor of Alberta as follows:

To His Honour the Honourable Ralph G. Steinhauer, Lieutenant-Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Motion carried]

#### head: **GOVERNMENT MOTIONS** (*reversion*)

#### 2. Moved by Mr. Lougheed:

That the Address in reply to the Speech from the Throne be engrossed and presented to His Honour the Honourable the Lieutenant-Governor by such members of the Assembly as are members of the Executive Council.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, I would now ask leave of the Assembly to move to Motions Other than Government Motions, Motion No. 5, with regard to the Alberta Land Use Forum.

HON. MEMBERS: Agreed.

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

#### 5. Mr. Kidd proposed the following motion to the Assembly:

Be it resolved that the report of the Alberta Land Use Forum be received.

[Adjourned debate: Mr. Butler]

MR. BUTLER: Thank you, Mr. Speaker.

It's certainly a pleasure for me this afternoon to make a few remarks on land use, which I think is one of the most important topics in the province. It has been an important topic for many years. Throughout the years, there have been some very worth-while and good land use policies developed in the province. I think the Land Use Forum was a very worth-while effort. It was laid out to study to see if there were any changes we should make in the direction that we're going. The report of the Land Use Forum, as I have said, is a very worth-while, thought-provoking document, put together by very knowledgeable men.

The gentlemen of the Land Use Forum travelled the province, holding hearings. Many briefs were presented by the people of the province of Alberta. After travelling Alberta and gaining all the recommendations it could from Albertans, the Land Use Forum travelled Europe to further its investigations. Then, from information gathered, the Land Use Forum [report] was written.

However, [considering] the variations in the length and breadth of the province, some recommendations in the report should probably be implemented with little delay. Other recommendations may need to be implemented at a later date, and some may never be acceptable to the majority of Albertans, in my opinion, in the foreseeable future.

The land use committee has held two very useful meetings to discuss the report. We have dates set for future meetings. I would expect that the Land Use Forum will bring forward some very worth-while recommendations that will be acceptable for implementation by the Legislature. I am sure that, under the able direction of the committee chairman and the cross-section of representation on the committee, the report will be well studied and prove to be a very worth-while document for future planning of land use in the province of Alberta.

Having made these introductory remarks, Mr. Speaker, I would like to add some comments of my own. I would like to make it quite clear at this point that what I say, Mr. Speaker, is my own opinion and not that of the committee. It is my opinion that the province has had some very good land-use policies in the past. That is not to say that changes are not necessary. As conditions change, policies must change. It is my opinion that no big change is necessary at this time. In order to conserve our agricultural land, it may be necessary to modify our urban sprawl and perhaps discourage speculation in agricultural land by non-resident non-Canadians.

There is more than one way to approach this problem. But I'd like to enlarge on that a little, Mr. Speaker. In approaching this problem, our ancestors came to this country and settled it with the knowledge that they were going to own their land and, after spending their lifetime on it, would be able to sell it to whom they wished. This has pretty well been the practice throughout the years. Although I'm very much concerned about the foreign ownership, particularly by non-resident non-Canadians, that is a problem we must approach with caution. There are many ways foreign money can come into the country through the banks, set up Canadian or even Alberta-based companies, and buy the land. You really don't

know where the money comes from or who owns the land by the names on the papers. I'm sure that if there's money available from foreign countries to buy our Alberta land, lawyers will find ways to buy it.

On the other side of the spectrum, when you stop someone from buying, you're also stopping someone from selling. You may be stopping someone from selling a piece of property he's worked on, owned all his life, and always did think he'd have the right to sell to the highest bidder when it came time to retire. These are problems we have to think about.

Also, from what we've learned from the past — if I can think of the name of the act passed to control the Hutterites — The Communal Property Act. That worked quite well for a few years. Then lawyers found ways. Money was available to buy land. Many ways were developed around that, until there were so many holes in it that it had to be done away with. I think, if and when we bring in legislation to prevent non-resident non-Canadians from buying property, we'll have to take a long look at the past. It's not going to be easy.

I'd like to dwell for a few minutes on Crown land and how it was handled. This was one of the land-use decisions made many years ago. I'll attempt to answer the question of my good friend and colleague from Edmonton Ottewell as to why leases. This was a decision made many years ago to prevent unsuitable land from going under the plough.

About 54 per cent of our Alberta land still belongs to the Crown. Most of the Crown land is unsuitable for farming. When I refer to farming, I mean actual tilling of the soil, not the whole spectrum of agriculture. It is either forest reserve, swamp, semi-arid, or the terrain is such that it can only be used for grazing. On Crown land that is suitable for grazing, the concept of long-term leases has worked very well. Carrying capacity has been set by range experts. In setting the carrying capacity, a safety factor is always used so at least 40 per cent of the grass is left after the end of the grazing season. The grass left holds the moisture and protects the crown of the roots of the grass. Anyone who has seen overgrazing knows that if you're in the cattle business, that's the quickest way to go broke. Your best insurance is to leave at least 40 per cent of the grass. Then you're ensured of a crop next year.

The concept of grazing leases has lent itself very satisfactorily to multiple use. With the practice of good range land management, the habitat for the natural reproduction of game has been maintained and in some cases improved, particularly for the ungulate variety. Farmers and ranchers, by their very nature, are conservationists. The lessee is responsible for the well-being of the lease, and as such, is responsible for damage to the land itself, also for anything removed from the lease, such as timber.

The one exception I would like to make from the present lease practice is that I think it may be good management to sell the quarter sections of lease that are surrounded by deeded land. If they could be sold to the man who has them leased at the present time, it would consolidate his operations.

By and large, the long-term lease has worked very well, as long as security of tenure is maintained. It will continue to work well and to make a worth-while contribution to the agriculture of the province as a whole. I hope this government will maintain the

multiple-use aspect of forest reserves. They also make a real contribution to agriculture.

There is no doubt in my mind that grazing, properly managed, enhances the production of game. With grazing, the grass is kept current and not allowed to build up. This helps control fires, therefore helps maintain the forest and game, and helps maintain the multiple-use for the public and the public use of the forest reserves.

As I have said before in this House, the feedlot industry is the best customer for the producer of feed grains. It is on the kind of land I have been speaking about, Mr. Speaker, that a great number of feeder cattle are raised to a suitable weight to go into a feedlot.

In closing, Mr. Speaker, I would like to respond to my good friend and colleague, the hon. Member for Edmonton Ottewell. The lease tenure concept has worked very well throughout the province, where grazing is the best use for land. I hope it will continue with security of tenure so that good management practices will be continued by the lessee.

MR. ASHTON: Would the hon. member permit a question?

MR. BUTLER: I beg your pardon?

MR. ASHTON: The question is, Mr. Speaker — the hon. member has explained very well how responsible the lessees are with regard to the grazing leases. Would the hon. member explain how they might be less responsible if, in fact, the farmers owned the land which the grazing leases cover.

MR. BUTLER: I think this was a decision in land use made so that lease inspectors come on the land and keep an eye on it. If some of this land was overgrazed, it would lose its value as watershed protection. I think it's good if the government keeps an eye on it.

MR. TAYLOR: Thank you, Mr. Speaker.

I, also, would like to say a few words on the Land Use Forum. The Land Use Forum report contains many recommendations, and I think we have to commend the committee for a very thorough handling of the land use problem. I believe most people consider very excellent the initial reports that were carried out and the public discussions that took place. This has given the people of the province the opportunity of having some input into a very, very important problem.

I can't say I agree with everything in the report, but I want to deal with some of the items — certainly not with all of them, but with some of them, the ones I consider the most important.

In my constituency, the one that stands out at the top of the pile, has the highest priority and the most concern, is the matter of foreign ownership of land. This was an issue in the last provincial election, and many, many people in the Drumheller constituency expressed their concern that a good bit of arable land, good farmland, was passing into the hands of those who did not live in the country.

I want to make it very clear from the beginning that the people of the Drumheller constituency were not

talking about people from other countries coming in, buying land, living on the land, and eventually becoming citizens. Nor were they talking about landed immigrants or people who are living here. There was certainly no objection I could find, except from one or two individuals, to Canadians from any part of Canada buying land in this province.

But the objection was very severe in regard to people who do not even live in this land, or corporations that have a majority of their directors living in another country, buying up good arable farmland in the province.

When we mention the percentage, the small amount suggested in the Land Use Forum report, many people in the Drumheller constituency really raise their eyebrows. They can't understand this at all, because a considerable amount of land in the M.D. of Starland, to a lesser degree in the county of Wheatland, and possibly to a lesser degree in the M.D. of Kneehill, has already passed into foreign ownership.

During the last few months we checked on some of this. We found that two very excellent farms had passed into the ownership of a corporation the majority of whose directors live in Germany. There are reports I have not yet been able to run down that corporations controlled by the Arabs are also buying up land in those constituencies. The matter has become of such a vital concern to the people not only because some farms have been sold, but because so many inquiries have been made of other farmers, offering exorbitant prices for the land.

The people of the constituency, by and large, feel that something has to be done in connection with good, arable land passing into the hands of foreign-controlled corporations. Whether they are controlled by Germany, the Arabs, or Italy, I don't think the people are concerned. But they do want them Canadian-controlled to the greatest possible degree.

So at the preessional meetings this year — since this was an item of vital concern, and since the Land Use Forum report had come out just prior to that — I carried out a commitment I made during the election that if re-elected I would discuss the recommendations of the Land Use Forum with the people of the constituency. We did that. Consequently, it was the number one problem at the preessional meetings this year.

In introducing the matter of foreign ownership, I endeavored to be objective and to outline the difficulties as well as the facts that were already known. I really dealt with it under three headings. The first one was: during the question period, I asked them if they wanted the matter left as it is today, where practically anybody can come in, and if they find a willing seller, they can then buy. It's monitored in the Land Titles Office. The government knows how much land is passing into the hands of foreign corporations.

In the voting — the method I follow in the preessional meetings is to discuss these objectively, have a discussion, and then have a vote. In dealing with each one separately, when the vote came to the retention of the "as is" provision, the way it is right now, practically no one in the constituency at the preessional public meetings wanted it left the way it is right now. They were concerned that too much land was passing into the hands of foreign corporations, and not only land but good, arable land.

So the second point I raised in the early discussion in the meetings was the other side: leave it wide open as it is or put it to the other side of the spectrum and say complete prohibition. If the Alberta government has the power — which I rather doubt, and I made that clear — but assuming the Alberta government has the power to bring about a complete prohibition of the sale of land to any foreign-controlled corporation, what would they think about that? I outlined to them: if it was carried out, it would mean no land in Alberta would be sold to a foreign corporation. It also would mean that no landowner in Alberta would be able to sell to a foreign corporation. So it interfered with the individual rights of the farmer and the landowner, too.

In addition, if you had a complete prohibition, it would mean that when the landowner received a very high offer for his land, he would have to sell at a lesser price. What would be done? What would the landowner say then? Would he say, the government brought this law in. Now let them pay me the difference between what I got and what I could have had if the law had not been passed. The people talked about that. Some people thought we should have complete prohibition. But it wasn't the majority of any meeting who wanted a complete prohibition on the sale of farmlands — or urban lands, for that matter. Most people felt they wanted some prohibition but not complete prohibition.

At a meeting in one of the towns, one farmer suggested that the government should bring in this type of legislation, then set up a fund and pay the farmer the difference between what he was offered and what he actually got. I suggested to the meeting that this would be taxpayers' money. It would probably be a very high amount of money passing from the Treasury of Alberta into the hands of relatively few people. It would also induce exorbitant offers. What inducement would there be to sell the land for a proper price if the government was going to pick up the difference between the price secured and the price offered?

Many people still believe there's a pot of gold somewhere in this Legislature Building that the government can simply dip into any time it wants to and bring out all the money it wants. They don't realize that the money the government has belongs to all the people of this province and comes from all the people of this province in one way or another, either directly or indirectly. So the meetings wouldn't go for that. They didn't want a complete prohibition on the sale of land to foreign corporations.

Then it was suggested that we go somewhere between complete prohibition and leaving it exactly the way it is today. The majority of the people there wanted somewhere in between. We tried to nail them down and say, exactly what do you want? A reasonable group in the constituency wanted marginal land sold to foreign corporations, but not good, arable land. We discussed the various difficulties of doing that. One chap said, let them go to the extra expense of farming muskeg or poor land, of fertilizing it. Let the foreigners bring their money in and do that. Let the Canadians buy the good land. But that's easier said than done. It would be a very, very difficult thing to administer.

While we have our lands classified, where would you put the final stop on the sale of land to foreign

corporations? You'd still have the old problem of the farmer with good land being offered a high price for his land. Then he'd want to know why he couldn't sell. Does he not own the land? Does the government own his land? If so, why is he going to pay taxes?

These things were discussed in detail in several meetings throughout the Drumheller constituency. At one of the meetings a gentleman got up and said, I don't like to see our good, arable lands passing into the hands of foreign corporations. But I can't support the idea of a prohibition of land, because I might want to sell my land to the highest bidder. That might just happen to be a foreign corporation with the majority of shareholders in another country. So he said, I would like to see the government look at another angle of inducement for Canadians, or the sellers, to sell the land to Canadians. I thought when he said that, it sounded like an excellent idea, somewhat along the line suggested in the Land Use Forum report of the capital gains tax or the old unearned increment tax, a simplification or working of those principles.

I asked him if he'd enlarge on what he had to say. He said something like this: If I get an offer of \$600 an acre for my land — I know it's only worth \$400 — if a foreign corporation comes in and offers me \$600, I'll see the opportunity of getting a lot of money, a real lot of money. If I sell it to him, I see where I can have security for the rest of my life, and maybe security for my family for the next generation. But, he said, that would mean that the land goes into the hands of people who are not living in the country.

So if the government would set up some type of capital gains tax, where the curve started to get very sharp when you went past the real practical value of land established in the area through land appraisers, the capital gains tax would go up very rapidly. Practically all of that would pass into the hands of the government, leaving the land seller, the owner of the land, with perhaps a little bit more, but very little more than what he would have had if he had sold it to a Canadian for \$400. He argued — and I think with some merit — that if a landowner found he was not being adequately compensated by selling to a foreign corporation rather than to a Canadian, he would lean towards the Canadian and it would solve the problem. It might be a simplification. But I think it's worth while looking into this sharp curve on the capital gains tax, or on a tax something like the unearned increment.

To bring the matter to a head, I haven't got a definite recommendation from the Drumheller people, except that they want something done about the sale of good, arable land to foreign corporations. I suggested to them that the hon. Premier of the province had stood in the Legislature and said, this is a problem. I am concerned. I want the advice of any member of the Legislature from any side. And he said the same thing before the Unifarm convention. I said I would like to have something definite from the people I represent. When it came back to the thing, the closest I got to a recommendation — and it certainly wasn't over half of the people — was that they didn't want it sold to the foreign corporations unless they were selling the land themselves. Then it was a different problem. They preferred that it not be sold to foreign corporations. They would like some-

thing done in the inducement line — through the capital gains tax, if at all possible — to try to follow that item.

I did discuss the Foreign Investment Review Act with them. At the beginning of my talk, I said I felt there was some question about the authority [for] any legislation being passed by Alberta being *intra vires* to say, you can't sell your land to anybody except Canadians — or anybody except Albertans, as some other people would say. But those are very few people. So I outlined to them that under the Foreign Investment Review Act, the Canadian government has really taken unto itself the power to control the sale of businesses and enterprises and land to foreign corporations. That land set out the fact that any business or enterprise or land that was acquired was supposed to be of significant benefit to Canada. "Of significant benefit to Canada" is the way the act puts it. In assessing whether it will be of significant benefit, it mentions the effect of acquisition on the level and nature of economic activity in Canada.

Certainly land is a very vital item there. On the degree of participation by Canadians — well that would be very difficult on the sale of land because most of the foreign corporations, at least a lot of foreign corporations, hire the farmer from whom they bought the land to continue farming it. So there's a Canadian participating fully in that regard. There's practically no effect on productivity, because the same man is farming the land.

The compatibility of the acquisition on industrial and economic policies — I think there is something we can take a look at, the long-term value. A foreign corporation coming into this province offers exorbitant sums of money for land, money that the land will not repay. As a matter of fact, some offers are made where the land would not repay the interest, let alone the capital.

Then, I think you have to question the objective of the people who are buying the land in that regard. It not only has an inflationary effect, it has a very bad effect on young Albertans and young Canadians who want to farm, as has been outlined by many members of this House.

But is there a long-term effect to eventually get control of the production of a country by foreign corporations? I don't know whether there is or not. But if there is, it's certainly something that we should be very, very careful about when we're selling arable land to people outside the country.

Well, the Foreign Investment Review Act and the Forum recommended that the section of this act involving land be placed under the provincial government. I'm not sure what the attitude of the federal government would be in regard to that. I would be happy if that would be done, because then there would be a minister right here who is knowledgeable in regard to the thinking of Alberta people, who would be able to follow that through.

Mr. Speaker, you've sent me a note saying only three minutes are left. I've only covered one topic of the seven I intended to speak on. Well, I'm going to deal for a moment or so with the matter of planning, because I think that is probably number two.

The delegation of much of the decision-making to civil servants, boards, planning commissions, municipal authorities has resulted in the total structure becoming rule-bound. This is a statement from the



Forum's report, and I agree with it. I've been talking about this for a number of years in this Legislature. When we were on the government side, I talked and talked about the inadvisability of putting power in the hands of boards and commissions, and we were doing that to a tremendous degree during the last few years of the Social Credit regime. That has now been reversed to some degree, but the planning commissions still have authority that should rest in the hands of elected officials, where the people can get some results.

I agree with that recommendation, because at the present time the lack of lots in our towns and villages, and the cost of lots to some degree, is there because the regional planning commissions have been slow and cumbersome, have been going after plan after plan, and have become rule-bound. They just don't seem to realize that they have to make a decision. Every month they put off the decision they're increasing the price of land, increasing the lack of lots, and making the housing problem more severe.

I don't agree with doing away with the provincial planning board. I think it has done a very excellent job in this province over the years. It does provide an appeal for some of the woefully wrong things that came from the regional planning commission. I think there's a definite place — I would like to see our planning commissions work on the policy that they're not the government, they're advisory to the elected officials of the municipalities, and that their function is to make sure there is proper planning, that there's a proper setback, that there's proper attention given to water, sewers, streets, and lanes, if they want lanes, et cetera.

But I don't think the planning commissions, as the Calgary Regional Planning Commission has demonstrated time and time again, should be getting into whether the developer has enough money to do the job properly or whether the lots will be sold after they're subdivided. In my view, this isn't the business of the planning commission. That's more the business of the elected officials or the people who want to invest their money.

Surely in this country if a developer wants to invest \$100,000 or \$200,000 in making lots and houses available for our people — when we're woefully short of homes and lots, and the prices are rising every year, every month, we might say — then surely a planning commission shouldn't do anything to stop that man from investing his money. That's what free enterprise is: taking a chance, putting something on the market at the lowest possible price. If we can get that competitive feature working, we have the essence of free enterprise, because competition is the blood of free enterprise.

I want to mention one other matter before sitting down, Mr. Speaker, in regard to recreation. I can't agree with the suggestion of the Land Use Forum that our land should be made available for anybody to walk over. I think this is wrong. It's really not compatible with what they said themselves. The report said, and I quote:

The right of the owner to control trespass on his land is necessary for him to discharge his responsibilities to care for and protect ... his livelihood.

I can't reconcile that with their conclusion that anyone should be free to walk over private land. Of

course, they did make exceptions — not through growing crops and not near buildings, and that they would be permitted to carry binoculars and a camera, et cetera.

Well, Mr. Speaker, I don't think that is right. I think that is wrong. It's doing away with the sanctity of ownership of our land. I don't think it's too much to ask anyone, if he wants to walk over somebody's land, to get permission from the man who owns it.

I wanted to mention one other point, and that is the matter of recreation and campsites. I don't agree with the recommendation of the report that campsites should be put in private hands, or that charges be made for the people to use our highway campsites. The commission missed the concept of the campsites altogether. They had a number of objectives: number one, to make driving safer. A driver who is tired can stop and have a cup of tea and a glass of water. His children can get out and romp. They've been a tremendous factor in creating greater highway safety.

It provides a holiday for the poor. I know scores of people who couldn't have a holiday if they weren't able to take their tent and their kids to the campsites and camp where they can fish and so on. It's a tourist attraction. Many, many hundreds of our tourists go there and stay an extra day, an extra day, and an extra day, because they don't have to pay.

I certainly have no objections to senior citizens operating these, but I do feel that the highway people have done an excellent job in maintaining the cleanliness of these campsites over the years, and these have become attractive.

We don't lose money through providing free campsites to the people of this province and the tourists. Actually, they make money for the district they're in. Motels and so on do not lose money on that account, because most of these people aren't able to pay for a motel anyway. They're having a holiday in the great outdoors of this province. When they can do it free at a highway campsite, we're giving them something that's really worth while.

With regard to recreation, I think there's a proper place for snowmobiling. I'm glad to hear the hon. minister say snowmobiling has a place. I have no objections to skiing and golfing and pony trails and walking trails. Every one is good. But there's a very large number of people, too, who enjoy snowmobiling. I think it can be done safely and soundly [with] a provincial policy, and the places where it can be done should be set aside by the hon. Minister of Recreation, Parks and Wildlife.

I thank you, Mr. Speaker. I'm sorry if I've gone overtime. This report is so comprehensive, it's very, very difficult indeed to deal with it in any detail in 30 minutes.

Thank you.

MR. TRYNCHY: Mr. Speaker, it's certainly a pleasure for me to enter this debate. Just sitting here listening to the hon. Member for Drumheller, it's amazing that a man with so much political experience in this House and a man such as myself with a limited amount of experience agree considerably. I might add that if I can get finished in short order, I wouldn't mind going back again to two or three points that he made on my time.

Mr. Speaker, I would like to congratulate the Forum which did this report. There are a lot of good

points in it; a lot of points I agree with, some I don't, and some points it didn't even touch on. I would like to talk today about the way this would affect my constituency. We've heard a lot of good speeches on the generalization of the Forum report, and I think that has been covered adequately. So I would like to go back to just speaking of the effects this might have in my constituency of Whitecourt.

The hon. Member for Camrose has raised a point with the Dodds-Round Hill area and the coal. I think we could change our policy. The Forum didn't touch on it as much as I would have liked — that we should use coal in areas where the land is of value only to coal production and not agriculture.

I refer now to my own area of Fox Creek which, by the report, has 627 million tons of coal in place. About 85 per cent is mineable, which means there are 402 million tons of coal, and it covers an area of about 54,000 square miles. This coal, of course, is located in soil of 7, 8, or 9 capacity and is only conducive to forest and coal. I'm sure if this was harvested by the lumber company that now owns the rights, and was reclaimed and planted back to trees, it could do a lot for that area.

I understand we can't move into that area because Calgary Power doesn't have the leases. I don't think that's right. I think as a government we should have a policy, and maybe in the time to come we should be looking at setting up our priorities and harvesting our coal and other areas on a priority basis.

If the land in this area is conducive to coal mining, we should do that first and exchange our royalties with other companies to a different area. As the Member for Camrose said, maybe by the time this was harvested and developed, we would have technology that would make that soil in Camrose more productive.

One thing it did mention — and I was disappointed that the Forum only went to larger places. They didn't go to smaller places. I would have thought that maybe they could have gone to small localities, sat down on a stump in the field with a farmer who had some concerns, and discussed these issues. This was one thing that wasn't done. I find that in some cases we have too many restraints on land being awarded to a neighbor or a farmer who's farming an adjacent area.

One case I have [involves] a quarter surrounded by public land, and the case for not awarding this quarter to the farmer who needs to expand is that it has a ravine running through it. The farmer in this case is not concerned about the ravine. He doesn't want to farm that area. He wants to farm the good land and to save the ravine. As a matter of fact, on some of his land he had developed 30 years ago, he is now replanting trees in this ravine and reseeding it to grass. So he is taking care of his land. I think we are prejudging some of these farmers that they are going to spoil the terrain and cause erosion.

In another case, the only answer we got was that it was too close to a town. You know, it's pretty weak when we have that kind of report. I really think that when we have these land specialists come out from Edmonton, or wherever they come from, they should spend a little more time with the people involved. I also think we should set up a committee where we would have local input, qualified farmers in the area who could sit down with the people who want the

land and really go over it all the way.

As a matter of fact, we could even consider putting some caveats on the use of this land. If they feel there is a ravine or terrain or hills which shouldn't be harvested or put into production, they should say so in the title and have a caveat in that regard.

I think we really have to realize — the report says we don't need any more land for agriculture today, and I don't think that is quite right. I think we do. To put land into production doesn't just take six months or a year, it takes years. I think we have to be more lenient with people who want to expand, need to expand, and need to stay on the farm. We have to move a little quicker than we are, and with a little less red tape.

Another thing that wasn't mentioned as forcibly as I thought it should have been was the land located in the green zone, way out in the middle of areas that can't be serviced. We have patent land which has been there for years. We should make a real effort to buy this land back.

As a matter of fact, at the last road meeting we had, there was a request for a road for seven miles, over \$700,000 to serve one farm. I say we should buy this farmer out, put him where there is a road and power, and compensate him for more than he is entitled to. But let's get him out of there, so he can have a road without costing the taxpayers that much money. I think it would be better for all. The land he is on is next to a river and would be really suitable for a wildlife habitat and the kind of things the Land Use Forum said we should have.

Another complaint I would like to speak about is that some of our land specialists say you can't farm land of 4, 5, and 6 capacity. I don't think that's right, because when you go to some of these farmers and see the land they are operating — as I mentioned, it is surrounded by patent land, Crown land is in the middle — and they say you can't make that productive, it's No. 6 soil. That's completely false, because the land around it is producing very well.

I think the farmers who are doing it are using the proper fertilizer, the proper chemicals, the proper techniques, and they are doing it on a rotation basis. It's producing so well that it's an envy to some of these land specialists when they come out and say, we didn't think it could produce. Yet the day before they said it can't produce. So there's something there I think we could learn.

I would also like to make a recommendation that some of these lands in the fringe areas — such as around my constituency, the Barrhead constituency, Athabasca, and a number of others — that we consider some of the burnt-out areas for community pastures. I notice we have \$200 million for irrigation, but we don't really have the kind of program for the northern part of the province that I would like to see happen. That is, we need community pastures, and we need them pretty quickly to be able to sustain the beef industry which I think we'll have to deal with in a few days to come.

One thing we could do — and it wasn't stressed — is to use education on all these farmers, education on the method of land utilization. You know, I've [talked] with some farmers who are clearing 160 acres at one swipe with the D8 Cats, and they are leaving windbreaks now. They are leaving rows of trees so they can have some wildlife habitat, some snow

collection so we don't have erosion, and these kinds of things. There are only one or two who are doing it, but I think if we had the education out to these people, more of them would do it.

As I've mentioned before, some are already planting trees — leaving the low spots with trees, leaving the high hills to gather snow, and not breaking them. We could do this more often in our community pastures. I know, as I flew over one community pasture it was pretty well all bare. There was a lot of water and soil erosion, and I think it would be wise if we just cleared that in strips and left a lot more trees to protect the soil and stop some of the run-off. As I said, we should encourage farmers in every way possible to plant more trees on their own land to stop this run-off of water and soil erosion.

I would like to move on to wildlife, Mr. Speaker. I would like to encourage a lot more of these management areas. When I speak of management areas, I speak of something I proposed in my constituency, where we would set aside a portion of a hunting area and have a 10-man advisory board of local people along with Fish and Wildlife. They could control this. It probably has some of the best habitat in Alberta, yet we don't encourage this. We should do this and make sure the farmers in the surrounding area who are close to this wildlife habitat management area be compensated for their losses.

We all say, let's encourage wildlife habitat, yet we're not prepared to pay the consequences. When I say that, I speak of a gentleman in the area who had a number of haystacks, fenced with five wires — and pretty good fence, because he knew there was wildlife there. Yet while he was in the hospital, wildlife broke in and damaged about 20 to 30 tons. Under our present legislation there is no way he can recoup his losses. I think we should really look at that and come up with something in one form or another. Because if we want wildlife and we encourage this, we should be able to compensate for some of the losses.

I spoke to a number of sportsmen in my area, and they are willing to contribute through the "buck for wildlife". I really think that is for a good thing, and we should be using it more often.

I'd like to move on now to timber and woodlot areas. A few years ago, I tried like heck to get some fence posts out of a North Western Pulp and Power area. I don't know why the government of that day, whether it did it by error or because of not understanding, gave all the rights to all timber in this area to the pulp mill which, of course, would never use it. We've been able to get some of it back. I hope that in the future we only give that firm the timber that is going to be used by it. Let's keep out our burnt rails, our tamarack fence posts, and even some areas of grazing leases which they'll never use, but it's under their area and we can't get it.

Another thing I'd like to see — and we're doing it in a small way — is that when we're selling Crown land, let's make sure we put the timber on that land up for tender. Right now we have some rules that say, if there are not so many trees per acre, it's not salvageable. Well, I don't agree with that. I've had some concerns where this timber would have been picked up by a neighbor, yet it went under the blade of a D8 Cat and was burned. The way timber is going

and the amount of it that we're going to need, I think that's going in the wrong way.

We also have some legislation to make sure we salvage all timber on rights of way, pipelines, roads, power lines. But we're not enforcing it like we should. I had a case where this was done. We've checked into it. I hope we'll move and enforce that a little more, so that even if we have to give away that timber to a neighboring farmer, let's not put it under the blade and burn it.

Foreign ownership was discussed at great length by the hon. Member for Drumheller. I agree that if you're not prepared to come to Alberta and live here, you shouldn't have the right to own that land. You know, we're all foreigners. As a matter of fact, I don't know of any of us whose ancestors were born in Alberta. We come from a foreign country. And I know, being the son of a foreigner, when my dad came here, he was pretty proud to own a homestead. When he had his five years in, he took out his citizenship papers. Of course, we're all Canadians. So I say again, if you're not prepared to come and be part of Canada, I don't think you should have the right to own big tracts of land, especially when they're farmlands that could be used by local people.

There's one thing I agree with, and that's No. 55 [of] the Forum's suggestions: that we do away with a 10 per cent reserve dedication in the rural areas. You know, this just doesn't make sense to me. I'd like to give you an example. We have a family farm, the father and mother have been here for 50 years, they've got four sons. They want to split the farm up four ways and give them the land. So what have they got to do? They've got to set aside 16 acres in the middle of it for a park. Now who in heck is this park for? Who can use it? How can you get to it? I think that's completely wrong.

I suggest that should be something we should rescind. If we're going to develop lots and we're going to small subdivisions, that's fine. We should move into an area where we can pick up a quarter of land every so many miles and have a real park. Having five acres here, four acres there, three acres there, sixteen acres there, doesn't make sense to me at all.

Mr. Speaker, as I mentioned, those are the points that really affect my constituency. I think I'd like to mention just one more thing: No. 65, the trespass on private land. I've spoken on that before, Mr. Speaker. I think that's completely wrong. I agree wholeheartedly with the Member for Drumheller that we own that land. I don't think anybody in the city of Calgary, Edmonton, or any town wants people walking across their lawns. I don't want them on my land unless, of course, they have permission. And, of course, we do that. We've seen skidoos go on land. Of course, that's against the law. But who's going to catch them? They've burned up granaries. They've done a number of things. [They've] burned up haystacks. This kind of thing just leads to more and more of these kinds of things which we don't need.

Mr. Speaker, I'd like to close by saying we should implement all the good recommendations. We should leave the bad ones out, and let somebody else worry about them. I think, if we use a common-sense approach and work with the people in the area who are affected — and I'd like to see more local input — we'll go a long way by implementing this Land Use

Forum [report].  
Thank you.

MR. MUSGREAVE: Mr. Speaker, being on the other side of the House, perhaps I'll be allowed to present a slightly different point of view from that of my honorable colleague from Whitecourt.

I would like to say, though, that in my view the report is certainly topical. It's well written. In my opinion, it seems to be well researched and documented. As an education tool, hopefully it will help to dispel some of the ignorance existing about land, how it's used, how it's held, and what the future use of it might be.

Mr. Speaker, I'd like to touch on a few areas as they relate to the urban scene and how we use our land in our cities, particularly Calgary. I'd like to touch on foreign ownership, land banking, urban planning — particularly with regard to a unitary city — greenbelts, and taxation.

First, Mr. Speaker, on foreign ownership. I'm speaking now of ownership and of our cities, of office buildings, apartment houses, industrial sites. This represents an investment of capital by foreigners. I appreciate that some people consider anyone a foreigner who lives out of their city. But, for purposes of my talk, I am speaking of a foreigner as a person who's a non-Canadian, or one who is not a landed immigrant. I ask the members of this House to think about where our country would be if we did not have foreign investment in such enterprises as our transportation system in the 19th century, the petroleum industry in the 20th century, the farm implement industry, or the chemical industry, to name a few. Primarily, we would be an undeveloped country. We'd be part of the Third World, the people who are crying for capital investment.

To develop the petroleum industry alone, I understand that in the next 20 years we're going to need approximately \$50 billion. Are we going to adopt the attitude of Mexico in the late '30s? They ran the oil companies out of their country and took on the kind of standard of living — if you are able to live in a tourist resort, it's nice — which I submit, Mr. Speaker, for most of the people in that country, is not equal to ours.

But, Mr. Speaker, let me get back to Calgary and deal with the ownership of apartments in Calgary by foreigners. Who lives in them? Mostly Canadians. Who collects the municipal taxes? Canadians. Who sets the health standards? Canadians. Who makes the profit in wages and in construction? Mostly Canadians. And who sets the penalties if any of these laws are broken? Again, it's Canadians. So, Mr. Speaker, we can benefit from foreign investment in land in our cities, because we control the use of the land and we garner revenue from it.

I have a concern for another aspect of foreign ownership which we should examine very carefully. In western Canada, our exports of natural resources, our sales of grain, and our export of meat all require healthy trade with other parts of Canada and the world. One of the tragedies of the depression was the attempt by countries to export their unemployment to someone else. When we have money crises such as exist in England or Italy or even France today, we see countries trying to protect their currency. Usually they do this with an attempt to

keep their workers employed, regardless of the effect on other countries. In my view, Mr. Speaker, any tinkering with the international flow of money, without a concern for world-wide economic conditions, will definitely hurt an exporting nation such as Canada.

Another aspect of foreign ownership that may be turned against us is that, as the hon. Member for Whitecourt said, many of us here have relatives from countries all over the world. Now it's just possible you may inherit some land in one of these foreign countries someday. I suggest you'd probably feel pretty unhappy if you were forced to sell your inheritance at a loss because you happen to be a Canadian, even though you were prepared to live and abide by the rules and regulations of that land in the foreign country.

Mr. Speaker, the next topic in the report I'd like to deal with is land banking. I agree strongly with the recommendation of the Forum that, except in the case of a monopoly situation, we should avoid land banking. I agree that land prices have risen sharply in relation to other house costs. But we should bear in mind that [in] other countries with living standards comparable to ours, such as Japan, the cost of a home package comes out at about roughly half for the materials and half for the land: 50 to 60 per cent. In the city of Calgary right now, I would suggest it's about half of that: 25 to 30 per cent.

I note also that the Forum suggests we should not subsidize home-owners, whether it be through cheap land, home-owner grants, or by means of mortgage interest subsidy. However, I still feel our society can afford single-family home ownership for a substantial number of Albertans.

Perhaps lot sizes will be smaller, design work will be more economical, construction methods may be improved, and — who knows? — maybe the construction industry will get the kind of capital infusion it needs so it can take its place in industrial society in our country.

Land banking has been tried three times by Great Britain. Three times it's failed. I know some members of this House will point to Sweden as an example of where everything is good and rosy — particularly rosy. But they have a very large waiting list for housing, particularly for senior citizens — not months, but years — and especially in regard to those who can least afford it.

Mr. Speaker, some members have pointed to Medicine Hat and Saskatoon as good examples of land banking. But let's take a look at Medicine Hat. Before World War I, the Hat was subdivided for miles around. So were many western Canadian cities. Thousands of lots were sold throughout the world. Came World War I, came the depression of 1919-21, and what happened? Cities across Canada had more land on their books than they knew what to do with. Many cities almost went into bankruptcy, because suddenly they had miles and miles of subdivision and no taxes to look after them. Saskatoon had a similar experience. So did Calgary.

Many parts of our city — for example, Killarney, Parkdale, Hillhurst, Mount Pleasant — had hundreds of these lots. After World War II — just think of it, 30 years later — the land boom was finally successful. The city sold these lots to veterans for a few hundred dollars.

Mr. Speaker, the land banks in western cities were made up of deposits of shattered dreams of many people. The bank has not been replenished in any significant level. You can see that if we are going to pour our money into land, it has to be tax dollars of yours and mine at a cost of millions.

The city of Calgary pursued a policy of expanding beyond its limits in advance of its needs. Until about four years ago, land in our city was considerably cheaper than in the city of Edmonton that did not pursue an expanding policy. Turning down a recent annexation proposal would have seen land-owners and developers of various sizes put land on the market. But the citizens objected because they did not want their little kingdoms usurped. So what happens? Small owners are forced to sell out to Nuwest or BACM. Our worst fear will be realized if only a few owners dominate the market. It is not a healthy situation. We turned down an opportunity to increase our land bank at no cost to our present taxpayers.

Finally, Mr. Speaker, on land banking. Land banking by governments just adds another agent to the market place which wants market prices. Just examine the situation in Edmonton. Let me quote part of the Mill Woods experience from yesterday's *Edmonton Journal*. It says:

Like any other developer, the city has been reluctant to tie up vast sums of money in unsold serviced lots, one of the chief criticisms of land banking mentioned in the recently released report on land costs by the Housing and Urban Development Association of Canada.

Nor is Edmonton the only culprit . . . The same criticism is levelled by HUDAC against Saskatoon where the city owns most of the development land. The supply is restricted by the city's reluctance to service more lots [— and note this —] in any one year than the market indicates there is a demand for.

Mr. Speaker, when I was chairman of the land committee in the city of Calgary, we sold a lot to the Alberta Housing Corporation for a sum well over \$100,000. I must confess, it cost the city of Calgary — we got it in a tax recovery scheme in about 1911 for less than \$1,000. So I think you can see specific examples of what happens when monopolies develop, regardless of whether they are government or private.

Mr. Speaker, I have another concern. That is with regard to greenbelts. Greenbelts are terribly expensive. Again referring to London — according to Dean Wheaton of the College of Environmental Design, the University of Berkeley in Southern California — the London greenbelt was a housing disaster, and will be eroded and altered to reduce the high cost it has engendered. We had a 4,600-acre park on the north part of the city of Calgary. We just created it approximately four years ago. This year we have already taken 1,500 acres out of the park.

It's tragic that while we do not have the exodus from city centres suffered in the U.S., we do have in Calgary the unfortunate deterioration, Mr. Speaker, of housing in many inner city areas. Poor housing for low income families, our elderly, our students, is the prospect for many of our citizens if we cannot expand the narrow views of our municipal councils. Housing is a very important priority of this government and, I should note, of the federal government. It's often frustrated by the incapacity of city governments to

respond.

For example, last year the federal government offered a subsidy or bonus of \$1,000 to every municipality that created a new housing unit. While they were doing this, some members of the Calgary city council — and I believe some of their counterparts in Edmonton were trying to do the same thing — were trying to introduce a tax or levy of \$500 a unit on every new apartment that was to be constructed in the city. So on the one hand, while the federal government was trying to encourage housing, the local government was trying to do the reverse.

Mr. Speaker, in fairness to the municipality, they were going to use this money for recreational needs in the community. But a 16-suite apartment for 16 family units would pay taxes on R-4 land of roughly \$7,000. Two homes, providing accommodation for two families, would generate taxes of \$1,000. So I would suggest, Mr. Speaker, that the redevelopment more than pays for extra amenities that would be required in the community.

I would strongly recommend to members that they recognize that the Forum report suggests we should not do this. We should not use taxes or levies to control or determine how we use our land. I hope our city of Calgary is not waiting for some kind of disastrous fire or some horrendous experience that may involve the loss of life and will perhaps point out to them the error of their ways.

Mr. Speaker, I'd like to touch on another strange concept of no growth that some people seem to advocate. This is quite often promoted by academic dons who — you know, if you have a beautiful home in the suburbs, tenure at the university, and perhaps a ski chalet out in the mountains, you don't really want anybody else. You don't want a poor worker from Montreal, a poor farm person, or a foreigner to come here and live. You don't want to have your community disturbed. But I'd suggest that no materialistic society, such as ours, is going to defer indefinitely the basic gratification for which it is built to serve our future needs. In other words, we're going to grow, regardless of the kind of suggestions some of these people are making.

Mr. Speaker, in conclusion I would like to suggest that, in my view, the Forum has brought out some basic truths. For example, land in urban use in Alberta is less than .2 per cent of our total land use. This land houses over 80 per cent of the people of our province. The land in use in cities is about one-third of the land we use for roads. Tax systems are not a good planning tool. And note this, Mr. Speaker — Calgary and Edmonton should be treated differently in future planning and provisions, as they are different challenges in land use. I trust that members of the House will appreciate my remarks in that regard.

In conclusion, Mr. Speaker, I would like to read from the January issue of *The Center Magazine* on a conference called *Where Shall We Live?* It says: "The right to choose". I think this is the whole theme behind the report.

What we are working on here is the whole concept of choice — the opportunity for people to have a choice about where they wish to live.

This is not a case of picking up people and depositing them here or there for social reasons. We are not able to move people around at our

whim, or say to them, "We'd like you to move into this neighborhood so that we can study you for two years and see how you interact with other people."

Quite simply, what we are talking about is how to provide choice for all kinds of people in our society. The reason for having low- and moderate-income housing in the suburbs, as well as in the central city, is so that people who wish to live in the suburbs, regardless of their economic status, may be able to live there.

Thank you, Mr. Speaker.

MR. SCHMIDT: Mr. Speaker, it's indeed a pleasure for me to join in the land-use debate. I would certainly like to compliment the members of the House who have joined in the debate not only for the manner in which they debated, but for the sincerity and the deep appreciation in presenting those views that appear in the recommendations of the Land Use Forum as to how they affect each and every constituency. I think one of the important factors to realize as you listen to each debate is that because of the size, the area, and the distance from large urban centres, the recommendations change. The needs and responsibilities of the Land Use Forum are certainly different for each community.

It is my pleasure, on behalf of the constituency of Wetaskiwin-Leduc, to present their views on possibly two aspects of the Land Use Forum [report] and their effect on the constituency. Mr. Speaker, Wetaskiwin-Leduc lies very close — it starts just south of the Saskatchewan River and the city of Edmonton. The land itself — perhaps the majority of it — is some of the best land in the province of Alberta, and dwindles to the so-called gray-wooded areas. Our population is dense . . .

AN HON. MEMBER: In what way?

MR. SCHMIDT: . . . in numbers. We've been endowed with a certain amount of good natural recreational land.

Mr. Speaker, the combination of the location of the constituency, within the urban centre of Edmonton and the distance of commuters at the present time, has placed on my constituency some type of land use that is not different, but certainly more concentrated, than others throughout the province.

Mr. Speaker, we're fortunate in having some small bit tied in land use throughout my own constituency. On the one hand, from land use; on that basis, we look back at country residence living and its effect on the constituency at that time. Unfortunately, Mr. Speaker, the rules and regulations of the day — although country residence was not in as great demand as it is at the present time, it was certainly acceptable. The unfortunate part [was that] the parcels became large, and land use and planning were more or less dictated by assessment.

Mr. Speaker, as we grow and as the demands grow, we find those larger parcels that were subdivided for country residents' use appear for resubdivision and resubdivision. Mr. Speaker, the planning that goes into an original parcel can certainly balance the needs of all. But the planning that goes into making the best out of what we have is certainly not as good as the end result of a new parcel. As we

slide down the picture of country residence living increasing in demand, we find the Land Use Forum and its recommendation of the concept of the cluster arrangement. Mr. Speaker, in my constituency we have been fortunate, because of the closeness of the recreational land and the lakes that have been endowed within the constituency, that cluster development in rural living has taken place.

It's on that aspect that on one hand and on the other hand, it would probably be easier for me, with the limited knowledge I have, to assess it both from a land-use point of view and from the problems, if any, and the expectations of local government in the cluster type of development. I speak of some six areas. The smallest is a 160-acre parcel of a density of approximately 42 to each quarter section. So you're looking at parcels from one acre to an acre and a half in size. Mr. Speaker, the demand has been great for this type. The resultant use to local government, as far as we can ascertain at the present time, has been nothing but good.

From the aspect of education, we find that in some of our rural schools, because of the declining enrolment, the cluster type of development certainly enhances and increases the loss of the pupils that the normal rural area loses. We find the actual cost of servicing and maintenance increases very slightly from a municipal point of view. Certainly, it would not be hard to see the financial advantage of a cluster development and the financial advantage it brings in regard to assessment and taxation.

Mr. Speaker, we have had no problems in the joint use of land and the fitting in of our so-called rural-urban dweller with the rural complex way of life. On behalf of my constituency, I would go on record as stating that we are in full agreement with the cluster type development of country residence living.

Mr. Speaker, on the aspect of land use, we find ourselves faced with the majority of land within the constituency being of very high calibre — in other words, in No. 1 soil. As we look at land use, perhaps half our problems are solved. Having the opportunity of discussing land use with many of my constituents, I find our problem is only half as great as we thought it was, because each and every one agrees that his neighbor's quarter should be saved for agriculture in the future. It becomes a slightly different subject when we discuss my own property and not the neighbor's. I don't think our problem is going to be that great. We've got half of it licked at the present time.

Mr. Speaker, I would just like to point out — in general, because of the time element involved — the areas of concern of the constituency in regard to the total concept of land use. I would have to think that, first of all, my constituency places production before classification. In saying so, it is our hope that perhaps through the Canada Land Inventory, the basic classification of soils, we may have to go deeper, and through local participation, look at productivity.

From the ownership point, it is the constituency's feeling that perhaps, on behalf of agriculture, the absentee landlord provides less production than ownership. It is the general feeling that regardless of the application or implications of the Land Use Forum [report], local input is a must. Last but not least, is the respect of individual rights. I suppose that comes

up on the aspect of saving thy neighbor's quarter and the individual right is with respect to my quarter.

Mr. Speaker, in closing, I'd like to champion the cause of the underdog, not because I live in the gray wooded soils, and not because we have some gray wooded soils in my constituency, but on behalf of agriculture throughout this province. A land-use [study] comes to a province such as ours probably once in a lifetime. What happens in the future is certainly based on whatever implementation is made of the recommendations we have before us. Because of the 18-odd million acres left, in other words the last frontier for agricultural land, over 10 million of those acres, Mr. Speaker, are gray wooded. I mention it because, under land utilization and the classification of land, as we look at the total recommendations of the Land Use Forum, and as we make decisions ahead of us for various land uses, it is usually the underdog who ends up with all those areas that we really don't know what to do with.

I think if we look at the productivity aspect of the gray wooded soils, we are perhaps looking at one of the areas that could support the largest livestock industry in Canada. It is my hope that as we individuals have the opportunity to debate and discuss it not only with our constituents, but with groups and organizations, we recognize and give gray wooded soils their rightful place.

Mr. Speaker, my constituency welcomes the report of the Land Use Forum and the resultant debate. May the decisions in its implication be in balance respecting the rights of the individual and the province collectively.

MR. COOKSON: Mr. Speaker, after that excellent delivery, may I adjourn the debate?

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

HON. MEMBERS: Agreed.

head: **GOVERNMENT MOTIONS**  
(*reversion*)

3. Moved by Mr. Hyndman:

That the Assembly do resolve itself into committee to consider the supply to be granted to Her Majesty.

[Motion carried]

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

MR. SPEAKER: Assuming unanimous consent, the Assembly stands adjourned until this evening at 8 o'clock.

[The House adjourned at 1 p.m.]

[The House met at 8 p.m.]

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

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: His Honour the Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1977, and recommends the same to the Legislative Assembly.

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His Honour the Lieutenant-Governor transmits an estimate of certain sums required for the 12 months ending March 31, 1977, to enable the Government of Alberta to meet its obligations under a proposed agreement with Imperial Oil Limited, Canada-Cities Service Limited, and Gulf Oil Canada Limited and the Governments of Canada, Alberta, and Ontario, relating to the Syncrude oil sands project of Alberta and under which the government will be required to pay 10 per cent of the project costs from September 1, 1973.

head: **GOVERNMENT MOTIONS**  
(*reversion*)

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

[Motion carried]

MR. LEITCH: Mr. Speaker, I beg to move that this Assembly approve in general the fiscal policies of the government.

head: **BUDGET ADDRESS**

MR. LEITCH: Mr. Speaker, in the five preceding budgets of our administration, expenditure has increased at an average rate of approximately 23 per cent per year. That rate of increase in spending was not only justified, but indeed was necessary, as five years ago Alberta's level of government services in many areas lagged behind other parts of Canada. I'm sure all will agree that such a situation was inappropriate for a province so richly endowed with natural resources. Now, five years later, as a direct result of that level of increase in recent provincial budgets, Albertans enjoy the highest or one of the highest levels of government services in all areas.

Over the past four years, our government has provided many new and improved social programs. The increase in support to basic education has been 105 per cent. Expenditures on health increased 126 per cent, and for social services the increase was 158 per cent, with special emphasis on programs for senior citizens. These three areas now comprise approximately 60 per cent of operating expenditures.

It is our judgment, though, that the time has now come to substantially restrain the rate of increase of

provincial government spending. I want to stress that this is a reduction in the rate of increase in spending and not a reduction in the amount of expenditure. There are two principal reasons for our having reached that conclusion. Inflation rates to which government spending significantly contributes are at unacceptably high levels, and action has to be taken to prevent the destructive consequences which continued high levels of inflation could bring to the Canadian economy and to our citizens. A reduction in the rate of increase of spending by all levels of government will not only directly reduce inflationary pressures, but will also help to break the inflationary psychology whereby the belief that inflation will continue leads to actions that ensure its continuance.

Alberta's current prosperity, its high level of government services, and its low tax rates all stem from the large sums of revenue flowing from the sale of non-renewable resources. These resources are finite, and we must plan and prepare for the day when revenue from the sale of non-renewable resources will form a smaller percentage of provincial government revenues. The proposed allocation of 30 per cent of non-renewable resource revenue to the Alberta heritage savings trust fund is a safeguard against the risk of future generations of Albertans having to carry onerous tax burdens to maintain an unrealistically high level of government services which might become established by the excessive expenditure of revenue flowing from the sale of non-renewable assets.

Mr. Speaker, I announced last September 17 the restraints on government spending which I am proposing tonight, and while those restraints have led to difficult choices and hard decisions about priorities, I am confident that the public institutions in Alberta can and will continue to provide a level of services second to none in Canada.

Before describing how we propose to achieve that restraint and what it means for expenditure programs, I would like to review the economic situation generally, the performance of the Alberta economy, and our participation in the federal anti-inflation program.

After experiencing a rather sharp recession, it appears that a recovery in most western industrialized economies is under way. Modest gains in output have been recorded since mid-1975, and employment has been increasing in the United States and Japan. Unemployment, however, remains very high by historical standards in most countries. The inflation rate decelerated significantly over the course of 1975, reflecting in part the end of the 1973-74 commodity price rise. Most national governments have moved fiscal policies to a slightly expansionary stance. Governments' willingness to embark on expansionary policies, however, has been tempered by widespread fears of setting off a new round of price escalation.

Generally, it is expected that output in the member countries of the Organization for Economic Co-operation and Development will show modest growth in 1976, with the strongest growth expected in the United States. Gradual moderation in the rate of price increase is expected to continue, but unemployment rates are likely to remain high. In summary, the western industrialized countries are moving slowly out of the recession, with the United States

having the best short-term prospects for recovery.

The performance and prospects for the Canadian economy are not unlike those which I have described for the other western industrialized countries. For 1975 as a whole, there was virtually no real growth in the Canadian economy — the worst performance since 1954. However, the recession bottomed out early in the year, and modest recovery was well under way by the end of the year. Residential construction, and to a lesser extent consumer expenditures, led the recovery. For 1976, the recovery is expected to gain momentum, largely on the basis of renewed growth in exports, continued recovery in housing, and some strength in consumer expenditures. Although exports generally should add strength to the economy this year, the growing deficit in Canada's trade in crude oil, estimated to be of the order of \$1.5 billion in 1976, will be a serious source of weakness for the trade balance over the next few years. The Canadian upturn will also be restrained by a slower increase in business investment in machinery and equipment, and in non-residential construction. The modest recovery means that for the rest of Canada unemployment will remain quite high, and the economy will continue to operate considerably below potential in 1976.

Despite the international economic problems and the recession experienced in Canada, the Alberta economy has remained very strong. Preliminary estimates of 1975 gross domestic product at market prices for Alberta indicate an increase over 1974 of the order of 18 per cent, almost double the rate of increase for Canada as a whole.

The basic factor underlying the very favorable performance of the Alberta economy for the past three years has been strong growth in business investment, reflecting the promising and stable investment climate in this province. For 1975, intended new capital investments stood at \$4.8 billion, an increase of about 29 per cent from the 1974 level. Although investment in the national economy is expected to be a source of weakness in 1976, investment in Alberta is expected to show continued strength in view of the major projects, such as oil sands development, as well as the encouragement provided to new enterprises to locate in Alberta. Conventional oil and gas exploration budgets are expected to reach the highest levels in over a decade as a result of the Alberta petroleum exploration plan of December 1974.

Investment in housing in Alberta turned in a much better performance in 1975. After three consecutive years of decline, housing starts rebounded, increasing by 30 per cent from 1974 levels, compared to an increase in the rest of Canada of less than 2 per cent. The particularly sharp increase in starts in the latter part of 1975 and early 1976 indicates that a high level of activity in residential construction should continue during this year.

Reflecting the overall expansion of economic activity, a 3 per cent gain in total employment was achieved in 1975. There were 38,000 more people employed in January of this year than a year earlier. Alberta continued to have the highest percentage of its working-age population employed of any province in Canada. The seasonally adjusted unemployment rate declined throughout the latter part of 1975, and in January 1976 was lower than for any other



province. Shortage of skilled personnel was evident again in 1975, but there was some improvement in reducing job vacancies.

With this expanded employment and increased wage and salary levels, total wages and salaries in the province increased by approximately 22 per cent in 1975, well above the national rate, and average wage and salary increases were well above the increase in the cost of living. Although farm input costs increased again in 1975, available statistics suggest that net farm incomes, a major component of personal income in Alberta, showed a further significant increase in 1975 from the record 1974 level of \$800 million. Net farm incomes have increased threefold since the 1971 level of \$276 million.

The 1976 outlook for agriculture shows promise for the livestock sector and relative stability for the grain sector. Production is expected to be about the same levels as the record established in 1975. Further cost increases, however, may mean some reduction in net farm incomes from the record highs in 1975.

On balance, the outlook for the Alberta economy in 1976 is for continued growth at a more rapid pace than is foreseen for the rest of the Canadian economy. Investment in plant and equipment, oil and gas exploration activity, as well as in housing is expected to provide the major stimulus, while consumer expenditures should keep pace with overall economic activity.

The Alberta economy, in common with the rest of Canada, continued to experience a high rate of inflation during 1975. The consumer price indexes for Calgary and Edmonton rose by 11.3 per cent and 10.9 per cent respectively, but some deceleration was evident in the latter part of 1975.

Although the national economic outlook is brighter now than a year ago, Canada's ability to return to levels of full employment will depend in large measure on the success in combatting inflation. Clearly, the country had reached the point where the expectations of individuals, businesses, and even governments that inflation would continue and indeed accelerate were, in themselves, a major cause of continued inflation. Before the federal anti-inflation program was announced last October 13, the Alberta government had recognized the need for government initiative, and thus we announced our budget restraint guidelines last September 17.

Although we are concerned about the effects of excessive government interference in the operation of the economy and the length of the federal program, we are making a determined effort to work with the federal government. It is in the interests of all Canadians that Canada return to a period of more stable prices. We have, therefore, entered into an agreement with the Government of Canada providing for the application of the federal anti-inflation act and the national guidelines to the public sector of Alberta until March 31, 1977. For this purpose the public sector includes all government departments and agencies, Crown corporations, municipal governments, school boards, other bodies generally providing public services, and those receiving substantial public funding such as universities, hospitals, and nursing homes. Under the agreement, all collective agreements and other compensation arrangements in the provincial public sector will be subject to the review and monitoring procedures of the federal

Anti-Inflation Board in the same manner as in the private sector.

The agreement represents a high degree of co-operation between our government and the federal government. The provisions of the agreement, together with The Temporary Rent Regulation Measures Act now in operation as well as the expenditure restraint reflected by this budget, represent a very substantial and responsible contribution to the overall effort to control inflation.

Mr. Speaker, I now wish to turn to the expenditure program, but before doing so, I want to comment on the new method of presenting the Estimates of Expenditure.

The format for the 1976-77 Estimates of Expenditure differs significantly from that of previous Estimates documents. The 1976-77 Estimates are organized on the basis of departmental programs and subprograms, rather than by appropriation, which tended to reflect organizational units. Budgeting by program more clearly illustrates the relationship between projected expenditures and how the service will be of benefit to the public. This will allow debate on the allocation of funds between broad service areas rather than between specific organizational units.

Under program budgeting, all costs including capital costs directly associated with the delivery of a particular program are shown together. Members will be requested to vote for these individual program allocations rather than for departmental totals as in the past.

In addition to the Estimates of Expenditure on a program basis, I am tabling, for information purposes, supplementary documents which identify capital expenditures and program elements included in the 1976-77 program estimates.

The expenditure program provides for operating expenditures of \$2,560 million and capital expenditures of \$401 million for a total budgetary expenditure of \$2,961 million. Members of the Assembly are familiar with the fact that an 11 per cent budgetary guideline for 1976-77 was established by this government on September 17, 1975. As stated by the Premier in the Legislature on November 12, 1975, the only new policy commitments which were exempted from this guideline are the high priority areas of reforms in our system of justice and strengthened law enforcement.

The proposed budgetary expenditures of \$2,961 million reflect the application of the 11 per cent guideline to policies and programs to which we were committed as of September 17, 1975. Included in the commitments made prior to September 17, 1975, were the salary adjustments for the public service and some of the hospital employees — both of which were not included in last May's estimates inasmuch as they were not able to be determined by the time of the presentation. The senior citizens' home improvement program, which was referred to in the Speech from the Throne last May, but for which no estimate could be provided as the policy parameters had not yet been established, is also included in the base. However, commitments made since September 17, 1975, have not been included in the base to which the guideline was applied. After reflecting these additional commitments, the base to which the budget guideline was applied amounted to approxi-

mately \$2,675 million.

The proposed budget represents an increase of 10.7 per cent over these current year commitments, and includes provision of \$29 million to meet salary adjustments for the public service consistent with federal anti-inflation guidelines. In determining the base for the 1976 budget guidelines, every effort was made to eliminate non-recurring expenditures, with the result that the estimates represent an increase of less than 8 per cent over forecast expenditures for the current fiscal year.

I would now like to highlight the expenditure program for 1976-77.

To underline the priority our government places on social programs, I would like to draw attention to the fact that of the total proposed \$211 million expenditure increase over the 1975-76 forecast, \$195 million or 92 per cent of this increase is for social programs, while the net increase for all other programs is only \$17 million or 8 per cent of the total. Mr. Speaker, the 1976 expenditure program, while maintaining overall restraint, reflects the commitment of our government to ensuring that our social programs and institutions continue to have priority in the expenditure programs of the provincial government.

In education, we are proposing to increase the provincial contribution to the school foundation program fund by \$43.7 million, an 11.7 per cent increase. The recent initiatives in new programs — as reflected by the learning disabilities fund, the early childhood services program, and the education opportunities fund — will be maintained and increased. A new priority this year will be by way of substantially increased government support for privately operated schools for the trainable mentally retarded, autistic children, and children with severe learning disabilities. Grants for special education teaching positions for the severely handicapped will be increased and expanded. The level of operating support for the school system, above the overall increase given to total government expenditures, will ensure that Albertans continue to have access to an expanded and enriched educational system.

University and college operating grants are proposed to increase by 11 per cent to \$155.3 million. Alberta will continue to spend more per person on postsecondary education than any other province in Canada.

To ensure that Albertans have opportunities to participate in the future opportunities in Alberta, our government has substantially increased funds for apprenticeship training. Provision has been made for the training of 13,240 apprentices, 21 per cent more apprentices than last year.

Mr. Speaker, we have expressed serious concern, over the last few years, with the cost increases which have been experienced in the hospital area. Since 1968 the hospital budget for the province has increased from \$126 million to \$495 million, a fourfold increase in nine years. We are confident that steps are being taken to bring these costs under control. The \$494.6 million budget for support of hospitals and other medical care institutions provides an 11 per cent increase over forecast expenditures for the current year. While it is not a budgetary program, I would like to mention that we have approved a \$50 million per annum capital program which will be significantly directed to replacing rural

and small town hospitals which have become inadequate over the years. This program will assure that rural communities will continue to receive the highest quality of hospital services, as well as to reinforce the basic economic and social structure of rural communities.

The province's program of matching, dollar for dollar, individual Albertan contributions to approved international aid agencies is proposed to increase to \$2.4 million, an increase of 22.7 per cent over the forecast of expenditures for 1975-76 and 140 per cent over the estimates for 1975-76.

In recognition of the importance to Albertans of a justice system which will meet the requirements of the province and implement the reforms proposed by the Kirby Board of Review, our government is proposing to increase the Attorney General's budget by 32.9 per cent to a total of \$37.3 million. Included in this total is \$5.1 million for the improvement and expansion of the provincial court system, including the implementation of the new medical examiner system. It is also proposed to increase the grant provided to the Legal Aid Society by \$1 million, to a total of \$3 million, to enable the society to provide increased public defense assistance for those not able to afford such assistance from their own means.

Alberta will continue its initiative of 1975 in the provision of substantial fiscal support for municipal police forces. The basic law enforcement grant will increase by 11 per cent to \$14.1 million in keeping with the general policy of budget restraint. However, in recognition of the continuing importance of peace and good order, additional support of \$2,225,000 will be provided for enhanced law enforcement and for improved crime prevention programs. This supplementary support will be conditional upon the municipalities having maintained an adequate basic level of policing.

As noted in the Speech from the Throne, adequate housing for all Albertans remains a major priority of this government. We are determined to take dramatic steps to ensure that the disadvantaged, our native people, rural Albertans, and lower income Albertans have adequate housing. Innovative programs have been designed to provide appropriate housing on terms which our citizens can afford. The emphasis is on the provision of new housing units.

The approved capital budget of the Alberta Housing Corporation includes commitment authority for the housing program of \$114 million for about 2,900 housing units. Of this, \$30 million is for public housing, \$40 million for senior citizens' housing, \$10 million for rural and native housing, and \$24 million for land assembly and development. The commitment budget for the housing programs shows a dramatic 67.5 per cent increase over the estimated commitment level for 1975-76 and provides for an additional 835 units.

Commitment authority of \$242 million has been provided for the mortgage lending programs which will be assigned to the Alberta Home Mortgage Corporation. This compares to a provincial commitment in 1971 of \$5.2 million. Over one-half of the amount has been allocated to the starter home ownership program and the core housing incentive program. It is expected that the mortgage lending programs will provide financing for 7,775 housing units, a large percentage of which will be new units.

We estimate that the Alberta Housing Corporation will require financing of \$96 million in 1976-77 to carry out the vigorous housing program. The grant to cover the corporation's operating deficit will be increased by \$8.5 million to a total of \$20.6 million. In accordance with our earlier policy statements, it is our intention to finance the estimated \$232 million required in 1976-77 for the mortgage lending programs from the Alberta investment division of the proposed Alberta heritage savings trust fund.

Mr. Speaker, in recognition of the importance of worker health and safety to the individual and the important contribution it can make to the productivity of our economy, we are proposing to establish an occupational health and safety division in Alberta Labour. Our estimate for the total 1976-77 cost for this program is \$2.8 million. It will employ 136 people, 82 of whom will be transferred from the Workers' Compensation Board to the new division. The increased emphasis in this field follows the recommendations of the Commission on Industrial Health and Safety and the request of the Alberta Federation of Labour.

Although the priorities and emphasis in this budget are on social programs, a few new programs and certain expansions are proposed for stimulating economic activity and restraining costs of operation.

To further strengthen agriculture in Alberta and to continue our policy of decentralization, \$7 million is being provided to support the nutritive processing program to encourage the development of agricultural processing facilities outside the major metropolitan areas. The Agricultural Development Corporation will be provided with an additional advance of \$20 million to continue its important role of assisting and meeting the financial requirements of further diversification of our agricultural sector.

The farm fuel distribution allowance program, the property tax reduction plan, the expansion of fertilizer production, together with provincial farm credit programs, will combine to ensure that Alberta's farmers continue to have the lowest input costs of any farmers in Canada.

We are proposing to maintain the \$70 million of support through the natural gas rebate plan, which assures that Albertans will continue to have by far the lowest costs in Canada to heat their homes. In addition, we are meeting the unprecedented demand for expansion of the rural natural gas program, which has grown from a 1975-76 estimate of \$18.7 million to a proposed 1976-77 funding of \$33 million. Since the outset of the program, natural gas has been made available to about 25,000 rural homes, benefiting approximately 90,000 rural Albertans.

The Alberta Opportunity Company will be advanced a further \$15 million to continue to meet the financial needs of small businesses.

\$11.3 million is being proposed for airport construction and improvement. Considerable emphasis will be placed on construction of new industrial and isolated community airports in the north. The program will also provide for the expansion of existing airports and, in some cases, the construction of new airports in established communities throughout the rest of the province as an integral part of our basic strategy of balanced growth throughout the province.

\$10.6 million is being proposed for capital projects

to improve municipal water supplies. Of this total, \$8.5 million is being allocated to the Red Deer regional water system, and \$1 million for the Metis water supply program. In addition, \$2.2 million will be provided as grants to municipalities under our water supply programs.

Mr. Speaker, I think it is important to emphasize the very favorable tax climate we enjoy in this province and the importance of our non-renewable resource revenues for present and future Albertans.

As shown in the supplementary information, non-renewable resource revenues account for 45 per cent of estimated 1976-77 budgetary revenues. If the 30 per cent allocation to the heritage savings trust fund is added, non-renewable resource revenues account for nearly 55 per cent of total provincial revenues — more than double the percentage of only four years ago.

This dramatic increase in depleting non-renewable resource revenue points to the overwhelming need to save and invest a substantial portion of those revenues for the benefit of Albertans in future years. Those who call for increased spending now without increasing taxes on present Albertans should pause to reflect on the legacy such action would leave to our children and grandchildren.

Data for the current fiscal year show that on a per capita basis personal income tax and consumption taxes in Alberta are only about two-thirds the level of the next lowest province. Less than 25 per cent of estimated budgetary revenue for 1976-77 comes from provincial taxes. A substantially lower proportion of provincial revenues in Alberta comes from taxes than in any other province.

Mr. Speaker, Albertans pay the lowest taxes of all Canadians. We have no retail sales tax, estate taxes, or gift taxes. Our personal income tax rate is 15 per cent lower than the next lowest province. Our gasoline tax is the lowest in Canada.

It is also important to note that municipal tax burdens in Alberta compare very favorably with other provinces. Property taxes in Alberta have been reduced substantially as a result of the policies of our government to provide a larger proportion of funding for social programs from provincial revenues. The most dramatic of these policies was the removal of the entire school foundation program fund levy from residential property. This measure alone results in property tax savings for Albertans of nearly \$100 million in 1976.

Total property taxes in Alberta have declined from 5.9 per cent of disposable personal income in 1970 to 4.5 per cent in 1974. Real property taxes account for a lower proportion of total local government revenues in Alberta than in any other province where local governments have similar levels of responsibility. On a per capita basis, total property taxes in Alberta — including residential, commercial, and industrial — compare favorably with other provinces.

Although interprovincial comparisons of residential property tax levels are difficult to make, the evidence available suggests that on equivalent types of accommodation, property tax burdens in Alberta are among the lowest in Canada. As a result of our policies, residential property taxes, as a percentage of disposable income, have dropped substantially. If one looks at individual examples, the effect is dramatic. For example, skilled tradespersons living in modest

three-bedroom bungalows located in a major Alberta city paid in 1970 about 7.2 per cent of disposable income in property tax, but in 1975 paid only 3.6 per cent of their disposable income for property tax.

Mr. Speaker, the circumstances I have outlined raise difficult questions. What is the level of government services that ought to be provided? What is the percentage of government expenditures that Albertans ought to pay in taxes? What is the percentage of revenue from the sale of non-renewable resources that ought to be set aside to protect our future? The questions are difficult and the answers, of necessity, are matters of judgment and will change from time to time in the light of changing circumstances. After careful deliberation, it is our judgment the proposals being put before you tonight strike the appropriate balance between the need for government services, the need to protect the future, and the necessity to pay from taxation a substantial portion of government expenditures as they are incurred.

Mr. Speaker, these proposals do not involve any change in this government's taxation policies.

Before turning to the province's financial position and our fiscal plan, I would like to mention that very important federal-provincial fiscal discussions will be held during this year. The existing provisions of the Federal-Provincial Fiscal Arrangements Act expire on March 31, 1977. Many important issues need to be discussed to ensure that over the next five years our basic federal-provincial fiscal relations will meet the changing needs of Canadian Confederation.

Mr. Speaker, the continuing strong financial position of our province is reflected in the accompanying table which summarizes our financial position and plan.

The Estimates of Expenditure which I have tabled propose budgetary expenditures for 1976-77 of \$2,961 million, an increase of 7.7 per cent from the estimated expenditure of \$2,750 million for the current fiscal year. Any appreciable price or production increase in crude oil or natural gas will more than offset the estimated budgetary deficit of \$31 million.

For 1976-77, I estimate budgetary revenues to be \$2,930 million, and the 30 per cent of the non-renewable resource revenues to be allocated to the proposed Alberta heritage savings trust fund to be an additional \$570 million. The estimates of crude oil and natural gas related revenues are on the basis of the existing prices for crude oil and natural gas.

The estimated net requirement for loans and advances is \$157 million. The \$232 million for the direct lending programs for housing and the Syncrude project equity contribution of \$65 million will require \$297 million for a total non-budgetary requirement of \$454 million. As has been indicated, when the Alberta heritage savings trust fund has been established, we anticipate holding the financing for direct lending for housing and the Syncrude related items as investments of the Alberta investment division of the fund.

In conclusion, Mr. Speaker, the budget I am proposing tonight is a direct response to the theme of the Speech from the Throne — a theme of consolidation of existing programs, overall restraint in govern-

ment and public sector spending in Alberta so as to reduce the inflationary pressures on our society, but with recognition of this government's high priorities in the social areas of housing, education, health, law enforcement, and justice for all.

The highlights of this first full year budget of the second term of our government are, therefore:

- a significant reduction to under 11 per cent in the rate of increase of expenditures;
- of the total \$211 million of expenditure increase proposed, over 92 per cent is for social programs;
- the three largest areas of public expenditure are basic and advanced education, hospitals, and social services and community health which, taken together, require over two-thirds of the total operating budget;
- a dramatic 67.5 per cent increase in the approved capital programs for the Alberta Housing Corporation to provide funds to build accommodation for low-income Albertans;
- a massive commitment of \$242 million to provide lower cost financing for home mortgages for Albertans, which compares to a commitment of only \$5.2 million in 1971;
- two major exceptions to the 11 per cent guidelines to provide improvements in our provincial system of justice and to strengthen our law enforcement agencies; and
- no increase in taxation, thus maintaining the position of Albertans as the lowest taxed citizens in Canada.

Mr. Speaker, the proposals which I have put before you tonight strike the appropriate balance between the current priority needs for increased government services and the need to set aside funds to protect our future.

This budget assures Albertans that they will continue to have the highest overall level of public services in the nation and that their province will continue to have the strongest economy and the greatest opportunities in Canada. [applause]

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

MR. SPEAKER: May the hon. Leader of the Opposition adjourn the debate?

HON. MEMBERS: Agreed.

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

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 Monday afternoon at half past two.

[The House rose at 8:53 p.m.]