

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, March 24, 1976 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 8

The Alberta Municipal Financing Corporation Amendment Act, 1976

Bill 18

The Pension Statutes Amendment Act, 1976

Bill 29

The Financial Administration Amendment Act, 1976

Bill 17

The Alberta Income Tax Amendment Act, 1976

MR. LEITCH: Mr. Speaker, I beg leave to introduce four bills, the first being The Alberta Municipal Financing Corporation Amendment Act, 1976; the second, The Pension Statutes Amendment Act, 1976; the third, The Financial Administration Amendment Act, 1976. Those three being money bills. His Honour the Honourable the Lieutenant-Governor, having been informed of their contents, recommends the same to the Assembly. Mr. Speaker, the fourth bill is The Alberta Income Tax Amendment Act, 1976.

The purpose of the first bill, The Alberta Municipal Financing Corporation Amendment Act, 1976, is to increase by \$200 million the corporation's capacity to borrow money. The purpose of the second bill, The Pension Statutes Amendment Act, 1976, is really threefold. Its prime purpose is to integrate pension benefits with a long-term disability plan we are in the process of putting in place in accordance with the government's agreement with the CSA.

Mr. Speaker, that bill which proposes to amend the three pension acts, The Local Authorities Pension Act, the management pension legislation, and the public service pension legislation, also removes a practice discriminatory to men by making it compulsory for married women to contribute to the pension plans. In addition, Mr. Speaker, with respect to the management pension plan, to bring it into line with the public service pension plan, it adds merchant naval service and service as a member of the federal House as pensionable services.

Mr. Speaker, the prime purpose of the third bill, The Financial Administration Amendment Act, 1976, is to increase the salary of the Auditor by \$2,000 per year.

Mr. Speaker, the prime purpose of the last bill, The Alberta Income Tax Amendment Act, 1976, is to

introduce consequential changes flowing from the federal government's introduction of a 25 per cent resource allowance. Mr. Speaker, it does not alter the impact of the income tax legislation.

[Leave granted; Bill 8 introduced and read a first time]
[Leave granted; Bill 18 introduced and read a first time]

[Leave granted; Bill 29 introduced and read a first time]

[Leave granted; Bill 17 introduced and read a first time]

Bill 30

The Department of Education Amendment Act, 1976

MR. KOZIAK: Mr. Speaker, I beg leave to introduce Bill 30, being an act to amend The Department of Education Act, 1976. Mr. Speaker, the passage of this act would include in The Department of Education Act the standard grant provisions applicable to all departments. Secondly, the bill provides for the classification of private schools and for the authority to pass regulations with respect to each classification.

[Leave granted; Bill 30 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. LOUGHEED: Mr. Speaker, it's my pleasure today to introduce to you, sir, and through you to the members of the Legislative Assembly, an old friend who has a long and colorful history in this province who is in your gallery. Formerly the Minister of Highways and the Member for Banff, he was one of our thin line of 10 when we were on the other side of the House and faced 55 on this side.

The stories, of course, are legend and long. It's unfortunate I have to restrain myself. I have to mention two for those who are new in the House, Mr. Speaker, and would like to get involved in challenging the Speaker's judgment as to tabling items. The former Member for Banff started proceedings by tabling one hamburger from the Legislature cafeteria.

Among other things, if you read through old issues of *Hansard*, there are new approaches to expression which I think are unparalleled and unequalled, in the English language and other languages. The former Minister of Highways, Mr. Clarence Copithorne.

MR. PURDY: Mr. Speaker, it is my pleasure to introduce to you, and to members of the Assembly, some 28 students from the Spruce Grove Elementary School. Monday morning I had the pleasure of visiting the school and discussing the role of government and the role of the MLA with the students, and I must commend them for the work they put forth that morning. They are accompanied by their teacher, Mr. Ibston, and bus driver, Gerald Breithaupt. I would ask that the students rise and receive the welcome of the House.

MR. TESOLIN: Mr. Speaker, I am pleased to introduce to you, and through you to the members of the Assembly, the mayor of Lac La Biche, Al Woynarowich. Mayor Woynarowich is accompanied by two members of the Lac La Biche Regional Economic Development Council, Alex Broadbent and John Scott. May I ask that they rise and be recognized by the Assembly.

MR. PLANCHE: Mr. Speaker, Calgary Glenmore is well represented here today, sir. A teacher, Tim Buehner, and 35 Grade 11 students from Henry Wise Wood School are seated in the members gallery. I'd ask that they rise and be welcomed by the House.

DR. HOHOL: Mr. Speaker, I'm pleased again to introduce students from my constituency of Edmonton Belmont. About 50 Grade 4 students from Kildare Elementary are seated in the public gallery, accompanied by teachers, Mrs. Joyce Thain and Miss Leslie Smitten. I should like them to rise and be acknowledged by the Assembly.

DR. WALKER: Mr. Speaker, I would like to take this opportunity to introduce to you and to members of the Assembly Mr. Joe Juris, who is the president of the Picture Butte Chamber of Commerce, a member of the town council, and a very active constituent of mine.

MR. BATIUK: Mr. Speaker, it is with pride that I introduce to you, and through you to members of this Assembly, a very distinguished gentleman who has made an invaluable contribution in the area of local government. Mr. Dick Geleta is serving his thirty-fourth consecutive year as the mayor of Two Hills, which is a record in the province of Alberta. Being such a conscientious and devoted servant, Mr. Geleta has achieved another record. He never had to compete in an election throughout the 34 years. He was always elected by acclamation.

Besides his tedious profession as the only pharmacist in the town of 1,100, which is served by a large trading area, Mr. Geleta is involved in many community organizations. At present, he is the chairman of the county of Two Hills hospital board.

Mr. Geleta is accompanied today by his charming wife, Lena. They are seated in your gallery, Mr. Speaker. I would ask that Mr. and Mrs. Geleta rise and receive the welcome of the House.

head: **TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I would like to file volumes I, II, and III of the public accounts for the year 1974-75. In addition, I would like to file three reports from the Provincial Auditor to the Provincial Treasurer. The first report deals with raising funds under the authority of Section 17 of The Financial Administration Act. The second is a report under Section 82 of the same act, dealing with pledging securities. The third is a report under Section 38 of the act relating to special warrants and cheques issued with the Provincial Auditor's certificate.

DR. HORNER: Mr. Speaker, I'd like to table the annual report of the Disaster Services Agency.

MR. FARRAN: Mr. Speaker, I'd like to table the answer to question 133.

head: **ORAL QUESTION PERIOD**

ASH/Deerhome

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Social Services and Community Health. Once again the question revolves around Deerhome and the Alberta School Hospital at Red Deer.

I'd like to ask if the minister has received the first report of the Southern Alberta Parents for Progress Association regarding the group's first investigation into the facilities at ASH/Deerhome.

MISS HUNLEY: Yes, I have, Mr. Speaker.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. What steps have been taken by the department as far as studying the recommendations and implementing of a number of them?

MISS HUNLEY: The department is presently reviewing it. By the way, Mr. Speaker, I would like to have it established that I believe the report became public before it came to my office. I checked the date mine arrived. It was Thursday, March 18. But the department has been reviewing it. The things in the report, of course, are not all bad. I'm relieved to hear that.

Perhaps I could also speak on behalf of the Member for Little Bow. He asked me to check into the matter of "bacteria embedment", which is contained in the report. There was no basis to substantiate that statement. It's never come to my attention, since assuming responsibility for the department, that any of the facilities at ASH/Deerhome have been condemned by the Department of Health for any reason. This was substantiated by Dr. Koegler.

However, at one time, there was a staph infection, which is quite different. That's been cleared up. I have also received a copy of a letter from the public health inspector in which no concern is expressed.

Also, it might be interesting to note that during the period their nursing homes are being altered, the municipal hospital board have asked if they could use some of the villas which will be demolished as part of our long-range planning. I'm sure they wouldn't ask us if they could use buildings belonging to the government, if they were not suitable for human habitation. However, we agree that they need to be demolished, and eventually they will be.

MR. CLARK: Mr. Speaker, a further supplementary question to ask her what effect the announcement from Red Deer yesterday by Dr. Koegler will have. The doctor announced that by 1985 the patient load at ASH/Deerhome will be cut in half.

What effect will this have on the quality of care at the two institutions?

MISS HUNLEY: I don't know that Dr. Koegler made that announcement. If he did, he would certainly have no authority to do so. I know Dr. Koegler has done an internal study showing which patients may

be able to return to the community and to which community they should return.

A policy announcement such as that, if it ever should come to pass, would not be made by Dr. Koegler. It would be made by whatever minister is responsible for Social Services and Community Health at that time. Dr. Koegler's goals are no doubt laudable. At the moment, I would assume they're part of the internal planning document. Certainly, they have no basis in a policy decision of that nature.

MR. CLARK: A supplementary question, Mr. Speaker, to the minister. Was the question of a sizable reduction in the patient load at ASH/Deerhome a part of the negotiations between the government, the minister's department, and VS Services Ltd.? Was that factor taken into consideration in the course of the negotiations?

MISS HUNLEY: I was not part of the negotiating team, Mr. Speaker. I would very much doubt that. The long-range plan may see a reduction in population there, but I don't foresee it over the next few years. The contract we're entering into is only for a two-year period. Under any circumstances, I wouldn't see a major reduction in the population at ASH/Deerhome in that time.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is she in a position yet to indicate to the Assembly regarding the negotiations with VS Services Ltd.? Is the approach of the government in finalizing that contract a fixed basis for the two years, or in fact is it on a cost-plus basis? By cost plus, I mean the cost VS Services Ltd. puts into the patient care, and then a percentage of profit on top. Which of the two approaches is the minister following?

MISS HUNLEY: The approach we're following, Mr. Speaker, is neither one. We are negotiating a fixed management fee, so that it would not rise according to any rise in cost based on cost of production. Part of the problem we still have in arriving at the exact figures is that, from the last report I had, we do not yet know how many persons will be moving over to VS Services Ltd., how many will remain part of the Civil Service Association and consequently part of the public service of Alberta. This is part of the ongoing negotiations which must be completed.

MR. CLARK: One further supplementary to the minister on the question. Is it still the hope or the intention of the government to have the contract finalized before May 1, when VS Services Ltd. take over responsibilities at ASH/Deerhome?

MISS HUNLEY: Yes. They would not take over services unless the contract was finalized, Mr. Speaker.

Hospital Finances

MR. CLARK: Mr. Speaker, I would like to direct the second question to the Minister of Hospitals and Medical Care, and ask if he would outline just very briefly to us the basis for the budget guidelines

hospitals are now living with. I ask the question, Mr. Speaker, because it's rather important whether the basis is what the hospital actually spent last year, or what was allocated to that hospital by the Hospital Commission.

MR. MINIELY: Mr. Speaker, in reply to the hon. leader, I think I would first of all want to say that I have met with many boards throughout Alberta in the past three months — certainly over 70 — discussing what would likely happen during the year of restraint. Basically the overall policy allowed for 11 per cent, which was composed of 8 per cent for inflation and 2.5 to 3 per cent for items such as annualization; in other words, transposing into a full year's costs the programs instituted in a hospital in mid-1975.

I think it's important for all of us to understand that as this restraint is working through the hospital system, the internal priorities of living within the individual budget granted to a hospital take into account the general overall factors I've indicated. Nevertheless, if a hospital in fact spent in 1975 more than the approved budget actually granted it, certainly in doing so that hospital has created additional difficulties for itself.

MR. CLARK: A supplementary question, Mr. Speaker, in light of the fact that hospitals have no special warrant mechanism. Has the minister or the Hospital Services Commission had discussions with the banking fraternity, the treasury branches, or other groups in the financial institutions, indicating to those institutions that they should not be giving interim financing to hospital boards in the course of the next year? Have there been any such discussions?

MR. MINIELY: Mr. Speaker, first I would like to correct the hon. leader that hospitals do not have, at least indirectly, a special warrant capacity. Substantial special warrants were passed by this government in 1975 to meet the additional expenditures in the hospital field. I think it's important to emphasize that basically all the salary increases that had to be transposed in the hospital system in Alberta as a result of negotiations in April, which were not known at the time the budget was presented in 1975, had to be provided by special warrants by the province, in effect to grant the funds to the hospital boards to meet the increased costs they had in that year. So I think I would again emphasize that that in fact happened relative to 1975.

If an individual hospital, without regard to the fact that it had an approved budget from the province, in fact spent more than that approved budget, it has added additional financial difficulty for themselves. Nevertheless, they do have the option to appeal to the Hospital Services Commission the individual budget granted to them.

Having said that, I think it's important for me to outline to hon. members that in fact during a year of restraint, when we are trying to dampen the cost escalation in the hospital system as well as provincial expenditure generally, as we all know, the flexibility relative to appeals is certainly not as great as we have had in past years.

I think that boils down to the fact that individual hospital boards are autonomous. Once the budget is granted to them, it is their management responsibility

to operate within that budget. If in fact they spend more, of course they then have access to the banker they deal with. At that stage it becomes the day to day management responsibility for that board.

MR. CLARK: A supplementary question to the minister. Perhaps I didn't phrase the question very well.

Has the Hospital Commission or the minister's office either had discussions with financial institutions or sent information out to financial institutions saying in fact that they should be very careful before becoming involved in interim financing for hospital boards? Or has a directive like that gone out from your colleague, the Provincial Treasurer?

MR. MINIELY: Mr. Speaker, certainly I would anticipate the hon. leader would know that individual hospital boards are corporate bodies unto themselves. They are autonomous. The province's relationship is one of setting overall broad policy under which the hospital system operates, and to grant, out of provincial funds, a budget for individual hospitals to operate within a given year. They do so as autonomous groups.

I assume any banker would sit down and look at a hospital as he would look at any other operation in Alberta that he was looking at granting interim or other financing. That is a responsibility and a relationship which exists between the individual hospital and the particular financial institution it deals with.

MR. CLARK: One more crack at a similar kind of question. Has the commission, the minister, or the Treasurer's Department given any directives to financial institutions in the province with regard to taking on deficit financing for hospitals in this province? Have there been any such discussions? That's all I want to know.

MR. MINIELY: Mr. Speaker, I thought I was making it clear to the hon. leader that no direction will come from me as a minister. That is a relationship which exists between the individual hospital and its individual banker, and which the banker would assess depending on the financial situation of that hospital. I'm sure every banker in Alberta is capable of assessing that in relationship to the hospital board.

MR. CLARK: To follow up on that, Mr. Speaker. When the minister says there's been no directive from him, is the minister saying to the Assembly that that includes the Hospital Services Commission?

MR. MINIELY: Mr. Speaker, I certainly would check to see if the Hospital Commission has issued such a directive. At this point I am unaware of any, but I will certainly check. If that's the case, I'll report back to the House.

MR. TAYLOR: Supplementary, Mr. Speaker. Does the Government of Alberta have any authority to direct banking institutions under the Bank Act of Canada?

MR. SPEAKER: Order please. The hon. member is asking for a legal opinion.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise the House what criteria were used to arrive at the 8 per cent increase for inflation?

MR. MINIELY: Mr. Speaker, I think the criteria would be fairly obvious to all hon. members. With the inflation which has been experienced in Canada and Alberta lately, a judgment would be made in the hospital system within parameters that would recognize a reasonable dampening of the inflationary pressures, not just in Alberta and Canada, but in cost rises in the hospital system. It's been indicated that we've had the highest overall escalation in expenditure in this area, more than any other area of public expenditure. What was necessary was a downward trend in the inflation. That should be recognized, if we wanted to turn it down in public policy terms.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. In determining the 8 per cent inflation rate, was any specific consideration given to the indices of costs for hospitals, including all costs from expected wage increases, energy, natural gas, and what have you?

MR. MINIELY: Well certainly, Mr. Speaker. But again, if one simply accepts inflation, then one perpetuates the inflation psychology. The important thing was also a downward turn, in spite of some reasonable relationship to what cost increases may be.

But Mr. Speaker, in addition, I think that the hon. Member for Spirit River-Fairview has to recognize that whereas we are trying to bring costs under control, and whereas we are trying to dampen the annual cost increase in the hospital system, in fact we have an element of recognizing increased cost in the hospitals in Alberta. Many other provinces in Canada don't have any element of increase; in fact, they're reducing or freezing budgets.

MR. CLARK: My supplementary question to the minister, Mr. Speaker, is: as a result of the 70 meetings the minister referred to between himself and hospital boards, which I commend him for, is the minister in a position to give us some indication of how many beds it's expected will be out of service in the course of the year, and some kind of ballpark figure as far as staff reductions are concerned? Is the minister able to give us some kind of feel for those ramifications?

MR. SPEAKER: Order please. I had some misgiving when we started on this line of questioning as to whether we might be pre-empting committee discussion on the estimates. I didn't intervene because I felt that perhaps some of the questions were intended to provide advance information to prepare for the debate on the estimates. But it seems to me we are now really getting into the estimates. To deal further with the subject, we should take the opportunity of committee discussion.

AN HON. MEMBER: Agreed.

Rent Regulation

MR. GOGO: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs and concerns The Temporary Rent Regulation Measures Act. Have there been any violations under the act reported from the Lethbridge area to the minister?

MR. HARLE: Mr. Speaker, we have had a number of complaints from tenants to the rent regulation officer, and we have had a number of applications from landlords.

MR. GOGO: Mr. Speaker, a supplementary to the hon. Attorney General. Have any charges been laid for violations under the act in the Lethbridge area?

MR. FOSTER: Mr. Speaker, I am not personally aware of all the charges brought in every region of the province of Alberta, since there are thousands and thousands in the course of a year. If the hon. member would like me to check, I would be happy to. But I'm not aware of any charges being brought.

MR. GOGO: A further supplementary, Mr. Speaker, to the Minister of Consumer and Corporate Affairs. In the Lethbridge area, have any members been appointed to the appeal board under the same act?

MR. HARLE: No, Mr. Speaker, although there will be in due course.

Senior Citizens' Cheques

MR. STROMBERG: Mr. Speaker, my question is to the Minister of Social Services and Community Health. In light of the number of senior citizens who have had to wait several months — some are still waiting — for their supplementary pensions and old age security cheques, I was wondering if the minister has taken any action to speed up this matter.

MISS HUNLEY: A point of clarification, Mr. Speaker. Is the hon. member inquiring about old age security and guaranteed income supplement cheques?

MR. STROMBERG: More the supplementary cheques.

MISS HUNLEY: He still hasn't answered my question, so I'll answer his. Mr. Speaker, if he's referring to the old age security and the guaranteed income supplement, that's a federal matter. Of course I certainly don't have any jurisdiction over that, although at a recent meeting, Mr. Speaker, I did mention informally to the Hon. Marc Lalonde the fact that my office seemed to get a number of inquiries about that matter.

If it's a matter of the Alberta assured income plan, I believe those are running fairly regularly. We use the tapes from the federal government with which they pay guaranteed income supplements. As long as we get the tapes regularly and our own computer system is working, I believe our cheques are going out on time.

Rail Freight

MR. CHAMBERS: Mr. Speaker, my question is for the hon. Deputy Premier and Minister of Transportation. It refers to the reported 35 CN yard workers who were recently laid off, the reason given was that the volume of freight traffic was down in this area.

I'm wondering if the minister has any information whether this is a temporary situation or if more layoffs could be expected because of reduced rail freight volume.

DR. HORNER: Mr. Speaker, my interpretation would be that in fact it is a temporary situation at this time of the year, and should return to normal, particularly in Alberta. There may be some continued fall-off relative to transcontinental freight because of the economy in the rest of Canada.

Dodds-Round Hill Project

MR. BATIUK: Mr. Speaker, I'd like to direct my question to the hon. Minister of the Environment. In view of the number of representations and submissions from groups or individuals opposing the Calgary project in the Ryley-Dodds area, could the minister advise whether there have been similar representations in favor of such a project?

MR. RUSSELL: Mr. Speaker, I'm only aware of two such expressions of opinion with respect to that project. The first was a copy of a submission to me from the Shaw Community Association, pointing out that the protective ratepayers association did not speak for them, did not represent them, and that they supported the project. I'm also advised there has been a high level of interest in job applications in the Camrose area, with respect to the pending project.

MR. BATIUK: A supplementary, Mr. Speaker. Could the minister advise whether the number from the Shaw community is comparable to that opposed to it? Does it cover a good portion of those farmers involved?

MR. RUSSELL: Mr. Speaker, I believe the Shaw Community Association is relatively smaller in numbers than the ratepayers protective association. In any event, we are acting very carefully for those reasons and giving consideration to the matter of receiving public expressions, should an application for that project be received.

MR. BATIUK: One final supplementary, Mr. Speaker. Could the minister advise whether stalling this project would in any way be a detriment to the research centre in Vegreville or the possibility of developing industries along the Athabasca tar sands corridor?

MR. SPEAKER: The hon. member is getting very much into an area of opinion, which perhaps could be explored in another way.

Foreign Academics

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Advanced Education. It flows out of a resolution discussed in this House several years ago on the question of foreign academics at Canadian universities and postsecondary institutions.

My question to the hon. minister is: has the minister had an opportunity to review the recent study by Trent University President Dr. Thomas Symons, documenting excessive domination by foreign professors and instructors at Canadian postsecondary institutions?

DR. HOHOL: Mr. Speaker, this report is now on order by my office. I've read the newspaper summaries of it, but I've not read the report. I'll do that as soon as I get the opportunity.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Have there been any recent studies — and by recent studies I mean studies subsequent to the Moir committee — on the extent of foreign professors or instructors at Alberta postsecondary institutions?

DR. HOHOL: Mr. Speaker, in looking at this matter in a general way, the most recent report on the subject is that of Mr. Moir. To the best of my knowledge, there is no subsequent report on this matter.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the discussion several years ago on the resolution by the hon. Member for Edmonton Beverly, has the Department of Advanced Education and Manpower considered going any further, perhaps bringing some kind of restrictions on the extent of foreign professors or instructors at Alberta postsecondary institutions? Or is it generally satisfied the problem is being handled well enough by the institutions themselves?

DR. HOHOL: From wherever they might come to institutions governed by a board of governors, the matter of policy with respect to academics is that that of the board itself. The community of scholars, called the university, dictates in large measure the component of the professorial content. In that sense, it's a factor of policy of the board of governors.

MR. NOTLEY: Mr. Speaker, one final supplementary question for clarification. Do I take it from the minister's answer that the question of the nationality of instructors at Alberta postsecondary institutions is a matter to be determined exclusively by the boards of governors of those institutions?

DR. HOHOL: If one were to place the question in a very literal context, Mr. Speaker — and obviously the hon. Member for Spirit River-Fairview is not doing that — but if it were, then you'd have to say yes. But just as clearly, the larger community in which a university works and does its scholarship it has to be sensitive to the larger community, the province, the people in it, the representatives of the Legislative Assembly, and certainly the minister. So, many

factors influence the policy of any board that has public policy as its responsibility.

MR. CLARK: A supplementary question to the minister, to ask if he's had an opportunity to respond to the proposition put to him by the federal Minister of Manpower, who indicated that the federal government had some concern in this area and, in fact, that they would consider legislation in the area if it was the view of the provinces that this was a matter of concern. Has the minister had a chance to respond to the federal minister on that matter?

DR. HOHOL: To make clear the matter to which the hon. Leader of the Opposition relates, the discussion which the hon. Mr. Andras and I had began and was completed at one meeting in Edmonton about six weeks ago. During that time, he discussed several matters. It was at the conclusion, indeed after the meeting, that the matter of foreign academics was under discussion between him and me.

He left some information behind, and the notion of some constraints that might or could be placed by the federal government in an area that is the responsibility of the provinces, under the British North America Act. So we discussed it in general terms. There was no proposal in the formal sense. This is a matter that's going to be in an ongoing kind of discussion among the provinces and the federal government.

MR. LOUGHEED: Mr. Speaker, I wonder if I could add to the answer by the hon. minister. As have I personally, my office has received a significant degree of communication with regard to this matter. It is a matter that the hon. minister and I propose to put before Executive Council. We respect the autonomy of the universities in the province; however, we're also very conscious of the feelings of Albertans in this particular area.

It will be a matter of very active consideration by us, as a provincial government, in the feeling of the degree of public support that a reassessment and a current assessment should be made, both in regard to academics who are not from Canada, but also with regard to students who are coming to our universities from other parts of Canada and the world.

MR. YOUNG: A supplementary, Mr. Speaker, to the minister. Has any consideration been given to the possibility of referring this matter to the Human Rights Commission, with the thought that it may fall within The Individual's Rights Protection Act? Since some people believe that an expert must be from some distance from home, we may be getting what might be regarded as reverse discrimination.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. In light of the Premier's answer to the Assembly, is the government now seriously giving consideration to a successor commission to the Moir commission, to update the research of Alberta postsecondary institutions and prepare a report which could provide guidance for the government?

MR. LOUGHEED: Mr. Speaker, in these areas, sometimes it's appropriate to approach a problem that

way. In this particular area, we're inclined to the view that, with the document by Mr. Symons of Trent University showing an overall Canadian position, and with full and frank discussions with the university and academic community in this province, we think it may be possible to have discussions to determine whether a policy point of view can be established both by the academic community, with its appropriate autonomy in the province, and by the provincial government, with its responsibility for the taxpayers' contribution to postsecondary education.

I think it's premature for us to reach a conclusion whether any commission, research, or study is needed. I think what's important is a better assessment of whether or not a policy change of direction is in order, both in terms of the public at large and the academic community in particular.

Livestock Insurance

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister indicate whether the livestock insurance plan, announced by the minister last December, is now in operation?

MR. MOORE: Mr. Speaker, no, it is not. After the announcement last December, a number of farm organizations contacted me and asked if they might have an opportunity to review the plan in relation to its value to livestock producers and the saleability of it. We then formed a committee of the Department of Agriculture and interested farm organizations, which has since reviewed the plan and advised me that it is concerned about the high level of deductibility in the disaster type program.

I was informed earlier today that that committee had a final meeting late last week and will be recommending to me, although I have not yet seen the report, that several options be included within the plan. I understand as well it has talked in that regard with the underwriters and the agent involved. So, we're still hopeful that we'll have it in due course.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. Are applications still being received under the disaster indemnity fund until this program is in operation?

MR. MOORE: Yes, Mr. Speaker, they are. There will be no change in the disaster indemnity program until such time as the insurance program is in place and fairly widely sold.

Corporation Income Tax

MR. PLANCHE: Mr. Speaker, with a short explanation if I may, my question is for the hon. Provincial Treasurer. In view of the budget documents indicating a large drop in the estimates for 1976-77 corporate tax income, is it the government's intention to legislate any change in corporation tax?

MR. LEITCH: No, Mr. Speaker. There is nothing in the budget, nor is it our intention to introduce any legislation that would reduce income taxes for corporations.

Perhaps, Mr. Speaker, I could explain the apparent

contradiction between that answer and the figures the hon. member has referred to, by pointing out that the explanation lies in an understanding of what those corporate income tax revenue figures are. They are payments that we anticipate receiving from the federal government, based on their estimate of the corporate tax payable for a given year. If it turns out that their estimate is wrong and the actual tax payable for that year is different, then an upward or downward adjustment is made in subsequent years.

Normally, Mr. Speaker, the estimates of revenue we expect to receive from the federal government would correspond pretty closely to the tax that was ultimately paid. But in the years '74-75-76-77 there were substantial inaccuracies in the estimates, flowing largely from the introduction by the federal government of the policy of making royalty payments non-deductible, and our subsequent response to that policy by introducing ALPEP, two parts of which had a bearing on the tax payable, the tax credit, and tax rebate programs.

So, for the preceding two years there were over-payments. That's taken care of by an underpayment this year. In fact, Mr. Speaker, I anticipate the actual taxes payable by corporations in Alberta, in respect to Alberta corporate income tax for this year, to be in the order of \$220 million.

Meat Packing Industry

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Agriculture. Since there have been certain restraints in his department, I wonder if the minister could explain what effect they will have in the promotion of the beef industry and what opportunities it will have.

MR. SPEAKER: With respect to the hon. member, it's doubtful whether it's within the duties of a minister to make diagnoses and forecasts of this kind. Perhaps that could be done in another way.

MR. KUSHNER: Mr. Speaker, I wish to proceed with another question in the same vein, if I may. Since our packing plants are only working to half-capacity now, is the minister in a position to explain if it will put them in a position of jeopardy next year?

MR. SPEAKER: The hon. member's question is very similar in nature to the preceding one. Perhaps it could be directed to the packing plants.

Ethylene Supplies

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources with regard to ethylene. Is there a sufficient supply of ethylene available to firms desiring to use it as a petrochemical feedstock at the present time?

MR. GETTY: Mr. Speaker, the responsibility for petrochemical development within Alberta falls within the area handled by my colleague, the Minister of Business Development and Tourism.

MR. DOWLING: Mr. Speaker, as all hon. members know, we are attempting to develop a petrochemical complex in Alberta. All ethylene now available in

Alberta is being utilized by companies in Alberta. Some product is being imported for use. The situation is just exactly that, which is why we are proceeding with the attempt to develop this major complex.

I will be making some additional remarks, in my contribution to the budget debate, and perhaps any further questions could be held until after that time.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the Du Pont decision to pull out of the industry affected plans to build an Alberta Gas Ethylene facility in Alberta?

MR. SPEAKER: I apologize for interrupting the hon. member. I understood the minister to say he would be discussing this topic in his contribution to the budget debate. Perhaps the hon. member's question might await the conclusion of that speech.

Population Trends

DR. PAPROSKI: Mr. Speaker, a question to the hon. Minister Without Portfolio responsible for rural development, the Hon. Dallas Schmidt, who is from Wetaskiwin-Leduc. Have there been any appreciable or noticeable population trends in Alberta, and has the rural-to-urban migration slowed to any serious extent?

MR. SPEAKER: The hon. member is inquiring concerning a topic which is perhaps more a federal matter coming within the federal census. Perhaps there would be other avenues for him to pursue his research on this topic.

DR. PAPROSKI: Mr. Speaker, I'm sorry. With respect, I don't know if the question was heard or not. The question is — and especially this last part — has the rural-to-urban migration trend in Alberta slowed to any great extent? Would that be a federal matter?

MR. SPEAKER: That may or may not be a federal concern, but you might say it's a matter of general research, concerning which the hon. member has some facilities as well as the minister.

DR. PAPROSKI: Mr. Speaker, would the Speaker allow the minister to answer the question if he wishes?

MR. SPEAKER: My concern is that we may be running out of time. We have a number of other members who have not yet asked their first questions.

DR. PAPROSKI: Thank you, Mr. Speaker.

Driver Education

MR. TAYLOR: My question is to the hon. Solicitor General. A very short explanation is required. In the last Legislature, the former Minister of Highways, who is with us today, presented an excellent paper on driver education for young people.

Is driver education being actively pursued in the high schools in our province?

MR. FARRAN: Mr. Speaker, I recall the paper presented by the former Minister of Highways. I agree, it was excellent. The general policy of the government is to encourage driver education wherever we can. The Driver Control Board has powers to order driver education for drivers with bad records. Generally, the encouragement of driver education has been a conscious part of public policy. I think I should refer the question to my colleague, the hon. Minister of Transportation, for details insofar as new programs are concerned.

MR. MUSGREAVE: Mr. Speaker, I'd like to ask a supplementary question of the Solicitor General. Leaving the young people alone for a minute, has there been any consideration of tightening up licensing those of us of more adult years who may not be as good drivers as our children? We can get a licence with no problem.

MR. FARRAN: Mr. Speaker, we have under consideration the possibility of relieving some of our driver examiners by accepting diplomas from accredited driving schools in lieu of a test. This would relieve driving examiners so they could commence a program of retesting drivers with bad records, without an alarming expansion in the provincial budget at a time of restraint. This is under active consideration at the present time.

MR. TAYLOR: Mr. Speaker, could I ask a supplementary of the hon. Minister of Education? Is any consideration being given, or are any studies being carried out, towards giving credits for driver education courses in our high schools?

MR. KOZIAK: Mr. Speaker, the driver education course recognized by the curriculum presently provides for two credits.

MR. R. SPEAKER: A supplementary to the Solicitor General. Statistics show now that accidents by drivers between 16 and 18 years of age are on the increase, and have increased since we changed the drinking age.

Is the minister considering making a recommendation that the drinking age change from 18 to 19 because of that fact?

MR. FARRAN: Mr. Speaker, we've discussed this subject before. Liquor legislation will be introduced into the House during this session. I suggest that would be the time to debate such a proposition. We also have a private member's bill before the House at the present time.

MR. MUSGREAVE: I have a further supplementary, Mr. Speaker. I don't think the Solicitor General got the intent of my question, and that is: are all those who have held a licence for a long period of time, regardless of their driving record — I'm more concerned about their ability to drive — possible impairment from age.

Are you giving consideration to having them retested at their expense?

MR. FARRAN: Mr. Speaker, I endeavoured to answer that. With the present restraints on the provincial

budget, we have to be very careful not to allow undue expansion of the public service. What I'm trying to do is relieve our existing driving examiners of some of their routine tests by accepting the diplomas of accredited driving schools. I could use those same driving examiners, who would then have more time, to retest adults with demonstrably bad driving records. We haven't got the resources at the present time to have wholesale retesting of the entire Alberta population.

MR. TAYLOR: A further supplementary to the hon. minister. Is there not an intrinsic power dealing with young people and leading them towards drinking, when we treat 16 year olds as adults in court?

MR. SPEAKER: The hon. member has made a representation to the minister on a very important topic. Perhaps we can go on to the question of the hon. Member for Lethbridge West.

Community Colleges

MR. GOGO: Mr. Speaker, my question is to the Minister of Advanced Education and Manpower. The Lethbridge Community College has been without the services of a president for perhaps five or six months.

My question is: does The Colleges Act specify a required time for the appointment or hiring of a president?

DR. HOHOL: No, it doesn't, Mr. Speaker. The Colleges Act vests responsibility and accountability for the appointment and tenure of a president of a college, but it does not specify time. At present, the college is serviced by an acting president.

MR. GOGO: Supplementary, Mr. Speaker. Of the six public colleges in Alberta, how many are without presidents at the moment?

DR. HOHOL: It is difficult to avoid an editorial comment, Mr. Speaker. But two are confirmed, if that's the word, and tenured. Six are in different capacities.

Road Allowances

MR. MILLER: Mr. Speaker, I'd like to direct my question to the hon. Minister of Transportation. It's in regard to a matter that was of great importance in this Legislature approximately two years ago.

My question is: has there been an increase in the number of road allowances closed off by fencing in the last 10 months, particularly in the Banff-Cochrane area?

DR. HORNER: Not to my knowledge, Mr. Speaker.

AN HON. MEMBER: They can't speak up there.

AN HON. MEMBER: He wants to speak.

Hospital Finances

(continued)

MR. MINIELY: Mr. Speaker, during the question period, the hon. leader asked whether an official directive had gone from my office to banks with respect to the interim financing of hospitals. My answer was no. The hon. leader then asked whether I would consider a directive from the commission to have gone from my office, and my indication was that I would check and report back to the House.

I am now able to advise the House and the hon. leader that no member of the commission board or executive member of the Hospital Services Commission sent out such a directive. If an individual field staff member communicated with banks relative to interim financing, it would not be on the basis that there was any official authority for such communication in the nature of a directive.

I would point out though, there is a distinct difference between advising banks dealing with hospitals in Alberta of the fact that the province would in no way guarantee that a loan to finance spending beyond the approved budget would be picked up by the province, and the nature of a directive which the hon. leader suggested in his choice of words.

Cow-Calf Industry

MR. MOORE: Mr. Speaker, yesterday the hon. Member for Bow Valley asked me a question with regard to the monitoring of cattle numbers in Alberta.

I'd like to respond by saying that surveys of cattle inventories on farms in Alberta are conducted by the agriculture division of Statistics Canada in Ottawa. On January 1 and July 1 questionnaires are sent out and returned to Ottawa, where the estimates are developed.

Provincial totals are released by Statistics Canada. Subprovincial totals, that is totals by census division, are released by the statistics branch of Alberta Agriculture. The next results will be available after July 1. I'd like to file a copy of those statistics released recently by Alberta Agriculture for January 1.

Ophthalmic Dispensers

MISS HUNLEY: Mr. Speaker, I would like to supplement an answer which I gave yesterday to the hon. Member for Drumheller. It relates to my reference to ophthalmic dispensers. I would like to make clear that ophthalmic dispensers do not perform eye examinations.

head: ORDERS OF THE DAY

MR. HYNDMAN: Mr. Speaker, just before Orders of the Day, I'd like to rise on a point of privilege with regard to the format of the Order Paper today. My understanding is that yesterday afternoon the resolution moved by the Member for Drumheller on family entertainment in movies, while it provided a good vehicle for debate, was adjourned. Therefore, in my submission, it should be at the bottom of the Order Paper today so that tomorrow, unless there is an

opposition-designated motion, the Member for Clover Bar's resolution, No. 2, would come forward.

MR. SPEAKER: As a matter of fact, I was going to mention yesterday's occurrence and assure the Assembly that the Chair and the Table staff will be glad to co-operate with all hon. members in a more exact application of the new standing order henceforth.

head: **GOVERNMENT MOTIONS**

1. Moved by Mr. Leitch:

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

[Adjourned debate: Mr. Dowling]

MR. DOWLING: Mr. Speaker, for the first time in my life I feel long-winded.

On reviewing the Budget Address and the particular position of Alberta in the Canadian economy, I know I can't possibly even hit the highlights of what I would like to say during the 30 minutes I have. First of all, I would like to welcome this opportunity to participate in the debate. In so doing, I want to add my voice to those who have spoken before in commending my honorable friend the Provincial Treasurer, first for the excellence of his budget presentation; secondly, for the priorities he has established through it and in the accompanying documents; and thirdly, for the vision he exhibited in his September 17 announcement establishing restraints on government spending.

It's not only a responsive presentation, Mr. Speaker, but a very responsible budget which provides restraint where restraint is required, and at the [same] time presents a position of optimism for Alberta and Albertans. It indicates the positive position taken by this government in supporting and promoting the private sector and the free-enterprise system, and our strong reliance on that private sector and that system to respond positively to the needs of the day.

Mr. Speaker, first of all I would like to enlarge on some remarks made by the Provincial Treasurer, and to correct some gross distortions regarding corporate income tax made outside the House by the hon. Member for Spirit River-Fairview. I'm assuming his distortions were inadvertent, flowing out of a failure to understand the nature and significance of the corporate tax and individual income tax revenue shown in the supplemental material to the Budget Address. Those figures, Mr. Speaker, represent the money we expect to be paid by the federal government during the year, in respect of Alberta income tax imposed on individuals and corporations.

However, these are the federal government's estimates of the amount of such tax that they will collect. They are not the actual tax paid for that year. As a general rule, when the returns are all in and processed, the estimate will turn out to be very close to the actual tax collected from taxpayers. But that is not always the case, and occasionally very substantial errors are made. These errors, of course, are corrected by making an offsetting change in the

estimates for the following year. Such an error in estimating occurred with respect to corporation income tax in 1974, 1975, and 1976.

To indicate the size of that error, one can look at the corporate income tax for the preceding number of years: In 1970-71 it was approximately \$58 million. In '71-72 it was approximately \$68 million, and in '72-73, approximately \$98 million. In '73-74 it was \$112 million, and in '74-75 the amount escalated to a figure of \$275 million. In 1975-76 the forecast estimate is approximately \$262 million.

There is a logical explanation for the federal government making such substantial overpayments in those two years, and it relates to the fact that in the spring of 1975 the federal government introduced the discriminatory policy of not permitting royalty payments to be deductible for income tax purposes. In addition, there was a time lag between when the federal government applied to its payments to the Alberta government the effect of the Alberta royalty tax rebate and the royalty tax credit aspects of ALPEP, which was introduced to offset this disastrous federal policy.

The net result is that in 1976-77 there will be an underpayment to Alberta, in respect of corporate tax, to offset the overpayment made in the two preceding years. The Provincial Treasurer has confirmed that there has been a steady growth in the amount of corporate tax actually paid or payable by corporations in Alberta from about \$58 million in 1970-71 to approximately \$220 million in 1976-77. In short, corporate taxes have increased nearly fourfold during that period.

Mr. Speaker, some of the indicators that show Alberta's present economic position, the positive position it reflects on the business climate of Alberta, and the forecast economic stability of Alberta are as follows: the annual percentage growth rates in population in Alberta for '73-74 and '74-75 were approximately 2 per cent, and the labor force increased approximately 5 per cent over the same period. However, in the third quarter of 1975 a .9 per cent increase was recorded which would mean, if that trend follows, that by the end of 1976 we could have that figure escalate to approximately 3.5 to 4 per cent.

There are other indicators which bode well for Alberta and Albertans in 1976. The total estimate of investment in Alberta during 1975 was \$5.7 billion, a rise of 26.4 per cent over 1974. During the same period, the national Canadian figure was 14 per cent. Investment per capita in Alberta rose 22.6 per cent in 1975, while in Canada the figure was 12.3. A preliminary analysis of comments by Alberta businessmen indicates the following outlook by sector — perhaps I should limit it to just an overall statement: the Alberta economy, Mr. Speaker, is expected to totally outperform that of Canada in 1976.

I would like briefly to mention the goals of our Department of Business Development and Tourism, and relate those to our budget allocation during 1976-77. I should say, preliminary to that, that the philosophy of our department and this government is to support private industry, not to run it, and to promote the private enterprise system. With that as a basic philosophy, our major goals are diversification of Alberta's economic base, optimum upgrading of resources, balanced economic growth — and by that I

mean decentralization — expansion of existing businesses and enhancement of those businesses, travel planning and development, and socio-economic growth of the north.

Mr. Speaker, we are committed to decentralization for several reasons. It is a clear way we can provide opportunities for people who either live in rural Alberta, or want to live there and would work in rural Alberta if the jobs were available. The program improves the quality of job opportunity in rural Alberta. Many rural Alberta towns need an economic boost, as for the past 20 years virtually nothing has been done to stem the flow of rural Albertans into the urban centres. Most rural centres have the capacity to absorb economic expansion within their existing infrastructure of schools and utility systems. Therefore, decentralization is efficient and probably less costly. Increased tax revenue brought about by this decentralization will tend to reduce the percentage of taxes now assessed to residential property.

Mr. Speaker, the hon. Member for Spirit River-Fairview is quoted as having said industrial growth should be geared to the growth rate of population in the province. Just imagine what would happen if we took this to its logical conclusion. It would seem to suggest that the province which has a declining population should actually eliminate any effort at all towards business growth. I hardly think that would be proper.

Mr. Speaker, it was also suggested that there is no adequate opportunity for Albertans to invest in the development of our economy. Surely we should reflect very briefly on what happened when the Alberta Energy Company shares were put out for sale. In two weeks, \$75 million was contributed to the expansion of our economy.

Mr. Speaker, the Department of Business Development and Tourism maintains 10 regional offices throughout the province. They are located in St. Paul, Medicine Hat, Edson, Peace River, Lacombe, Grande Prairie, Lethbridge, Camrose, Calgary, and Edmonton. This is our way of decentralizing government services. The people in those offices work with economic development committees, chambers of commerce, action committees, and others to further community economic development.

Just very briefly, in the last two years some 530 new industrial manufacturing projects have been undertaken in rural Alberta as the result of the efforts of these offices, and 318 of those were in rural Alberta — 530 total, 318 in rural Alberta. These were accomplished by developing documents such as this with the economic committee. I have two of them before me, the one for Drumheller and the one for Milk River. When a company comes to the Department of Business Development and Tourism and requires some assistance in finding a location for their plant, or whatever it might be, we ask them where in Alberta generally they would like to locate. In the case of Johns-Manville, they said central Alberta. We proposed that they look at 10 different communities in central Alberta. Of those 10, the company chose Innisfail. Johns-Manville is now located in Innisfail, with a major project. Mr. Speaker, I could enlarge upon many others.

This does bring me to discuss briefly the downtown Lacombe situation, another project undertaken by the regional development branch of the Department of

Business Development and Tourism. I should review some of the things that transpired in 1974. The then Department of Industry and Commerce was approached by several Lacombe businessmen to determine whether government was in a position to assist them in redeveloping their downtown area, either in a financial or in another way. Following these discussions, and others after that, the department agreed to undertake a study, at a cost of some \$53,000, to determine the feasibility of rejuvenating downtown rural Alberta. The study was undertaken in Lacombe because some overtures were made by the Lacombe group. The study indicated that the nature of the proposal by the Lacombe group could not and would not proceed without financial input by the provincial government. However, it was suggested to this group that they might approach the Alberta Opportunity Company to receive financing if they so desired. I understand there has been no communication with the Opportunity Company at this date.

Mr. Speaker, it should also be mentioned that the proposal was taken forward to the rural development cabinet committee and eventually to cabinet. Because of the massive implications of this proposal during a time of restraint, the proposal could not be proceeded with. The program unfortunately was dropped. However, that should not deter the Lacombe group from proceeding. We know of several communities in and outside Alberta which have developed their downtown areas. High River is one such community which has proceeded very successfully. Coronation and Innisfail are two others which are making some great strides towards downtown redevelopment. In closing this issue, I would like to say that I commend the hon. Member for Lacombe for initiating the approach to the rural development cabinet committee, and for his continued efforts to see that this thing was shepherded through properly.

Mr. Speaker, some of the major things the department has been involved with other than rural development, which will obviously continue during 1976 with both neighboring governments and in our province, are: to establish an Alberta position or an Alberta-plus position with regard to the development of steel, petrochemicals, professional services, northern provincial design caucus, provincial government liaison, and others. Hon. members will recall the documents tabled in this House relative to the development of the petrochemical industry.

Mr. Speaker, you will recall we had a question during the question period today to the effect: will the fact that Du Pont is not planning to proceed with its high-density polyethylene plant at the moment have a detrimental effect on development of the Alberta Gas Ethylene proposal for an ethylene plant at Joffre? Mr. Speaker, it will have absolutely no effect because of the way the petrochemical industry will be developed in this province, or anywhere else in the world. It's developed on a building-block basis. The first of those building blocks is straddle plants. [There are] three of them in Alberta, located at Cochrane, Empress, and Edmonton. A gathering system will combine the ethane from each of those straddle plants. The ethane will be delivered to Joffre, north of Red Deer. Ethylene will be developed at this plant. It is our high priority that ethylene be used to manufacture all the derivatives: low-density

polyethylene, vinyl chloride monomer, all of them.

It should be noted that in the letter we received from the companies, they said they will ensure that ethane and ethylene are not shipped out of Alberta for use as petrochemical feedstock in such a way as to impede or hinder the development of the petrochemical industry in Alberta. That was the other question asked in a newspaper article: are we going to simply let this thing slip out of our hands?

I would like to read to you from a statement made by the Premier on May 16, 1974, in which he says:

There is a need for new facilities in Canada to serve Canadian markets now, and Canadian markets are the key because of the high tariff barriers facing exporters.

Mr. Speaker, he's speaking of the petrochemical industry. To quote again:

This opportunity is, however, one that can be lost for perhaps a decade because of the peculiar circumstances . . . Expansion of [the] petrochemical facilities in Alberta is promising now because of the critical need, due to the large investment, [of] having a long-term assured source of feedstock, which essentially means the by-products of natural gas [and] crude oil.

To quote further from this document:

. . . we are aware that federal actions and jurisdiction could be used to force-feed the SOAP project . . .

and that is Petrosar,

. . . despite our objections because of their jurisdiction over interprovincial trade. . . . we believe Albertans will agree with our conclusion that it is unreasonable [to] the extreme to expect Alberta to supply crude oil, owned by the people of Alberta, at subsidized prices for further expansion of the petrochemical industry in Sarnia at the expense of development of our own petrochemical industry in Alberta.

Mr. Speaker, the petrochemical industry is extremely attractive to Alberta and Albertans for several reasons. We do have an assured source of feedstock. The jobs involved require a broad variety of skills and are highly paid. The industry provides great scope to branch out to small business enterprises. The third-stage processing can well be located by small businessmen in smaller centres. The environmental impact can be effectively controlled. Comprehensive petrochemical manufacture in the province can secure a long-term supply of finished products. Finally, such processing industry brings science and research concentration to Alberta with all its valuable throw-offs.

Mr. Speaker, you can imagine the devastation we felt in Alberta when Petrosar was created. Alberta's attempt to establish a petrochemical industry received a severe setback, primarily because Petrosar will be moving into the production of a number of derivatives before the completion of the proposed Alberta project. This means that increased supplies of low-density polyethylene and high-density polyethylene will be available and, in fact, have precluded these derivatives being produced in the first phase of the Alberta project. Mr. Speaker, from my standpoint it's unfortunate that we weren't in government in 1971. At least we could have made an attempt to ward off or short-circuit the establishment of Petrosar

at Sarnia.

One of the other hurdles that must be cleared before the petrochemical industry can be established is that of increased transportation costs, of bringing the product to heavily populated market areas. For the most part, the new petrochemical plants will be built in greenfield sites, which adds expense.

Mr. Speaker, the one thing we do have is the most stable government in Canada, and undoubtedly North America. We do have that assured source of feedstock. We have a tremendously positive economy. So we are not pessimistic. But we do recognize the difficulties the companies will have in developing this industry.

Mr. Speaker, this brings me very briefly to the Alberta Opportunity Company and an indication of how we propose to diversify and decentralize with the moneys allotted to the company. Obviously we will continue to place our priorities on small business development. We still have a limitation of \$500,000 per loan. But I should review for you the fact that over the last nine-month period, 171 loans with a value of \$23 million were made; 112 of those went to rural Alberta, and 76 per cent of the loans were for under \$100,000.

It's a great success story, but they're not all successes, Mr. Speaker. I think I should give you just briefly an indication of the kind of thing we become involved in with the Opportunity Company: a loan to a pharmacy; a loan to a motel; a loan to an aircraft repair organization; one to a water well drilling equipment operator; one to a jewellery store; a caboose company which is really a restaurant; and a truck depot. Those are all positive ones, Mr. Speaker. There are 171 of those this year. But I would like to remind hon. members that it's not all roses. We do have our failures.

One such failure was Compak Foods. This was an attempt by private entrepreneurs to become involved in food processing. Perhaps their attempt came a little early. In any case, Compak's problems — if I might identify them — resulted from the original consultant's report overestimating the institutional food market in Canada, particularly in western Canada. The management attempted to commercialize a high-risk venture at a time of a depressed economic situation in frozen food. Traditionally, investment in frozen foods is high-cost initially, and pays back over a long term. These factors resulted in an overcapacity plant, 12 million pounds per year, with variable cost break-even at a 6 million pound per year situation. Escalating costs and other factors, which I need not mention, led to a serious capital overrun, and a receiver had to be appointed.

I now would like to deal briefly with another area which I find very exciting and sometimes extremely sensitive. That is the area of our marketing division and the Export Agency. We have attempted, over the last nine months, with the Minister of Agriculture, to integrate the total marketing function of the Government of Alberta into one solid organization that works together. We have been successful to a major degree. Over the course of the last 10 months, I would suggest that the Export Agency — to call it that — has been responsible for the realization of something like \$70 million worth of products marketed out of the country through its personnel bringing together the buyer and the seller.

Through the marketing branch of the Department of Business Development and Tourism, we have also developed a support function for operators. We have been involved in major shows — the offshore oil show in Aberdeen, Scotland — which could result, over the long term, in some several millions of dollars in product and expertise sold by Alberta firms.

Hon. members will recall the \$40 million to \$50 million sale of pork to the Japanese just very recently, which was entirely the responsibility of two members of the Export Agency, with background inputs by the Department of Agriculture.

Recently there was a mission by the marketing branch of the department to the South American countries in conjunction with a federal program down there. One of our officials from the department and nine private-sector people attended at this major mission. The results will flow back to Alberta over the next several months and years.

I should mention, too, the Export Agency doesn't win them all, nor does any department of government that's out beating the bush, attempting to do something in the province of Alberta. One such loss I would like to mention is Canadian Cane. This organization is involved in the manufacture of cane, of equipment to convert cane into forage for livestock. You wonder what we're doing manufacturing such equipment when we don't even grow cane. However, it was a federal program initially. They spent several millions of dollars in research and development, and Alberta guaranteed working capital for the manufacture of this equipment. The purpose was to put the equipment together and sell it to the developing countries. Several problems resulted.

First of all, the price of sugar rose so high that nobody would feed it to cattle. Secondly, the beef price dropped substantially or remained static, so there was also a second reason for not feeding cane. The third thing was that in these developing countries they have only so much money. There was a shortage of foreign capital, and they could not use that capital to develop further food-processing situations where carbohydrates would be converted into protein. Rather, they had to use their foreign capital to invest [in] or purchase energy.

Two other areas I'd like to deal with very briefly, Mr. Speaker, are of course tourism and northern development, both extremely high priorities with this department and with the government. We now have, as you know, an assistant deputy minister in charge of tourism in the department. That splits the branch into three arms: an administrative arm, a business development arm, and a tourism arm. The priorities of that branch of our department are to develop Alberta as a year-round major travel destination area, to optimize the impact and contribution of tourism in regional economic development in Alberta, and to foster the development and improvement of physical facilities, attractions, and events required to meet the needs of the resident and non-resident visitor.

In 1974, Mr. Speaker, \$528 million in direct revenue was realized as a result of the promotion of the private sector and the Travel Alberta organization. That figure, in terms of direct revenue, has escalated for the 1975 year to \$618 million of direct revenue, generated by the private entrepreneur out there, beating the bush, supported by the government. That's an increase of 16.7 per cent — the highest in

Canada. On the basis of dollars generated for each dollar spent, Alberta ranks second of all the provinces and jurisdictions in Canada in generating revenue.

Finally, I'd like to deal very briefly, Mr. Speaker, with northern development and what we propose to do in that 125,000 square miles located above the 55th parallel. It's larger, as a matter of fact, than West Germany. It contains something of the order of 70,000 to 80,000 great Albertans. It is an area of sophisticated industrial development and unique farmland.

It is the grain capital of Canada, and probably of the British Commonwealth. There is a town in that area called Sexsmith which, in my time in the north country, shipped more grain than did any other town in all of the Commonwealth. I think they still have that title.

It is an area, from the standpoint of the Northern Alberta Development Council, served by nine members who are resident up there, except for me. I like to consider myself as a northern Albertan in any case. The goals of this branch for 1976 are: socio-economic development; development of major natural resources; expansion and diversification of agriculture, tourism, forestry, mining; and working with the Government of Canada regarding the needs of the northern people and development of their communities regarding land tenure and strong local government.

Very recently, Mr. Speaker, we signed the interim north agreement with the federal government which provides a considerable amount of money for our branch. I'm a little shocked that the hon. Leader of the Opposition should be so unschooled in what is going on in his province. He suggests that the Peace River region is forgotten. Well, I can tell you I served in this House as an opposition member, and I can recall the then chairman of the Northern Alberta Development Council attempting for six or seven days in a row to stand up and say his little piece about what was not happening in northern development or northern Alberta. He couldn't even get on his feet, Mr. Speaker. So that shows you the respect the former government had for the north, or the concern they had for its residents.

Just very recently, Mr. Speaker, we did hold a conference in Peace River, which 200 northern Albertans attended. A great number of the resource people came from outside of the north country and outside of what I consider the jurisdiction of the Northern Alberta Development Council. The purpose of that conference was to give the people of the north an opportunity to see where the development was going to take place, to give them an opportunity to become involved.

That brings me to another point. The hon. Leader of the Opposition is quoted as having said that northern development has been downgraded. I hardly think that's fair. They now have a full minister responsible for northern development, and he happens to be the chairman of the Northern Alberta Development Council. So I think those statements made by the hon. Leader of the Opposition aren't even worth remembering. I'm sorry to have brought them up.

Mr. Speaker, that briefly is what I would like to say. I'm absolutely delighted with the address by the hon. Provincial Treasurer. I'm delighted with the forecast

for achievement by this province. I'm delighted with the options we have open to us because of the policies of this government, because of the stability of the government, because we have the lowest taxes in Canada, because we have no sales tax. In fact, Mr. Speaker, I can't think of anywhere else in all the world I would sooner live than in some part of this 255,000 square miles.

Thank you.

MR. NOTLEY: Mr. Speaker, I certainly welcome an opportunity to take part in this debate, especially to follow the hon. Minister of Business Development and Tourism, who appears to be developing the reputation and image of being the new heavy, the man who is going to slay the opposition single-handedly with the eloquence and incisiveness of his debate.

Mr. Speaker, I just want to make a few observations with respect to the hon. minister's initial comments about the reduction in the corporation tax revenue. The minister made considerable reference to that. He suggested that outside the House I was distorting the picture. Mr. Speaker, we're going to have a little debate today on the revenue of the province of Alberta.

I'd like to just point out, Mr. Speaker, that I was very interested in listening to the hon. minister talk about the increase from, I believe, \$58 million to \$220 million, an increase he suggested [was] almost fourfold. However, the minister himself was doing a little playing with figures, because he forgot to point out — as hon. members can see, if they carefully read Table 3 in the budget — that the figure of \$220 million is not really what we're going to receive. Less the credit, the amount coming in will be \$156 million, or only 5.3 per cent of our revenues. The hon. minister forgot to point that out.

I'm not suggesting he's trying to distort the facts. I do suggest, however, that he read the budget a little more carefully. I also suggest, Mr. Speaker, that he look at the figures contained in Table 3. He'll find that in 1973-74, long before the changes in federal taxation that this government was so concerned about, the income from corporate taxes was \$115 million. But if you compare that as a percentage of the total revenue of the province, Mr. Speaker, the hon. minister will find that that represented 6.8 per cent of our income in 1973-74. This year, the amount will only be 5.3 per cent of our income.

So, Mr. Speaker, the question of how much we are obtaining from the corporate taxes of this province is quite clearly one of the most relevant parts of any serious assessment of the revenue of the province of Alberta. I also point out that tax rates are not the Holy Writ. It's certainly within the bounds of this province to increase corporate taxes if there's going to be a substantial decline this year.

Mr. Speaker, when I see that corporate taxes represent a smaller percentage of the 1976-77 budget than they did of the 1973-74 budget, before we even got into the hassle over the deductibility of royalties, before oil profits began to soar to their record levels, I really have to ask the government. It's strange indeed, at this time of record profits, that we're not able to have at least a higher percentage of our revenue coming from this source.

Mr. Speaker, before going into some detailed

discussion of the revenue side of the ledger — and I think it's important we do that, because the discussion in the House to date has concentrated on expenditures. But I think we have to take a pretty close look at revenue in the years ahead.

I think it would be incumbent upon me to say a little bit about expenditure, and first of all to contrast the rhetoric of this year's Budget Address, where over and over again we hear the words restraint, caution, et cetera. Mr. Speaker, it's interesting if we compare that kind of rhetoric with the pre-election rhetoric, the words in the budget brought in by the former Provincial Treasurer, Mr. Minielly, before the last provincial election.

At that time, there was very little reference to caution or restraint. As a matter of fact, when I read the budget speech of 1975, I see glowing reports about what a wonderful province this is, the fact that everything is hunky-dory, and we've got money for everybody — you know, a government that runs around the province handing out cheques here and there and elsewhere. No talk then about restraint, Mr. Speaker.

Suddenly after the election, this government was converted to restraint. Mr. Speaker, their credibility among the electorate of Alberta would be somewhat greater had the government come out with their 11 per cent guidelines before the election, had they announced before the election that fighting inflation was now the newest and greatest cause.

Mr. Speaker, there's no real excuse that they didn't have any advice, because we can even look to the year before and listen to their federal counterparts in Ottawa, Mr. Stanfield and his colleagues, who were warning the country about the dangers of inflation. Even though they've been talking about that for a year, Mr. Speaker, somehow that message didn't get across to the boys in Alberta, until — surprise, surprise — after March 26. Then we saw the new look arise.

Yes, Mr. Speaker, it's a little difficult for many people in Alberta to take this government seriously when, for example, they talk about restraint when you look at some of the things outlined in the Provincial Auditor's report: the \$9,200 that was spent to send four temporary employees to New York for a management seminar. What in heaven's name we're doing sending temporary employees to New York for a management seminar is beyond me. But at this time of restraint, people are going to be asking questions like that, or [about] the cheques handed out before the last election, Mr. Speaker, or the \$6,500 paid to an Alberta artist, in part to cover the cost of a bronze bust of Premier Peter Lougheed.

Mr. Speaker, the fact of the matter is that when this government now says, oh, we've got to fight inflation; we've got to restrain government expenditures, I would be the first to recognize that they can change their minds. Far [be it] from me to suggest, especially in this province, that a Provincial Treasurer couldn't be born again as it were.

But, Mr. Speaker, if the Provincial Treasurer is going to be born again, usually the process of redemption follows confession. We hadn't any confession about their ill-spending, free-spending ways before the election. Instead we now have all sorts of pious, flowery comments about tightening the belts of our hospitals, of our school divisions, of other levels

of government — after, of course, the election date has conveniently passed.

Well, Mr. Speaker, this government has a credibility gap a mile long. The Provincial Treasurer knows it, the members in the front bench know it, and I think even the backbenchers realize it as well.

Mr. Speaker, in my view the 11 per cent guidelines which have been announced don't really deal effectively with the question of waste in government. I'm of the view that we have to take whatever steps we can to eliminate waste and extravagance in government. I've mentioned in this House before, and I draw to members' attention again, the extensive use of consultants' fees. But when I look over the Estimates, of course, our new program or semi-program budgeting system doesn't allow us to find out at first glance just how much money will be spent on consulting fees.

I'm going to try to get that information, and I would hope this government is at least living within the federal guidelines on such things as consultant reports, travel, what have you. Mr. Speaker, we'll wait and see. We're not in a position to know that, because that information wasn't provided in the Estimates, as would have been the case in past years.

Or we have the new cars for the deputy ministers, or the renovation of Government House. Frankly, Mr. Speaker, I don't mind standing in my place and taking exception to spending \$1.7 million, or however much it is, on renovating Government House at a time of restraint.

I know that an editorial in one of the major newspapers in the province suggested that Government House was almost on a par, or was on a par, with the Legislature Building. Frankly, I found that a rather astonishing statement: that the former residence of the Lieutenant-Governor is somehow on a par with the place where the people's representatives presumably guide the province of Alberta. I found that a very astonishing comparison. In any event, Mr. Speaker, I think most Albertans would agree that the renovation of Government House is a luxury we can postpone, if in fact we're seriously going to fight inflation.

Or we've got the Public Affairs Bureau. I notice the federal government has decided to eliminate Information Canada — after a good deal of pressure, I might add, from the Tory MPs — and rightly so. But what are we doing with the Public Affairs Bureau? We're just moving right along, Mr. Speaker, spending money on a propaganda machine which, as I see it, has very little value to the people of Alberta.

I would say that this government has to recognize that inflation must be tackled on a broader front than simply bringing in 11 per cent guidelines. We've got to recognize that not only do public expenditures have a bearing on inflation, but so do private expenditures. There's very little planning in simply putting the brakes on public expenditures such as hospitals, school boards, or what have you on one hand, while we allow increases in the private sector.

As a matter of fact, one of the most interesting documents I've looked over was a document called *Management and Growth* prepared for the old Department of Industry and Commerce. It pointed out very clearly that one of the major components of inflation in this province would be unstaged growth — major developments tumbling over one another —

and that the impact of too many major projects would push up the price of everything: the price of cement, wiring, every component of construction in the province of Alberta. Well, Mr. Speaker, I think we've seen that. We've seen that one of the reasons we have inflation in Alberta today — quite apart from the money we spend on social allowance, education, or what have you — is that we have major developments going ahead too rapidly. As a result of one tumbling over the other, we are now — all of us, whether we're building houses in Calgary, Fairview, Drayton Valley, or Empress — having to compete with the demands of some of these major projects.

Certainly, we need to develop projects so that we sustain employment in the province of Alberta. But the point the *Management and Growth* document made, and I think it has to be underlined, is that these developments have to be planned, have to be staged, so they do not contribute to a topsy-turvy inflationary spiral which simply pushes up the costs to everybody, not only of that project, but of every other building project too.

We've seen what's happened by moving ahead overnight with our natural gas co-ops in the province. We decided to go ahead at once, all over Alberta, so there were not enough contractors or engineers. We had people stretched to the line and, as a consequence, the price of the total installation went sky high.

Mr. Speaker, it seems to me that if we're going to be dealing with inflation, simply singling out government spending — in the way Herbert Hoover would have singled out government spending in 1929 — is not really going to deal with the problems of a modern economy, either of inflation in the short run, or the fear of stagnation over the long haul. What we have to do, it seems to me, is look at total investment — private investment as well as public investment. Mr. Speaker, the government is not doing that effectively.

Nor are we providing relief for those people affected by inflation in the way the province of Alberta could. For example — I'm sorry the hon. Minister of Business Development and Tourism has left — one of the moves the Alberta government could make in reducing the retail price of gasoline would be to stop dragging its feet on the long-standing requests of the Automotive Retailers' Association for functional divorcement: the oil companies withdrawing from direct operation and control of retail businesses, and that retailers must be free to purchase gasoline at competitive and equitable refinery prices without discrimination.

We had a report prepared by a task force of members on the government side of the House, which was tabled in 1973 if my memory serves me right. Yet no action has been taken on that report. I'd like to quote from a letter to the Premier from the Automotive Retailers' Association. It says:

We believe that such legislation will result in an overall reduction of wholesale prices, and a levelling off of retail prices, a [healthy] and more independent service station business will then offer a choice of service and prices on a more truly competitive retail market.

Well, Mr. Speaker, at a time when inflationary pressures exist within the Alberta economy, one would think that some move would be taken on this

matter. It's not as if the government hasn't had advance information. We had the McKenzie Report tabled in the House in 1969. Just shortly after 1971 when the government took office, they said they were reviewing the report. Since that time, the Automotive Retailers' Association, at every turn of the road, has presented its case and presented it reasonably and logically. But the government — like Sir John A. Macdonald, old "Mr. Tomorrow" — is always going to look at it, review it, consider it, delay, procrastinate, postpone. Well, Mr. Speaker, in my judgment that just simply isn't good enough.

We've got the lack of competition in the retail food business in the province of Alberta. The Mallen Report on the Economic Concentration of the Canadian Retail Food Trade comes to the conclusion that we have a very serious concentration of monopoly power in supermarkets in western Canada, and that were we to have genuine competition, the consumers in Edmonton could save 6.9 per cent on their grocery bills, and in the city of Calgary some 7 per cent. Well, Mr. Speaker, what has happened on this report? Again, nothing. The government says, oh, we're going to review it. We're going to carefully analyse it. But no action is taken. Again, this Mallen Report comes on the heels, six or seven years past, of the Batten Report on food prices in the prairie region.

I remember the Premier, when he was Leader of the Opposition, holding a news conference and demanding that the former Social Credit government do something about the Batten Report. He got the front page of the *Edmonton Journal* — a full-page picture, headline, the whole bit — demanding that some action be taken. But now you see the front bench — we can wait. We'll study it a little more, postpone. Well, Mr. Speaker, at a time when inflation is a real factor, especially with lower income people, one would think that some genuine competition in the retail food business was long overdue.

I agree with the government that no controls should be put on the farm gate as far as agricultural commodities are concerned. But that's a very hypothetical issue at this stage because almost every economist or observer recognizes that, with the exception of possibly cattle towards the end of this year, farm prices are not going to go up. The likelihood is that they are going down. But I think we can take some action at the retail end. We can take some action by injecting a little competition. For a government that talks so much about competition, Mr. Speaker, it seems to me rather strange they aren't prepared to take any action at all to legislate competition, either in the retail gasoline market or, for that matter, in groceries.

Mr. Speaker, one can look over the budget and ask who has won and who has lost. Well, that's pretty obvious. Some of the losers are the social service programs that are now facing cutbacks, hospital cutbacks — the Foothills Hospital has announced a 5 per cent cut in staff. The Red Deer Hospital has announced it will appeal its grant allocation for 1976, which amounts to only 8 per cent. Dr. Ken Sproule, board chairman, said hospital waiting lists could reach 1,000.

Mr. Speaker, even in Edmonton we have recently been told that the thermographic unit of the W.W. Cross Cancer Clinic would be eliminated. The saving from eliminating this device for the detection of

breast cancer is only \$9,000. This shows how tight the budgets of provincial hospitals are this year.

I listened to the minister say today that we're going to make allowance for an 8 per cent rate of inflation. You know, he's not kidding the hospital administrator. The administrators who have to live with that 8 per cent know perfectly well that the cost of power isn't going to increase by only 8 per cent. They know that AGT's bill won't go up by only 8 per cent. They know that natural gas will go up far more than 8 per cent. Yet, Mr. Speaker, we build in an inflation factor of 8 per cent which really won't cover the actual costs of maintaining existing operations. So only one thing can occur. The only thing that can occur is the kind of cutback I've cited today. Mr. Speaker, in my judgment that's just completely wrong.

In the time I have left this afternoon, I want to deal in a little more detailed way with the question of revenue. I already mentioned that the corporate tax revenue has dropped from \$262 million net last year to \$156 million this year, a drop of \$106 million. Mr. Speaker, when one looks at Table A3, and I think all of us should consider that very carefully, some obvious conclusions have to be drawn. The first conclusion is simply this: while we have a substantial income from our non-renewable resources, 45.4 per cent — and we've had debates in this House over what the royalty structure should be, and I've listened to members across the way, you know, plead the case for oil companies on many occasions — the fact of the matter is that this revenue is going to be a declining percentage of our total.

Why is it going to be a declining percentage? For the obvious reason that we have lifetimes in our oil and natural gas fields that are gradually shrinking. Over the next 10 years, our production rates are going to be dropping. The hon. Provincial Treasurer knows it. As a matter of fact, I believe the new-found spending restraints are due more to the projections of revenue than to any sudden quest to fight inflation as a national cause. But in any event, Mr. Speaker, the fact of the matter is: with 45 per cent of our income now coming from natural resource revenues, we know perfectly well that this is going to be declining in the future.

That means that we as Albertans have to begin right now to assess what the revenue picture for Alberta will be five years down the line, 10 years down the line. It isn't good enough for the government to say, we're looking after your future because we're setting up a heritage trust fund. No one argues that point. I think it's wise to diversify the economy. But at the same time, while we still have the umbrella of significant natural resource revenue, we should be looking seriously at restructuring the tax system so we can make allowance for the decline in resource revenues which is going to occur over the next decade.

Now, Mr. Speaker, when one looks also at the revenue side of the picture, members will note that the Government of Canada [accounts for] some \$518 million or 17.7 per cent of our revenue. Break that down a little bit and you find that the largest part of our funding from the Government of Canada is in two crucial areas, medicare and hospitalization.

What's taking place now in both those areas? We had Mr. Lalonde and his colleagues at the federal

level trying, you know, to narrow down the commitment of the federal government, trying to reduce it over a period of time. I'm disappointed that the hon. minister in charge, the Provincial Treasurer, and the Premier haven't been making the kind of continued opposition effectively felt on this matter that other provinces have, and indeed that some of the Conservative members in the House of Commons have.

It's wrong, Mr. Speaker, for the federal government to push provinces into cost-shared programs and then unilaterally begin to phase out their share of the funding of those programs. But, Mr. Speaker, anyone who looks at the revenue picture of the province of Alberta, when you see what Ottawa is doing at the moment, you have to be concerned over what impact that reduction of increase will have over the long haul. No matter how tight-fisted the Minister of Hospitals and Medical Care may think he is, the fact of the matter is that the cost of operating our medical care system, the cost of operating our hospital system, is going to be greater than the cost-shared commitment from Ottawa.

I would say to the government that we should be fighting this move by Ottawa to wreck the system of equally cost-shared funding. It's fine, you know, for Ottawa to say, we've got to bring in restraints. But the method by which they are doing it, in fact, Mr. Speaker, is going to disrupt basic hospital and medical care services right across the country. I know this is going to be more a problem in the poorer provinces such as Newfoundland, P.E.I., or Quebec than it is in the province of Alberta. Nevertheless, when you look at the revenue side of the equation, when you see that such a significant percentage of our revenue comes from this source, it seems to me we have to express concern.

The reason I believe that during this period when we have some resource revenue as an umbrella we should set up a Carter type of royal commission to examine the taxation system from top to bottom is: as we find that the projections of revenue begin to flatten out — and no matter how many restraints the Treasurer attempts to put in, our expenditures are increasing faster than our revenues — the attempt will be made to shift the taxation burden from those taxes which are related to the ability to pay to those taxes which are not, to those taxes which are regressive.

When we increase medicare premiums, for example, the man who makes \$8,000 or \$10,000 a year pays just as much as the man who makes \$100,000 a year. When we increase user fees in old age homes or nursing homes, that is a penalty upon low-income people and a regressive form of taxation. When we don't come to grips with present urban problems and they have to increase the property tax, both for municipal expenditures and for education, and then turn around and increase user fees such as bus fees, that too, Mr. Speaker, is a form of regressive taxation.

I simply say that, in my view anyway, one of the major objectives of any modern taxation system has to be the recognition that people should pay tax in relation to their ability to pay. That is why I think it's so important now, while we still have time, that rather than backing into a completely regressive taxation system, we set up the commission to do a thorough assessment of just where we're getting our

money from and what the yield from these different types of taxation measures will be down the road.

I think it's time we as Albertans collectively began to discuss the future of the revenue side of the equation. There's no point in living in a fool's paradise and saying that just because the Provincial Treasurer has brought in what he claims is a 7 per cent restraint budget — and it's actually 16.8 per cent because of the special warrants last year — this problem is going to be solved. All you have to do is look at the revenue side of the equation, Mr. Speaker. When you see that two of the largest sources of revenue are declining, it doesn't take any great genius to know that we're going to have trouble down the road unless we begin to think seriously about that today.

I know some will say, why have a commission to study it? Admittedly, Canada does not have the fairest taxation system. But, Mr. Speaker, it does have a fairer taxation system because of the Carter Report in 1966 than it did before the Carter Report was commissioned and made its findings public. The Carter Report made it possible for those in government to assess seriously the taxation system of the country. I think that's what we need in Alberta. We just can't assume that this money, like manna from heaven, will be flowing in forever.

That's why it's important, you know, that we be concerned about corporate tax revenue. One of the arguments for diversifying the economy that the government keeps using, and I agree with this argument, is that you broaden your tax base. That's a very good argument. But by the same token, as you broaden your tax base, you must also have in place a tax rate so that you have a proper and realistic yield from your corporate taxes. When I see 6.8 per cent of our revenue coming from corporate taxes in 1973 and 1974 and only 5.3 per cent this year, Mr. Treasurer, you can have the eloquence of William Jennings Bryan, but you're not going to be able to make a case for that sort of reduction at this time.

In general conclusion, Mr. Speaker, as I look over the budget, it's interesting first of all to compare the difference in style from a government in February of 1975: no restrictions, unlimited horizons, money could be spent on whatever cause, if people needed the money, just spend 'er, boys — the wild expenditures, [interjections] Now that the time has come to deliver on those promises, they have found a new cause: restraint, caution. Well, Mr. Speaker, I simply say to the members of the House that this sort of double standard really isn't going to be bought by the people of Alberta, no matter how many pious platitudes the hon. Provincial Treasurer and especially the hon. Minister of Telephones and Utilities try to bring forward.

DR. WARRACK: Utilities and Telephones.

MR. NOTLEY: Utilities and Telephones. I stand corrected, although I'm very pleased to see that the hon. minister is entering the debate, Mr. Speaker. I'm not surprised that he's in the House, rather than out with the rural gas co-op people. If he went out with too many of the rural gas co-op people, he wouldn't come out of it alive, Mr. Speaker, as a result of his incompetent administration of his department.

But, in any event, in general conclusion — and I

think we may well see the conclusion of the political career of the hon. Minister of Utilities and Telephones and that would be welcomed by most of the rural gas co-op people in the province . . .

SOME HON. MEMBERS: Oh, oh.

MR. NOTLEY: But Mr. Speaker, I think the issue at this point in time is: how are we going to come to grips with the revenues? I say to the members, and I say this very seriously, now is the time for us to take a positive look at where we are collecting the money to run the operations of the Alberta government. I suggest that the proposal I have made is a reasonable one and merits support.

Thank you.

MR. TRYNCHY: Mr. Speaker, it's my pleasure to enter this debate and offer some comments on the budget as presented. I'd first like to start off with some observations on the speeches we've heard so far. I must confess that a number of them are real good. [They] bring up some good points, and are worthy of this House.

The speech by the hon. Leader of the Opposition, I thought, didn't say anything. He went on to say that this government wasn't accessible to the people, the ministers were not available, we had a closed shop, and a number of things. I'd like to point out to him, Mr. Speaker, on his trip through my constituency where he was seeking the advice of the people, what did he do? He called every town council and said, I'd like to meet with you *in camera*. I want to know what's going on, but I don't want the people to know what I'm doing here. Really, when one speaks of closed government, no accessibility, I just wonder who he's trying to fool.

Mr. Speaker, I listened intently to the hon. Member for Spirit River-Fairview. I guess the only thing he really wanted to do was to increase the corporate tax.

I don't really think he understands the full context of the budget. I would suggest that maybe he could sit down with the Provincial Treasurer and go over it again, because he really didn't get it today either when the minister represented the true figures.

MR. NOTLEY: You enjoyed it, Peter.

MR. TRYNCHY: Mr. Speaker, he talks about the kind of policy he'd like to put in. [He] wants to increase corporate tax. I just had before me the budget highlights of an NDP government, a sister province to the east. They didn't do it, and I wonder why. What kind of policies [does] this NDP member have that . . .

MR. NOTLEY: They've already done it.

MR. TRYNCHY: . . . the government hasn't got in Saskatchewan. Yet, going on to Saskatchewan, what did they really do to date?

MR. HYNDMAN: They increased taxes [inaudible]

MR. TRYNCHY: They increased the diesel fuel 5 cents a gallon to farmers.

AN HON. MEMBER: Shame, shame.

MR. TRYNCHY: They increased the gasoline tax by 3 cents a gallon. They increased the cigarette tax by 6 cents a package. They had a 10 per cent surtax on income tax.

MR. NOTLEY: For the people who've got it.

MR. TRYNCHY: Mr. Speaker, everything they've done was increase — increase to the poor farmer, the poor people who have to drive a car, and so on.

MR. NOTLEY: Poor lawyer, poor lawyer.

MR. TRYNCHY: Mr. Speaker, he went on to mention that all we can do is hand out cheques. I'd like the member to go through his constituency and ask all the organizations that received these community hall cheques, cemetery cheques, and other cheques for community clubs, which one of them would like to give it back at this time. I suggest to you, Mr. Speaker, not one, not one.

MR. NOTLEY: Just before the election.

DR. BUCK: Nobody shoots Santa Claus, Peter.

MR. TRYNCHY: Mr. Speaker, these programs that were presented were good programs. They were a credit to rural Alberta, as well as the cities. I'll tell you, Mr. Speaker, there isn't one person who wouldn't stand up for that, be it in his constituency or mine.

He says we have no credibility as government. Well, Mr. Speaker, as far as I'm concerned, he has no credibility as opposition.

It's pretty easy, Mr. Speaker, for a member to stand up and distort and condemn and run around and say things. But why not propose something concrete or something positive? I have yet to hear anything that is of consequence, or something that we could even use and let him get the credit for — not a thing.

Mr. Speaker, he speaks of Government House, something that we as Albertans should be proud of.

AN HON. MEMBER: Hear, hear.

MR. TRYNCHY: I'm proud of it. I'm really pleased we're fixing it up before it falls down around our ears. I guess he would say, let's let it go to ruin, let's do what the other government did, kick out the Lieutenant-Governor, and not spend a dime on it for years. That's what we should do. Well I say no. This isn't Government House, this is people's house. It belongs to the people of Alberta.

AN HON. MEMBER: Agreed.

DR. BUCK: Did you say house?

MR. TRYNCHY: And I'll tell you, when the opening is there, Mr. Speaker, I hope the people of Alberta can appreciate what we've done for them.

DR. BUCK: Can we touch that . . . [inaudible], Peter?

MR. TRYNCHY: Mr. Speaker, we have some interruptions from the other side. I wonder if the hon. member from Fort Saskatchewan would like to speak now. Or does he want to wait till I'm done?

DR. BUCK: Mr. Speaker, can the hon. member tell us when he's going to start?

MR. TRYNCHY: Mr. Speaker, the hon. Member for Spirit River-Fairview said, we don't need growth in Alberta, because it's hurting us. We don't need gas co-ops. We don't need housing. We don't need a lot of things . . .

MR. NOTLEY: Mr. Speaker, on a point of order. I don't mind the hon. Member for Whitecourt twisting a little bit. But he's not allowed to misrepresent totally and completely. Now I know he does have trouble understanding. However, at no time did I say that we don't need rural gas co-ops. What I said is, we don't need the present Minister of Utilities and Telephones, which is a different matter.

DR. WARRACK: Smart aleck!

DR. BUCK: You can apologize.

MR. TRYNCHY: Mr. Speaker, after that unworthy, unnoticed comment, I want to proceed.

Really, Mr. Speaker, sure, when you have vitality in a province such as we have, growth will be there and prices will increase because of the supply. This can be expected. People who are in this business, such as gas co-ops, housing, and so on, expect this, because they know we're moving ahead faster than any other province in Canada.

He says we're not holding on to the 11 per cent guidelines. In one tone he says that. Next he says, yet we should spend more. Mr. Speaker, it confuses me. How can we hold the 11 per cent guidelines and spend more at the same time? It didn't even work in B.C.

Mr. Speaker, he mentions that we should get into the retail gas business. We should be more demanding to the gas companies, oil companies, to get out of business and turn it over to private enterprise. Really, Mr. Speaker, what we're looking for is competition. We want more involvement. As you drive [through] some of these streets in Edmonton here, you can see where they're having a gas war. This is good. But if we eliminate some of these oil people and have private enterprise that can become a monopoly, what do we do then?

I say to you, Mr. Speaker, we should stay out of the gas business. Let's encourage competition. Let's not be like the B.C. government at one time — we get into car insurance business.

He also mentions we should get into the grocery business . . .

SOME HON. MEMBERS: Oh, oh.

MR. TRYNCHY: . . . and hold the prices down. I say, we don't get into the grocery business, but we encourage competition. We encourage what the Minister of Business Development and Tourism said, let's get the loans out and encourage little business to expand. Sure, if we take a loss on some of these

loans, it's well worth it, because we have the competition that's necessary.

He goes on to say that we should kill the corporations. They're not paying their taxes. They're no good. Well, Mr. Speaker, if these corporations weren't here, would we get any tax? Would we have employment for our children, or for their children? I see nothing wrong with corporations in their place. They're good people. They're Albertans. They're Canadians. They provide employment. That's why we have a little over 3 per cent unemployment in Alberta, as compared to over 10 per cent in Canada — because of corporations and other enterprises.

Mr. Speaker, he says we should look at revenues. Well we should look at revenues, but we have to have corporations make these revenues. I have yet to see where a government which has interfered with business has made any revenue. Let's go back to the B.C. car insurance. There was a perfect example of government knowing best. The great white father was going to do everything, and ended up with an \$800 million deficit.

Mr. Speaker, we have revenue, and we are proud to set aside shortly \$1.5 billion in the heritage savings trust fund for future Albertans. I think that's a pretty bold, positive step forward which all Albertans can be proud of.

Mr. Speaker, I would like to go now to some of the concerns I have. I would like to start by saying that I thought the budget was a pretty good budget. We have had no tax increase of any kind in any field, and that's got to be pretty good when you are trying to hold the line.

Mr. Speaker, the people I represent are little people, and they have some concerns. I would like to express some of these concerns on their behalf and how this budget will work for us in my constituency — and possibly the same for all Albertans.

We have a pretty major road program throughout the province, and I'm really pleased when we eliminate these overpasses and expensive frills and go right down to the basics of making secondary roads and market roads available for rural Albertans and other people. That's a plus, and I'm pleased to note that I'll be getting my share of the budget. Maybe I'll be getting a little more than 11 per cent. Really I'm not that proud of getting more than 11 per cent. I hope it's not the pressure I put on some minister, but because of the need we have in my constituency, that made it so.

I'm pleased that the airport program is going ahead and the airstrip in Whitecourt will be paved. We'll have a first-class airport so we can look to third-line service down the road.

Mr. Speaker, the rural gas program is moving ahead and it's gone beyond expectation. Sure we have moved too fast, but I have yet to talk to one rural resident who didn't want natural gas and want it today. So how can you slow down? If people want it we have to provide it. I can just imagine what the opposition would say — maybe they wouldn't because I don't think they could catch on that fast — if we didn't do it. They would say, move, get in there and do it. We've done it. Now they condemn us for doing it.

Mr. Speaker, we have gone a long way in providing for senior citizens. I'm pleased that we are looking at self-contained units in Evansburg, Whitecourt, San-

gudo, Mayerthorpe, Wildwood, and I hope that becomes a reality in my area.

We have done something this year, Mr. Speaker, which was pretty hard to do some time ago, and that's to provide a hot lunch program for a school in Blue Ridge for a number of pretty poor children, children who come from poor families, and a lot of Metis people. We did this by cutting a lot of red tape, and we did it in about 15 minutes. So I have to congratulate the hon. minister for native affairs for helping me to get something we thought we could never get. But he moved right in there and he cut the tape. Maybe we are going to get our knuckles rapped from some bureaucrats but I say, good enough, let's move ahead.

Our street program, the grants we announced a few years ago, is moving ahead. I'm pleased that we were able to provide Fox Creek with a tax transfer of \$100,000, and my town of Mayerthorpe with \$40,000. That is a program which all towns are working on and appreciate. I would like to say that the town of Whitecourt is pressing the government for a second access to the town. I really want to say this, Mr. Speaker, that we must have it unless, of course, we are prepared to have a by-pass. The traffic on Highway 43 is getting to a point where if we don't have a second access we'll have to have a by-pass. That, of course, means a lot of money lost to the businesses of the town of Whitecourt. So we'll be meeting again, as we have this morning, with the mayor of Whitecourt to see if we can make this program a reality as soon as possible.

Improvement to Carson Lake in my constituency is going to make [it] one of the finest trout lakes in Alberta, if not in western Canada and maybe in part of the States. Improvement there, which is \$170,000, will make sure that no other fish can come into the stream to take care of the trout which were eaten last year by jacks and other species.

Mr. Speaker, I would like to move on to a concern that the farmers in my area have. I'm really pleased that the Agricultural Development Corporation has become more flexible in their loaning policies, and I hope they continue to do so. We must be prepared to be able to keep these farmers on the farm and do what we can to get over this difficult period. Because as we move along, things are going to improve and they are improving now. I hope the Minister of Agriculture will continue to pressure the federal government in a stabilization program for our cattle industry.

Mr. Speaker, we heard about funding for hospitals and I have a concern there too. I would like to express what I have here, Mr. Speaker, and I hope the information I received from the hospital administration in Whitecourt is correct. If not, I will hope to correct this after.

We just can't seem to understand where the 11 per cent guidelines come in, even though when I was first elected, the hospital budget was \$201,000. This year it's \$711,000, a little over 350 per cent increase. We're still frustrated by what we hear — and I hope it's not true — about this year's budget. Our budget increase provided for about 92 per cent to go into hospital and social services. I commend the ministers for this. But to me, the 11 per cent guidelines should be put on a basis of the total budget of last year. What I mean by total budget is the budget that was

approved and also the approved deficit. In the case of Whitecourt, the total budget and approved deficit was \$723,000. Their budget for 1976 is \$711,000. Now if we add this 11 per cent to the \$723,000, it should be in the neighborhood of \$80,000, making the total budget \$791,000. That should be the real figure. Mind you, speaking to the administrator, the board chairman, that's still not enough, but they are willing to accept it.

I say we really have to look at this situation again because Whitecourt is a booming town. Simpson [Timber] is coming on stream. It's an industrial town and there are many accidents. I think we have to look at this in a different light, and make sure we provide the services the people expect. I'm sure we'll have some meetings on this and I expect to meet with them again shortly.

Another thing I would like to see, Mr. Speaker — I know we don't have a program for it now, but I hope we can work one out — is front-end money for towns which are expanding. We've talked to the minister and he can appreciate the concerns along with me. But the town of Whitecourt needs \$4 million plus, and so do other towns throughout Alberta. We must be able to come up with some program so we can provide these funds, on short term if need be, so the towns can grow.

When we talk about vitality and town growth, I would like to point to something that has happened in my constituency since my election. In 1971, the town of Whitecourt had \$1.7 million of building permits. This last year they ended up with \$3.5 million, just about triple. That's pretty good for a town such as Whitecourt. Fox Creek, \$1.3 million is now up to \$1.7 million; Mayerthorpe, \$105,000 is up to \$560,000; Sangudo, \$19550 when I was elected, to this year \$337,500 — a 1,700 per cent increase. That's the kind of vitality we have in our towns. That's the kind of vitality we need and expect, and we have to have it.

DR. BUCK: Just think what they'd do with a good member.

MR. TRYNCHY: Mr. Speaker, in Evansburg, their total building permits in 1970 were \$37,000, and last year they were \$1,227,000; Wildwood, \$19,000 as compared to \$80,000; Entwistle, \$19,000 as compared to \$150,000. That's a pretty dramatic growth for rural Alberta, Mr. Speaker, and I think this government has shown the leadership in that area too.

Mr. Speaker, I'd again like to say that we should look at our policies for development of coal, and I'd like to make the plea again that we look at the deposits at Fox Creek and make them available if we can, instead of going to Dodds-Round Hill. I'd like to see us use some of the heritage interest funds that we accumulate over the years for research in agriculture in the gray-wooded soils, which represent about 75 per cent of Alberta. I'd like to also see this being used for community pastures.

There's something else I'd like to see us do, and this could happen in the years ahead. A number of communities are really suffering on account of power bills for arenas, curling rinks and swimming pools. I would hope we could come up with some type of policy to provide some funds, from the heritage savings trust fund interest or other areas, to pay the power bills for these projects. Or let's find out why

they have demand meters and maybe eliminate them. Are they necessary, and what are they costing?

Mr. Speaker, when I look at the budget and see that we have over \$902 million for hospitals and social services, and over \$880 for schools, this represents a really big portion of our budget: \$1,783 million. That's a lot of money. I hope that [as] Albertans, as elected representatives, [we] can take hold of the issue and make sure this money works to the best possible availability of funds and people-power. I'm sure if we give them the challenge, they'll do it.

We just noticed a pamphlet the other day that came out from the ATA. It says, call your MLA. They want a 15:1 ratio of students. They want 20 hours per week of teaching. Is this what we want? Well, Mr. Speaker, since that pamphlet, I've had six calls, one from an ex-teacher and five from residents who don't buy this policy. I have yet to receive a call supporting it. Really, I think we have to get down to basics in education and provide the three Rs.

Mr. Speaker, I know a few years ago when I went to school, all we got was the basic three Rs. I went through high school, and I know some of the students I went through high school with are all doing pretty well for themselves. They had no university. Some of them only had Grade 5, Grade 6, or Grade 8.

I don't think people have to have four or five years of university to be a success. I can name a number of people who have made it to the top on lower-than-normal education. I don't say that's what we should have, but let's get the basics into these people. Let's have some practical experience, and that's the way we can grow.

You know, Mr. Speaker, we all lean on government to do everything for us. I'd like to go back a few years, to before I became involved in politics. You know, I didn't know there was a government. Maybe we didn't have one, I don't know, but that's back a few years. But I really didn't go to government for anything. We were too busy making a living and trying to be ourselves. We had a little pride in what we did. If we didn't get funds from the government, we didn't scream, we didn't holler. We went out and did it ourselves. We had some community spirit. Mr. Speaker, there is an old saying: let's not say what the government can do for us, let's say what we can do for ourselves and our people.

Thank you.

MR. BOGLE: Mr. Speaker, it's a pleasure for me to rise to make a few remarks on the 1976-77 budget for the province of Alberta. But first I would like to congratulate the Provincial Treasurer for delivering what I believe to be a well-balanced budget, a budget with restraint and yet a budget that is progressive in its make-up, particularly in the social services area.

Today, Mr. Speaker, I will confine my remarks to my ministerial responsibilities. Being the Minister Without Portfolio responsible for native affairs means that I do not head a line department. Rather, I work with a support staff in the form of a native secretariat. One of our main tasks is to work with the various line departments in assisting our native citizens. I would like to review briefly several departments and the programs contained therein as to their native content.

I'd like to begin, Mr. Speaker, by looking at the Department of Municipal Affairs and the land tenure

secretariat. The land tenure secretariat was formed a number of months ago. Now that it is headed by Roy Piepenburg, formerly with the northern development group, the secretariat is in phase one, which is in the Wabasca-Desmarais area.

For those members of the Assembly who are not familiar with Wabasca-Desmarais, it's the largest unorganized community in the province, with approximately 2,500 residents, and there is no land tenure in the area. It is our attempt, through the land tenure secretariat, to provide land tenure so the citizens of this region may prosper and develop as other communities do. Phase two will look at communities such as Anzac, Chipewyan Lakes, Trout Lake, Little Buffalo, and so on.

The second area I wish to look at, Mr. Speaker, falls under the Department of Housing and Public Works. The 1976-77 capital budget for the Alberta Housing Corporation provides for \$10.1 million for the rural and native housing program, and an additional \$2 million for the Metis housing program. In total, Mr. Speaker, 351 new homes will be built out of those expenditures, [applause]

Thanks, Al. You did that just a little late.

In addition to that, out of the Metis housing program, approximately \$400,000 is available for the repair of existing homes. This is being done in conjunction with the Metis Association.

Under the Department of the Environment, the program for water wells will continue, and nearly \$1 million is in the appropriation. We have some problems in some of the communities. If you're going to look at Wabasca as an example, some of the wells built there were not satisfactory. They are being replaced, and the program is being expanded.

In the area of Social Services and Community Health, Mr. Speaker, I would like to comment at this time that we worked quite closely with the hon. minister and her department. One of the areas I think is often overshadowed is the Opportunity Corps, headed by Doug Webster as its co-ordinator. With a total budget of only \$1.8 million, the Opportunity Corps is able to work out of centres like Slave Lake, Janvier, Fort Chip, and many of the isolated communities to assist the various citizens in programs ranging from construction of homes, repairs to existing buildings, as well as the formation of community associations.

Under the developmental projects for Metis people, and the Metis development branch which is headed by Rick Mace, financial assistance and program support are provided to the tune of \$1.2 million.

But I believe the most impressive feature in this entire section, Mr. Speaker, lies in the school lunch program. With a budget of approximately \$600,000, this program allows food to be put in the mouths of many young people who otherwise would not have a balanced diet. I've seen the program in operation, and it's something I'm extremely proud of.

I'm hoping we'll be able to expand the program in years to come. If you speak to any educator or nutrition expert, he'll quickly tell you, as common sense dictates, that if a young person's main concern is an empty stomach, you're not going to be able to achieve much in the learning area. It has not only improved their marks, it has improved attendance in school. For some young people, it's another reason to

go to school.

Under the Alberta Alcoholism and Drug Abuse Commission, which has a new chairman by the name of Wilf Totten, I would like to comment briefly that I have worked with Mr. Totten for the past few months. I am impressed with his ability to work with people. He's a person who can be hard if he needs to be, but he also has a very humane approach to life. Some programs funded through the Alberta Alcoholism and Drug Abuse Commission — Poundmaker Lodge and the Nechi Institute are examples of native organizations that, with assistance from us, are changing in a very substantive way.

Under the Department of the Solicitor General, the native counselling service — which I mentioned during my comments on the Speech from the Throne — under the very able leadership of Chester Cunningham, has a budget of approximately \$600,000, half of which comes from Alberta, the other half from Ottawa. The work being done by this service is outstanding. If any of the hon. members of the Assembly are interested, I'd be more than happy to go into detail out of the House on some of the programs carried on by this organization.

A new organization coming forward is the native liaison program, involved in the five correctional institutes of the province. It's really a rehabilitation program for our native citizens.

Under Advanced Education, comments would first have to centre around Keyano College at Fort McMurray. A lot of emphasis is being placed on training our native citizens so they can successfully participate in work areas of the province, particularly in the Fort McMurray area. The Alberta Vocational Centres at Lac La Biche, Grouard, and here in Edmonton are also examples of the training programs that can take place. The arms of those programs reaching into the isolated communities — we're taking training to the communities, rather than bringing the people in — in the form of the community vocational centres are also quite successful. I'm happy to see their continuation.

Under the Department of Business Development and Tourism and the northern development branch — I'd like to comment at this time that Elden Schorn, the past director, has now left. Murray Finnerty is the acting head. Native affairs works quite closely with the northern development branch. I would like to comment on some of the things the northern development branch has done in the area of native people. The isolated communities advisory board is a prime example. Assisting in local government with the Department of Municipal Affairs is probably the most outstanding feature.

The main point I would like to make under Consumer and Corporate Affairs is that a new program has been worked out by the minister and the department with regard to the native co-ops which now encourages the private sector to put up 50 per cent of the guarantee. Under the old system in which the government guaranteed 100 per cent of the loan, it was not possible to get the kind of expertise we needed from the private sector. We found a number of co-ops going under. Although the money was being provided from a local bank, it was guaranteed 100 per cent by the government. Therefore, the bank manager did not give the kind of assistance that was needed and the operation went under. With this new

venture, on a 50-50 sharing; there is involvement by the private sector and an interest to protect the investment by the private sector.

Mr. Speaker, I'd like to say in conclusion that although we find ourselves in a year of fiscal restraint in the 1976-77 budget, our government has made a commitment to the native citizens of Alberta, a commitment which will assist our native people to achieve the objectives and goals they as Albertans are striving to reach.

Thank you.

MR. CHAMBERS: Mr. Speaker, first of all I would like to compliment the Provincial Treasurer on an impressive budget. In my view, it is a very well-prepared document, and achieves the proper priorities in a time of national restraint. I don't intend to dwell long on any specific aspect of the budget. However, I would like to compliment the minister for the emphasis placed on the social programs. The fact that 92 per cent of the proposed \$211 million expenditure increase is directed toward the social programs clearly demonstrates this government's emphasis on helping people.

Mr. Speaker, I'm also very pleased with the proposed capital budget for housing. Alberta is certainly a leader in Canada in this field already. The dramatic 67.5 per cent proposed increase over the '75-76 period is indeed praiseworthy. The commitment to help provide affordable housing for the disadvantaged, for our native people, for our rural Albertans, and for our young people, once again demonstrates that this government really does care about people.

Mr. Speaker, although non-budgetary, the Syncrude project will require an estimated cash outlay of some \$65 million during the next fiscal year. As noted in the Provincial Treasurer's Budget Address, it is anticipated that Syncrude investment will be made from the Alberta heritage savings trust fund. Because of the size of the Syncrude investment and the importance of this undertaking to the people of Alberta, I think it appropriate that I give members an overview of the current status of the project at this time.

Mr. Speaker, I'm happy to report that the project development is generally proceeding very well. As of the end of February, overall engineering was 85 per cent complete versus 87 per cent scheduled. Construction was 29.2 per cent completed versus 33.6 per cent scheduled. These numbers are very close, considering the forecasts were made back in December of '74. On a cash basis to the end of 1975, \$489,225,000 had been expended on the main project, and \$53,960,000 on the utility plant.

Estimated cash expenditures for '76 are \$602,400,000 on the main project and \$108,300,000 on the utility plant. The current estimate of total expenditures on a cash basis to the end of construction is now \$2,118,900,000, as compared to the December 11, '74 budget of \$2,048,000,000. This current month figure — and these are reviewed monthly — represents roughly a 3 per cent increase. I think members would agree [this] is quite small compared with the total capital involved. Furthermore, Mr. Speaker, this estimate moves up and down from month to month. It is still hoped that as a result of the very close surveillance and cost-cutting proce-

dures Syncrude is carrying out, it will be able to complete this project for the targeted amount. Although I think it's fair to say that things have to continue to go right in order to achieve the target, any significant slippage in the construction schedule — whether it be at the site or in the plants of the major component suppliers — could cause a cost escalation. Of course, continued high inflation could also adversely affect the total cost of the project.

Mr. Speaker, the Syncrude Mildred Lake project is certainly a spectacular sight. It really comes into perspective when one flies over it — the huge cleared area, the 600-foot stack, the many large structures spread over so many acres, the Beaver Creek diversion, the new Athabasca River bridge, in fact, the tremendous growth of Fort McMurray itself. One has to view the physical accomplishments to get the size of this massive undertaking in true perspective.

The Beaver Creek diversion is a major undertaking in itself. Beaver Creek originally traversed the entire length of the mine site. An earth dam on the south side of this site is 9,500 feet long, 45 feet high, and 30 feet wide at the top. It was built to hold back Beaver Creek. Water from this artificial reservoir is then diverted through a new channel to Ruth Lake, which is located southeast of the dam. From Ruth Lake, the water goes into a new reservoir created by a large dam on Poplar Creek.

The Poplar Creek dam is 2,200 feet long, 97 feet deep, and 30 feet wide at the top. The water flows at a controlled rate from this dam into the Athabasca River. This overall project cost some \$25 million and is now essentially completed.

Members probably heard earlier this winter about the giant gas-oil reactors which were built in Italy and moved to the mine site during the past couple of months. These vessels are extremely thick-walled units. They weigh some 3,360 tons each, [with a] length of 108 feet and width of 12 feet. They are designed to operate at extremely high temperatures and pressures. They were built in Italy because of the Italian experience and technology in this field, and the favorable delivery time. These were shipped to St. John, New Brunswick, and moved to Edmonton on two special 12-axle railway cars, which were the only such cars available in North America. In order to distribute the weight evenly for bridge crossings, and for the benefit of the rails themselves, a special train was put together with a number of so-called empty idler cars between the heavy portions to spread out the load.

They were moved across the country by CP Rail at a maximum speed of 20 miles per hour. Of course, special care had to be taken with tunnels, bridges, and rock cuts in order to avoid any structural damage. As it turned out, two of the units did suffer some superficial damage, but fortunately it was only to the outside fittings, and in each case the damage was minor.

From Edmonton these vessels were moved over the Fort McMurray railway at a restricted speed of 10 miles per hour over muskegs and bridge crossings. Because of the weight of these vessels, they had to be moved over the Fort McMurray railway track during the winter, when the frost support under the muskeg was at a maximum. These couldn't have been moved in the summer; they were just too heavy.

From Fort McMurray the reactors were trucked to

the site on two sets of 32 truck wheels, and they moved at a speed of 4 miles per hour. They are presently either erected or being erected.

Mr. Speaker, in order to move these reactors and other heavy, bulky vessels across the Athabasca River, it was necessary to build a new bridge. The Alberta government had been planning to build a new bridge regardless, and Syncrude paid the difference between the \$10 million cost of the new structure, and the \$7.8 million the basic bridge would have cost in any event.

Mr. Speaker, I'm happy to report that Alberta Transportation completed the new bridge ahead of schedule, and within the budgeted cost. I think the Department of Transportation should be complimented, Mr. Speaker, because that's performance.

Erection of the first of the four giant draglines commenced in February. Two of the machines are being built by Marion Power Shovel, and two by Bucyrus-Erie. These are the only people in the business who make machines of this size. From the time of receiving components, each machine requires 13 months to erect. On the average, it's expected each will cost in the order of \$25 to \$30 million, including the erection costs. These machines are real monsters. They have a boom length of 360 feet, a dumping radius of 340 feet, a dumping height of 133 feet, and they can dig to a depth of 200 feet. They sit on steel tubs 80 feet in diameter, and they walk on giant shoes. I'm sure members have seen the machines out at Wabamun, which of course are much smaller but have a similar type of walking mechanism. Each walking shoe is 16 feet wide and 80 feet long. The machines have 10,400 horsepower on the hoist, and the buckets are of 80 cubic yard capacity. Empty, each of these draglines weighs 190,000 pounds.

Mr. Speaker, I would now like to comment briefly on the labor situation. To begin with, I'm pleased to report that the supply of skilled craftsmen has been adequate so far. Toward the end of 1975, the peak labor force at the Mildred Lake site was in the order of 4,000 persons, including, I might add, about 240 ladies. Women are welcome in any job on the project. I recall a visit to the site last fall with the hon. Minister of Labour. We'd just passed through the plant gate, and were processed by two guards, one of whom was male, the other female. As the gate closed and we started driving into the construction area, the minister commented that he was really impressed so far at the ratio of men to women. He could honestly say that fully 50 per cent of the personnel he had so far encountered on the site were female.

The size of the work force declined over the Christmas holiday season, and according to plan has remained somewhat smaller during the coldest portion of the winter. The work force is gradually building up again and is expected to peak in late August or September of this year at about 5,400 on the site.

It is expected the construction force will drop to about 4,300 over the '76 Christmas season and peak again in mid-1977 at about 4,900. Thereafter, it will decline steadily and sharply until the project is completed early in 1979.

About two-thirds of the peak labor force of 5,400 will be supplied from Alberta, and about 85 per cent

from within Canada as a whole. It is anticipated there will be insufficient ironworkers, pipefitters, and pipefitter-welders available either locally or in Canada. Based on present information, approximately 900 will need to be imported from international sources. I might add that boilermakers, carpenters, electricians, and insulators will also be in short supply. However, it's anticipated that these craftsmen will be available from within Canada. Of course, these estimates are based on current information and could vary as construction progresses. For example, should some major construction projects in other parts of Canada be deferred or cancelled, that statistic could change. There could perhaps be fewer foreign workmen required.

I would also like to stress that strict procedures are followed in recruitment. First priority is given to northeastern Albertans and to Albertans in general, then to Canadians in general. Finally, after every effort is made through communication through union locals, advertisements in Alberta, [in] the media across Canada, and through, of course, Canada Manpower, only then, after all these procedures are carried out, is foreign recruitment proceeded with.

Mr. Speaker, I should say a few words about the Mildred Lake camp. As one who has lived in years gone by in a number of logging camps, mining camps, and oilfield camps, I'm certainly impressed by the relative luxury of the facilities at Mildred Lake. The camp is, of course, fully modern, with plumbing, showers, and so forth. Units are [of] portable construction. They are neatly laid out, well spaced [on a] clean site. Ladies have a separate portion of this camp, although I understand the facilities are identical to the ones the men have. Each person has his or her own private room. Many other amenities are provided. For example, there are classrooms, banking facilities, a post office. There is an abundance of recreational facilities: television, pool tables, table tennis, shuffleboard, movies, gymnasium and exercise room, ball diamonds, ice rinks. There are religious services. There are a number of team sports, including hockey, baseball, volleyball, basketball.

Last but not least, I should mention the Muskeg Club. I'm sorry the Solicitor General's not in just at the moment — the Muskeg Club is an on-site tavern which seats some 700. It serves only beer and appropriate food such as pickled eggs, kubasa and so forth between the hours of 7 and 10 p.m. The club is well laid out with appropriate partitions throughout. You don't get the impression this is just a large massive room. It's quite good and avoids the appearance of the usual large beer parlor. The club, I might add, is well patronized and has been operating since last fall with no problems whatsoever that I've heard of.

Mr. Speaker, I would like to comment briefly on native employment. First of all, I wish to state that, contrary to views which have been expressed by some, I believe Syncrude has an outstanding record in the area of native employment — probably the best record of any corporation or body, whether private or government, anywhere in North America. The company has always had a policy of employing natives, wherever and whenever possible. For many years it has been encouraging native training programs. The native personnel co-ordinator of Syncrude is himself

a native, as are most of his staff. During the peak construction period this year, it was estimated that some 600 Albertans of native origin were working on the construction. I say estimated, because obviously in this province we don't go around asking people what their ancestry is.

So far, of course, almost all site personnel are either employees of Canadian Bechtel or the subcontractors working through Bechtel. Syncrude, however, is now beginning to recruit and train personnel to take over the operation of the plant when it goes on production early in 1978. It is anticipated that Syncrude will have 25 natives on staff by June of this year. Six pumpmen have already been hired, and another 50 will be given letters of intent to hire, provided they successfully complete a program of academic upgrading at a training institution. I'm sure members will appreciate that almost all operating jobs will require a high level of technical skills. It's the nature of the plant.

Mr. Speaker, this is only the beginning. Over the years to come, the Syncrude plan is to enrol in the program as many native people as the company can find who are qualified, or willing to qualify for entry positions. The number will be restricted only by the availability of the applicants. Furthermore, native people who already possess the skill, training, and industrial work experience will be hired through the regular recruitment program, and will not statistically be part of a native training program. There will be no restrictions in the numbers hired. As far as I am concerned, we will not resort to a quota system. In my view, a quota system is a demeaning approach. Members have probably heard of the situation on the Aleyeska pipeline, where a quota system is forced upon the employer and natives are, in some cases, paid to stay at home. Mr. Speaker, that situation does nobody any good. Furthermore, our native people do not want it. I've had talks with native leaders. They only want legitimate jobs where they can truly contribute and earn a fair day's pay for a fair day's work. Mr. Speaker, in my view, our native people can and will make a most significant contribution to that project.

In concluding this topic, Mr. Speaker, I'll say firmly that I'm proud of the highly successful and sincere effort that Syncrude has put into its native recruitment. I think they should receive full commendation from the people of Alberta for their effort.

Mr. Speaker, I would like to take this opportunity to say a few words regarding the labor force at Mildred Lake. During visits to the site from time to time, one of the things that has struck me is that one never sees an idle craftsman. With thousands of skilled people working all over the location, on hundreds of different projects, everyone seems to know exactly what they are doing and are proceeding with it in an expeditious manner. No one is standing around, and it's obvious that these skilled tradesmen can operate effectively with a minimum of supervision. I think that's a real credit to the Canadian workman. In my view, the Canadian craftsman is probably the best in the world, possessing the highest level of technical skills, and the most self-reliance and individual initiative of workers anywhere in the world.

In conclusion, Mr. Speaker, I would once again underline what an important project this is, not only for the people of Alberta but for the people of Canada

as a whole. The Syncrude project must be successful. If it is successful, other oil sands plants will surely follow, and some day there will be enough synthetic oil production so Canada is once again self-sufficient in oil and no longer dependent on the whims of foreign suppliers for this most vital resource. In a young, large, growing country such as Canada, with our climate and the distances that we Canadians have to travel, it is obvious that energy is a most vital resource indeed.

Mr. Speaker, I'm personally confident that the Syncrude project will be successful. In fact, I think it will be highly successful. It will not only pioneer the way for growing future oil sands developments, but I'm also confident that it will return a handsome profit to those who have had the courage and vision to invest in it, and especially to the people of Alberta.

Finally, Mr. Speaker, I would once again like to commend the Provincial Treasurer on an outstanding and responsible budget. In a province such as Alberta, with a booming economy and a rapidly growing population, and with still high inflation evident throughout the rest of Canada, it's obviously

no small feat to hold to an 11 per cent increase. And I feel that the Provincial Treasurer has accomplished this while achieving the optimum balance and recognizing the right priorities.

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

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

HON. MEMBERS: Agreed.

MR. FOSTER: Mr. Speaker, by way of House business tomorrow, I expect we will continue with the debate on Motion No. 1 tomorrow evening.

Mr. Speaker, I move this House do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past two.

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

