

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Friday, March 26, 1976 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

**Bill 228**  
**An Act to Amend**  
**The Alberta Energy Company Act**

MR. CLARK: Mr. Speaker, I beg leave to introduce a bill, Bill 228, An Act to Amend The Alberta Energy Company Act. The objective of this act is to ensure that the Alberta Energy Company utilizes the private sector for the purpose of exploration and production of oil and gas reserves, and that the Alberta Energy Company will not be allowed to own, control, hold equity investment in, or make loans or guarantees to private companies with which it deals.

[Leave granted; Bill 228 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. ASHTON: Mr. Speaker, it's a pleasure for me to introduce some 50 good-looking students from Wes Hosford School in Sherwood Park, together with teachers, a bus driver, and parents. Wes Hosford School is the county of Strathcona's first community core school which is on the new concept. I'll ask them please to stand and be recognized by the Assembly.

MR. R. SPEAKER: Mr. Speaker, it's my privilege this morning to introduce to you, and through you to members of the Legislature, the Grade 9 students from the Hays School at Hays, Alberta just a few miles from Bow City, for hon. members' information. I'd like to introduce Mr. and Mrs. Dave Townsend — Mr. Townsend is principal of the school — and parents, Mr. and Mrs. Otto Pakarno and Mr. George Wallace. I'd like to ask them to stand and be recognized by the Assembly.

MR. CLARK: Mr. Speaker, on this very auspicious day in the Assembly, I'm pleased to have the opportunity to introduce to you, and through you to members of the Assembly, the 1st Crossfield Boy Scouts group from the constituency of Olds-Didsbury. They are in the public gallery. They are accompanied by their leader, Mr. Gary Lorenz. I'd ask them to rise and be recognized by members of the Assembly.

MR. LITTLE: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of this

Assembly, 12 members of the student council of Sir John Franklin Junior High School, which is located in the McCall constituency. They are accompanied by their vice-principal, Mr. Gordon Vincent. You will find them seated in the public gallery. I would ask that they stand and be recognized.

head: **ORAL QUESTION PERIOD**

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Premier. But in light of a certain new element that happens to be in the Assembly this morning, in unfortunately too many places, might I take this opportunity to say to the members of the government that I can appreciate how proud they are. Indeed this is a very auspicious occasion. I commend them very much for paying this recognition to John Diefenbaker on the 36th anniversary of his election. Mr. Speaker, members of the Conservative government in Alberta recognize that it was 36 years ago today that the Rt. Hon. John G. Diefenbaker was first elected to the House of Commons in Ottawa. I commend them for paying their respect to him. I'm sure that's the only reason we have this addition today.

**Dodds-Round Hill Project**

Now on to more serious matters, Mr. Speaker. In light of comments the Premier has made outside the Assembly, is it the government's intention to have public hearings after the Energy Resources Conservation Board finishes its deliberations on the Dodds-Round Hill project? I ask that question from the standpoint of the possibility of the ERCB giving that kind of recommendation to the government.

MR. LOUGHEED: Yes, Mr. Speaker. I would like to have just one little preamble with regard to the date and the historical research that's being effectively done by the hon. Leader of the Opposition. I wish I'd known about that on February 14, 1975. We could have had an additional reason that I didn't know of for March 26.

MR. CLARK: Mr. Speaker, you'll find on that occasion he had enough reasons anyway.

MR. LOUGHEED: Yes, it was a long speech.

Mr. Speaker, with regard to the important question the hon. leader raises, we have not come to any firm conclusion as to either the timing or the exact nature of a hearing with regard to the Dodds-Round Hill proposal, as the hon. Minister of the Environment said earlier in the House. In fact, it's a matter that hasn't been before the Executive Council as yet.

On the one hand we're looking at the alternative of proceeding and letting events take their course with the Energy Resources Conservation Board doing the appropriate review they traditionally do in matters of this nature, relative to the technical feasibility of the project, then receiving the recommendations, considering them and, at that time, establishing a format by way of a public hearing. It may be that the complexities of that, though, are of such a nature that another alternative might be desirable, that is, to consider a form of public hearing so that there can be

expressions of different points of view, and not await the final recommendation of the Energy Resources Conservation Board.

The Executive Council has not made any decision on that. When we do, we'd be very happy to respond promptly and advise the House.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. In the course of the comments the Premier has made, there's been no reference to the Environment Conservation Authority as the mechanism the government would logically use for that sort of public review. Is there any particular reason the government is not talking in terms of the ECA doing that?

MR. LOUGHEED: Mr. Speaker, yes, there is. The issue with regard to Dodds-Round Hill is not just the issue with regard to environment. It involves very definitely the whole issue of cost-benefit, a phraseology that I'm sure the hon. leader recalls was discussed here frequently.

It's the question of a comparison of costs and benefits that we think should be the scope of a public hearing. That involves a very important environmental aspect and input, but it is not exclusively that. In a project of this nature we do have to recognize that if we're prepared to look at the alternative of higher cost electricity for the citizens of this province in order to preserve agricultural land when there is the possibility of reclamation — it's the weighing of this cost-benefit which involves environmental considerations. It involves economic considerations. It involves social considerations. It involves the long-term future of the province. So, on matters of this nature, we think the environmental aspect should form one — perhaps the most important — but not the exclusive aspect of any sort of public hearing.

MR. CLARK: Mr. Speaker, a further supplementary question on the same matter to the Premier. What approach is the government using as far as the cost-benefit analysis is concerned? Is the government doing this with people within the government itself? Is this being done by individuals from outside the government in co-operation with the interested groups both at Dodds-Round Hill and Calgary Power? Really, what form is the government setting up to come to grips with the basic information so the cost-benefit analysis can be done?

MR. LOUGHEED: Mr. Speaker, that is an important question. As yet, it's not a matter that has reached the Executive Council for final conclusion. A number of options are being considered. I think it's fair to say that the government's evaluation would not be exclusively one way or the other. Certainly, as we should, we've had the advice of the Electric Utility Planning Council with regard to these matters. We will have advice from various agencies. Whether we extend beyond the government is a matter we're still considering. When we're in a position to do so, we'd be happy to respond to the House.

MR. CLARK: Mr. Speaker, one further supplementary question on the same matter. Is the Premier in a position to give a commitment to the Assembly, and really to the people of the province, that whatever

form this cost-benefit analysis takes the government is prepared to make it public and available prior to whatever form of public hearings are held — recalling the comments the hon. Premier made when he sat on this side of the House?

MR. LOUGHEED: Mr. Speaker, that's difficult I'm sure, because we may be involving ourselves with two stages of cost-benefit analysis. One might be of a preliminary nature relative to alternatives. I think that sort of information, if practical and feasible as matters develop, should be provided in advance of a public hearing. We think there's merit in that. It may be, though, that in the latter stages of ultimate decision-making by the Executive Council supplementary information or a supplementary report with regard to the cost-benefit analysis will arise out of the public hearing itself.

If I could put it another way, one of the reasons for the public hearing is, in fact, to have an evaluation of the social and environmental aspects as well as the impact upon the communities in the area. That's an important input into the final cost-benefit evaluation of the project. But I appreciate what the hon. leader is referring to. When such a public hearing is established, it would be useful if there were an interim or preliminary cost-benefit analysis to show alternatives, and that that be made available to the various people who might participate and make presentations at such a public hearing.

MR. NOTLEY: Mr. Speaker, a question to the hon. Premier. In light of his answer, is the government in a position to assure prospective participants, particularly the farmers in the region who will be affected, that there will be some financial assistance in order to prepare briefs, make submissions, and gain the expert information necessary to state their case properly?

MR. LOUGHEED: Mr. Speaker, perhaps the Minister of the Environment can respond to that. I believe we've already moved in that direction, as the hon. minister has mentioned in the House, by making available on a fairly significant time frame a qualified member of the Department of the Environment, who has been in the area. Perhaps the Minister of the Environment could add to my reply.

MR. RUSSELL: Mr. Speaker, I think the Premier has outlined the current situation very well. We answered that question earlier in the session and indicated that we would be discouraged if a local community anywhere in Alberta went to substantial expense to get very technical and sophisticated briefs submitted. That goes counter to the very philosophy of public hearings which are designed to serve average members of the public. That, of course, has always been the theme and the philosophy of the ECA. Whatever body might conduct whatever kind of public hearings, we would hope the people would bring their community concerns to that body in their own language. In order to assist them to do this, we have made a resource person available from the Department of the Environment for the citizens of the area, to find out their concerns and bring back items of information to them. That's the current status.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Then it is not the government's intention at this time to make any funding available for consultants, apart from the one resource person made available by the department? The reason I ask this is that it seems to me there is a distinction between ECA hearings and ERCB hearings. If we're going the ERCB route, then the need for more technical information is obvious.

MR. RUSSELL: Well, Mr. Speaker, that's the very point I was trying to make. I think it's really the responsibility of the proponents and the ERCB to do those very sophisticated technical and economic benefits.

The other kinds of concerns the Premier outlined are the kinds that government wants to hear about from the citizens of the area before a final decision might be made, in order that the social, environmental, community interest kinds of concerns can be weighed at the same time as the economic or cost-benefit or straight utility kinds of items are being considered.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Does the government not agree that in order to make a cost-benefit analysis of this project it will be necessary for opponents of the project to have technical information, for example, on soil reclamation procedures here and elsewhere?

MR. SPEAKER: With great respect, the hon. member is clearly making a representation rather than seeking information. No doubt the hon. minister has noted the representation.

MR. NOTLEY: Mr. Speaker, I am making a representation, but perhaps I'll try to rephrase it in the form of a question and ask whether or not the government would give consideration to funding for that type of specialized information which opponents will need.

MR. RUSSELL: Well, Mr. Speaker, I wouldn't want to rule out any avenue or possibility at the present time. I think we've tried to indicate on many occasions that this very important matter is receiving a lot of attention and a lot of consideration.

We look at the very successful Red Deer River flow regulation hearings that were held without any kind of special funding, and they seemed to be fairly successful. I'm not ruling out the possibility that that kind of assistance might be available. But those kinds of propositions are surely the responsibility of the proponents. The other kinds of concerns we want to hear about are the citizen concerns.

#### **Grade 12 Examinations**

MR. CLARK: Mr. Speaker, I'd like to direct my second question to the Minister of Education, and ask if the Department of Education is involved in monitoring academic quality of high school students, following the removal of the Grade 12 examinations.

MR. KOZIAK: Mr. Speaker, that's a very interesting topic, and one that is consuming a lot of my time at

this juncture. The hon. Leader of the Opposition will of course recognize that there is a resolution on the Order Paper in which all members will be given the opportunity to participate in debate relative to the question of compulsory departmental examinations.

We in the Department of Education, Mr. Speaker, are using many methods to monitor the quality, if I may use that word. One of them, of course, is the development of standardized achievement tests which we expect to have available over the next number of years not only for Grade 12, but for all levels of high school in all the matriculation subjects. We are embarking on a quality assessment, which is presently being considered by the planning and research department of the Department of Education.

I hope that is the information the hon. leader is requesting.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. In light of the minister's indication that the department is involved in monitoring, is the minister in a position to give us a very concise indication as to what that monitoring indicates regarding quality of reading, writing, and mathematics achievements?

MR. KOZIAK: Mr. Speaker, I don't think the hon. leader can take the interpretation from the remarks I made that we have at the moment a record of such results. The comments I made were that we are in fact moving in that direction.

Now, the departmental examinations I speak of, with respect to the resolution which is on the Order Paper, are only the compulsory departmental examinations. As the hon. leader is aware, departmental examinations were never eliminated in this province. Only the compulsory nature of those examinations was eliminated. Students are still entitled to write departmental examinations if they wish an appeal from the marks awarded to them by the present school system they attend, or if they wish to write examinations for purposes of awards and such other subjective reasons that the student might have.

With respect to the question of monitoring, I don't have information in front of me as to whether a record has been kept of the results of those students who have written these examinations, relative to those who had written the examinations in previous years.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Doesn't the minister have any indication as to the academic accomplishment of students in the areas of mathematics, English, and reading abilities since the compulsory Grade 12 examinations were removed?

MR. KOZIAK: Mr. Speaker, the department would have records of the grades awarded by the accredited schools to students in Grade 12 since the elimination of the compulsory nature of the departmentals. These would be just a record of the scores awarded by the various accredited school jurisdictions.

MR. CLARK: A further supplementary question to the minister, then. In light of recent tests at the University of Calgary, where 47 per cent of the

freshman students may have to become involved in brush-up courses as far as English is concerned, has the minister, along with his colleague the Minister of Advanced Education and Manpower, conducted any investigation into what in fact is happening at that level of academic accomplishment or lack thereof?

MR. KOZIAK: Mr. Speaker, it would be wrong to assume that the elimination of the compulsory nature of the departmental examinations three years ago would have had the effect of creating people now entering universities who are unable to read, write, and use mathematical skills because, of course, the departmental examinations wouldn't have affected those students. That's just three years ago, and such basic skills as reading, writing, and competency in mathematics are usually acquired well in advance of Grade 9. From that point, what we're dealing with is enrichment.

So, if the hon. leader is suggesting that the removal of the compulsory examinations has had that effect, I think that's questionable.

MR. CLARK: Apparently I didn't make the question clear. The question to the minister is: in light of the results of tests taken at the University of Calgary, where 47 per cent of freshman students are going to have to have English enrichment to be able to carry on successfully in first year, have the minister and his colleague, the Minister of Advanced Education, done anything about it?

MR. KOZIAK: Well, as I've indicated to the hon. leader, competency in language arts, reading, writing, and mathematical skills is developed earlier. In light of that statement, I think the hon. leader will appreciate the efforts of this government in the area of elementary education both in the development of the educational opportunities fund and its application to our school system — and I read to the House, at the beginning of this week, one testimonial I had received with respect to the improved abilities of students in elementary schools as a result of the educational opportunities fund in the area of reading. The other thing I mentioned during the course of my remarks on Monday was the continued emphasis this government will provide for elementary education not only this year, but in the forthcoming two years of the educational finance plan. If there is a problem with respect to the acquisition of basic skills by students, the area in which the problem needs to be attacked is at the elementary level rather than the university level.

Further, Mr. Speaker, one other aspect should be kept in mind whenever we discuss quality in education. Today our retention rate in our basic education system is more than double the retention rate of a generation ago. Of the students who enter Grade 1, twice as many are completing their Grade 12 studies today as 25 years ago.

Mr. Speaker, one can draw many conclusions from those results. First of all, the students who graduated from our system 25 years ago were, in all likelihood, those students who had intentions of continuing their education in university and postsecondary institutions. Today, with twice as many students graduating from grade 12, you may have somewhat of a reduction in the quality of some of these

students. But it's very important to appreciate that our educational system is in one respect much superior to that of 25 years ago. It's being accepted, it's being found useful, and it's providing 12 years of education for twice as many students today as it did 25 years ago.

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

MR. COOKSON: Mr. Speaker, I'd like to ask the minister if he knows whether various school boards throughout the province are doing any monitoring on their own with regard to the quality of education at the high school level. If so, has he had any direction from boards throughout the province?

MR. KOZIAK: Yes, Mr. Speaker. The examinations, of course, have never been done away with. I dealt earlier in the question period with those examinations available through the Department of Education. But each accredited school system examines the students within its system, not only at the Grade 12 level, but also at the elementary level. All four large urban systems machine score examinations for students in the elementary levels. The Department of Education machine scores examinations for the smaller systems in the province to provide them with information.

What the department is working on in this area is a system of norms, whereby school jurisdictions in the province will be able to compare progress on a province-wide basis, jurisdiction to jurisdiction and year to year. These are some of the efforts of this section of the Department of Education, the fruits of which will be borne over the next number of years.

#### Housing Prices

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Will his department be monitoring the price of housing in the province of Alberta?

MR. YURKO: Mr. Speaker, through the Central Mortgage and Housing Corporation, the federal government does an extensive amount of monitoring in this area. We are doing a minor form of monitoring. But in the establishment of the new department, we will be involved more effectively in this area.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is there any monitoring of housing values in the smaller centres, in view of the fact that CMHC is not heavily involved there?

MR. YURKO: Mr. Speaker, as I indicated, we are involved with Alberta Housing Corporation to some degree; a rather minor degree in terms of pricing in the smaller centres. As I stated, under the reorganization we will be having a policy arm within the department which will engage itself to a larger degree in establishing a data base throughout the province.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Will the results of this monitoring be made public?

MR. YURKO: Mr. Speaker, it's generally the intent that information of this type is public information, and will be made available as it's collated.

#### Credit Grantors

MR. MUSGREAVE: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. I would ask if he could advise if any charges were laid for violations as a result of audits performed in 1975 on actions of credit grantors?

MR. HARLE: Mr. Speaker, I would have to make inquiries about that matter.

#### W.W. Cross Institute

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Hospitals and Medical Care. I'd like to know if the minister can indicate the reason for closing down the thermography unit at the Dr. W.W. Cross Cancer Institute.

MR. MINIELY: Yes, Mr. Speaker. As a matter of fact, when that first came to my attention, I immediately had my office contact the board and the executive director of the W.W. Cross Cancer Institute. The information they provided me was that the thermography program at the institute was in an experimental stage, and was an alternative to other diagnostic procedures in the W.W. Cross that accomplish the same thing and are much more time-tested and proven procedures than the thermography unit.

The words they use in the letter, which I'll table, Mr. Speaker, for the information of hon. members, are:

Thermography has been under evaluation in the Cross Hospital for a period of . . . months to determine its usefulness as a diagnostic screening process in the patient suspected of having a tumor of the breast. I say evaluation because it is not, in . . .

the opinion of the W. W. Cross

a completely accepted method and must be evaluated along with the time tested diagnostic procedures of clinical examination and

the technical words

mammography or xerography . . .

which are alternative more proven programs. Basically, no cancer patient will suffer from a lack of alternative diagnostic procedures, which will be fully operational and are more proven than the thermography unit.

Mr. Speaker, I'll table this letter.

DR. BUCK: Mr. Speaker, I take it from the hon. minister's reply that this one patient seemed to feel it was just a matter of the government cutting down the budget and cutting off the salary of the technician. I take it that the reason was not just to remove the salary of the technician.

MR. MINIELY: Mr. Speaker, as with all hospitals, I think it was a matter of looking at alternative

procedures available in the hospital. Certainly every hospital has a budget, whatever it is. The important thing to emphasize from the letter the W.W. Cross has given me is that I believe a misunderstanding existed in the mind of the patient that thermography was the only procedure whereas, in fact, alternative procedures for the same thing are more proven and are fully operational. So the patient in question has access to other programs which are more proven and are fully operational.

#### Syncrude Hiring Practices

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to either the hon. Minister of Energy or the hon. Minister of Labour. In light of the government's 1971 guidelines on oil sands development concerning preference for Canadian employees, has the government had an opportunity to investigate complaints that Canadian Bechtel is hiring Americans for supervisory jobs on the Syncrude site in preference to qualified Canadians?

MR. GETTY: Mr. Speaker, if members will recall, this matter was actually one of the conditions of the application and the approval permit the government gave Syncrude. It is being monitored in a variety of ways. It is being monitored by my colleague, the Minister of Labour, and through the Department of Business Development and Tourism.

Also, Mr. Speaker — I'm not sure if the hon. member was here — in the course of the budget debate, a very complete evaluation of this matter was presented to the Legislature by the hon. Member for Edmonton Calder, representing the government on the Syncrude board of directors. He gave an excellent breakdown of the very effective way in which Syncrude has been able to handle the request and the condition the government made to them with regard to Canadian labor.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise the House whether the government has any figures or any statistics on the number of Americans employed as supervisory personnel, particularly as they relate to the skilled trades?

MR. GETTY: Mr. Speaker, statistics have been provided. As a preliminary move, I would refer the hon. member to study the *Hansard* remarks of the hon. member for Edmonton Calder. Should he then find there is anything . . .

DR. BUCK: Then let him tell us. Let him handle the question.

MR. GETTY: . . . that's what he did, Mr. Speaker, he took half an hour to tell him, and he just wasn't paying any attention.

In any event, Mr. Speaker, if they study the remarks in *Hansard* and determine whether there is additional information they would like to get, then it would be reasonable to place it on the Order Paper and raise it again in the House.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In light of the

complaints which the government has received on this matter, have there been any specific investigations of the complaints that Canadians are not receiving their share of supervisory jobs?

AN HON. MEMBER: Are you prepared to back that up?

MR. GETTY: Mr. Speaker, individuals are always raising certain situations with which they are not pleased. But there are many reasons for a decision to hire a company or an individual, having to do with considerably other than his nationality. Nevertheless, Mr. Speaker, the government has always been following up any complaints it receives. Again, I ask the hon. member to check *Hansard* to see if there's additional information he would like.

MR. NOTLEY: A further supplementary question to the hon. minister, dealing with Canadian Bechtel. I refer to *Hansard* for June 16, 1975.

Has the government been able to make any progress in changing the nature of the contract between the Syncrude consortium and Canadian Bechtel from a cost-plus arrangement to one which, to quote the minister, has "incentive" in it?

MR. SPEAKER: This is scarcely a supplementary to the hon. member's previous question. Perhaps, if he would like to ask it, he could be recognized after other members have asked their first question.

MR. NOTLEY: Mr. Speaker, perhaps I could rephrase that. The point of the question was to relate that to the issue I first raised concerning the opportunities for Canadians in supervisory capacities. There's a very definite connection.

I wonder if the minister is in a position to answer the question.

MR. GETTY: Mr. Speaker, that matter is in the course of negotiation and discussion between Syncrude and Bechtel. There is a contract that provides otherwise. However, they have not resolved the issue.

#### **Finance Ministers' Meeting**

MR. R. SPEAKER: Mr. Speaker, my question is to the Provincial Treasurer, with regard to the finance ministers' meeting next Thursday and Friday. I want to ask the minister if considerations are being given at those particular talks to cover other areas not covered by the present wage and price control guidelines.

MR. LEITCH: Mr. Speaker, it's not my understanding that that topic will be on the agenda in that form, although I expect there will be some discussion about the anti-inflation program. I have no memory of there being an item in the form of the member's question.

MR. HYNDMAN: Mr. Speaker, I might supplement that answer by advising that the main topics of the meeting will relate to the Federal-Provincial Fiscal Arrangements Act, which will expire next spring, and such matters as tax collection agreements. Things in that area relating to federal-provincial fiscal ar-

rangements will be the main topics of discussion at the forthcoming conference.

MR. R. SPEAKER: Mr. Speaker, a supplementary to either minister, with regard to the fiscal arrangements. Is there any indication at this point in time that the federal government intends to reduce further its participation in the social and educational cost-shared programs with regard to technical education, vocational education, or public welfare?

MR. HYNDMAN: Mr. Speaker, I think that question had better be answered when we report back after the meeting has taken place. The position of the federal government does appear to be somewhat fluid at the present moment. We'll have more information within a week or 10 days.

MR. CLARK: A very fluid answer, I might say.

#### **Airdrie-Calgary Sewage Line**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of the Environment. My question is: is the minister in a position to inform the House if the negotiations between Calgary and Airdrie have been completed in regard to the installation of the pipeline connecting it with the city of Calgary sewage treatment plant?

MR. RUSSELL: Mr. Speaker, my understanding of that matter is that this kind of unique idea of using off-peak capacity in the Calgary sewer system, whereby another nearby community could be serviced instead of building duplicate facilities, has proceeded to the point where the detailed contract is being worked out between the town of Airdrie and the city of Calgary. I know the Calgary City Council approved the matter in principle upon the recommendation of its commissioners in late January. I'm not aware of any further progress since that date, unless the hon. Minister of Housing and Public Works has further details to add.

MR. KUSHNER: A supplementary question to the Minister of Housing and Public Works. Has he any additional information for the House?

MR. YURKO: Mr. Speaker, the installation of a pipeline from Airdrie to the sewage system of Calgary not only involves approval by the city of Calgary but also a very complicated formula of financing relating to the fact that some of the sewer capacity will be used by the highways shops now installed in Airdrie, as well as the new mobile home park being planned for Airdrie, the existing town, and additional expansion within the town. Negotiations are now actively being carried out in terms of establishing a financial formula whereby the line can in fact be financed in an appropriate manner with the costs being distributed appropriately over the elements I have just indicated.

**University Enrolment**

MR. LITTLE: Mr. Speaker, I would address my question to the Minister of Advanced Education and Manpower. Is the minister in a position to advise this Assembly whether all properly qualified graduates of Alberta high schools, who will graduate this year and will wish to enter universities in the province of Alberta, can be accommodated?

DR. HOHOL: Subject to a final very fine review of this matter, Mr. Speaker, the answer would be yes. They will have access to places in the advanced education institutions in Alberta.

MR. LITTLE: A supplementary, Mr. Speaker. Could the minister also advise the House how many out-of-province and out-of-country students are registered in Alberta universities at the present time?

DR. HOHOL: Yes, I could, though clearly not just at the moment. It's a matter of record. We're compiling data from the universities, the colleges, and the provincially administered institutions. As public information, I would be pleased to provide it to all hon. members.

MR. LITTLE: A further supplementary, Mr. Speaker. Could the minister inform the House whether the students attending our universities from outside the province pay additional tuition fees?

DR. HOHOL: Yes, I can do that now, Mr. Speaker. The fees at the present time are the same for all students, from wherever they may come to the institutions in Alberta. In the future, the matter will be under consideration with the universities and other institutions, with a view to ascertaining the reasonableness of fees being higher for students outside Alberta and outside the nation.

MR. LITTLE: A final supplementary, Mr. Speaker. Do Alberta students who attend universities in other provinces of Canada and in the United States pay additional fees?

DR. HOHOL: Yes, they do, Mr. Speaker. We've taken a very close reading of this, and I think I can recall the files pretty accurately. In all the states of the United States and in all kinds of postsecondary institutions, whether college or university, the fees are significantly higher. In some cases they are as high as three to three and a half times that of in-state and, sometimes, in-nation fees.

There's no question that the matters of space and access to numbers of professors who are qualified to do a particular job have a good deal to do with this. The whole notion of the availability of advanced education space and scholarship in the home province, as intended when the institution was built, in addition to the larger definition of the university in the universal sense is what directs universities, other institutions, and governments to a differential in fees.

**Gun Control**

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Solicitor General. I wonder if the general is in a position to inform this House if gun controls apply to tourists entering Alberta to hunt.

MR. FARRAN: Mr. Speaker, the only controls in place at the moment are those in the Criminal Code in regard to restricted weapons. Those apply to everybody in Canada, whether or not they've come from outside on a holiday.

So far as the new federal proposal to license the owners of shotguns and rifles is concerned, we haven't got any details yet. I would think that this would pose quite a problem to my counterpart, the Hon. Warren Allmand. I'll correspond with him as soon as possible to ask if he has considered the problem of foreign hunters coming into the province with their shotguns.

MR. CLARK: A supplementary question to the minister, dealing with this question of correspondence with the federal minister on the federal gun legislation. Has the minister made formal representation to the federal government with regard to that portion of the legislation before the House of Commons dealing with gun control?

MR. FARRAN: Yes, we have. On several occasions we've made the position of the Government of Alberta quite clear, Mr. Speaker. We regard the wholesale licensing of shotguns and rifles as a costly bureaucratic exercise of limited public benefit.

MR. CLARK: I'm pleased to hear that. A supplementary question, Mr. Speaker, to the minister.

Would the minister be in a position to table the correspondence to the federal government on that particular matter?

MR. FARRAN: Yes, Mr. Speaker, if the hon. member would like to put it on the Order Paper.

**Syncrude Hiring Practices**  
(continued)

MR. NOTLEY: Mr. Speaker, I wonder if I could put a supplementary question to the hon. Minister of Energy and Natural Resources, in light of having had an opportunity to peruse the speech of the hon. Member for Edmonton Calder. After perusing it carefully here, I would really like to direct the first question again to the hon. Minister of Energy and Natural Resources.

Has the government investigated the problem with respect to Americans being given preferential treatment in the particular capacity of supervisory personnel, particularly as it relates to the skilled trades? Perhaps he'd like to ask the member to answer. I'm quite prepared to hear him.

MR. GETTY: Mr. Speaker, the hon. member may be asking for statistics, I'm not sure. The statistic that I could give him is that, on an overall basis, in excess of 95 per cent of the people employed at Syncrude are Canadians. Mr. Speaker, in every case, in every case, preference is given first to Albertans, second to

Canadians, and then other countries. I think a 95 per cent figure is an exceptional, outstanding record.

MR. NOTLEY: A supplementary question. I don't want to be argumentative, but the hon. Member for Edmonton Calder said it was 85 per cent.

But with great respect, Mr. Speaker, my question really relates to the supervisory personnel. That's the issue at point, not the total number of people employed but the supervisory personnel.

MR. GETTY: Mr. Speaker, the hon. member is now trying to get at some smaller percentage that he's referring to. Where's the break between supervisory personnel and others? The hon. member also referred to the 85 per cent. That was an estimate that would be made when the plant reached peak employment. I'm telling him that right now it's 95 per cent. There's an estimate that at peak employment that might be 85 per cent. So there's no conflict between the figures.

If the hon. member has some breakdown in his mind of what is supervisory and what isn't, then he should place it on the Order Paper and we'll get him the exact statistics.

AN HON. MEMBER: Break it down into farm manure.

#### **Unemployment Rate**

MR. COOKSON: Mr. Speaker, because I think it's very important I'd like to ask a supplementary either of the Minister of Energy and Natural Resources or the Minister of Labour. What is our unemployment rate here in Alberta? Perhaps it's necessary to employ from outside, but I would be interested in knowing just what our unemployment rate is here.

MR. LOUGHEED: Just when they've had NDP governments, Jack.

DR. HOHOL: Mr. Speaker, the unemployment rate for February 1976 was 3.7 per cent, approximately 36,000 people unemployed. On the matter of shortages in the north, there's a general availability of trades and labor people across the province. There are certain shortages from time to time and from region to region, depending on climatic conditions and the flow of projects. But there's no unusual shortage. There is, and will continue to be, some shortage in national trades like pipefitters, steamfitters, and welders. But generally speaking, the availability of the work force is sound and healthy. The construction trades people are generally mobile in the sense that, with exceptions, they will go where the job is. So the situation is fairly healthy.

MR. KROEGER: Mr. Speaker, could we revert to introduction of guests, please?

MR. SPEAKER: Perhaps we should formally conclude the question period. The time has expired.

May the hon. Member for Sedgewick-Coronation revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

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

MR. KROEGER: Mr. Speaker, we have 25 free-enterprisers from Special Area 4 in the gallery. The teacher, Mr. Kjeersgaard is with them. I'd like this Assembly to welcome them.

#### **ORDERS OF THE DAY**

#### **head: GOVERNMENT BILLS AND ORDERS** (Second Reading)

##### **Bill 3** **The Appropriation** **(Interim Supply) Act, 1976**

MR. LEITCH: Mr. Speaker, I move second reading of Bill No. 3, The Appropriation (Interim Supply) Act, 1976. In doing so, I simply want to call to members' attention that it provides for approval of one-third of the program estimates which have been filed, less the salary contingency and the amounts specified in schedule A which, generally speaking, are related to programs that involved expenditures in the early part of the fiscal year of more than one-third of their total.

Lastly, Mr. Speaker, clause 2 of the bill provides for funds that would be used to pay the government's obligations pursuant to the agreement with the other participants in Syncrude.

MR. NOTLEY: Mr. Speaker, at this time of nostalgia one year after, it is somehow appropriate that I take just a moment or two to discuss certain questions with respect to Syncrude. Before I do that, Mr. Speaker, because this is an interim supply motion one has the opportunity to raise other issues as well, and I'd like to touch just briefly on something that came up in the question period this morning concerning the Environment Conservation Authority or perhaps the ERCB hearings into Dodds-Round Hill.

I would just like to make what I tried to do in the question period into a formal representation to the government. Money should be made available to groups in the area so they can have expert knowledge and background data when they make submissions to whichever body holds the hearings. This is particularly true if the government decides it's going to be the ERCB, but even with the ECA . . .

MR. SPEAKER: I apologize for interrupting the hon. member. It is true that the items in the bill cover a very wide range of topics and expenditures. But it would seem to me that the feature of the bill which is really to be debated at this time is not supply in general, for which there are other means of debate in the Assembly, but the feature of interim supply.

I would think that if we're going to avoid having two budget debates and two debates on the appropriations, we should now be confining our attention to whether interim supply should be given under the specified headings in the bill.

MR. NOTLEY: Mr. Speaker, I would accept your ruling in general, but I would ask that you give some consideration to this particular argument. Interim



supply is an opportunity for members to raise issues which are of an immediate nature as opposed to the long-term question of government operations. I think it is completely within order to raise a matter that is of current interest to the people of Alberta, as I understand the basic philosophy of interim supply discussion in the House. I will not pursue this this morning, but I would hope that perhaps you would give that particular proposition some consideration.

MR. SPEAKER: With respect, I fully agree with the hon. member that anything which has some real immediacy about it — in other words, whether approval should be given here and now to an immediate appropriation by way of interim supply — but I would say by that very definition that would rule out matters which are of a more continuing or long-range concern and not specifically of immediate concern.

MR. NOTLEY: Mr. Speaker, as I said before, I'm prepared to accept your ruling on this particular matter. I would take it, however, that the commitment to Syncrude is completely debatable at this stage of the game because it is specified in the act, and I would assume that we could debate it.

Mr. Speaker, I'm not going to rethrust the arguments which occurred before the last provincial election or, for that matter, the arguments which have been debated in the House subsequent to the provincial election. My views on Syncrude are well known, and the government's views are well known as well. But it seems to me, in dealing with this issue, Mr. Speaker, there are certain questions which I would like to have answered a little more fully.

This morning when I asked questions about the employment of Canadians in supervisory capacities by Canadian Bechtel, the minister attempted — if I can say this — to slide around the question by talking about the total labor force. But, Mr. Speaker, whether you use the figure of 95 per cent now or 85 per cent when the peak labor force is there, the real question, which has been brought to my attention by Canadian skilled tradesmen, is what their opportunities are to become supervisory personnel.

Their concern is not the total number working. It is the access to supervisory positions and whether or not they are being discriminated against. They feel they are. Now I'm in no position, Mr. Speaker, nor frankly are most of the members of this House, to be able to answer that question. But it is clearly the sort of question which should be formally raised in this House and answered by either the member who sits on the Syncrude board or the minister.

Now the minister can say, as he did this morning, how do you draw the line between a supervisor and a workman. Mr. Speaker, with great respect, I think we can be precise enough to make that distinction. We do in other areas of enterprise although when one looks at the fusing together of the power plant, which is supposed to be non-risk, with the total project as a whole, which is supposed to be risk, I suppose Syncrude is a little unusual. But certainly, Mr. Speaker, when they make complaints about supervisory personnel, the tradesmen have no difficulty in being able to identify what is a supervisory capacity and what isn't.

AN HON. MEMBER: Put it on the Order Paper.

MR. NOTLEY: Mr. Speaker, it seems to me this is the kind of question which should legitimately be debated. Somebody says, "put it on the Order Paper". Fine. I'm prepared to do that. But at the same time, if the government is in a position to provide some answers, those answers should be given here. I point out, Mr. Speaker, that this was one of the specific conditions set out in 1971 for the Syncrude project. So, Mr. Speaker, I think we have a right in this House to some answers.

In addition to that, Mr. Speaker, it seems to me the overall development of an oil sands strategy is something we should debate. I'm not going to raise that now, because that is something of an ongoing nature which we can debate during the estimates of the Department of Energy and Natural Resources.

But at this stage, the immediate concern I have is whether Canadian skilled tradesmen are obtaining proper access to supervisory jobs. I want to know how that's being monitored, who is monitoring it, what the specific procedures are to ensure that a Canadian pipefitter or what have you is in a position to rise to foreman or a supervisory job in the project. I think, Mr. Speaker, that is not an unreasonable proposition to raise at this particular time.

So I would ask the government to respond, either the Minister of Energy and Natural Resources or perhaps the Minister of Labour, to advise the House what steps have been taken. I've read over the speech of the Member for Edmonton Calder. He talks about global figures, but doesn't really give us any insight into what mechanism is going to be used to ensure access to supervisory positions.

MR. GETTY: Mr. Speaker, I suppose the hon. member is in order to get into a debate on Syncrude labor matters at this time. If he is, I'd ask our Minister of Advanced Education and Manpower to give some details as to the monitoring.

I would just point out to the hon. member that, as I said during the question period, the record has been outstanding. He has a breakdown in his mind of what is supervisory and what isn't. One breakdown we could make is non-manual labor. Now if we do take that, again I think the record is outstanding. Non-manual labor would be 88 per cent Canadian. Mr. Speaker, in a job that is taking this tremendous number of people into one project, I can't see how that record can be described as anything but outstanding.

So, Mr. Speaker, I want to point out again that the condition was imposed. The government is keeping a watchful eye on living up to that condition. I've pointed out to him the high percentage of overall work force. One breakdown — I don't know how he breaks this down in his mind — gives another outstanding example. Committees are meeting all the time on issues like this. For the details, perhaps the hon. Minister of Advanced Education and Manpower can describe how that is worked out.

DR. HOHOL: Mr. Speaker, I'm pleased to make two or three brief comments on the matter. We have periodic reports from Canadian Bechtel, the project manager for the Syncrude enterprise in northeastern Alberta. We go over these carefully in the several

departments that are responsible and concerned. We also have meetings directly with the company, from time to time. Our last one was as recent as Tuesday of this week, when I met with officials of my department, the project manager for Canadian Bechtel and his people, also the president of Syncrude and his people. We went over matters such as these and others.

The key question here this morning is the definition of supervision. It's a management definition. It's one with which we agree, and I think while it's reasonable for us, we're quite prepared to give the detailed kind of information that my honorable colleague is giving. I think we can give additional and different [information]. If the hon. Member for Spirit River-Fairview has a breakdown or figures on the basis of which the complaints are reasonable and proper, it would be just as reasonable and proper for him to indicate what those figures are, and his definition of a supervisor. Then we could be talking from the same position. This way, it simply evolves into an argument.

I'm strongly committed to the proposition that Canadian Bechtel will meet the commitments they made to us, and that Syncrude made some years ago when the agreements were put together. To this point, it's a good thing for me to say I'm surprised they're able not just to meet those commitments, but to surpass them. Canadian Bechtel is committed to the proposition of local hiring, extending it to the province and the nation. Only in unusual cases would they go beyond. It could happen. If it does, it will be in the labor or the trades component, particularly with respect to pipefitters and steamfitters.

I should make one more point, and that's the notion of management. Syncrude has engineering production capability that it moves about North America and elsewhere. I think what the hon. member and we are talking about is supervision of smaller units of employees who do a particular job on the project. Our definition of supervision here is the kind that leads us to believe Canadian Bechtel is more than meeting its commitment to Albertans.

[Motion carried; Bill 3 read a second time]

MR. FOSTER: Mr. Speaker, I move you do now leave the Chair and the House resolve itself into Committee of the Whole for the purpose of considering certain bills on the Order Paper.

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

[Dr. McCrimmon in the Chair]

#### head: **GOVERNMENT BILLS AND ORDERS** (Committee of the Whole)

##### Bill 3 The Appropriation (Interim Supply) Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move the bill be reported.

[Motion carried]

MR. FOSTER: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill No. 3, begs to report the same, and begs leave to sit again.

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

HON. MEMBERS: Agreed.

#### head: **GOVERNMENT MOTIONS**

1. Moved by Mr. Leitch:

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

[Adjourned debate: Mr. Johnston]

MR. JOHNSTON: Mr. Speaker, as a lead-off hitter today on Government Motion No. 1, I'm particularly pleased to add my few comments to those which have preceded me on this important issue in front of us, and to add my compliments as well to the hon. Treasurer for his fine work of art presented to us this year in the form of a fiscal plan for our province.

Before considering the budget, I must pause for a few minutes to take an opportunity to think about the day, March 26. A year has now passed since I became involved in provincial politics. As one who entered the elective process in a hurry, [because of] the opportunity to serve this province, I have had a most enjoyable year. I think the most outstanding thing has been to participate in the government process, the democratic process in this Assembly, and of course, to enjoy the friendship and the opportunity to meet with the very impressive people who serve this province so well.

I'm proud to serve the city of Lethbridge, Lethbridge East particularly, and to serve in the portfolio of Minister of Municipal Affairs. With ministerial responsibility, we go beyond the constituency interest. We have an opportunity to visit and meet people from all parts of the province. I am very anxious to begin the new year. I'm full of excitement. I want to meet the challenge in this portfolio, in the question of urban affairs, in the question of land use, and in some of the other debates which have been brought forward. My final comment on the issue is that I doubt if the experiences I have had this past year will ever be eclipsed in my future.

As the hon. Minister of Housing and Public Works

did, I think it's only fair to provide thanks to my department — they had to struggle with me as a neophyte and someone who was new to this process — and to those ladies in my personal staff who assisted and guided me on many occasions.

I also have to add my very humble thanks to my colleagues and the MLAs. While maybe not so subtle sometimes, their guidance was appreciated.

Finally, Mr. Speaker, the true recognition I have to give is to the Premier. I'm sure my own appreciation is but a small fraction of that felt by those in the province of Alberta. To me, he is the model of dedication and determination. It is his spirit that has made the province of Alberta the most outstanding in Canada.

Specifically, Mr. Speaker, the opposition have now had an opportunity to present their position. By their focus they have attempted to show that the calculations were perhaps casual and that the 11 per cent guideline was an exaggeration. Certainly the focus in some cases was on whether the expenditures were really reflections of government policies as revealed in the overall statements. I don't want to get into the arguments dealing with the percentage calculations, since that is indeed subjective. My own conviction is that we have served the 11 per cent guidelines. I think we will find, as we reflect on this in later years, this has become one of the most well-defined fiscal programs ever presented to the province of Alberta.

There has been much discussion, however, on the role of government expenditures in our economy, both federally and provincially. There is no doubt in my mind that the aggregate government dollars do have a very direct and indirect effect in every economic situation. A simple economic theory suggests that the fiscal power of government can force, and be used as a tool to smooth economic cycles, to avoid severe depressions, and, if necessary, to stimulate the economy. Now this has been the context of government expenditures. I thought I would focus on that somewhat today as we move through the budget considerations.

What is often forgotten, however, Mr. Speaker, is that in a very simple formula, government expenditures do not constitute the major part of a gross provincial product or gross national product, whichever level you're considering. Indeed, there are two other important variables which we must weigh. First, we have the consumption portion of the gross national product or gross domestic product. This indeed is the amount of disposable dollars you and I have. We employ this in achieving shelter, food, and the services and needs which we all have. Secondly, we have the investment section or the real capital formation side of the equation, which is the new kind of real capital formation that takes place above the depreciation levels, also the increase in inventories which are established on an annual basis.

In a private enterprise economy, we attempt to maintain the emphasis on this portion of the economy, that is, the private sector. In Alberta we have the opportunity to attract private capital and to increase the wealth of this province. This is modified by a strong political private sector feeling, a good understanding with respect to tax rates, and many other variables.

The hon. Provincial Treasurer has pointed out that we can expect an expansion of the gross provincial

product by approximately 18 per cent on the first estimates of 1975. It's my expectation that we'll probably find our gross domestic product touching the area of \$14 to \$15 billion. While other provinces can claim a larger percentage change, this is likely based on the fact that statistics use a lower base, and therefore the percentage calculations are much more dramatic.

However, Alberta has had a relatively stable and consistent rate of expansion over the past two or three years. While it is difficult to compare the rate of growth experienced in each province on a horizontal basis because of the aggregation they use, we can say that Alberta does rank, if not the highest, certainly among the top three in Canada.

Mr. Speaker, in reviewing the historical sequence of the budgets and the relationship of government expenditure in that total component, what I want to underscore is that, if we look at the statistics carefully, we'll find that indeed the government expenditure is decreasing as a percentage of the gross domestic product. In fact, in 1974, 25 per cent of the gross domestic product was constituted by government contributions. In '75, it dropped to 23 per cent. In 1976, it is my estimation we will contribute approximately 21 per cent of the gross domestic product. Therefore, it's apparent that while our gross domestic product is expanding at a reasonable rate, estimated at about 18 per cent, the percentage of total government expenditures to gross domestic product is decreasing. Thus we can see that a strong economy is emerging with greater emphasis on the private sector contributions to our provincial growth over the past three years. As well, there is clear evidence that Alberta's domestic product is increasing at a more rapid rate than any other province in Canada.

I believe a further observation can reinforce this argument. If we break down the gross domestic product on a per capita basis across Canada, *The Financial Times* in September 1974 gave its details. I will use that since it was the one most available to me. It showed that Alberta had a gross domestic product of \$7,028 per capita, just slightly behind the leader, Ontario, with \$7,084. While we can make similar estimates based on the projections for '75 and '76, I am confident we can have a position in Alberta just as clearly as advantageous, and certainly just as favorable in these two years.

This has all been done, Mr. Speaker, in the period in which the population has expanded more than the other provinces over the last two and three years and more than the aggregate in Canada as a whole. Although we've experienced this rather substantial population increase, we've been able to create new jobs at an unprecedented rate.

This is clearly underscored by the very low rate of unemployment which we now have in the province of Alberta, at various times perhaps the lowest in Canada. Let me stress that in Alberta we are exceptionally fortunate. But we must not lose sight of the fact that we play a national and international game. Unemployment across Canada has been approximately 7 to 8 per cent per annum, depending on which sample and which method the federal government is using. The eastern portion of Canada is now emerging from a mild recession. The productivity ratios have clearly been low. The economic progress

in Canada as aggregate has been zero, if not less than zero — certainly stagnant over the last two to three years.

As the hon. Member for Clover Bar stated in his June 2 address, which is constantly being quoted to us, inflation has been our major international concern, and certainly the major domestic concern as well. The inflation rate in Canada has been as high as 15 per cent and on some narrower samples may indeed be 18 per cent. There's no doubt that we had to take some very severe and direct government action to counteract and to break this inflationary psychology which has prevailed to date.

On the topic of inflation we can see that in Canada, and certainly in Alberta, we have not fared as badly as some of the provinces and states. If we look into the South American countries, specifically Argentina and Chile, we'll see that the per annum inflation rate has essentially ravished those countries. Argentina recently is reporting 500 per cent inflation rates, Chile 1,000 per cent inflation rates. There's no question that economic chaos has resulted, mortgages are impossible, savings accounts are useless, and the citizens move to convert their money into goods as rapidly as possible. We could not allow that to continue in Alberta or in Canada. Therefore, I have to concur that we have taken some of the right steps.

Yet the federal government is facing a very difficult time. They have an array of choices in their attempts to manage our economy in those clearly defined areas of responsibility. Given the price and wage controls with which we are all now involved, and given the national general experience of recession, the direction of the federal government particularly on the question of the money supply becomes extremely relevant to Alberta — certainly a major concern to us since our economic situation is solid, expansionary, and not similar to the situation found across Canada.

The Bank of Canada, as recently stated by Governor Bouey in his annual report, asserts that the money supply will not be allowed to grow at an excessive rate. The bank will attempt to limit the expansion to approximately 10 to 15 per cent per annum, thus not inhibiting the room for needed economic expansion for those portions of the economy in recession, but not defeating the anti-inflationary steps now taken. The attitude is evidence of a more moderate expansion of the bank supply over the longer period of time.

The key to the whole complex interaction of these monetary and fiscal variables is whether wages and salaries can be moderated. Since these constitute the largest element of prices in the economy as a whole, the efforts to maintain a steady and moderate growth in the money supply will therefore necessitate the short-term use of interest rates. We have experienced that to date, with the bank rate now moving from 9.5 to 9.75. The pressures on the bank rate, of course, are occasioned by the overall policy of a moderate expansion. But given the additional borrowings which were required by municipalities and corporations and the attractive rates, we have an international pressure on our dollar. Therefore the bank rates have to be adjusted to meet this.

I don't believe we will see any dramatic wide swings in the expansionary rate of the money supply

over the next 15 to 20 months. The money supply is indeed the one dimension which is really beyond the control of the province of Alberta. It is the one which the central government uses as a measure of its economic indicators and its economic progress for the nation as a whole. In my estimation the province of Alberta generally will benefit from the monetary policy as detailed for us.

We have in Alberta very clear needs for borrowings to finance real capital formation at reasonable rates of interest. We have to include therein the very important area of home mortgages. Also, there is a general need to finance municipal borrowings on a short-term basis, which in 1975, reached an all-time high of \$3.5 billion across Canada. These are all demands on the money supply. In some senses, this will be a restricted money supply. Therefore, there will be internal competition for those valuable dollars. This will perhaps force the Alberta private sector to plan its capital expenditures in line with the national policy.

The federal money policy, therefore, can be seen to be both positive and negative. Positive, I suppose, in the sense that the real rate of capital formation will be reduced somewhat in the province. Therefore, other pressures on the economy may not be exacerbated to the same extent because, as you know, we are now characterized by high demands for proposed capital expenditures together with a very low unemployment rate.

However, the expected higher interest rates may impinge on the ability of the hon. Minister of Housing and Public Works to deliver the supply of housing needed. As housing constitutes a major portion of the investment sector of this economy, any variation will have almost a direct impact on our economy through investment spending. There is some evidence, in some studies done by Lithwick and others, that across Canada a 1 per cent increase in the interest rate will reduce housing starts by approximately 12 per cent. On the contrary, a 1 per cent reduction in that interest rate will perhaps only spawn or generate a 7 per cent rate of increase.

In Alberta, because of a very unique situation founded on financial success and good government, we can fill the gap. We can meet this demand/supply gap for mortgage money by tremendous programs as evidenced by our budget and by the Minister of Housing and Public Works. Particularly SHOP, and others, will balance the whims of the national economy as we attempt to meet our expected housing starts. I think in Alberta we can probably meet the demands, but we'll be going cross-grain to a national economy which may well be characterized by high rates of long-term borrowing.

To move more to a microperspective, Mr. Speaker, I thought I would comment on some of the direct and obvious effects of this budget on my city, Lethbridge. I did a very casual review of the budget and attempted to pull from the program situation some of the more direct expenditures which can be traced. Looking at three or four of the departments, mine included, I find we could summarize very quickly about \$38 to \$40 million worth of direct expenditures. For example, the University of Lethbridge and the community college in Lethbridge will receive something like \$12 to \$13 million. Through my department, the city direct grants, [the] Oldman Regional Planning Com-

mission will receive something like \$1,400,000. School boards and hospitals could well total over \$20 million. The Deputy Premier has agreed to spend something in the order of \$2 to \$3 million, and on it goes.

The accumulation of direct dollar expenditures in the city of Lethbridge is really strong. It's given to those boards. They're autonomous agencies, and they're allowed to spend under their own programs and their own budgetary set-up. The important thing of course is that most of this, approximately 60 to 65 per cent, goes back into the cycle as wages, into the gross domestic product, and indeed is recycled by the multiplier effect into an expanded economy. A very quick calculation indicated that the province would be contributing something like \$800 per capita to my city.

We could quickly forget the other budgetary items which are not revealed to us, such as the government's program of decentralization and some of the other offices and agencies which are located there. They are not, in a sense, direct expenditures, but have just as much a direct effect on the city of Lethbridge.

The very important goals of this budget, that is: government restraint in the rate of growth of government expenditure; emphasis on the major social issues of housing, law enforcement, the judicial system, and worker health and safety are all done with the assurance that the disposable income of the individual in this province will be protected. No income tax or capital tax increases are forecast. We have protected disposable income by avoiding sales tax and other kinds of taxes, and saving the property-owner from excessive property tax increases. This is a major economic opportunity for those people who reside in Alberta. I put them, comparatively, probably at the top of the scale of any province in Canada.

A policy of establishing the heritage savings trust fund, Mr. Speaker, together with the fiscal implications of this decision will very likely be considered, historically, as one of the major decisions ever made by an Alberta government. I will not debate the pros and cons of the legislation itself, but I will add that I believe we may have to face some very difficult questions in the future. First of all, if we all agree on the principle, we may find that it is indeed beneficial to continue to borrow on a long-term basis to support our current contributions to that fund. Today's decision on the Alberta heritage savings trust fund will clearly have implications forever on the future of this province.

Mr. Speaker, I want to direct just a few comments to the impact of this budget on the municipalities and urban areas across the province. I have detailed for you very simply the direct kinds of expenditures which will affect the city of Lethbridge. I'm sure these are duplicated in all municipalities throughout the province. Very simply, we're making some tremendous direct and indirect contributions to the municipalities and urban areas of this province.

There are two major areas in my department, and I'm sure we'll be debating these later as we get into the specific budget. First, there is the increase in unconditional grants to municipalities at a new level of \$50.9 million, coupled with our provincial interest rebate program this year, which is increased by 336 per cent to approximately \$5.5 million. The increase

in unconditional grants was announced in September 1975. Thus we gave the municipalities an opportunity for adequate budget lead and to provide a fiscal prime for themselves for the difficult period ahead.

It should be noted that in '74 the aggregate municipal expenditures were \$687 per capita, the highest of any province in Canada and about 27 per cent above the national average. More importantly, as referred to in the Budget Address, the property taxes are at or below the national average. Mr. Speaker, obviously if we have the highest municipal expenditures in Canada, coupled with average taxes, there has to be a high level of government support by grants and other methods of direct expenditure unsurpassed in Canada.

Mr. Speaker, one other item is important to my budget. It's not a very large dollar amount but I think it has a major impact in our province, in our nation, and internationally as well. It is the contributions we will be making as a province, through the Department of Municipal Affairs, to the United Nations Conference on Human Settlement, the Habitat Conference in Vancouver.

In Alberta we have found that, through joint participation of many departments, with a very modest budget we can provide a really substantial contribution to the question of human settlement. We have in Alberta some very clear examples. Since the direction of the Habitat Conference is toward the recognition and solution of problems and assistance on an international basis, we found that we have some typical examples of those kinds of solutions which will be of interest to those on an international scale.

I can mention Fort McMurray and others, but indeed the one which is, perhaps, more dramatic and of interest to me recently is the participation of those people in St. Paul. I had an opportunity to visit there on Wednesday. The spirit of that community, with respect to Habitat, is tremendous. You cannot believe the amount of spirit and participation there. Some 86 different projects are aligned where they consider, on a very reasonable basis, the question of human settlement, their quality of life, and some of the solutions and guidance they will have for their future. I want to mention as well that I was accompanied by the hon. Member for St. Paul. The participation by the people there was certainly most appreciated.

Mr. Speaker, we were able to announce that 75 international visitors, on what we consider to be national study tours, will visit St. Paul as part of our contribution. They will be in and out of the province on a two-day arrangement. Certainly, international recognition of this fine community is a true tribute to the spirit and leadership presented by that group.

Mr. Speaker, I only want to finalize my statements by saying that the opportunity to discuss with the members of this Assembly the questions which are presented by this budget is important. It's the most important document we'll be dealing with this year. I think the fiscal plan is very well balanced. We're predicting a small deficit in the operating account. Whether that will materialize we're not sure, but indeed it can be considered a balanced budget.

Mr. Speaker, the final point I want to make is this: I think we will look back on the direction we took in

September to establish our own priorities, our spending guidelines, as probably one of the most classic decisions we've taken. We have found that we've had to go back to our people, back to ourselves, and back to our departments to talk about the priorities and the kinds of directions in which we think we should be going. Indeed, if we couple this with the new program budgeting technique, we're going to have a very clear example of how we can achieve the goals and directions with the limited amount of resources available to us. As well, we'll be able perhaps to measure and adjust the priorities as we move into the difficult times ahead.

I only want to comment that the municipal districts, counties, and urban areas have responded very well to the kinds of items we've talked about, the kinds of fiscal restraint and the policies which we hope will prevail. Indeed, expenditures have not risen as dramatically as they have in the past, and certainly a conscious effort has been made to ascertain and determine the direction in which expenditure programs must go.

With those few words, Mr. Speaker, I merely want to say again that the year I have spent in this House has filled me with excitement and joy. I want to thank again the people I have met. It's been one of the most exciting times I've ever had. Finally, to the Provincial Treasurer, the very best on his fiscal plan for 1976-77.

MR. R. SPEAKER: Mr. Speaker, in making remarks with regards to the budget, I'd like first of all to indicate my sincere appreciation of the effort of the Provincial Treasurer. I feel he did all in his capability to present before us a budget that was representative of the times. I think the difficulty the Provincial Treasurer will face will certainly be the support he has from the Premier, the ministers of government, and certainly from all of us in this Assembly.

In the budget the Provincial Treasurer presented to us last May, I'm sure that in all his efforts he attempted to maintain that as a surplus budget. But we well recognize what has happened. We've gone into a position of a deficit budget. By indication in this document we see that that is potentially \$85 million, which shows the budget was underestimated by some hundreds of millions of dollars. Mr. Speaker, I think that's the challenge the rest of us have in co-operating with the Provincial Treasurer in an attempt to meet some of the goals he has defined. If that doesn't happen, what's outlined in this budget is nothing but words — a document presented before us to take up our time. In my remarks today, Mr. Speaker, I'd like to relate to that attitude.

Prior to that, I'd like to mention my appreciation of the remarks of the Member for Sedgewick-Coronation. Basic to his remarks, I feel, were sincerity and a set of values that certainly do not always inculcate judgments we make as politicians nor judgments even in our own daily lives. I felt what he did say was that there is opportunity in Alberta — opportunity for initiative and opportunity for us as people to do our own thing — and that should be preserved. I think it is honorable, Mr. Speaker, that a person in his first year stands up and says that in this Legislature. Often we become too political and don't make that point of view known and try to swing and sway with the times. I hope that goal and direction

continues as long as that hon. member is in this Assembly. I think it's a good example for the rest of us.

With regard to the general intent of the budget, Mr. Speaker, I have said I appreciate that intent and feel some hard work by all of us is needed. I have to question whether it is an indicator, or whether we will have what we can call meaningful restraint coming from the actions of this government and in effect a meaningful attack on the problem of inflation that faces us. I'd like to deal with that in my remarks.

Earlier today there were questions and remarks with regards to the buttons and today as the first birthday of this Legislature. Mr. Speaker, certainly the success the buttons represent can be recognized. But I think we should recognize something else about them. During the election, I recall that the Conservative Party candidate who ran in the Little Bow constituency must have had unlimited amounts of money. I've got to say that that's what those buttons symbolized to me, an expenditure of money that was just unbelievable. A group of politicians — I don't know who ran their campaign — came in with an overkill to try to kill the few of us who were around at that time. To me that was really a mismanagement of funds in the campaign. For the next campaign, I hope there's a relationship between money expended and what really is required in some of the campaigns. I think a lot of people look at legislation which is necessary to control some of the campaign expenditures. Maybe what we observed in the last election would certainly support that point of view.

I feel the expenditure of this government during the year since that campaign has just followed the same pattern. We've had expansionary expenditure, over-expenditure. We've had \$300 million in special warrants. So maybe the button does symbolize more than just success in an election.

In referring specifically to the budget, Mr. Speaker, I felt a keen interest in one of the paragraphs on page 5 where the Provincial Treasurer said as follows:

Inflation rates to which government spending significantly contributes are at unacceptably high levels, and action has to be taken to prevent the destructive consequences which continued high levels of inflation could bring to the Canadian economy and to our citizens. A reduction in the rate of increase of spending by all levels of government will not only directly reduce inflationary pressures, but will also help to break the inflationary psychology whereby the belief that inflation will continue leads to actions that ensure its continuance.

On that statement, Mr. Speaker, I think we have to examine this document which has been presented before us.

First of all, I'd have to look at the past performance of this government. In an earlier speech I made the point that the 1975-76 budget of this government had an increase of 32 per cent. On page 5, right at the first of this budget, and it seems apologetic, the Provincial Treasurer says that expenditures have "increased at an average rate of approximately 23 per cent per year" over the last five years.

In one sense, Mr. Speaker, that may be good. Maybe we're providing more services for the people of Alberta. But what it does say, Mr. Speaker, is that for the last five years we have continually expanded

the base upon which a supposedly 11 per cent increase is now based. Mr. Speaker, I question that 11 per cent as indicated in this budget. To me, you've got to compare two things which are similar. The earlier indication — the 1975 budget — was that expenditures would be around \$2.5 billion. Now they're \$2.9 billion. Mr. Speaker, that increase is greater than 11 per cent. It's closer to 17 per cent. I think that is the figure we have to look at. If we look at the base that has been expanded over the years, and we can all understand the arithmetic of that, certainly we could even calculate the percentages much higher.

I'd like to observe what is happening in this budget with regards to the cash surplus or the money that is coming into the province. In my earlier remarks I mentioned that the cash surplus position of this province has been reduced very drastically. The December 31, 1975, statement indicated it was down to a figure near \$1 million. On page 15 of this particular document, again we see an indication of heavy pressure on the cash requirement of this province.

The budget indicates non-budgetary transactions: net requirement, \$454 million. But it indicates in a paragraph at the bottom of the page that from that should be deducted \$297 million which will be taken from the heritage trust fund for housing and the Syncrude project. That leaves us a cash requirement of \$157 million plus the budgetary surplus deficit of \$31 million, which leaves us a requirement of \$188 million, Mr. Speaker. If we took the precedent this government has set with special warrants and added \$300 million, the cash requirement of this province could be up to \$480 million to \$500 million, which places a terrific burden on the requirements of this province and just supports the trends in the 1975-76 budget.

I was very interested, and I'm sure the people of Alberta are interested too, in what this type of budgeting would mean to us as citizens if we had to get our cash from personal income tax, corporate tax, gas tax, or sales tax. Mr. Speaker, it's rather alarming. If we had to pick up this some \$180 million from these sources — it's fortunate it comes from natural resource revenue at the present time — our personal income tax would double. If we had to pick it up from corporate tax, corporate tax would double in Alberta. If we had to pick it up from gas tax, gas tax would triple in the province of Alberta. We would have to have a sales tax of anywhere from 5 per cent to 8 per cent in the province of Alberta to pick up a cash equivalent to look after that aspect.

Mr. Speaker, if the Government of Alberta — the Conservative government that sits so proudly with buttons today — continues to budget as it is, and if we are going to meet the requirements of the Alberta heritage savings trust fund, then the pressure on these types of taxes is going to come.

The government feels it has a bag into which it can continually reach and meet deficits by putting in the cash. But Mr. Speaker, I'm not so sure how long that can continue. If it doesn't, we're faced with these kinds of taxes totally outside our capabilities as citizens. If we ever do reach that rate, we will be bankrupt in the province of Alberta.

The trends and objectives in this province just aren't as rosy as they're made out to be. What you

have to observe as backbenchers, what you have to observe as frontbenchers, is the direction you're going and the amount of expenditure you're making in this province. I think that's very, very significant for you to do.

The hon. member from Edmonton seems to be interested. I think he should take the responsibility a little more seriously, speak on this, and tell the government it's time we budget and spend responsibly in this province of Alberta.

Mr. Speaker, I think that could sound a bit alarmist. But the facts are in this budget. The precedent of two years of budgeting indicates that's the type of pattern the Conservative government is following. What else can we go on except precedent, attitude, and pragmatic action that brings us to this state at the present time?

Mr. Speaker, I feel the use of cash surplus and investments by this government is going to affect us as taxpayers. It's time we take a responsible attitude toward the use of those cash investments and that cash surplus.

I spoke of special warrants a little earlier. Last year we had \$300 million. I know that special warrants were established by government to be used in emergency situations. I question whether that was the situation in last year's budget. If the same thing is evident in this coming year, the irresponsibility of the government will be very, very evident.

For example, I very quickly reviewed the special warrants last year. I felt things in there were just not that necessary, things like the Grey Cup. A whole bunch of ongoing programs were supplemented: consulting fees, apprenticeship programs, land purchases, election expenses — well, maybe that was necessary — publications, summer employment, pension benefits, grants, salaries, foreign missions, community hall improvements, government space purchase, gravel, studies. There are a number of others.

But those are things that could be taken out of an ongoing budget. If they couldn't be afforded out of the ongoing budget, the government should have been strong enough to say, we'll wait, we can't do it. The answer "no" will have to be used just a little more across the province if this document is to become meaningful.

[Dr. McCrimmon in the Chair]

When I say "no", someone often says, what will you refuse in your constituency? I think that should be clearly understood too. Every citizen in the province of Alberta has equal access to that budget. If the government has placed before the citizens of Alberta a program for housing, road improvement, recreation, whatever it may be, then every constituent, every resident of Alberta has equal access. Because a member of the Legislature may speak out against runaway spending and special warrants, that doesn't mean his constituents should be sacrificed in any way.

I think I speak for all the opposition when I say that. Sometimes I wonder — in the glowing terms and pats on the back — whether the government members are really prepared to get down to business and spend in a responsible manner in this province. I want to make that very, very clear at this time.

What else am I concerned about in this budget? Mr. Speaker, I think other things are necessary to be noted relative to my statement with regard to responsible budgeting and taking the responsibility of carrying out that budget. I recall making a statement to the former Minister of Agriculture back in 1972 with regard to spending in his department. During that time, his budget increased three times. I said to the minister, fine, your budget may go up three times, but what I expect in a couple of years is that the net income of farmers is tripled. There was no way I expected that would ever happen at that time. It seemed like an impossibility. Conditions and times have certainly made it happen, and not particularly because of government programs. That's the last thing I'd ever admit. Even if I were in government, if I were sitting on that side as the Minister of Agriculture, I'd really hate to admit that government programs are what make a farmer in this province successful.

MRS. CHICHAK: They sure will.

MR. R. SPEAKER: Not much.

DR. BUCK: Just like the Arab-Israeli war they started.

MR. R. SPEAKER: You're right.

Mr. Speaker, along with that tripling of the budget by the Minister of Agriculture, he introduced — sort of on the political planning basis — a whole bunch of other programs: rural gas, recreation grants, corral grants, cow-calf subsidies, and a number of other things that just took up the slack and got government more involved in all the things we were doing. I think that isn't a good way to handle government or to act responsibly.

Examining the budget a little more specifically with regard to my remarks, I examined what I called "ministerial costs" and the costs in the offices of the ministers. The point I'm trying to make is that if we're going to show restraint, if we're going to show that our budgets are very meaningful and we're cutting back and holding the line, the ministers have to set an example.

If we examine all the years from 1970 to the present, we'll note increases each year in the ministers' offices: 1971-72 was up 37 per cent; in '72-73, it went up 24 per cent; '74-75, about 15 per cent. In '73-74 it was just about 80 per cent; '75-76, 21 per cent. The increase this year in the ministers' offices is up 12 per cent at the present time. So it's been a continuous increase — this year particularly — over and above the guidelines established.

If we look again at specifics in top-level administration of this government, we find — and this is right out of the present budget — that support services at the provincial level have increased on the average of 19 per cent. We've got increases all the way from one at 8 per cent to one over 150 per cent in support services in departments. Mr. Speaker, this is not an indicator that we really have sincerity about restraint. The ministers are saying we've got to restrain everybody else, but we can't really restrain in our own areas or in the area of support services at the provincial level. That's where it has to start. I think that relates to my first comment this afternoon: restraint really has to start with us, here in the

Legislature.

One of the other things I felt was a little misleading in this budget was the question with regard to taxes. We look on page 16, and it says, "no increases in taxation". Well, that's correct, Mr. Speaker. No percentage of taxes have increased. That's very right. But if we examine this budget just a little closer and compare the gross income or the tax revenue from personal income tax from a year ago, the last budget, we find that the money we have taken out of the hands of the people in Alberta in personal taxes has increased by \$87 million.

Well, Mr. Speaker, that's a lot of money. So who can say taxes in Alberta have not gone up? Somebody had to pay the \$87 million. I'm sure that every one of us sitting in this Legislature, and the people of Alberta, are the ones who have been stuck with this increased cost of \$87 million. Mr. Speaker, I think the people of Alberta should know that and that this government that sits here so piously in one sense, so smug, so ready to say, we're going a great job, should really examine some of the pressures they put on the people of Alberta.

Sure the people of Alberta pay the money, and increase it. To really keep taxes consistent, we should have lowered the percentage of personal income tax in Alberta to keep the revenue the same as it was before. Mr. Speaker, if government is really being honest with people, I think that's the kind of action we should expect.

Mr. Speaker, when you sum up the budget you say, well, we're going to have a deficit of some \$31 million which sounds not too bad. But we expect that there may be more, with special warrants, with expenditures that can't be controlled. The Minister of Municipal Affairs shakes his head and says, no, we're not going to do that. No way, boy. The Premier has given us the word, and we're going to listen. Well, I hope they do.

But what really amazes me is that just a few days ago we had an act brought into the House that gives the government the right to borrow \$200 million. You tell me where the sincerity is in this whole thing about paying as you go, paying your way, not having larger deficit financing, or not having a bunch of special warrants.

Mr. Speaker, that's the thing we've got to be concerned about as Albertans, because it's the precedent to more expansionary spending, giving us at this point in time a beautiful document that sounds good. And I'll tell you, some of my constituents have even said, boy, does that budget ever read well. It looks beautiful on paper: 11 per cent, holding the line, we're going to meet requirements, increase it for housing. It looks great, looks good, a terrific budget.

But when we look at some of the facts behind the situation, when we look at the neurosis the Conservatives have about where they are going to meet some of these expenditures, then I think we have to question the attitudes of this government. As an opposition, I think we have one of the biggest responsibilities we've ever had, in that we have to stand up in this House and raise the question of special warrants whenever they do have them, to see if they really are emergencies. But some way, through some method, we have to become even more vocal about the fact because the people at the grassroots have to know, they have to be able to



judge this government on the facts.

A year ago today the Conservatives were able to win in this province and win very handily.

AN HON. MEMBER: True, true.

MR. R. SPEAKER: That's very true. But I have to give them this word of caution. In the last two months I personally have had more people come to me and say, I am concerned about the spending habits of this government. I am concerned about the arrogance of this government. I'm concerned about the fact that they're not listening like they did a little while ago. You know what that means. I've been sitting on that side of the House and understand it. I heard those things and ignored them. And I'm on this side of the House.

DR. PAPROSKI: That's why.

MR. R. SPEAKER: Let me advise you very carefully that your graph of support is not going up. Your graph of support at this point in time is going down. Let me advise you that if your budget is overexpended like this, and next year when we come back I stand up here and find that the deficit is even larger and that borrowings are necessary, that line in the graph is not going to go down at a linear rate. It's going to be going at whatever the other rate is.

AN HON. MEMBER: The Titanic.

MR. R. SPEAKER: The Titanic, whoever used that. That's going to be the rate. I think as people responsible . . .

DR. BUCK: Dip into the heritage trust fund.

MR. R. SPEAKER: . . . that's the thing that is necessary. Sure, we'll say, now we've got to dip into the heritage trust fund, because we have overspent. To save the people of Alberta more taxes, we're going to use that heritage trust fund as a back-up, and we'll pay interest on the loans we make from it. We'll pay it back interest from the debt, and the people of Alberta will get the interest from the general revenue that in turn comes from them as taxes.

That's the kind of situation we can be in, if we continue the budgeting process that has happened. As I said earlier in a more objective statement, if the frontbenchers and the backbenchers do not take the sincerity and the effort that the Provincial Treasurer has given in this document, [do not] support him so he is able to meet the objectives he has set here as closely as possible — if we don't do that as members, then certainly the people of Alberta have budget and tax problems that they don't deserve with all the revenue we have had in the last few years.

The political ramifications for the Conservative government — I'll give them all to you. You can have all the accolades you're going to get when we have to start deficit financing and raising the taxes in Alberta. That'll be the most interesting election we'll have at that point in time. I'll say it'll be a lot easier to get elected in that one than it was in the last. Certainly the political planners and strategists of the Conservative Party had better recognize that at this point in time.

Mr. Speaker, in summing up my comments with regard to the budget, the object of restraint and the concern about inflation are good. But the sincerity of this government to meet the objectives they have set here, I'm not so sure they are good or can be met by the government.

We're going to be documenting, we're going to be observing, and we're certainly going to be very critical. Not because it may gain us some political pluses, but because I think it's time we have to be responsible people and quit playing government as a game rather than as one of responsible administration in this province, something we have to be committed to, and something that has to be taken with sincerity and a bit of sobriety.

Thank you.

MR. DOAN: Mr. Speaker, I'm very pleased at this time to take part in this debate on the 1976-77 budget as it relates to my constituency. But I would first like to commend our Provincial Treasurer for a tough job well done.

My constituency consists chiefly of a large farming area serviced by five towns and villages, two hamlets, with the city of Red Deer in the centre. As you know, the city of Red Deer is not part of my constituency. However, this covers an area 62 miles east and west, and 32 miles north and south. Mr. Speaker, we recognize the consideration in this year's budget emphasizing agricultural processing facilities outside the major metropolitan centres. This is another step toward further diversification of our basic industry in Alberta. We also appreciate another \$20 million to boost the services of our Agricultural Development Corporation.

Mr. Speaker, we are very proud of the achievements and awards of our various livestock breeders in this area. Year after year, there are top awards for both dairy and other exotic breeds around the Red Deer area, while Grand Champion Hereford awards are a common occurrence in the Innisfail area.

MR. DOAN: This year, \$92,000 was paid by two Innisfail farmers for the highest priced bull sold at the Calgary bull sale.

MR. CLARK: The bulls were from Olds-Didsbury.

AN HON. MEMBER: That's a lot of bull.

MR. DOAN: Yep. Mr. Speaker, a new industry in our province is the Alberta Hereford Association Bull Testing Station at Innisfail. Here they handle up to 260 bulls at a time in a daily gains test . . .

DR. BUCK: That's a lot of bull.

MR. DOAN: . . . through periods of 140 days. I should say they take in bulls of all breeds from all over the province of Alberta. I also understand the 7th World Hereford Conference, the first ever held in Canada, will be held in Banff. They are expecting over 2,000 breeders from all over the world. Our Innisfail Hereford centre will be hosting this group on July 6.

Mr. Speaker, I feel it is very appropriate that our budget recognizes the important studies of the Land

Use Forum, of which I am very pleased to be a committee member. It is very timely that this government adopt a firm policy on various uses of land today; that good No. 1, 2, and 3 soil be preserved for agricultural products only; that decentralization of our urban centres be allowed only on soils unsuitable for agriculture, if possible; and that we take a serious look at the problem of foreign ownership of farmland here in Alberta.

Mr. Speaker, these are only a few of the problems confronting land use. If we are to maintain a healthy agricultural industry in Alberta, land should be seen as a creational resource, a gift for mankind to take good care of and enjoy.

Mr. Speaker, with the emphasis of our budget this year on restraint in order to slow down this inflationary trend, today labor unions stand at the peak of their power and success. They have gained their goals by eliminating sweat shops, child labor, eight-hour days, five-day weeks. They have gained unemployment insurance, minimum wages, pensions, and medicare. The power, as usual, became corrupted. It has gone too far. Their abuses invited their downfall.

Back in the '60s, when 4.5 per cent increase in wages was about the same as the productivity gain, prices held steady. The belief then was: produce more and we will pay more. Now productivity has become undermined. Inflation justified the feeling then that you were entitled to a raise every year whether or not it was earned, whether or not business could pay it, whether or not the economy could stand it. If the present trend of inflation continues, by 1980, 70 per cent of costs will be eaten up in labor. Labor union strike costs have become astronomical, degenerating into an exhibition of power, competition, and irresponsibility.

Mr. Speaker, to those of us who have watched the escalating crime problem over an extended period, we are pleased to see some extra consideration in our budget for the enforcement of law and justice. It would appear that law enforcement is being stymied by a hopeless backlog of remand cases, and that our lower court judges and Crown prosecutors are understaffed.

Mr. Speaker, I've said before in this Assembly that our criminal laws are too soft. Where is the penalty for crime today? There is no more hard labor or lash. We put criminals in our jails today and treat them like hotel guests at the taxpayers' expense. We feed them steaks three times a week. We supply them with color TV, entertainment, and recreation. Then, with good behavior, they are allowed weekend paroles. I feel this is the reason our jails are overflowing today — certainly no deterrent for crime.

Mr. Speaker, very briefly, to save time I would just like to mention a few more points. Education is certainly one of our high priority problems, but I do wonder whether we're not emphasizing quality instead of quantity.

Under our health services, I understand our Minister of Hospitals and Medical Care is considering a regional hospital service in Red Deer. This would be appreciated by the surrounding area since we

have to send our special cases to Edmonton and Calgary. Also we are getting our Innisfail hospital services upgraded. Certainly this would be appreciated by the seven doctors we have in our town.

Our senior citizens home in Innisfail was brought up to 60 beds last year. We have just opened a self-contained unit in Bowden with 20 suites. We are going ahead with the large redevelopment in our town centre of Innisfail, where we hope to have some government offices. This development will get under way this summer.

My constituency is very pleased that our government is going ahead with the large water lines supplying all the towns south of Innisfail to Calgary. This is a very much needed service because of the fast growth of this area.

Mr. Speaker, I feel a dam on the Red Deer River is badly needed. But I would be disappointed if we have to flood good farmland. This may be necessary if the present studies prove unsatisfactory.

My constituency is now totally serviced by our rural gas development — a wonderful improvement — although now, like everything else today, costs have skyrocketed and it has become an expensive luxury.

Another much needed and appreciated capital expenditure is a new bridge over the Red Deer River west of Penhold. This joins up Highways 42 and 54 which service the cattle country to the west and an oil and gas field in that area. Our Department of Transportation is also resurfacing 14 miles of the old Highway 2A running through the centre of my constituency and serving the Penhold airport and three towns: Innisfail, Penhold, and Bowden.

In the industrial development area, we had a new development this year. Johns-Manville is building a \$12 million development in Innisfail at this time and will be manufacturing building insulation and piping.

Mr. Speaker, there are many other things we could mention in my area, but because of the time problem this morning I would thank you.

MRS. CHICHAK: Mr. Speaker, I beg leave to adjourn debate.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. member, are you all agreed?

HON. MEMBERS: Agreed.

MR. RUSSELL: Mr. Speaker, I move that we now call it 1 o'clock.

MR. DEPUTY SPEAKER: Having heard the motion by the hon. minister, do you all agree?

HON. MEMBERS: Agreed.

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

[The House rose at 12:15 p.m.]