

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, May 10, 1976 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 51****The Department of
Government Services Amendment Act, 1976**

MR. SCHMID: Mr. Speaker, I beg leave to introduce Bill 51, The Department of Government Services Amendment Act, 1976. This being a money bill, his Honour the Honourable the Lieutenant-Governor, recommends the same to the Assembly. Mr. Speaker, this bill will enable individual government departments to be charged for the cost of services provided, such as computer services, maintenance, repairs, and so on, and will amend The Queen's Printer Act.

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

Bill 56**The Recreation,
Parks and Wildlife Foundation Act**

MR. ADAIR: Mr. Speaker, I beg leave to introduce Bill 56, The Recreation, Parks and Wildlife Foundation Act. The purpose of this bill is to provide a vehicle for both private and business citizens of Alberta to donate to a foundation outside government to assist in stimulating recreation, parks, or fish and wildlife opportunities in this great province.

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

head: **INTRODUCTION OF VISITORS**

MR. LOUGHEED: Mr. Speaker, we have in your gallery today a distinguished visitor from the United Kingdom to the Legislature and to the province, Lord Shawcross. He is here to be the guest speaker at the Sir Winston Churchill dinners, both tonight in Edmonton and tomorrow in Calgary. We are delighted he is here.

He is a former legal adviser to Sir Winston Churchill and served in the British House of Commons and the British government. We just want to take note of the fact that because of the feelings this province has toward the memory of Sir Winston Churchill — it's rather unusual — it has been pointed out to me that there are two Sir Winston Churchill Societies in North America, and they are in the two metropolitan

cities in Alberta. We welcome Lord Shawcross to this province and to this Legislature.

MR. BRADLEY: Mr. Speaker, it is with a great deal of pleasure that I rise today on your behalf to introduce through you to the members of the Assembly 28 Grade 5 students from the Patricia Heights Elementary School in your constituency of Edmonton Meadowlark. They are seated in the members gallery. They are accompanied by their teacher, Mrs. J. Sissons, and Mr. Sissons. I would now ask them to rise and be welcomed by the Assembly.

MR. TOPOLNISKY: Mr. Speaker, this afternoon I am delighted to introduce to you, and to the members of this Assembly, 36 Grade 10 and 11 students from the Andrew High School in my constituency with their teachers, Mr. Semeniuk and Mr. Bidniak. I commend them for their interest in observing the workings of the Legislature. They are in the members gallery. I ask that they stand and be welcomed by members of the Assembly.

MR. HYNDMAN: Mr. Speaker, it's my pleasure today to introduce some dozen Grade 4, 5, and 6 students from Parkview Elementary School. They are in the members gallery, accompanied by their teacher, Mrs. Smith. I'd ask that they rise and be recognized by the Assembly.

MR. ASHTON: Mr. Speaker, it's my pleasure to introduce a group of students from Terrace Heights School. They are sitting in the public gallery. I'll ask them to rise and be recognized.

head: **TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I wish to file a reply to Motion for a Return No. 163.

MR. SCHMID: Mr. Speaker, I would like to table replies to Motions for Returns 113, 118, 123, 129, 151, and 147.

head: **ORAL QUESTION PERIOD****Oil Pricing**

MR. CLARK: Mr. Speaker, I'd like to direct a first question to the hon. Premier and ask if he's in a position to indicate the negotiations that will now go on between Alberta, the other producing provinces, and the federal government, in light of the failure to reach any accord at the federal-provincial conference last Thursday at the Prime Minister's home.

MR. LOUGHEED: Yes, Mr. Speaker. As I mentioned earlier in the House, I thought it was rather unlikely that there would be any possibility of agreement which would involve the consuming provinces, and that what I thought would occur and what I now think will occur will be discussions between the Prime Minister and ministers of the federal government with the premiers and ministers of the producing provinces.

MR. CLARK: Mr. Speaker, then a supplementary question to the Premier. Has Alberta agreed to the \$1.35 that the federal Minister of Energy is talking about or any other figure as to the price of crude oil after July 1?

MR. LOUGHEED: Mr. Speaker, no. There has been no agreement by Alberta on any particular price or any particular sum, or even the method by which the amount is determined or the timing. As I mentioned earlier in the House before the meeting, we entered these negotiations with a view to assessing the total package. I think it's clear that the negotiating position taken by the Minister of Energy was important, because at the luncheon I faced a situation where views were strongly expressed by some of the consuming provinces that there should be absolutely no increase at all, even though we have an understanding with the federal government that we would move toward international prices.

For our part, we have said that as the owner of the resources in this province we're prepared to recognize the impact of price increases upon the total economy and to accept a degree of staging of those price increases. The matter is still one of negotiation. We're certainly leaving open our options relative to the total package and relative to the timing and the staging aspects.

MR. CLARK: Mr. Speaker, a further supplementary question to the Premier. Is it still the position of the Government of Alberta that this staging-in to world prices, which has been agreed to between the producing provinces and the federal government, will still take place over a period of three years — I believe three years is the term involved — until we get to the world price?

MR. LOUGHEED: Mr. Speaker, from the federal report and the discussions we've had, I believe a target of a two- to four-year period of staging has been looked at, obviously probably more inclined toward the higher figure because of the impact of an increase in price on inflation in the country at large. As I mentioned, we for our part are prepared to recognize the economic impact.

Also, I think it's important for hon. members to be aware that we took the position at the energy conference in April 1975 of what we call a self-sufficiency price for Canada, and that this was a price that we should look to in a total position.

We could run into a circumstance where there might be a decline in international prices at a time which would be unfortunate for the development of the Alberta oil sands. That has to be looked at and balanced with further increases in price that might occur at the international level and the reasons for them, as well as the situation in the United States as to their composite price and their old oil and new oil price. It's a matter of moving toward international prices over a target period of years, but being flexible enough to adjust them to the realities of the day.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Is the Premier in a position to advise the Assembly where matters stand on the question of, for want of a better expression, parity

related to the BTU content between the prices of natural gas and oil?

MR. LOUGHEED: Well, Mr. Speaker, our position on that is that we were very pleased to obtain agreement with the federal government — and these matters are better done by agreement than other ways — to parity over time of natural gas with crude oil. We recognize, though, that the cost implications are such that if people have to shift or convert from natural gas to crude oil, there is a cost factor we're prepared to take into consideration.

It's now at 85 per cent of parity, and frankly it's closer to parity at this stage than we anticipated. When I look back at the 16 cents per MCF and compare it with the 97 cents per MCF, we've certainly done extremely well in the natural gas negotiations. Of course, the prices have increased in a very extensive way outside this province. We're prepared to look at the timing of further increases and whether 85 per cent of parity is something we can live with in this anti-inflation year.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Premier. Would the time frame for parity pricing for natural gas be the same that Alberta is now looking at in conjunction with the federal government for world pricing for oil — the two- to four-year time frame?

MR. LOUGHEED: Mr. Speaker, I'm not sure I would say it's the same time frame, because there are other conditions and other aspects involved. I've mentioned some of them in my earlier answer. Essentially, we wanted to get agreement, as we did last June, that we would move toward international prices in crude oil over a period of years, and that we would move toward parity in natural gas and crude oil over a period of years as well. The two don't necessarily fall in the same time patterns and we're prepared to look at them. The important thing for Alberta is that they're moving in the appropriate direction.

MR. NOTLEY: Mr. Speaker, one final supplementary question. Is the Premier in a position to outline to the Assembly the conditions under which the Alberta government would feel compelled to proclaim Part 4 of The Petroleum Marketing Act, the section of the act which authorizes the Alberta government to unilaterally set the price of oil within the province of Alberta?

MR. LOUGHEED: No, Mr. Speaker. I don't think the public interests of the province are served by our examining at this time within this House the various contingencies the government might entertain relative to a situation where no reasonable agreement can be worked out with the federal government.

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. Premier. Is there total opposition by the consuming provinces to any increase at this time?

MR. LOUGHEED: Mr. Speaker, there's certainly a response by the consuming provinces of not being prepared to agree to an increase. Frankly, I'm not so sure that the exercise we went through last week should be looked at in terms of striving for agree-

ment. I'm not sure it's a reasonable position to request a consuming province which does not have jurisdiction, either by way of ownership of the resources or as the federal government has in inter-provincial trade and commerce, to agree to an increase for the people it represents. This has been the Prime Minister's approach. I'm not sure it's the right one, and we have it under advisement.

Certainly I welcome hearing the views of the other premiers and the other governments on the impact of a price increase upon their provinces, because they have indirect impact here if the factors involved are a serious weakening, for example, in the anti-inflation fight. But when it comes down to it, I do think it really is a matter of agreement between the federal government with its jurisdiction over interprovincial trade and commerce and the producing provinces with their jurisdiction over the ownership of the resources. I really don't think it's fair to attempt to force them to agreement, although I welcome the input.

Freight Rates

DR. BUCK: A supplementary to the Premier, in light of the fact that there doesn't seem to be any great feeling of optimism about getting our \$2 per barrel. At the same time the oil discussions were going on, was there any discussion about our freight rates — if we couldn't get our \$2, maybe we could get some kind of trade-off?

MR. LOUGHEED: Mr. Speaker, the question of optimism is, of course, so evident in the province as a result of the fact that we have shifted from the Social Credit \$2.85 to \$8.00 oil. So we have no problems with that one.

MR. CLARK: Thank God for the Arabs.

DR. BUCK: Are we going to get the \$2 per barrel? That was the question I asked the Premier.

MR. LOUGHEED: I know they're sensitive about the fact of how much they sold so cheaply for so long . . .

SOME HON. MEMBERS: Agreed, agreed.

MR. LOUGHEED: . . . and would continue to if they were still the government of the province.

DR. BUCK: That's a little innuendo.

MR. LOUGHEED: Mr. Speaker, the question of freight rates was not discussed. I take the view — I think I answered the Member for Drumheller in the House earlier — that although in terms of total packages we could look at some aspects of perhaps accepting a lower price relative to something else that might be involved with the federal government, I don't think it should be in the area of transportation. I take the view that in that area it's a western situation. It's a fairness in Confederation that we're entitled to.

So I don't think it's a trade-off, if that was the import of the hon. member's question. But I do think perhaps a couple of other areas can be looked at — I'm not sure I'd want to deal with them now — that

would be significant relative to the benefit of Alberta, to have some support in other areas and a somewhat lower price at this stage, at least for a short period.

ADC Guarantee

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Agriculture and ask if he is in a position to indicate the status of the Agrimart situation in Calgary. Especially, what are the plans of the Ag. Development Corporation for its — I believe it's a \$1.7 million guarantee.

MR. MOORE: Mr. Speaker, I believe the Ag. Development Corporation guarantee was recently paid. Officials of my department have been working jointly with officials of Alberta Livestock Co-op and the Agricultural Development Corporation to try to resolve the financial difficulties of Alberta Livestock Co-op and Agrimart.

I do not have an up-to-date report on that. I would expect it will be some weeks, perhaps some months, before new financial arrangements are completed.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. When the minister indicates it was paid, can the minister indicate who paid this? Has the Government of Alberta paid this?

MR. MOORE: Mr. Speaker, I should check on the specific details. But the situation after amendments to the Ag. Development Corporation act of last December is that any guarantees honored by the Alberta Agricultural Development Corporation come from the ADC's revolving fund.

MR. CLARK: Mr. Speaker, just to follow up the question. Is the minister then telling us that we've made a payment of \$1.7 million from the ADC revolving fund to live with the guarantee that was made earlier as far as the Agrimart in Calgary is concerned?

MR. MOORE: Mr. Speaker, perhaps I should clarify that. I'm not sure if the actual transaction has taken place, but I know that ADC is obligated in that way. As I explained in the Legislature last December when amendments to the ADC act were approved by this House, ADC does pay guarantees from time to time, which are collected in full throughout the year, perhaps even longer. For that reason, we felt the most appropriate method of paying guarantees of that nature was from the revolving fund of ADC. Then, when funds were collected, they would go back into the revolving fund.

With respect to Alberta Livestock Co-op guarantees and Agrimart, we do not anticipate that there would be any loss or at least any loss of a substantial nature to the revolving fund of the Alberta Agricultural Development Corporation.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is ADC now considering taking on a management role, in light of its commitment as far as the operation of Agrimart in Calgary is concerned?

MR. MOORE: No, Mr. Speaker, we've had joint meetings between the Alberta Livestock Co-op man-

agement and board of directors. Department of Agriculture personnel, and the Ag. Development Corporation. It's not anticipated at this time that the Ag. Development Corporation would take over a management function.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister aware of any negotiations between the Livestock Co-op and out-of-province buyers who are presently considering acquiring the Agrimart in Calgary?

MR. MOORE: No, I'm not, Mr. Speaker.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister aware of any negotiations going on between officials of the Agrimart and potential purchasers?

MR. MOORE: Mr. Speaker, a number of negotiations are going on between officials of Alberta Livestock Co-op, the Agricultural Development Corporation, and others. I'm not at liberty to divulge who they are or what kind of negotiations there are.

MR. CLARK: Mr. Speaker, one further supplementary question. Would the minister give an undertaking to the House that he would check with the Ag. Development Corporation and ascertain whether outside-province interests are at this time involved in negotiations to acquire the controlling interest in the Agrimart in Calgary?

MR. MOORE: Mr. Speaker, I would give an undertaking to check and see. But as to providing that information to the Legislature, I can assure the hon. members that that's most unlikely.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. We're not asking the minister for the name of the organization from outside the province which is trying to acquire the controlling interest. We're asking if those kinds of negotiations are going on. Can't the minister supply the House with that kind of information?

MR. MOORE: It would be my view, Mr. Speaker, that that kind of information should rightfully be obtained from officials of Alberta Livestock Co-op, if they wish to make it public.

Railway Rights of Way

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Transportation. It concerns his recent comments pertaining to railroad rights of way, with which I'm inclined to sympathize.

Has the government undertaken an inventory to determine whether any rights of way in the urban areas might be affected by this policy?

DR. HORNER: We haven't done an inventory of the urban right of way. More particularly, Mr. Speaker, I think it has to be dealt with as a different situation, inasmuch as a great deal of the rural right of way was in fact given to a railways in the early days and therefore, in my view, has a different content than some of the right of way that the railways subse-

quently acquired in the cities and then expanded relative to the growth of those cities. I think the two have to be treated differently.

But certainly, even for the right of way in the urban areas, in my view, there is some responsibility on the railways. If they should abandon that right of way in an urban area, surely they have some responsibilities to that particular urban area to ensure that that right of way is maintained as a transportation or utility corridor.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Would it be the policy of the government, then, that urban transportation corridors, rights of way, should be made available? Would it be the policy of the government that the minister would meet with the CPR or the CNR, and wherever relocation of railroads takes place within an urban area the first choice, if you like, would be made by the local municipality, city, or whatever the case may be?

DR. HORNER: I would say two things in response to that, Mr. Speaker. First of all, I think that in a number of our urban areas we now have studies with regard to rail relocation in progress jointly with the federal government. They are now going on in Red Deer, Lethbridge, and Edmonton, and applications are pending from Grande Prairie and perhaps others. I think we should await those studies. It may be a little premature to develop a policy relative to that right of way. The second point I would make, Mr. Speaker, is that the municipalities of course have the right to expropriate any abandoned right of way within their local boundaries.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister concerning the rural right of way question. Has this matter been discussed with officials of the CPR, and is the minister in a position to advise us whether or not they intend to challenge the matter? Or are they going to accept it, however reluctantly?

DR. HORNER: Well, Mr. Speaker, we have had ongoing discussions with both the CNR and the CPR. The CNR has agreed to give us the first right of refusal. In the case of the Canadian Pacific, they said they didn't want to change their policy. Therefore, we went ahead and placed a caveat upon the lands that are described in the two orders in council that so far have been processed. In effect, they didn't want to agree with us, so we passed the orders in council. The president of the CPR has been so notified.

Freight Rates

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Agriculture. Does the hon. minister have any information about feedlots leaving Alberta for other provinces and for the northern states of U.S.A.?

MR. MOORE: Mr. Speaker, no, I don't have any factual information with regard to feedlot operators having left this province or moved cattle into other areas to feed, although I'm aware of recent statements by two of the larger feedlot operators that in

their view, insofar as feed grain costs were concerned, it was cheaper to finish cattle in other parts of Canada or in the northern states.

MR. TAYLOR: A supplementary. How is it cheaper to finish cattle in the northern states compared to Alberta?

MR. MOORE: Well, Mr. Speaker, my colleague the Minister of Transportation may want to respond further, but the facts of the situation are that during the last two years, when we had a commitment that freight rates on live and dressed cattle — and indeed rapeseed products like oil and meal, which were referred to in the House last week — in fact would receive some parity, the opposite has really been happening, and freight rates on live and dressed meat products have increased significantly during the past year and a half.

In addition, and perhaps more importantly, it is our view that the federal government has been interpreting wrongly the statutory rates, or the Crow rates as they are commonly referred to, in utilizing those rates for the movement of domestic grain from Alberta or the prairie provinces into eastern Canada and British Columbia. Indeed, it has been our position, and we put it forward to Mr. Lang and Mr. Whelan on a number of occasions, that the statutory rates should not in fact be used for the movement of domestic grain within Canada, but should be reserved only for the movement of export grain outside our borders.

In addition, on a number of occasions we've made it very plain to the federal government that the continuation of the feed freight assistance policy as it is now applied in British Columbia, Ontario, and parts of Quebec is putting our feeding industry into very unfair competition.

MR. TAYLOR: A supplementary to the hon. minister. Has the federal government been advised in so many words that, since Alberta is at the apex of the freight rates, the federal government is actually driving some businesses out of Alberta and, indeed, out of Canada?

MR. MOORE: Late last week there were some exchanges of telexes and information on that subject and others. Perhaps I could refer that to the Minister of Transportation.

DR. HORNER: Mr. Speaker, we've met of course with the feeding industry in Alberta and have made very clear to the federal government the point the hon. member makes.

I might add that in our consideration of the entire matter of the rapeseed case, the hon. member will recall that in 1961 the federal Parliament decreed rapeseed to be a grain. Therefore, our position on the question of rapeseed is similar to that on the question of feed grain, and that the Crow rates, which were traditionally established to provide a statutory rate for western Canada on grain and grain products, should encompass the entire matter of feed grains, rapeseed meal, rapeseed oil, malt, flour, and what have you. I think that's a pretty clear-cut position and would give parity to the crushers and the feedlots in western Canada.

MR. TAYLOR: One further supplementary to the hon. Minister of Agriculture. Are discussions taking place between the government and the large feedlots in an endeavor to keep them in the province?

MR. MOORE: Mr. Speaker, about three weeks ago the Minister of Transportation and I held a meeting with a representative group from the Alberta Cattle Commission, the Western Stock Growers, the Alberta Cattle Feeders Association, Unifarm, and others, to discuss the very subject of the cattle feeding industry in Alberta and some of the inequities placed in the way of that industry, not by this government but by the federal government. In addition, I'd like to say some things can be done provincially. During 1975, cattle feeders in this province paid for feed grains in excess of what grain producers received either from the Canadian Wheat Board or from the open domestic market. So there is a possibility the feeders can improve their ability to deal in the market place in Alberta. I know they're looking at that.

We, of course, have not acceded to the requests put to us last week by Mr. Lang to resolve the entire situation by removing the statutory or Crowsnest Pass rates on all grains.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the rather negative reaction of the federal minister to the initiatives of, as I understand it, the three prairie provinces, is the minister in a position to advise what specific follow-up the Government of Alberta plans regarding this freight rate question?

DR. HORNER: Mr. Speaker, I've been attempting to be in contact with my colleagues in both Saskatchewan and Manitoba. So far, we haven't been able to be available at the same time for a telephone conversation, but I hope to conclude that later today. As I told the House on Friday, we have had discussions with the crushers in Alberta. We are trying to convene a joint meeting of the three provincial governments involved and, I think, eight representatives of various industries throughout western Canada which are involved, to attempt to find a common position to put before Mr. Lang in the shortest possible time. I would remind the House that he has given the CTC until June 30 to establish the rates, which we don't like very much.

Calgary Remand Centre

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Solicitor General. I wonder if he can inform this House what happened over the weekend in Calgary. Two dangerous criminals escaped from the Remand Centre. I was always of the opinion that we had pretty good security in that centre. I wonder if the Solicitor General is in a position to inform this House at this time.

MR. FARRAN: Mr. Speaker, over the weekend two characters did escape in the small hours of the morning from the sixth floor of the Remand Centre. Having put together a rope of blankets and sheets, they escaped through a window of the Laxan design, which the experts thought was burglar-proof. Obviously, it's not.

There have been many deficiencies in the design of that building, which was not of our making. It was something we inherited from our predecessors, [interjections] However, the two offenders are now being sought by law enforcement authorities.

MR. KUSHNER: A supplementary question. The technical difficulties that we have, some mechanism in the window — is the Solicitor General in a position to elaborate a little further? Just what has happened to that window? How did they open that window?

MR. FARRAN: Well, Mr. Speaker, it was quite a remarkable escape. They took the window out altogether.

MR. KUSHNER: A supplementary question. I wonder if the Solicitor General has some information. Did they have some tools or equipment to get that window out? You can't just take it out.

MR. SPEAKER: Possibly the exact method which was used might be classified. Perhaps the hon. member could get further knowledge of the details of the subject elsewhere.

MR. GOGO: A supplementary, Mr. Speaker, to the minister. Is that the remand centre which has a one-to-one ratio?

MR. FARRAN: Mr. Speaker, I'm not sure of the exact ratio of watchers to imprisoned, but apparently the method used was the jamming of the cell lock. While the staff was under the impression that the cell was locked, it wasn't.

Lottery Revenue

DR. BUCK: Mr. Speaker, I should address my question to the Minister of Utilities and Telephones, so we could record the color of the hon. minister's jacket for posterity. I will ask my question of the Minister of Government Services.

I would like to ask a question on a point of clarification. The minister was speaking of the Western Canada Lottery on Friday, and that 5 per cent of the entire gross would come to approximately \$600,000.

Can the minister indicate to the Legislature whether we get a fourth of that? That's my first question.

MR. SCHMID: Mr. Speaker, as I indicated last week, it is 5 per cent of the gross revenue of the Western Canada Lottery. This fund is deposited with the Western Canada Lottery Foundation, and then allocated to the provinces, depending on the kind of project the provinces happen to be involved in. For instance — and I probably have to refer to my honorable colleague the Minister of Recreation, Parks and Wildlife — the Western Canada Games was one of the projects. The present Olympic Games is another. The money is usually allocated only if the project is beneficial to all four western provinces. For instance, for the Olympic Games a fourth of the total amount allocated went to each province: \$100,000 to Manitoba, \$100,000 to Saskatchewan, \$100,000 to Alberta, and \$100,000 to British Columbia.

DR. BUCK: A supplementary, Mr. Speaker. In light of the fact that most of the tickets, or a large proportion of the tickets, seem to be sold in Alberta, is there a proportion that we get back from the fund in relation to the number of tickets we sell here?

MR. SCHMID: Mr. Speaker, the Western Canada Lottery, Alberta Division, is managed under the partnership of the Calgary Exhibition & Stampede board, the Edmonton Exhibition Association, and the Commonwealth Games Foundation. Therefore, any benefits which accrue from the sale of tickets would go to that body. Of course, the major benefit accrues to the different charitable organizations which sell those tickets and thereby get a certain percentage as commission, whether they are sports associations, church groups, Kiwanis clubs, Lions clubs, and so on and so forth. They all more or less share in the benefits of the Western Canada Lottery.

DR. BUCK: A further supplementary to the minister. After our questioning on Friday morning, Mr. Minister, many people were interested. Seeing we're talking about only 5 per cent of the fund coming back, can the minister indicate to the Legislature and to the people who buy the tickets where they can get information about what happens to the other 95 per cent? Where can an individual get this information? Where is the headquarters?

MR. SCHMID: Mr. Speaker, of course, I haven't got the exact breakdown with me, but I could certainly get it for the hon. member. A certain percentage goes into prizes. Another percentage goes for administration, which is very low by the way. Then commissions take up another percentage of the total amount of the tickets sold.

DR. BUCK: Just on a point of clarification, Mr. Speaker, to the minister. My question was: as a buyer of lottery tickets, where can I get this information — from the minister's office or from the headquarters, I presume in Winnipeg?

MR. SCHMID: Mr. Speaker, any buyer of lottery tickets in Alberta could really write to the Western Canada Lottery, Alberta Division, in care of either the Calgary Exhibition & Stampede, the Edmonton Exhibition board, or the Commonwealth Games Foundation.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister in a position to indicate whether he's had discussions with the federal government with regard to the federal lottery, I understand just announced today, that will have the responsibility of picking up the deficit at the Olympics? Has Alberta agreed to participate?

MR. SCHMID: Mr. Speaker, at the time the province of Alberta agreed to participate in the Olympic lottery, it was felt that we should do so to give Albertans a chance to support the Olympic Games. At that time, Alberta agreed to have these Olympic lotteries drawn until the end of August 1976.

I am quite sure that Alberta would be quite willing to grant an additional lottery for the benefit of the deficit of the Olympic Games. However, the government at present has not made a decision whether to

support any additional draws for the Olympics rather than for the benefit of the Commonwealth Games and/or other benefits which may be of great importance to the province or other provinces in Canada.

MR. CLARK: One further supplementary question to the minister. Have there been discussions between the federal government or organizers of the Olympics in Montreal and the minister, as Alberta's minister responsible in this area, with regard to Alberta's participation in a lottery to pick up the deficit at Montreal?

MR. SCHMID: Mr. Speaker, none whatsoever.

Gaming Regulations

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Attorney General. Could the Attorney General indicate to the Assembly what consultation his department had with casino operators before drafting the casino regulations?

MR. FOSTER: Mr. Speaker, I think I indicated last August and again in the fall session that we were reviewing the matter of casinos, lotteries, and bingos and that I'd be happy to hear from any interested groups and organizations with their views on the subject. As a result of that invitation, I received some material from individuals. I don't recall specifically whether I got any from companies operating in the area. I know I got a brief from the police. I talked to a number of people. I didn't go out and hold any public hearings or set up any meetings, although I endeavored to meet those who contacted me. I considered the matter for some time. I engaged the services of now chief inspector Ron Sheppard, who advised me in this area, and put together the regulations announced in this House a short time ago.

Interestingly enough, I now find that some of the organizations which may be adversely affected by the guidelines and regulations are now coming forward, presenting some of their views and recommendations on what should have been. The horse is out of the barn. The regulations are in place. I've had some representation as to whether I intend to stand firm on, for example, the two-day guideline. My reply is yes.

I have the interest of other organizations who would now like to meet to discuss the guidelines as they may apply to them, and I'm happy to accommodate such recommendations. But I emphasize, Mr. Speaker, that the time for consultation is essentially past. We will be using these guidelines in the foreseeable future, and no doubt some modification will be necessary. That, of course, will be based on experience and representation made to me.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the Attorney General indicate to the Assembly what research was done to arrive at the conclusion that betting ranges should be broadened to make it easier for a player to win?

MR. FOSTER: Mr. Speaker, I'm not a gambler, at least with cards. I wouldn't know where to go for research when it comes to gambling advice, except

perhaps to approach a gambler, and I did. I got some expert advice from . . .

MR. NOTLEY: From Las Vegas?

MR. FOSTER: From Las Vegas, and essentially from chief inspector Ron Sheppard, who is an expert in his own right. At least, those who are experts both below and above the 49th acknowledge his capacity and ability. It was essentially his recommendation that the betting limits should be broadened in order to provide the patrons more of an opportunity to win.

Interestingly enough, I had a meeting at noon today with the operators of a large casino operation — at least they were operators a year ago. They were quick to acknowledge that this indeed would provide a better opportunity for patrons to win and, correspondingly, less of an opportunity for the house to win.

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. minister. Are the regulations intended in any way to prevent good local organizations from raising money for good local purposes?

MR. FOSTER: Mr. Speaker, I've said before that the problem with casinos and gambling of various kinds is not the small community-based organizations, it's essentially the large ones. These guidelines are not designed to discourage completely this kind of activity in our society or to prevent legitimate organizations from putting on activities of this kind to raise a few dollars for their very worth-while social objectives.

No doubt, Mr. Speaker, there is a bias in these regulations to discourage the large operations. No doubt about that at all. That's very clear. However, I hope the small religious and charitable organizations which support worthy objectives will continue to take advantage of the law as it stands to put on modest operations and provide these sorts of activities for their patrons and supporters. I don't want to be read as saying I'm encouraging that sort of activity across the province. I'm simply saying there is ample scope within the guidelines and within the law at the moment to allow that level of operation to continue.

DR. PAPROSKI: A supplementary, Mr. Speaker, on a point of clarification. I wonder if the minister would indicate to the House whether his department, in allowing two days of casino operation per charitable or community organization, will allow two days in sequence for a number of amalgamated organizations which would then have, say, an eight- or ten-day span of casinos, and yet four organizations may be involved.

MR. FOSTER: Mr. Speaker, that's entirely possible. However, I think one should recognize that one of the guidelines also requires the sponsoring organization to provide the manpower and the expertise to put on the casino activity. Therefore, any organization anxious to put on a two-day casino would have to have the manpower to staff that casino.

The example put by the hon. member suggested, I think, that there would be a professional or full-time staff which would run a casino for 10 days, and that individual organizations would come in for two-day intervals to pick up the profit. I think that kind of

opportunity will be prevented, and is certainly not intended in the guidelines.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. In the case of an organization putting on a banquet and having a licence for a small gambling casino, would that eliminate it from further applications for that particular year?

MR. FOSTER: Mr. Speaker, the guidelines as framed at the moment provide that an eligible organization, which is a religious or charitable organization, would be entitled to one public or one private casino a year. That isn't to say they would get it, because for example in the urban centres we've limited it to one casino operating in any community at any one time. But if they did get their licence, they'd be entitled to operate the casino once for a maximum of two days for the year. That may be seen as a rather tough guideline, and perhaps it is. However, Mr. Speaker, in view of the many, many, many applications for casino licences in the province, that's thought to be fair and reasonable in the circumstances.

Fertilizer Prices

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. It concerns the oversupply of phosphate fertilizer.

I'm wondering, Mr. Speaker, if the hon. minister could advise the Assembly whether or not the joint monitoring by Unifarm and the Department of Agriculture has been able to discover the price pattern. Has there been a decrease in the price of phosphate fertilizer as a result of this oversupply, or have prices remained constant?

MR. MOORE: Mr. Speaker, the latest information I have indicates that, in general, phosphate fertilizer prices are much the same as they were during the same period in 1975.

MR. NOTLEY: A supplementary question to the hon. minister, Mr. Speaker. Is the minister in a position to confirm that in the American market phosphate fertilizer prices have dropped very substantially, by as much as 40 per cent?

MR. MOORE: No, Mr. Speaker, I'm not. I've only read the same newspaper reports as the hon. member.

MR. NOTLEY: A further supplementary question to the hon. minister. In view of the constant price but the oversupply, is the minister in a position to advise the Assembly whether or not he has any information that in fact we have some supply management taking place in the fertilizer industry?

MR. MOORE: Mr. Speaker, about six or seven weeks ago I checked information contained in newspaper reports regarding discounted fertilizer prices in the United States. In general, I found that most of the statements were inaccurate. During the next few days we will again be checking their level of prices compared to ours.

However, Mr. Speaker, I am happy to be able to say, I think for the first time in three or four years,

that in Alberta we do have an adequate supply of phosphate and nitrogen fertilizers. There has been some reduction in the farmer demand for phosphate fertilizer. It appears as well that, contrary to some of our earlier fears, the transportation industry is doing an excellent job of getting it to farmers, and hopefully most of them will have all their requirements for this planting year.

MR. SPEAKER: Might this be the last supplementary on this topic. I've recognized the hon. Member for Drumheller, and we're just about at the end of our time.

MR. NOTLEY: Mr. Speaker, my final supplementary then to the minister is: can the minister advise the Assembly who in fact will be checking American prices? Will that be done by the Department of Agriculture? Or will it be done by the Department of Agriculture in conjunction with Unifarm? Is it the government's intention in the future to have ongoing monitoring of pricing outside the province?

MR. MOORE: Mr. Speaker, in 1973, I believe, the ministers of agriculture of Alberta, Saskatchewan, and Manitoba formed a joint group which is involved in monitoring fertilizer prices, a liaison function with the fertilizer industry in western Canada and other parts of Canada, and indeed keeping tabs on what is happening in other parts of the world in terms of phosphate rock supply and that type of thing.

During the last year that committee has met on two occasions, I think, and will continue to meet to ensure that farmers in Alberta and western Canada will have the lowest priced fertilizers that can possibly be achieved, within their terms of reference.

Mr. Speaker, I expect that committee in due course will be supplying me with results of their examinations of fertilizer prices throughout North America and indeed prices in other parts of the world that depend on phosphate rock supplies from this continent.

MR. SPEAKER: We have time for a short question and a short answer.

School Bus Regulations

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Education. Are the school bus regulations that were advanced during the winter months now being revised?

MR. KOZIAK: Mr. Speaker, very quickly, there are two plans for transportation support. One is the urban, and one is the rural. I presume the hon. member is referring to the rural transportation plan. The outline of that plan was made to the school trustees at their annual convention in November, and details of that plan have been supplied to the school trustees. However, the actual regulations are in the process of being completed.

MR. TAYLOR: One quick supplementary. When may we expect the regulations?

MR. KOZIAK: There is some pressure on Legislative Counsel with the legislation that is going through the

House. That is taking precedence over the regulations. It will probably be sometime after the session is completed.

ADC Guarantee
(continued)

MR. MOORE: Mr. Speaker, further to my earlier answers to the Leader of the Opposition with regard to ADC and the Alberta Livestock Co-op Agrimart facility, I would advise that no payout has yet been made of the bonds that were guaranteed by ADC. Further meetings will be held this week with the bond holders, at which time it will be determined at what stage the payout will in fact be made. But it's not yet been made.

ORDERS OF THE DAY

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

Bill 23
The Plumbing and Drainage Act

MR. DONNELLY: Mr. Speaker, as I indicated at first reading, the purpose of The Plumbing and Drainage Act is to provide a legislative base for the administration of uniform standards for plumbing systems in the province of Alberta. In 1971, recognizing the need to integrate and co-ordinate related inspectional services, the plumbing branch was moved from the Department of Health to the Department of Manpower and Labour. The plumbing branch therefore became part of the division then known as the inspectional services division and recently renamed general safety services division. This division is made up of eight related branches; namely boiler and pressure vessels, building standards, electrical protection, elevator and fixed conveyances, fire prevention, gas protection, theatres, and plumbing. This move withdrew the attachment of plumbing inspection from The Public Health Act and made it necessary to amend The Alberta Labour Act to accommodate the inspection of plumbing systems. Detailed plumbing and drainage regulations previously administered through The Public Health Act are now administered under The Alberta Labour Act.

The proposed Plumbing and Drainage Act incorporates those portions of legislation currently included in the regulations which establish uniform plumbing standards for Alberta and deal with the powers, duties, and responsibilities of plumbing contractors, home-owners, inspectors, and urban and rural municipalities. This bill does not change the scope of existing legislation included in the plumbing and drainage regulations now administered under The Department of Labour Act but is designed to provide a stronger legislative base for plumbing contractors, architects, engineers, and urban and rural municipalities.

Thank you.

MR. TAYLOR: Mr. Speaker, there is certainly time for revision of The Plumbing and Drainage Act. I want to

deal for a moment or so with the plumbing section. I hope my interpretation of the principle of the section is not correct. The principle appears to be that all plumbing — and I mean all plumbing — must now be done by a plumber. If that is so, it's going to work a tremendous hardship on a lot of qualified people who are quite able to do their own work in their own homes. It's going to work a real hardship on many, many people who don't have the money to pay \$13 and \$18 an hour. In my view, it's going to be an invasion of privacy in the home. If something happens to some part of the plumbing in my home and I am able to use a wrench and change the pipe, surely that is no affair of the government or the plumbing department. It affects my residence only.

While I don't want to deal with sections now, I have to refer to one section in order to illustrate the principle: "to install, renew, remove or change any plumbing equipment or a plumbing system" you must apply for a licence. If taken to its logical conclusion, "install, renew, remove or change any plumbing equipment" would mean the slightest bolt in the system.

I hope the hon. sponsor of the bill and certainly the hon. minister would look at this very carefully. Too much in this country it's getting that you can't do a thing in your own home without getting somebody's permission. I can hardly change a partition in my house now — my house, which is my business. Nobody else is going to be there unless they're invited. I can't change a partition without getting a permit from city hall. Some inspector there decides whether I can change a partition in my rumpus room.

This is going too far. Surely this is none of the city's business. If I'm doing something that's going to affect somebody else, I can well understand. If I want to move my garage so it affects the property of my neighbor, or if I want to do something that's going to affect my neighbor in any way . . . But surely to goodness, if I move a door here, put a door there, take a pipe off the plumbing and put another pipe on, that's no business of government or of the city council. It's my business. Surely we're not going to force everybody to pay \$13 and \$18 an hour to have a plumber do some trivial work.

I'm not opposed to plumbers. I respect them very highly, and there are times I appreciate them coming. But I also pay right through the nose when I call them. I've learned, too, that under the regulations a plumber is now permitted to charge from the time he leaves his home until he gets back home. If he lives 5 miles away, I'm paying for whatever time it takes, and he'll go at his own good time. I pay for that at the rate of \$13 to \$18 an hour.

I suggest we change this act so the plumber charges for the time he spends working on my plumbing, not for the time he uses travelling along, waving to his neighbors and so on. On Sundays, if I happen to have some plumbing trouble and have to get a plumber, he charges me double time, not only for the time he works on plumbing in my home but for the time he leaves his home until he gets to my house, for the time he leaves my house until he gets home, which is ridiculous. What other person is paid on that basis? Actually, what we're doing is making it almost impossible for a person to pay for plumbing. Now we're going to say, you can't do a blamed thing on your own plumbing without getting a licence from

somebody.

I hope we can clarify this and have some sensible regulations so a person who wants to improve the plumbing system in his own house can do it; and if he calls a plumber, the plumber charges for the time he spends on the work, not the time he spends driving at 15 miles an hour from the other end of the city and stopping in to say hello to his neighbor on the way.

This is getting a little ridiculous. In this age of inflation, nothing is more inflationary than that type of thing. Let's keep our charges sensible. Let's not permit this thing to get entirely out of hand. I hope the hon. member will say that if this is the interpretation of the act, amendments will be brought in during Committee of the Whole to give some sense and reason to this plumbing act.

MR. MANDEVILLE: Mr. Speaker, in making a few comments on Bill 23, I would like to show my concern as well for the points the hon. Member for Drumheller brought up. I realize we do need uniform plumbing standards in the province. However, it seems that more and more of these bills involve more inspectors all the time to evaluate some of these situations and help install them. I'm thinking of where you're repairing plumbing in a private dwelling, especially in some of our rural areas where it's really difficult to get anyone even to come out and install a plumbing system, let alone remove, change, or repair your present system.

I can see in the act that every municipality is going to need an inspector. Possibly we could use utility officers, which we have at the present time. I think they could do a lot more of this work in some of our rural areas, especially in our private homes.

I recall that a little hamlet in my constituency was going to put in a drainage and water system. By the time they got through dealing with the health inspectors, the plumbing inspectors, and the engineers, it wasn't feasible. They weren't able to go ahead and put water and sewer into this little hamlet. In this case I'm sure a utility officer could have done a lot of this work, and then they could have enjoyed having water and sewer in their hamlet.

I also see a letter here from the Mechanical Contractors Association of Alberta. They agree with the bill; however, they have some concern that they didn't have any input to the bill. So I just suggest that when we're drafting legislation like this we should give the people concerned more input.

MR. MILLER: Mr. Speaker, I have a concern similar to that of the previous two speakers. My concern is based on the fact that we're short of journeyman plumbers in rural Alberta. I can't see why the inspector has to be a journeyman plumber. Why can't we use a utility officer, as suggested by the previous speaker?

I'm also concerned about who is to pay for this inspection. Is a fee going to be charged to the user, or is the provincial government going to pay for this?

My third concern is that I can see that if a person is going to replace or upgrade his sewer system, he should have a permit. I cannot see why he should have a permit if he's going to remove the present system.

I'm concerned about whether this bill covers plumbing facilities for livestock.

These are my main concerns, Mr. Speaker, and I hope they might be answered during committee.

MR. SPEAKER: May the hon. Member for Calgary Bow conclude the debate? Calgary Millican.

MR. DONNELLY: The hon. Member for Calgary Bow could do it, but maybe Calgary Millican can't.

DR. WEBBER: Thanks a lot.

MR. DONNELLY: Sorry about that, Neil.

In answer to the Member for Drumheller, this is not as it is. I can tell the hon. member that if a fixture is being replaced or repaired, there is no reason for a permit and it is not required. If you're putting in a plumbing system you would need a permit. It does not say that you have to have a journeyman plumber put that plumbing system in. You have to get a permit. You can do the plumbing yourself, but then it will be inspected. I think that makes common sense. If I had a plumbing system, I'd want it inspected to make sure I had the proper gates or valves or draining system I needed. Some problems can be raised through the gases in plumbing.

As for travel and charges, that doesn't come under the act as I see it. I don't agree with that either. If some plumber is going to charge me \$5 an hour to travel 50 miles, I'm not going to use him. I'm going to find myself another plumber. But that does not come under this act.

The Member for Bow Valley asked about more inspectors. It is my understanding — and I'll put it that way, that it is my understanding — there will not be any more inspectors than we have today. They are in place now. They just don't have an act to work under.

A question came up as to the input of the Mechanical Contractors. Perhaps I could let you know. Some of these questions I asked myself before getting up here. The input for the preparation of this bill came from the Technical Plumbing Board, the Mechanical Contractors Association, the Alberta Mechanical Officials Association, the Alberta Association of Architects, the city of Edmonton, the city of Calgary, the trades sections of NAIT and SAIT, and the Attorney General's Department. Also invited to contribute were the Alberta association of urban municipalities and the Alberta association of rural municipalities. So that's who had the input. I have the letter from the Mechanical Contractors as well. Many, many questions they asked were answered, if they looked, through by-laws within their own municipalities. An answer to them is being prepared. Certainly they had the input; what happened after they got through with it, I don't know. I didn't follow them.

The hon. Member for Lloydminster asked about the shortage of journeyman plumbers, and I guess the Member for Bow Valley asked as well, about using a utility officer. Not being a farm boy, I'm afraid I have to stand here and tell you I don't know what a utility officer is. But if I'm having some plumbing inspected, I sure would rather have a journeyman plumber inspecting my plumbing than somebody who might be a baker or a farmer.

All fees will be set by the municipalities or cities. The government does not set the fee. The fee goes to

the municipality or city.

The hon. Member for Lloydminster also asked about replacements, which I think I've answered. No permit is required.

His last one, about his livestock: here again, if the plumbing system is in the house, that's one thing; if it's in your barn it would be checked. If it's drainage, if you don't do it right that would probably come under the department of health, not under the plumbing branch.

AN HON. MEMBER: It wouldn't be covered by the bill?

MR. DONNELLY: No. So that concludes my presentation. Thank you.

[Motion carried; Bill 23 read a second time]

Bill 40

The Bills of Sale Amendment Act, 1976

MR. FOSTER: Mr. Speaker, I'm happy to move second reading of Bill No. 40, The Bills of Sale Amendment Act, 1976. This is a very small, short, but important amendment to this act, which endeavors to clarify the rights as between a chattel mortgagee and perhaps a mortgagee of land in that it provides that a chattel — in this case a chattel mortgage — it provides that after registration the rights of the chattel mortgagee remain until the indebtedness secured by the mortgage is fully paid. It also grants to the mortgagee the rights to pay out the security and retain that priority.

It's endeavoring, Mr. Speaker, to be a companion to Section 16 of The Conditional Sales Act, which is essentially the same provision for conditional sales contracts. However, in saying that, I should point out that I think Section 16 of The Conditional Sales Act probably needs some amendment, and we're working on that now, to endeavor to cure some of the ambiguities there that we hope will be removed by paragraph 2 of this bill.

[Motion carried; Bill 40 read a second time]

Bill 47

The Forest and Prairie Protection Amendment Act, 1976

MR. APPLEBY: Mr. Speaker, I am pleased to move second reading of Bill No. 47, The Forest and Prairie Protection Amendment Act, 1976. Mr. Speaker, the original Forest and Prairie Protection Act was assented to in this Assembly on April 16, 1971. The act has proved both useful and beneficial in attaining and achieving the primary purpose of the act at that time.

I think it's fair to say that at that time the basic purpose of the act was to create and emphasize a sense of public awareness regarding the responsibility of individuals, municipal districts, and railroads respecting fire hazards and the necessary precautions and actions that should be taken regarding fire suppression.

Mr. Speaker, as I have noted in this Assembly on many occasions, the forest resources in Alberta have a vast potential. In this respect we always have to

remember that they are a renewable resource, one that becomes more valuable as time goes on. It is essential that we safeguard this resource in every manner possible. For that reason, Mr. Speaker, these amendments have been introduced to The Forest and Prairie Protection Act.

At this time I would say they make the original act more effective in two primary ways. One is that they create uniformity in the liability of all landowners. Secondly, they minimize any irresponsible burning. In doing so, they still go back to the basic purpose of the act originally passed in 1971.

Thank you, Mr. Speaker.

[Motion carried; Bill 47 read a second time]

[Mr. Speaker left the Chair]

head: GOVERNMENT MOTIONS (Committee of Supply)

[Dr. McCrimmon in the Chair]

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

Executive Council

MR. CLARK: Mr. Chairman, there are some rather general comments I'd like to make before we become involved in the estimates of the Executive Council. I would hope that sometime, either later today or this evening, the Premier would be in a position to respond to the comments.

I'd like to break my comments down basically into three areas, Mr. Chairman. I'd like to deal first of all with the question of the government's priorities. Secondly, I'd like to deal with the question of what's going on as far as the economy in Alberta is concerned.

Thirdly, I'd like to deal with this question of the kind of responsibility of the Premier, members of the Executive Council, and in fact of us as members of the Legislature, for dealing with this question of accountability for the actions of members of Executive Council and Members of the Legislative Assembly. Pretty candidly, in that area I plan to refer to various aspects of the Provincial Auditor's report dealing with the office of special programs.

Dealing with the question of priorities, the first comment I'd like to make is that I think, if members will recall, shortly after the election a year ago, the Premier indicated to the people of this province that in fact during the course of this Legislature we would be involved with a real emphasis on the area of people services.

Now I recognize that when that commitment was made the federal government's anti-inflation program hadn't come into being. I also recognize, Mr. Chairman, that the government can say that it has a priority as far as the Attorney General's Department is concerned, shaping up the court system in the province, and that a priority has been launched in the Solicitor General's Department as far as law enforcement is concerned.

But given that, Mr. Chairman, if we look pretty carefully at some of the very basic areas of people

services, by the admission of the Minister of Hospitals we're involved now in a situation where approximately 400 hospital beds in this province are in the process of being closed. Mr. Premier, I recognize there's a need for us to look at hospital costs in Alberta and across Canada. But it isn't legitimate, it isn't fair, to simply say Albertans should have a national average. We're far above that national average.

But at a time when we've got large numbers of people waiting for elective surgery — we've seen in the last week the comments of some people in the medical profession as far as open heart surgery is concerned. We see a situation in Calgary, for example, where the General Hospital is in fact closing some beds, yet at the same time they're adding to that health institution.

From the health area I'd like to go on to the education area for a moment and say, Mr. Premier, that in the course of the next cabinet tour you have, I would strongly urge that you and the Minister of Education take some time to go into the downtown schools in the cities of Edmonton and Calgary; not out to the new subdivisions, but in the downtown to the older schools in the cities of Edmonton and Calgary. I have had that opportunity in the last two weeks, and frankly I'm appalled at a number of the problems the inner-city schools are reckoning with. They're just not tolerable, especially during a time when we're talking about developing a new heritage in this province.

Thirdly, Mr. Chairman, when we talk about a Legislature or a term of office of people services, the library question is small in terms of dollars, but it's one of the areas where we're cutting back this year. That really doesn't seem to be realistic.

Then at the same time we're having these kinds of situations as far as hospital beds are concerned, as far as education is concerned — in many areas, but especially the inner cities. We look at the kind of growth we see in the bureaucracy; although the growth of the establishment isn't that large this year, you can go from about 19,000 to over 30,000 in the past five years.

We look at the question of Government House and the expenditure of \$1.7 million there. I know some will say that I'm not interested in preserving a link with the past. That's not the case. But I'd have to say it's some link when it's costing us \$1.7 million when some of the things that I've already outlined are going on.

We talk about this new heritage in Alberta. We're now moving into a situation where we've got quotas in a number of new areas of university education. That's another part of our new heritage.

So, as I've indicated, I would trust that the Premier in the course of the debate on his estimates would spend some time with us and talk pretty frankly about this question of how the government sets priorities. What does the government see as its priorities for the next two to three years? Where does the question of municipalities and their problems fit into the Premier's and his government's priorities? Certainly that's another area where a great deal of very serious consideration needs to be given. I know the temptation is very great to say, well, over the past four or five years we've done this. All well and good. But let's spend our time looking to the future and perhaps

not as much time looking behind us.

The second area I want to spend a moment or two on, Mr. Chairman, deals with this question of where we are going in the economy. My colleague the hon. Member for Little Bow raised that question last week or the week before in the course of the heritage debate. He'll have some more comments in that particular area. Suffice it for me to say that, when one looks at the organization of the government, you see a situation where too small an emphasis is being placed on our renewable natural resources in this province. At a period of time when 55 per cent of our revenue comes from non-renewable natural resources, we believe it's vital that a much greater priority be placed on renewable resources. When I talk about priority, initially I'm not talking about spending more money in that area. I'm talking about giving the renewable resource arms of government a much stronger place in the council of the government, in the organization of the government itself.

I feel confident that the Minister of Energy and Natural Resources recognizes he's got a huge department. But I look at the imbalance of renewable and non-renewable resources within that department. Then I find renewable resources in several other places, with really no co-ordinating mechanism. So, Mr. Chairman, that's the second area I wanted to touch upon — the question of where we are going as far as the economy is concerned. How far are we going to change the economic fibre of this province with the moneys that may be available from the heritage savings fund? What kind of guidelines is the government going to use in making the investment decisions? Now I recognize those questions might better be asked and answered under committee study of the heritage savings legislation. Nevertheless, they also deserve to be considered at this time.

Now, Mr. Chairman, the third area I'd like to touch upon for a few minutes longer deals with this question of our fortunate position as a province in Canada. Unquestionably, per capita, we're the richest province in Canada, thanks to our non-renewable natural resources and, I think, thanks to reasonable stewardship over a period of some years. But let me make two points very clear, Mr. Chairman.

In the late 1960s and the early '70s, Alaska was very rich too. I've done a bit of checking with some state officials in Alaska. They indicate to me that Alaska has spent the last of this \$900 million it got from the great oil sale. When the great oil sale took place, members will recall that \$900 million was gained. The money was immediately trucked down to Seattle, and deposited there. The state government chose to become involved in some aspects of the stock market. It was going to put it in some sort of fund and tuck it aside. My figures are that many millions of dollars were virtually frittered away down the drain. Now it's happened, according to the state officials I've spoken to in Alaska, that the last of that money is gone.

I raise this matter, Mr. Chairman, and I raise it during the Premier's estimates, because I think it's very important we recognize that this province is really having its second time of a great deal of money. Following the Leduc discovery in '47, going from there until about '55, or even a little past '60, the province had tremendous resources, in keeping with the economic standards at that time. As a province,

we're now going through it for a second time.

It isn't bad for all members to consider for a moment or two some of the problems that states south of the border have had when they've tried to cope with these kinds of very, very large amounts of money. South of the border the record isn't that good. One thinks of some of the scandals which have taken place in some of our neighboring states to the south. I say to members on both sides of the House that one of the greatest responsibilities we all have in this Assembly is to see that the money, be it in general revenue or in the heritage fund, is not frittered away.

Secondly, I call upon the Premier and the members of his cabinet personally to set a very high standard of conduct. The kind of standards and ethics that the Premier demands of his cabinet ministers, and that they in turn demand of the public service in this province, filters down to the business community, to organizations across this province. I say to all members, regardless of where they sit in this Assembly, it isn't good enough for us simply to say that no one has broken the Criminal Code. It isn't good enough for us to take a very legalistic approach to our responsibilities as members of this Assembly or when it comes to dealing with the public service.

I raise this matter because I think it's so very important that I impress upon the members of this Assembly the very heavy responsibility we're going to have in the course of the next number of years, when the government of this province, the Legislature of this province, should have control of a tremendous amount of money to affect the economic well-being of this province. The standard the Premier sets in his dealing with his cabinet ministers, with business, with the people across this province, is the standard that's going to be looked upon by all Albertans as acceptable or otherwise.

Members will recall that in the fall session I raised the question of ministerial accountability and ministerial responsibility. I raise the matter again today, recognizing hopefully that all members have given the matter some thought since that period of time. Since that period of time, we've had the Auditor's report on the operation of special programs. Any member who hasn't read that report and given it some serious thought is not fulfilling one of the major obligations that is thrust into his hands when he or she is elected as a member of the Assembly.

Once again, I'd like to spend just a moment or two tracing the question of ministerial accountability or responsibility for members of the Assembly. Members will recall that earlier I talked about the Crichton Down situation in 1954 in Great Britain. The real nub of that situation was:

After certain citizens thought they had been treated unfairly and government promises broken in the disposition of land which the government had acquired during the Second World War, an inquiry was held. It concluded that there had been no actual wrongdoing, but the procedure adopted "was such that it inevitably gave rise to misgivings among farmers and landowners".

Following that, in the Commons, the minister responsible said:

I, as minister, must accept full responsibility to Parliament for any mistakes and inefficiency of

officials in my department, just as, when my officials bring off any successes on my behalf, I take full credit for them.

I raise this matter, Mr. Chairman, because this is the place where the matter must be dealt with. The question of what the Premier expects as to accountability from his cabinet ministers in light of two reports in the last year, the Legg report and the Auditor's report, clearly must be answered by the Premier.

If we look at recent Canadian history, we might refer to the years of the Hon. Lester B. Pearson as Prime Minister of this country. Members — and I'm sure some will remember very well — will recall during 1963 and '64 and on into '65, there was the Favreau experience in Ottawa. When Tremblay was Minister of Immigration and Mr. Lamontagne was Secretary of State, a number of situations developed. It's interesting to look at those for just a moment. The Dorion inquiry was set up to look at Favreau and his dealings as Minister of Justice. The report cleared Mr. Favreau of even a suspicion of wrongdoing — his integrity was not questioned — but severely criticized the manner in which he handled the affairs. Mr. Favreau resigned as Minister of Justice.

Similarly, as far as Lamontagne and Tremblay were concerned, the view of the report was that neither minister had done anything wrong. But they handled the whole matter so badly they were asked to resign by the Prime Minister at that time.

If members think back to December 1964, they may well recall a letter that went from the Prime Minister to his cabinet colleagues. I'd like to quote portions of the letter the Prime Minister sent to his cabinet colleagues, the ministers, in December 1964, during the time of the Dorion inquiry:

It is by no means sufficient for a person in the office of a Minister — nor in any other position in the public service — to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny.

Mr. Chairman, I raise that at this time because once again I go back to the point that it's important we find out from the Premier what he expects from his cabinet ministers. What kind of criteria does he use? I'm sure members are aware that when the present Treasurer in Ontario was Minister of Municipal Affairs, certain questions were raised with regard to Mr. McKeough. He resigned his seat in the cabinet and later came back into the cabinet after the potential conflict of interest was cleared away.

Mr. Chairman, members will recall once again that last fall we raised the question of ministerial accountability as it related to the Purnell affair. I must say I was amazed — worse than amazed; very, very, bitterly disappointed — in the course of the Agriculture estimates during this session when I asked the Minister of Agriculture about what kinds of guidelines had been established for employees of the Department of Agriculture, so that this question of employees of the department becoming involved in business relating to the department had been dealt with. The minister knew of no such guidelines presented to the department. Surely if we learned nothing else from the Legg inquiry, it should have been that there should be guidelines for public servants, at least in

the Department of Agriculture, as to how far they could become involved in their own personal business dealings with the department. It seems we've really learned nothing from that area.

Now I move to the Auditor's report which was made available from the Premier's office, I believe on December 18 last year. It's interesting, the debate that's been going on in Ottawa in the past month or two on the judges' affair and the Sky Shops affair. Even more interesting are the comments made by the new Conservative leader, Joe Clark, when he compared the Pearson years and the Trudeau years from the standpoint of ministerial accountability, ministerial responsibility. Several people have come to the conclusion that the Trudeau approach, regrettably, is that the only code of conduct for cabinet ministers is basically, have we broken the Criminal Code or haven't we.

We reflect on the Pearson years for a few moments. When Mr. Pearson was the Prime Minister of this country, there was no question that the Criminal Code applied to cabinet ministers. But there was a code of ethics, a code of standards, a code of morality that was expected of cabinet ministers. It isn't good enough to simply say, no one has broken the Criminal Code, so that's good enough.

I now come to the question of the Premier's handling of the Auditor's report. I say, Mr. Chairman, and I want this made very clear: at no time have I or any of my colleagues indicated that the minister, the Hon. Horst Schmid, was involved in any wrongdoing that he personally gained from financially. But I have to say that when you read the Auditor's report you can't help but come to many of the same conclusions the Provincial Auditor came to.

I have a February [issue] of the *Calgary Herald*. It reflects upon the attitude the Premier has taken in this matter, which I think is basically, yes, a minister can make mistakes, but that doesn't require that the minister resign. I hope it's fair to say the principle really is that cabinet ministers who make mistakes need not be required to resign because of those mistakes. I think that's a fair assessment of the Premier's position to date.

As long as the Premier persists in publicly defending this principle that [he] appears to exercise when major blunders take place, and no action is taken by the Premier as far as the minister is concerned, he has to expect continued criticism of this kind of situation, or we cease to have accountable government. Members will recall I've pleaded with them in this Assembly several times on this question of accountability. I say to the members again, as much as you may not like to hear this: if the minister isn't responsible for what goes on in his own department, who in the world is?

It was very, very interesting when the Premier released his comments when the Auditor's report was released. The Premier used the terms that ministerial accountability is a myth, and it referred to page 19 in the Auditor's report. As far as I am concerned, that is a dishonest interpretation of what the Auditor is saying. We go on and look at page 16:

Under the existing system the Minister of a department of Government is traditionally responsible for the administration of his department and is accountable for the actions of staff members of the department.

On page 19, the Auditor says:

Consideration should be given as to whether, in view of their time consuming involvement in policy and other decision making, Ministers should alone be held accountable for policy and the administration of a department.

These are the comments of the Auditor on page 19. He says "consideration should be given". To give consideration is one thing. But all across Canada, in Great Britain — in the Mother Parliament, the Parliament [to which] Sir Winston Churchill gave so unstintingly — the question of a minister being accountable for things that go on in his department is certainly accepted.

I suggest the Premier should note very carefully that the Auditor used the word "consideration". He says under the existing system — which I assume is understood by all members — the minister is accountable. That's the nub of what the Auditor says.

The Auditor suggests we go on and consider a new system. Perhaps someday we should do just that. But the fact is that under the traditional British parliamentary system today, a minister is accountable for what goes on in his department. That's why we come back again and again to this question. In the course of these estimates of the Premier's office, it becomes imperative that there be a clear statement from the Premier as to what kind of standards he accepts from his ministers.

I'd now like to deal with a few aspects of the report by the Provincial Auditor. I think it's important that there are people inside and outside this Assembly who would say the problems that developed in the department were the fault of the civil servants in the department, that it was really an attempt by the civil servants in the department to embarrass the government. The Auditor's report doesn't indicate that at all.

Page 4 talks about the minister's interpretation of the community hall program:

This interpretation would appear to be seriously at variance with the intended policy of the Government as expressed in a news release from the Office of the Premier on June 25, 1974 and with the information pamphlets issued by the Department.

There the Auditor was talking about the community hall improvement program.

Members want to go to page 8 of the Auditor's report, where it talks about "all grants were authorized by the Minister ...". I go a bit further on page 8 where the minister used one memorandum to cover lists of grants several pages long. The Auditor says:

Ministerial approval should have been shown on each original payment document.

If we slip along just a bit more quickly, on page 9 of the report:

The procedures established by the Minister within [the office of special programs] required the Office Coordinator to communicate with and receive all direction from the Minister ...

Now on page 10:

These instructions given to the Personnel Officer were always stated by the Coordinator to have been approved by the Minister.

Perhaps I should make the point here to members of the Assembly that in this particular operation, once

again going back to the Auditor's report, the deputy minister had been by-passed in the course of the operations of the office of special programs.

I should also say that the course of this debate would be an appropriate time, if various members of the Assembly don't agree with the report as put out by the Provincial Auditor, if there are all sorts of inequities in this report, if it's wrong in all sorts of places, then we'd better hear it now. We haven't heard one iota of that kind of comment by members of the government to date.

Going now to page 14 of the Auditor's report:

Inasmuch as the Minister, entrusted with these very broad powers to grant monies, was a forceful and dedicated individual who elected to operate certain of the grant programs of his Department through the Office of Special Programs, which was operated by a single employee who had comparatively limited managerial and accounting experience and who in turn was supported by an untrained temporary wage staff generally lacking public service experience, it can be appreciated that a potentially dangerous environment was created in that customary controls were completely lacking.

Mr. Chairman, I say once again, that responsibility has got to rest with the minister, as likable a fellow as he may be. The buck-passing stops when one becomes a cabinet minister. Once again, it's up to the Premier to set the kind of standard he demands and expects from his ministers.

Going on to page 15 of the report:

This method of operation it is believed, was adopted by the Minister to expedite the several programs involved. However, detailed examination of the records of [the office of special programs] disclosed an administration that can only be described as lax and chaotic as indicated by various situations, some of which, although dealt with earlier in this report, are summarized below.

Mr. Chairman, I've chosen to read these several excerpts from the report because I think it's vital that members recognize who, according to the Auditor, is responsible. Regardless of who the minister is, I say the minister must be responsible. If a minister isn't responsible for what goes on his department, who is? There's no accountability.

I'd just like to make one more point in passing. I indicated earlier to members of the Assembly that the Auditor's report was released on December 18. To me, it was unbelievable that on the very same day *Profile* magazine would come out with a story, "A Visit with the Hon. Horst Schmid", coming from the same department talking about the many fine things that Mr. Schmid has done, and he's done several in his department. But the fact is, the very day the Premier released the Auditor's report, a report highly critical of the minister, a major story about the minister comes out of the minister's very own department.

I raised this in Public Accounts earlier and I was advised that it was just circumstance, merely an accident. It just happened that way. Well, I've done a little calculation. If one considers about 24 cabinet ministers working at least 200 days of the year, the [possibility] that the story on just that minister would come out on just that particular day is about 1 in

5,000. To ask us to accept that is just not good enough.

If the hon. members or various people would like to read the Auditor General's reports from Ottawa, you'll find that there's been a considerable amount of mismanagement of a variety of affairs there. But never, never in the Auditor's reports from Ottawa that I've seen will you see statements made about lax and chaotic conditions, about ministers becoming that directly involved in the administration.

So I come back to the point I raised at the outset: it is vital, absolutely vital, that in the course of these estimates the Premier give us some sort of definitive statement spelling out the standards he expects from his cabinet ministers. Does the Premier follow the approach used by the federal Prime Minister, a very legalistic approach, that if a minister doesn't cross the line of the Criminal Code of Canada that's all right? An approach, I might say, which the federal Conservative leader has been extremely, extremely critical of in recent weeks. Or does the Premier pursue the course followed by the former Prime Minister, the honorable L.B. Pearson, which, in addition to adhering to the Criminal Code of Canada, goes just much further than that, and makes the point that a minister has ethical and certainly moral obligations?

If we look at other provincial premiers and try to do a comparison, two would come to mind very quickly who have set a very high standard: former Premier Leslie Frost of Ontario and the former Premier in this province, Ernest Manning, in the standards he set for his cabinet ministers.

The nub of the matter is basically this: does the government follow the Trudeau approach as to what's expected from cabinet ministers, as far as accountability, responsibility, and ethics are concerned? Or in this province, after many years of commitment to high ethical principles in the cabinet, are we going to take a much more legalistic kind of approach?

The reason that it's so very, very important that we have some sort of a commitment from the Premier is that the standards the Premier sets for his cabinet colleagues filter down to the senior civil servants and to the public service. It's also seen then as an example to the business community and to the rest of the people across this province. So I leave the matter there.

I trust that in the course of the debate on these estimates that the Premier will take the opportunity, not simply to castigate me or other members for raising the matter, but to give us some sort of very frank, straightforward and direct assessment of the kinds of standards he expects from the colleagues he has the responsibility to chair.

We can accept nothing less, especially in the light of a royal commission and an Auditor's report in the course of one year — the royal commission on which apparently the Department of Agriculture hasn't yet operated and the report from the Provincial Auditor on which I hope we're going to have some legislation in the fall session this year.

Be it in the area of priorities, be it in the area of the economic direction and well-being of this province, the high priority has to rest at the Premier's doorstep on what kind of standards, what kind of accountability he is going to expect of and accept from his ministers.

MR. NOTLEY: In rising to make a few introductory remarks, I want to deal with two subjects. The first is the question of the Auditor's report and the whole issue of ministerial accountability. The second issue also relates to accountability, and it pertains to the question of the exchange of public servants between the private sector and the government.

Mr. Chairman, turning first of all to the question of the immediate issue before us this afternoon, ministerial accountability, I certainly agree that the proper place to discuss this matter is during the course of the Executive Council estimates. It's the Premier who must bear ultimate responsibility for the standards set for the activities and the conduct of ministers in the government he happens to head.

Mr. Chairman, at the outset let me make it very clear that no one who has watched the work of the hon. Mr. Schmid for the last five years would deny that the minister has made a major contribution in advancing the arts in the province of Alberta. No one would deny he has been a forceful, effective, hard-working member of the Executive Council. But having said that, Mr. Chairman, it seems to me that we have to assess very clearly the implications of the Auditor's report.

It is important, in debating this question, that we realize the Auditor's report came about at the request of the Premier. As a matter of fact, I recall the very first question asked in the House on May 16 last year. At that time the Premier made it clear that he had asked the Provincial Auditor to undertake a full-scale investigation of the office of special programs and the grants thereunder. It's also important to note, Mr. Chairman, that when the Auditor's report was released — and I listened very carefully to the Premier and to the minister — there was no disputing the conclusions made in the Auditor's report. Mr. Chairman, had it been the view of the Premier or the government that the Provincial Auditor was in error, that would have been the time to make that position known.

I disagree with the Member for Olds-Didsbury that now is the time to make the issue known. I think the proper time and place, if there were serious differences with the conclusions contained in the Auditor's report, would have been immediately after the report was tabled. After all, the Auditor, however competent and able he may be, is not God. If he was in error, it would have been proper at that time to have outlined those errors. But, Mr. Chairman, there was no such denial. Indeed, as I look back at the circumstances surrounding the release and the comments both of the Premier and the minister, one got the clear impression that they accepted the findings of the Auditor as fact.

Mr. Chairman, when one reads the document, free of rhetoric, [it is] a very quiet yet persuasive document containing telling information about the operation of the special programs office within the old Department of Culture, Youth and Recreation. One sees outlined in the pages of this report the problems encountered: a number of fraudulent transactions, pages two and three of the report; a violation of spending authority, pages three to nine of the report; irregular hiring procedures, pages nine and ten of the report; unauthorized private use of public equipment, pages 10 to 12 of the report; frivolous expenditure of government funds, page 12 of the report; failure to

meet the financial obligations of the Crown, page 13 of the report.

At the end of the financial year, some \$300,000 was left owing, obviously as a result of overspending in the last three months of the fiscal year, which, Mr. Chairman, just happened to coincide with the period leading up to and the period of the campaign for the March 25 election. Mr. Chairman, in what I would consider to be the most telling part of this entire report, on pages seven and eight, the Provincial Auditor suggests that as a result of this mismanagement there was distortion of the public accounts.

The issue really has to be: what is the test of ministerial accountability? Last fall, as the Leader of the Opposition pointed out, a private member's resolution was placed on the Order Paper by the Leader of the Opposition raising this very issue, and the Crichel Down case was mentioned. I have read the Crichel Down case, and I would say that the test demanded in the Crichel Down case may be too extreme. It may well be that a minister of the Crown cannot be expected to be responsible for every individual action of an employee of a vast government agency. But, Mr. Chairman, the issue at stake in this particular instance is not an individual action. As was pointed out quite clearly in the Auditor's report, the minister

was . . . responsible for having created an environment in which there was a complete lack of internal control within the Office of Special Programmes . . . This situation resulted in complete mismanagement of the affairs of [the office of special programs] and enabled fraud to be committed and assets and services, paid for with public funds, to be wrongfully used for personal purposes.

Mr. Chairman, the distinction between the Crichel Down case in Great Britain and the situation we have before us is that we are not in this instance looking at one isolated case but, as one reads the words of the Provincial Auditor, "an environment".

Mr. Chairman, that is a much more serious indictment of the minister in this particular instance than anything one can find in reading over the Crichel Down case in Great Britain. Under those circumstances, Mr. Chairman, I would simply place before the Premier my view at least that ministerial accountability in this instance, where an environment is created, is very clear. We're not looking at an individual isolated circumstance, but a pattern of activity which resulted in a number of serious problems developing within the department.

Mr. Chairman, the issue is of course raised and rightfully so: does absence of personal gain and for that matter an otherwise distinguished record absolve the minister? I suggest if this were just a case of a few isolated circumstances it probably would. But that is not what we're looking at. That is not what the Provincial Auditor has suggested. The government has not rejected the conclusions of the Provincial Auditor. The Provincial Auditor has talked about a pattern, about an environment of mismanagement — a far more telling charge.

As the Leader of the Opposition has already pointed out, the issue now being debated in the House of Commons over the judges' affair, perhaps the Sky Shops affair, is whether ministerial accountability will be based strictly on whether a minister has breached the Criminal Code or whether it goes beyond the

Criminal Code.

On March 16, during the course of the judges' affair, the Leader of the Opposition, Mr. Joe Clark, said:

In essence, what the Prime Minister has been telling us for the past several days is that as far as he is concerned, the only code of ethics which applies to his ministers and his supporters is the Criminal Code.

Then Mr. Clark goes on to quote from Mr. Pearson's letter, which has already been mentioned in the House. I won't read the portion over again, except to say the conduct of public business, according to Mr. Pearson, must be beyond question in terms of moral standards, objectivity, and equality of treatment.

Mr. Chairman, it's pretty clear from this that cabinet ministers must be like Caesar's wife. They must not only be innocent, but they must be seen to be innocent. They must be free of any suspicion.

Mr. Chairman, Mr. Clark goes on to say:

The responsibility for ensuring that standard does not rest solely with me and my colleagues here on the opposition side. It is a primary responsibility of the Prime Minister of Canada as head of government.

Mr. Chairman, Mr. Clark is right as it relates to Mr. Trudeau. In this Legislature the primary responsibility for the standards of conduct of provincial cabinet ministers rests with the Premier. That's why the only proper place to debate the contents of the Auditor's report, in my view anyway, is during the estimates of the Premier. I think it would be wrong for us to debate these contents during the estimates of the minister himself, because it seems to me the ultimate responsibility for the contents must be faced squarely by the Premier. Harry Truman, when he was president, used to have on his desk a little plaque that said, "The buck stops here". In this instance, Mr. Premier, the buck stops at your desk.

Now I'd just like to make one comment about the suggestion that somehow deputy ministers may in fact be accountable. As the Leader of the Opposition has already pointed out, the Provincial Auditor made it quite clear in his report that under the present system of government, a system that I think we all support in this House, the minister is accountable. He then went on to suggest that perhaps consideration might be given to changing it. I certainly wouldn't agree to trying to change that, because I think that were we to embark upon that sort of approach, we would very clearly have a separation of powers, and we would not have the system of responsible government which is basic to our parliamentary approach.

So I would differ with even the suggestion that we make deputy ministers accountable in the Legislature. I think that the accountability to the Legislature must be through a minister of the Crown. But in fairness to the Provincial Auditor, Mr. Rogers, he did not in fact make that as a statement or as a qualifying thing. He clearly pointed out in his report that under present circumstances the minister is accountable.

Mr. Chairman, the other point I wanted to raise during the discussion of the Premier's estimates also relates to an issue that has federal overtones. Several weeks ago, the Member for Clover Bar asked a question about the position of senior civil servants bobbing back and forth between industry and gov-

ernment. Members are well aware that there is now a controversy, perhaps not burning as hotly today as it did a few weeks ago, about the activities of two senior federal civil servants now employed as consultants for Lockheed Aircraft Corporation. Mr. Chairman, as I understood the Premier's remarks in a subsequent answer to the Member for Clover Bar, he made it very clear that no prohibition would be placed on civil servants moving from the public sector to the private sector or, conversely, on the government engaging people from the private sector and bringing them into the public sector. In fairness to the Premier, we also discussed this during the estimates last year. At that time the Premier made it very clear that this government was going to seek out people from the private sector and bring them into senior public positions, often paid through fees and commissions rather than through the Public Service Commission.

Mr. Chairman, at this time I want to utter a few genuine concerns about what this will do. Let me make it clear that I don't think we're going to face problems of obvious conflict of interest. The few cases of conflict of interest where a civil servant, or a public employee I should say, comes from a particular company, and once he's in government deliberately and fraudulently favors his former company — that sort of thing isn't going to happen very often. But I do see a shade-of-gray area which is rather more complex and more challenging for the government to answer.

In so many of the areas where government is now embarking, we don't have open tender, we have requests for proposals. Quite clearly, where you have difficult decisions to be made or sometimes decisions that have to be made very rapidly, it would not be surprising if a person who has come from a particular concern in the private sector would, in evaluating a request for proposal, however slightly tend to favor the people he or she knows from private work in being employed by another company. As a matter of fact, the Attorney General, talking the other day about lawyers, indicated that he had a tendency to rely on the lawyers he knew best; and he knew lawyers, if I can recall his phrase, socially, culturally, and politically. Well, Mr. Chairman, that same sort of shade-of-gray situation is going to occur over and over again, it seems to me, once you bring people in from the private sector, not in an obvious, dishonest way — there will be some cases of that, but few and far between — but in the fact that that balance, if you like, will tend to shift to the people the public servant has worked with and has built up confidence in over his years in the private sector.

The other factor, of course, is: what does this do to the career civil servant who at the end of a number of years is looking for a job with a private concern? All sorts of potential problems arise, it seems to me, as a result of this kind of policy.

As I mentioned, Mr. Chairman, the issue is the subtle shift of priorities and emphasis within government programs. I raise this because in Alberta we are moving, whether people agree or not, to a situation where there is a very close working relationship between large corporations and government. We can cite many, many examples of this kind of joint venture partnership arrangement. It means, Mr. Chairman, that we're going to have a new base of power, if you

like, within the province: the established power of government blended with the enormous power of the corporations they are working with — a rather different situation from the days in the past, when government was essentially a neutral arbitrator. A profoundly different situation.

Mr. Chairman, I think there are important similarities between the route we are taking inasmuch as the question of power is relevant. What happened in the United States? We've all heard about the so-called military-industrial complex in the United States, about the close intermeshing of the military with the great industrial firms that supplied hardware to the military, and the impact, the relationship: five-star generals when they retired going to great companies like Boeing and getting first-rate jobs as executives of the corporations.

I say to you that we're not talking about a military-industrial complex here, but about a government-corporate complex. The concerns that many Americans raised during the '50s and '60s about the military-industrial complex are equally concerns that should be raised here, especially by free enterprise. It may be a little questionable for a socialist to be raising it, but free enterprisers, I think, should be terrified.

As a matter of fact, it was put very well by President Eisenhower in his farewell to the American people in 1960, where he talks about the military-industrial complex:

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

This was the parting message of a very respected president of the United States to his people in 1961.

Mr. Chairman, I simply say to the Premier that Albertans are a little nervous about this new power concentration. We have almost interchangeable people from the private sector who can work for a company one day, bounce back to government the next, and then back to the corporate sector the day after. We have a ready-made recipe for a distortion of our priorities and for a tremendous concentration of power which may well be beyond the ability of this Legislature to hold accountable. That's why I raised it. I raised it in the form of a series of questions last year, but I raised it as well because it comes right back to the most important issue of all: the accountability of government. It certainly is relevant when we talk about the standards set for ministers and the accountability of those ministers when something goes wrong.

I say in conclusion, Mr. Chairman, that no one in this House is on any personal vendetta against the minister. What is at stake in the debate is a document prepared by a highly respected, scrupulously non-partisan Auditor who has, in his quiet way, written a report which contains some of the most damning charges I have yet seen. The implications of these concerns, Mr. Chairman, must be answered clearly by the Premier.

MR. LOUGHEED: Mr. Chairman, responding to the remarks made by the Leader of the Opposition and the Member for Spirit River-Fairview, if I can, I'll try to deal with them one at a time.

With regard to the matter of priorities that the hon. leader referred to, the matter that I stated, I stated that I would be more involved by way of my time with the people services that were a factor of government administration in this second term of office. I said that for the very reason, and I think it's well understood, that during the first term of office the government was, for various reasons, more extensively involved in energy matters. I felt it was important that I spend more of my time with the Minister of Hospitals and Medical Care, the Minister of Education, the Attorney General, the Solicitor General, and so forth. I know there were a few who misinterpreted that remark that I would spend more time to mean necessarily more money, but it wasn't my intention to put it that way. I was looking at the matters of policy, of improvement, of in fact getting more by way of quality for the dollar the government and people are paying for the various people services involved.

The hon. Leader of the Opposition raised the matter of hospitals. It's a very difficult area. We have by far the most expensive hospital system in the country. We have, as the Minister of Hospitals and Medical Care has pointed out on a number of occasions, the highest number of acute beds in the nation. If there are going to be reductions in those acute bed services, those are decisions made by the local hospital board that reflect not a cutback but a very sound, compared to other provinces, 11 per cent improvement in the amount of funds we're prepared to allot to the hospital area. Many provincial governments, Mr. Chairman, would be very pleased if they could find themselves in a position where they could, in this year of restraint, allot an 11 per cent increase in expenditure to this very important area of public expenditure.

We're concerned — I'm somewhat surprised that the Leader of the Opposition and the Member for Spirit River-Fairview in their joint caucus seem to have some difficulty in appreciating that we're involved in a very important area of restraint of public expenditure. I really don't think you can ride both horses. It would be nice if you tried, but you can't. We have faced a situation of a hospital system which we as a government inherited that started at \$125 million in the year we came to office and is now involved with some \$490 million in one year. As far as I'm concerned, we have enough faith in the good judgment of the hospital boards throughout the province to make the decisions as they fit in each particular hospital in the best interests of our citizens.

But we can't have it both ways. We can't have restraint in public expenditure that is sensible and needed — and we are by far the largest spending province per capita of any province in Canada — and not have a situation where there are going to be some adjustments, and those adjustments are going to have to occur. I think, frankly, the response I've got from the people in the hospital administration and in the whole medical profession and the providing of health services is a recognition of respect for this government's leadership in taking the position that we can't continue with simply those sums of money.

and that we're going to have to do a shifting from the acute care to a longer term care. It won't be easy to do, and the adjustments are going to have to be made.

I think the lesson to be learned is a lesson that came out of the '60s and the fiscal arrangements and the business of what people were calling, 50-cent dollars, where the former government reached — and I can understand the pressures on them in this area — for the 50-cent dollars. As a result of that we're going to have to make some adjustments in our hospital system.

In education, relative to priorities, I might just remind the hon. leader that we extended in a very specific way the areas of priority for this session in the Speech from the Throne. They're clear. I don't know how they can be more clear. There are five of them: expanded housing and accommodation, which is a people service; law enforcement and justice, which is a people service; workers' health and safety, which is certainly a people service; land-use planning for people, which is certainly a people service; and improvements in education curricula, which is clearly a people service. Those were our priorities and the priorities of this session. I think it's clear that that's the feeling of the government at the moment. It's not going to be easy to reach the full targets in all these areas, but those are our priorities and we've outlined them in a very clear way.

The second matter raised by the hon. Leader of the Opposition had to do with a concern. I was somewhat amused that I thought I detected his comment as relating to the field of agriculture at first. I gather it didn't, because I think the importance this government in its four and a half years, almost five years in office, has made in the field of agriculture is quite clear. I don't have the exact words in my mind, but I recall some comment the hon. leader made about the present Deputy Premier and Minister of Transportation in his former capacity of Minister of Agriculture, that was the increase in the budget over four years that this government was prepared to commit to the important renewable resource of agriculture. I think it's clear the priority we hold with regard to agriculture, will continue to, and consider it truly the base industry in this province.

Perhaps the hon. leader was to some extent getting at some concern in the renewable resource area in the Department of Energy and Natural Resources. We're looking at some plans in that area that the minister will be reporting on. But I would say that over the past four years — I think the action was taken by the present Minister of Utilities and Telephones in the area of Lands and Forests — very positive moves were made in terms of our forest products, some very important programs that have already been discussed here in estimates and in previous estimates that need not be repeated.

I think the area of renewable resources is reflected in our view of a higher degree of emphasis relative to irrigation. I've mentioned our overall economic strategy on other occasions, and will be mentioning it in the future.

The hon. leader then went on to ask me to repeat the positions I've taken with regard to ministerial responsibility and accountability that arose out of the Auditor's report. I'd be happy to do that. I take the position this way: in my view, there's no question

that the ministers are responsible for the actions of their department. They're answerable in this Legislature. I, as the leader of government, having appointed these ministers, am responsible for their actions. I am answerable to this Legislature and accountable to the people of Alberta. I accept that.

I then take the position with regard to where we stand on a matter such as that particular report [that it's] pretty clear what we're dealing [with] is not a matter of ethics. When we talk about standards, I think we had better be fair. We'd better not on one hand start talking about ethical conduct, then try to drag in a report where it was a matter of judgment and try to tie the two together. I think standards of conduct involve standards of fairness in expression. What we were involved in here, pretty clearly, was a decision that was entirely one of judgment. It was a judgment mistake.

Explanations have been given on a number of occasions by the Minister of Government Services and Culture with regard to the action taken. I think those explanations have been made in a number of different ways, explaining why he took the particular steps, explaining some of the background of some of the examples shown. The explanations have been given. I think it's important that we tie the explanations to the report. In any event, there's no doubt in my mind — and I took the position, this is the nature of being leader of government — that a mistake was made. Essentially, I think it was a single mistake. It was a single mistake of judgment in setting up the office of special programs. In the way the Auditor established, it didn't provide the necessary customary review of the administrative procedures that are traditional in our system.

I discussed the matter with the hon. minister. I elicited from him pretty clearly his view that in reflection it was the wrong way to have gone about it. I then took the position that I would make a judgment decision, too. The judgment decision would be that because there was no personal gain, because there was no question of motivations, because it was an error in judgment, the minister was entitled to have the balance of his total record assessed. I think that's the only fair way to do it. I see no other way. If one wants to know what the standards are with regard to our administration and my role as leader of government, I put it that simply. If it's a question of errors in judgment, then I think on those errors in judgment the responsibility is accepted, the answerability is here to this House, the accountability is to the people. But surely a minister is entitled, in my view, to have that judgment error evaluated with his total performance.

I think it's clear that the total performance has been very significant, and that he has worked very, very hard at some considerable personal sacrifice. I think we all are aware of that without my outlining it in detail. He has made a contribution in this province that will be long remembered, not just in terms of arts and culture — that's as important as anything else — but in terms of the ethnic diversity in this province, and the need to have people feeling very much a part of what goes on in the mainstream of Alberta life.

That was my decision, Mr. Chairman. I don't back away from it for one minute. I'm proud of it.

Mr. Chairman, the other question was the question raised by the hon. Member for Spirit River-Fairview

that involved the very difficult and complex area of people coming on a contract basis — if I understood his questions — from the private sector into government. The other question — which is, in a sense, related — is the moving away from government and going back to the private sector and then doing business with some government organization. This question deserves some debate. Now is as good a time as any to raise it, and I welcome [his] raising it.

On one side, you have to look at the concern that has to be there in two situations. The first is the concern that the number of people who are involved and have come in from the private sector have an undue overall influence in government decision-making. I think that's a valid concern. But frankly, the number of people who have come in in that way has been so small in terms of the aggregate decision-making process in the government; frankly, too small to have any true impact. It's an impact that reflects the ultimate decision-making process in a parliamentary system. It's not a congressional system where you have an administration and an executive branch. It's a parliamentary system, and the decisions are made by elected people. The key decisions are made by elected people. When there's a request for a proposal, when the request for proposal recommendations come to the Minister of Social Services and Community Health, the elected person makes the decision. That's the process.

We have to watch and be cautious of the fact that we're not getting any point of view too extensively expressed in any department. That applies not only to the economic departments, but to the other ones. In my judgment, we should be cautious of it. On the other hand, I think it's unfortunate, I really do, that we're into the position that there are so many people — and they're not all the large corporation people — in small business, so many people who have had a position of experience in the private sector, who could provide and would be prepared to provide some of their time and their careers to work in the public service. I think we would gain by having an influx of their ideas to balance the ideas of the people working so effectively in the career public service. We're a free enterprise province. We should reflect the view of the people in our free enterprise province. We should have the benefit of their judgment, their decisions, and their ideas. So I don't want to close that off. I want to feel we could find, on a contractual basis, ways in which we can welcome them. We've had a few people who have come that way, not very many. I hope we can have more.

If I follow the hon. member's question, the other question that was raised is: after the individual — or in this case I suppose we could talk about anybody who was involved in the government for a period of years — leaves the public service and goes into a consulting business, and is called upon to offer advice as to ways in which one should assess how a government may or may not respond. There are going to be some gray areas. There are going to be some areas in which the people in the public service — left in the public service — are going to have to judge very carefully whether there's any attempt to unduly or improperly influence the government in its decision-making process. I think those cases are going to be extremely rare. Some will happen. But on the other hand, why we should put people, and

how we can continue to attract better people into the public service, either on a career basis or on a short-term basis, and then say to them when they leave that they're banished; they can't deal with government at all, makes no sense to me at all.

I think that the nature of government requires effective communication. In this case, I'm not always talking about people in the economic sector. I think of one very good example we had, the former Dean of Medicine at the University of Calgary, Dr. Cochrane, with whom I was involved in direct conversations. We talked about the possibility of his coming and serving for a couple of years as the deputy minister of health in this province. That was quite a shift from the academic community. And he came. He spent two very important years helping the former Department of Health and Social Services and did a very important job. At the end of the two years, when his contract was up, he accepted an opportunity on the other side of the table, as he put it, again with the University of Calgary, as the President of the University of Calgary. But he said to me there was no question that the fact that he'd been involved for two years in the service of government made it better for him in the responsibilities he was carrying on. He urged me to do as much as I could in this particular direction; and I will wherever I can.

I know that on a number of occasions the Attorney General has tried to have people come in in the legal profession, and in other professions. We're not just talking about business people. We're talking about the academic community. We're talking about people involved in the professions. I don't think we should get into a position where we're only getting the advice of the career public service, effective as they are and dedicated as they are. So there will be problems along the way. I recognize that. I accept the problems, but on balance I'd rather take the problems than get into such a closed position that we don't have the benefit of the considerable talent that exists in this province in so many ways.

Thank you, Mr. Chairman.

MR. CLARK: Mr. Chairman, I'd like to go back to the comment the Premier made with regard to the Auditor's report. I think he used the term a single mistake in judgment. If my notes are accurate, the Premier alluded to the error in judgment being the setting up of the office of special programs. I find that comment hard to understand, to say the least.

I refer to the Auditor's report on five specific occasions here. First of all, there are the comments made by the Auditor with regard to not using funds for the purpose for which the Legislature had approved them. Now that wouldn't be done by anyone who was in the office of special programs. That clearly had to be at another level, Mr. Premier. I find it difficult to say how the people involved in the office of special programs could be responsible for misinterpretation of the community hall grant program, because those projects had to be approved by the minister. You know, despite who in the world is running the department, in that particular program the responsibility thing had to be approved by the minister.

Then I go on further in the Auditor's report where reference was made to organizations which got grants and which wrote back and indicated, well,

we've got our building or the town has helped us out. I think there were specifically some libraries involved there. I just don't see how you can lay that responsibility on the shoulders of the civil servants involved. Certainly someone had to be giving some direction. In this particular operation, the deputy minister wasn't involved at all.

Then there was the decision, once again approved by the minister, to send people to some place in the United States, I think it was Philadelphia, for training programs, recognizing that these were short-term people who in the long run were going to be of little or no benefit to the province. Then on page 7 of the Auditor's report there's

A \$10,024 grant pursuant to a contract dated March 25, 1975 to meet material, labour and transportation costs for logs to be used in the construction of a number of buildings at the Provincial Government owned Blue Lake Centre.

Once again, I don't go back and argue whether it was needed or not. It's just the whole process that's used.

Mr. Premier, when you simply say that one mistake was made and that was to set up the office of special programs, I have to say to you: yes, the people who were involved in the office of special programs did a poor job administering, but the responsibility doesn't stop there. On every occasion, there had to be the minister's approval of the grants. To simply say that as far as you're concerned there was one mistake — it was a mistake in judgment to set up the office of special programs — and wash your hands of the whole thing, I just find impossible to understand.

When we talk about errors in judgment, it likely was a very major error in judgment to set up the office of special programs, especially to bring someone up in the department who had not had those kinds of responsibilities before. The individual who assumed those responsibilities in the department had been an employee of the department when I was there, and had absolutely no experience in these areas at all.

So I rise in my place and ask the Premier if he will elaborate on this question, that as far as he's concerned the whole Auditor's report and the thing that happened there was a single mistake in judgment. I simply can't understand how you have funds not being used for the purpose the Legislature approved. How you can pass those responsibilities onto civil servants when you have at least two ministers involved — the grant program, which certainly wasn't in keeping with the government's intentions, and organizations getting grants that hadn't asked for them. To lump all this on the shoulders of inexperienced civil servants and say, it was a mistake to set up the department so we wash our hands of it, I simply can't understand, Mr. Premier.

MR. LOUGHEED: Mr. Chairman, I don't propose to go further than I have. I have made the position that I believe it was a mistake by the minister to set up the program that by-passed the procedures. There are a number of details of the program that I'm sure the hon. minister would be happy to answer, with regard to any of the explanations for the matters, when you come to his estimates.

A decision was made by the minister to by-pass the normal procedures to set up the office of special

programs. In my judgment, that was a mistake. But that was a mistake that he's answerable for in this Legislature and that, because I appointed him, I'm answerable for. I'm prepared to answer for it and be accountable to the people, but in my view it was a judgment error, and a judgment error that was not of such a nature as to require him to resign from his responsibilities.

MR. CLARK: Mr. Chairman, just following the Premier's comment. Mr. Premier, I'd like to ask if the cabinet were involved in the decision to set up the office of special programs?

MR. LOUGHEED: Mr. Chairman, I think the answer to that is, they were not.

MR. CLARK: Mr. Chairman, I'd like to ask if any civil servant in the department came to the Premier and indicated his concern as to what had been going on in the department for some time prior to the particular situation that started all this? What I'm asking, Mr. Premier, is: were there employees who got hold of either the Premier or his office to express concern; and if this happened, what kind of follow-up was done by the Premier's office?

MR. LOUGHEED: Mr. Chairman, there was no direct approach to me with regard to that. There had been concern expressed of which we were aware, and it was for that reason that the Auditor's investigation was ordered by me.

MR. CLARK: Mr. Premier, are you telling us that prior to the affair of the member of the media getting the grant for I think it was the Gaelic society, no concern had been expressed by the office of special programs to your office?

MR. LOUGHEED: Mr. Chairman, I didn't take the question that way. Concern had been expressed about the way in which the organization had been set up. As far as I was concerned, it was a matter that was being assessed by the Provincial Auditor and, of course, by the Provincial Treasurer. When the incident did occur, I reached the conclusion to add to the concern that I had already expressed on that matter and that was the reason for the investigation.

MR. CLARK: Mr. Premier, will you explain to me how the office of special programs could have been set up without the approval of the cabinet? In fact we had the former Minister of Manpower and Labour involved in transferring funds back and forth between the one department. I can see how that could happen if you have one department involved, but when you have two or three departments involved it would seem to me that for the mechanism to be set up, it had to get approval from some place.

MR. LOUGHEED: Mr. Chairman, I'm perhaps not responding to the question that he raised. He asked me who was involved in the decision-making process. The decision to set up the office of special programs was that of the minister. Obviously the cabinet committees that were involved in the office of special programs were aware that it was operating.

DR. BUCK: A question to the Premier, Mr. Chairman. I might have missed something there, but can the Premier indicate exactly how the office of special projects was set up, what the mechanics were?

MR. LOUGHEED: Mr. Chairman, I can't. You can either direct it to the hon. minister now or you can direct it when you reach his estimates.

MR. NOTLEY: Mr. Chairman, just to follow that up for a moment, though. Following the point the Leader of the Opposition made, we're looking at two departments of government involved here; well, three, but Manpower and Labour and Culture, Youth and Recreation were directly involved in the transfer of funds. Surely the office of special programs would have been discussed in a cabinet subcommittee as opposed to just being a decision of the individual minister on his own, because in fact money from other departments was involved.

MR. LOUGHEED: Mr. Chairman, the reference to the Minister of Advanced Education and Manpower refers to the cabinet committee on priorities, the special PEP program. It was left to each minister to establish the administration within his department.

The Minister of Culture, Youth and Recreation at the time made the decision to establish an office of special programs to handle it. The other departments did it in different ways. Obviously, the cabinet committee was aware of the minister's decision as to how to do it.

MR. CLARK: Mr. Chairman, I'd like to ask the minister if any directive went from the Premier or his colleagues to the former Minister of Culture instructing him to get this money out prior to the end of the fiscal year, which happened to be . . .

The Premier shakes his head. There were no directions? Well, I'll let the Premier answer that.

MR. LOUGHEED: Mr. Chairman, there were no directions from my office.

MR. CLARK: Were there any directions from the cabinet or discussions in cabinet on the desire to get all this money out before the end of the fiscal year, or before March 26?

MR. LOUGHEED: Mr. Chairman, there were none of which I am aware, and no such directions were given by the cabinet in that regard.

MR. NOTLEY: [Not recorded] the fact that in the office of special programs there was a systematic by-passing of the deputy minister. Was there at any time any discussion concerning agencies such as the office of special programs where the senior deputy is by-passed by a special agency that's set up? Was there any discussion concerning that?

MR. LOUGHEED: Mr. Chairman, there were no such discussions. These matters were left to each individual minister to decide how the program would be operated.

MR. NOTLEY: Mr. Chairman, just to follow that up in the light of press reports; in any event, Mr. Premier,

after the announcement of the report was made. To what extent do you feel that a deputy minister is accountable for the problems contained in this report?

MR. LOUGHEED: Well, Mr. Chairman, I don't really feel that the accountability can be shifted to the deputy minister. This was a decision made by the minister. He's responsible for it. He's accepted that responsibility, and we've been prepared to be answerable for it here.

MR. CLARK: Mr. Chairman, just two other quick questions. The first one: Mr. Premier, if I recall your comments made on December 18 or shortly thereafter — and there's some reference to this in the Auditor's report, when he talked about the by-passing of the deputy minister — if I recall, Mr. Premier, some reference was made by you to the fact that the deputy minister could have come to your office or spoken to officials.

My question, pretty frankly, is: how does the Premier see that being done? Has some mechanism now been formalized so this can take place?

MR. LOUGHEED: Yes, Mr. Chairman. That has taken place. I met all the deputy ministers and chairmen of Crown corporations in a meeting some weeks ago. I made it clear to them — without in any way isolating this particular circumstance, but generally in case there's any mistake in question — that because the deputy ministers are appointed by the Executive Council and not by the ministers, they should be in a position where they can feel free in any special circumstances to come to me and to explain that in their view there's an approach by way of administration that they do not think is following the appropriate ways carried on in the past. Now I would think and hope that they would be very few and far between. But the door is open for the deputy ministers to make that approach, and I discussed it at a meeting with them some weeks ago.

MR. CLARK: Mr. Premier, can you outline to us any other changes that have taken place in your administration as a result of the Auditor's report?

MR. LOUGHEED: Well, I think I just outlined one of the important ones. I have asked the Provincial Treasurer to assess the 14 recommendations in the report and to give me a report, which he has not yet been in a position to do.

MR. NOTLEY: Mr. Chairman, with respect to the overexpenditures of funds during the fiscal year, what does the government see as a possible remedy in dealing with this problem? As one reads the report, at the end of the year we have all of a sudden a bunching up of expenditures so that the funds are used. Then, if my memory serves me right, from the report there was approximately \$300,000 owing from that particular appropriation at the end of the year, which wasn't paid until October 1975, if I'm not mistaken.

So my question really is: what specific moves does the government foresee to deal with the problem of spending right at the end of the fiscal year? Now, there are all sorts of possible scenarios here. One scenario could be that a department wanting to

maintain its share of the budget will make sure that every last dollar is spent, so that it can have a claim on the budget for the coming year. But the point is, what is the government going to do in terms of dealing with that problem pointed out in the Auditor's report?

MR. LOUGHEED: Mr. Chairman, that's, one I've asked the Provincial Treasurer to look into, and he might want to respond.

MR. LEITCH: Mr. Chairman, as the hon. Premier has indicated, the Department of Treasury has been reviewing the 14 recommendations contained in the Auditor's report. I contemplate our dealing with them and making such changes as may appear appropriate arising out of those recommendations. At the same time, we've changed the system, which we've already discussed in the committee and in the House on previous occasions, whereby we go to a controller within the Department of Treasury and an auditor general performing primarily the postaudit function.

At this time, Mr. Chairman, I wouldn't want to comment on the particular one of the 14 recommendations or in what way it may be implemented, because we haven't completed our overall review, and the work we need to do is going on in contemplation of the change in the system I earlier talked about.

MR. NOTLEY: Is it the government's intention then to defer any action on the 14 recommendations until such time as the auditor general legislation is dealt with this fall? Or will the approach be that the recommendations in general will not be dealt with, but specific recommendations could be acted upon in the interim?

While I'm on my feet, we might just as well clarify this matter now. Is it still the express intention of the government to proceed with the auditor general legislation during the fall session?

MR. LEITCH: Mr. Chairman, I dealt with that at some length during my estimates. I would have thought the hon. member, if he were not here, would have reviewed the proceedings and retained in his mind what we had said about that.

To further assist him, I would repeat the essence of what I said during the course of the estimates. It simply was that we were targeting for that, but I certainly didn't want to leave the members of the committee with the impression that we were giving any form of undertaking. Everyone has to appreciate that as one works toward putting in these changes in the system, it's not unusual to find that your previous timetables, even if you make quite a few allowances for difficulties that may come up in the implementation, simply can't be met. I left it on that basis.

To respond to the earlier question of whether all these recommendations or any action on them is going to be withheld until we've brought in the new system, I think the short answer is that no policy decision has been reached to withhold action. If, during the course of our review, it appears some of them can be implemented prior to the introduction of the new system, we will do so.

DR. BUCK: Mr. Chairman, could either the Premier or the Provincial Treasurer indicate, if we had the

auditor general in place now, or if we'd had it at that time, would this transfer of accounts from one department to another have been picked up by the auditor general, and would he have acted at that time to advise the government that there were possibly some problems in accounting?

MR. LEITCH: No, I wouldn't think that item would have been picked up by the auditor general — or I should put it this way. I would have anticipated it more likely being picked up by the controller function, which would be the preaudit function. It might also, of course, have been picked up by the postaudit function. One checks the propriety of the payment before it is made, and the postaudit function of course reviews it after the fact. So it could have been picked up either way. But more likely it would have been picked up during the preaudit function, or what we're contemplating to be the controller function when the system is changed.

MR. R. SPEAKER: Mr. Chairman, to the Provincial Treasurer. It wasn't clear to me in the report why the preaudit system didn't pick up the inadequacies of approval and so on in this situation. Could the minister remark on it?

MR. LEITCH: I'm not sure, Mr. Chairman, that I can add anything to what was said in the report. There was a reference in the report to the numbers of transactions, the need to rely on the documents present when the preaudit function is performed. There was a reference to a by-passing of the normal procedures. But I'm not in a position to add anything to that, other than what I think was in the report.

MR. NOTLEY: Mr. Chairman, one of the many important recommendations on page 17 of the report concerns this business of the direct tap on the general revenue fund. The Auditor points out quite properly that a number of the acts we passed during the 1975 spring session restrict the authority of ministers to make discretionary grants. The wording now changes that: unless he's "authorized to do so by regulations under this section, and . . . moneys are appropriated by the Legislature for that purpose or the grant is . . . paid pursuant to a special warrant." Well, that's fine, no one is arguing that. He then makes the point, if you just read down a sentence or two:

However, where regulations under this section are so broad and permissive that they do not, for practical purposes, limit the power of a Minister to make grants, such regulations do not materially improve control over the issuance of discretionary grants.

My question is: subsequent to the receiving of this report, has the government evaluated the whole process of regulations, to in fact tighten up regulations under the acts we have already passed?

MR. LEITCH: Mr. Chairman, that is a process which has not yet been completed. There were a number of recommendations in the 14 we've been discussing dealing with grants, such as predetermining the grants for the estimates, a third party review, procedure, and things of that nature. One can't look at these recommendations in isolation, because they are

all related. The review is ongoing. It's not yet, as we've indicated, been completed. When it is, we will decide what recommendations ought to be implemented and in what form.

DR. BUCK: Mr. Chairman, to the hon. Premier. Can the Premier indicate when he was first made aware that the fund was set up, and was the Premier made aware of what moneys were in the office of special projects?

MR. LOUGHEED: No, Mr. Chairman, I can't do that. The nature of what I understood was involved and what I was involved with personally was only the question of the establishment of the priorities employment program and the committee. The committee decision was to leave to each particular minister how he would administer the funds that would flow to him. Beyond that, I wasn't involved.

DR. BUCK: Mr. Chairman, can the Premier indicate if he was aware of the amount of money that was in the office of special projects — the amount of money and when he was made aware of that?

MR. LOUGHEED: I can't say that I was any more aware than perhaps the Legislature generally. My involvement was a policy decision relative to the amount of funds that would go to the priority employment program. The cabinet committee was struck to allot the various funds between the various departments, and a portion of it went to the former Department of Culture, Youth and Recreation as established by that committee, leaving it to the minister to administer it.

MR. CLARK: I'd like to ask a question of the Provincial Treasurer. Are you in a position now to indicate to us what [amount] of funds is unaccounted for? You recall that on the last page of the Auditor's report he talks of the public accounts being inaccurate by an undetermined amount.

My question to you, pretty frankly, is: as a result of, I suspect, further following up by the Treasury people, how much money is involved in having been virtually misappropriated here?

MR. LEITCH: I'm sorry, Mr. Chairman, I missed the last few words of the question.

MR. CLARK: The question is flowing from the Auditor's comments that the public accounts of the province are inaccurate by an undetermined amount. I'm asking, Mr. Treasurer — you'll recall that the Auditor said he wasn't able to find some of the applications, they couldn't find them in the departments and so on — how much money is involved in having been handled like this? What portion of the budget that was allocated to the office of special programs found itself under these kinds of hands?

MR. LEITCH: Mr. Chairman, I'm not sure that the Leader of the Opposition didn't raise two questions. One, I thought I caught the phrase misappropriated funds, and funds that were allocated to the . . .

MR. CLARK: Unaccounted would be a better term.

MR. LEITCH: Well, I'm still not clear what the question is. Are we being asked how much money was misappropriated? Mr. Chairman, I would have to make some inquiries on that. I don't recall the figure.

MR. HYNDMAN: Mr. Chairman, tonight we will continue with the estimates of the Executive Council and then the estimates of Culture.

I move that the committee do now adjourn until 8:00 p.m.

MR. CHAIRMAN: You have heard the motion. Are you all agreed?

HON. MEMBERS: Agreed.

[The Committee of Supply adjourned at 5:27 p.m.]

[The Committee of Supply met at 8 p.m.]

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

MR. CLARK: Mr. Chairman, I'd like to pose just one further question and that is to the Premier. Mr. Premier, are you in a position to indicate to us when complaints first came to your office with regard to the operations of the office of special programs?

Just to refresh members' minds, you recall earlier this afternoon when we were discussing this matter, you indicated that when this particular case of the Gaelic society broke, you then decided to have the inquiry by means of the Provincial Auditor, but that you had had complaints to your office prior to that. My question to you is: when did you get those complaints?

MR. LOUGHEED: Mr. Chairman, I was trying to think about that matter over the course of the dinner break. I don't think I really received complaints. I think I heard that there was some concern expressed — and I can't even recall the source of it — in the nature of the way the organization of the office of special programs was set up in the former Department of Culture, Youth and Recreation. But I can't remember either the source or the timing. It wasn't said in the way of a complaint. My recollection is merely that a concern was expressed.

So when the incident did in fact occur, I tied that expressed concern, which I can't be more definite about, with the incident and thought it would be important for the Auditor to move in a full investigation, although I didn't suggest to the Auditor that it be directed at just the office of special programs. It was a request covering our total grant procedures within the government, whether they need to be changed.

MR. CLARK: Mr. Chairman, just to conclude this particular portion at least as far as we're concerned. To set the record straight and put the thing pretty straightforwardly from my point of view, the Premier has indicated that as far as he was concerned there was one mistake which led to all the things the Auditor's office found out with regard to the office of special programs. I simply can't accept that. We have three government departments involved: the office of special programs, the Department of

Manpower and Labour, and the Department of Advanced Education. For the Premier to tell us today in the Assembly that as far as he is concerned one mistake was made and that's really all that was wrong in this area is completely unacceptable as far as I'm concerned.

I had hoped, candidly, that the Premier would give us some indication of the kinds of standards he uses as far as direction to his colleagues in cabinet. It would be very interesting to know just what happens with the second, third, or fourth time around. Pretty candidly, I come to the conclusion that the Premier plays it by ear. It's a catch-as-catch-can kind of situation: depending on how much pressure comes from various sources, the Premier will then decide what he's going to do. I just think that is one bloody awful standard as far as an example to Albertans is concerned.

MR. LOUGHEED: Mr. Chairman, the hon. leader can conclude in any way he would like. I just want to make sure that the record is also clear with regard to the Auditor's report. The Auditor states it this way:

... there is no evidence to indicate that the intention of the Minister at the time each grant was made was other than that it should be for a worthwhile purpose and should have social worth.

I think it's very significant that what we're looking at is the fact that there was no personal gain. A mistake in judgment was made, but the intentions here were well motivated, to help the people of the province.

MR. CLARK: All sorts of roads are paved with good intentions.

Agreed to:

Ref. No. 1.0.1	\$244,657
Ref. No. 1.0.2	\$663,615
Ref. No. 1.0.3	\$35,720
Ref. No. 1.0.4	\$327,318
Vote 1 Total Program	\$1,271,310

Vote 2

DR. BUCK: Mr. Chairman, to the hon. Premier. I was wondering if the Premier could give us a breakdown on what works have been going on with the two ministers without portfolio. I remember either a year ago or last fall when the Premier said he would be feeling sorry for the Minister Without Portfolio responsible for rural development because he'd be working so hard the sweat would be rolling off his brow — or words to that effect. So far the minister seems to be standing up very well under that terrible load, and the minister for Calgary affairs seems to be standing up very well under his heavy load. I would like to have the hon. Premier give us an indication of how heavy the two honorable gentlemen's loads are.

MR. LOUGHEED: I'd be delighted, Mr. Chairman. With regard to the Minister Without Portfolio responsible for rural development, the assignments we have asked him to undertake have been essentially in the area involving the Minister of Agriculture, working

with the task force and decentralization of government services; working with the Minister of Municipal Affairs with regard to the matters of boundaries; working of course on the committee involved relative to redistribution; and in total involving himself with the various groups and delegations we face with regard to rural problems in the province.

I'm delighted with the way it's working out. I think it's very important for a government to have ministers without portfolio in the position to assist ministers in these particular tasks.

As far as the Minister Without Portfolio from Calgary Foothills is concerned, he has the very interesting challenge of liaison with the mayor, the city of Calgary, and the Calgary school board, with the various organizations there, working a number of days a week out of the Calgary office. From the outset we've always felt one of the difficulties in the city of Calgary is a feeling of being somewhat remote from the provincial government.

We have the southern Alberta office of the Premier, but in addition, we now have a member of the provincial executive who is responsible for the co-ordination of a multitude of problems that arise, and they tend to overlap different departments. I think the Minister Without Portfolio, Mr. McCrae, has been able to assure more effective ways on these issues involving the city of Calgary. But in addition, he's involved with the cabinet committee on metropolitan affairs that also involves him in matters not just within but outside the city of Calgary. We've also been pleased with his participation and involvement in the cabinet committee on energy as well as the cabinet legislative review committee. I could go on at this point.

DR. BUCK: Mr. Chairman, the hon. Premier is not in the habit, nor will he become in the habit, of taking my advice. I think I made a plea several years ago to the hon. Premier either to give the hon. member, Mr. Dowling, a full-time job or fire him. So now he is a full minister with a full portfolio. I really feel the Premier should not enlarge the cabinet — heaven forbid, it's large enough as it is — but break up the Ministry of Business Development and Tourism and give the hon. Member for Calgary Foothills something to do for the money he's getting from the taxpayers of this province, because we need a full-time minister of tourism. I think it's a legitimate concern.

I'm sure the Premier and the members of the Executive Council have heard many times from the travel association how important it would be to have a minister responsible for tourism. My humble submission to the hon. Premier, Mr. Chairman, is to give the hon. Member for Calgary Foothills something to do, so we can have a full-time minister of tourism.

MR. LOUGHEED: Mr. Chairman, I respond by saying I will give the usual very careful and thorough consideration to all suggestions from the Member for Clover Bar, including the one with regard to the minister of tourism. I'd only say though that I'm delighted with the way the Minister of Business Development and Tourism — and there is a great deal of overlap between the business development and tourism activities. I think that's pretty self-evident.

Although it is a matter that has been stated by the Member for Clover Bar, it's been noted from time to time.

I wouldn't like to leave unanswered, though, the fact that ministers without portfolio need a job — to use the phraseology of the hon. Member for Clover Bar — because as far as I'm concerned, a cabinet having ministers who are not involved with overall portfolio responsibilities and are available to take special assignments is an absolute must for effective Executive Council administration.

MR. NOTLEY: Mr. Chairman, I'm not here to suggest that the hon. member in charge of Calgary should have another portfolio.

I'd like to turn my attention, if I may, to the Minister Without Portfolio with special responsibilities for rural Alberta, and ask him if he could bring the Assembly up to date on where the government now plans to proceed as far as further decentralization within the province is concerned. I think most members of the House support the principle of decentralization. But I'd be interested to know what steps the government plans to proceed with, specifically with respect not to further decentralization, but removal of government branch offices from the city of Edmonton. Who's going to answer, the Premier or the minister?

MR. LOUGHEED: Mr. Chairman, I think our policy is clear that essentially in terms of decentralization we've made some very important progress. We've taken the view that we should be looking at either new or expanded operations generally, that if it's feasible, the new or expanded operations should be located outside the capital, but that it isn't practical to go much beyond that point.

I think we've made some pretty significant progress, and we have an ongoing task force of MLAs working on the matter with the Minister Without Portfolio from Wetaskiwin-Leduc. We're trying to assess certain areas which are now quite clearly within the metropolitan capital city of Edmonton that could be better located in other places. It will be an ongoing review. It's a basic policy of the government.

I think I'm pleased with the sort of reaction we've now received after some initial — "hostility" would be too strong a word — but rather adverse reaction, in any event, from the business community generally at the location of the Alberta Opportunity Company in Ponoka and the Agricultural Development Corporation in Camrose. I think the same to some extent with the Vegreville environmental research laboratory and with the hail and crop insurance operations in Lacombe, among others. I think, though, there's a general acceptance by the people of the province of what we're trying to do and why, and a recognition that it will work effectively.

MR. NOTLEY: Mr. Premier, as a result of the deliberations of the committee, is the government at this stage in a position, or will it be shortly, to announce a move of any other agencies or branches of government from Edmonton to some other point in the province?

MR. LOUGHEED: Mr. Chairman, I'm not in a position this evening to be more definitive on that matter. But

it is a very important question, and if in the fall session the hon. member wishes to raise it again, we may have something more definite at that time.

MR. TAYLOR: Mr. Chairman, since two of the ministers without portfolio have been mentioned, I think maybe I should mention the third one, the hon. Minister Without Portfolio in charge of native affairs. I haven't had occasion to contact the first two, but I've certainly had occasion to contact the hon. Mr. Bogle in connection with Indians, as I have an outstanding tribe of Indians in my constituency, namely the Blackfoot tribe.

I like the way the hon. minister is meeting the Indians. He's meeting them right on their home ground. He's prepared to talk to any of them. He discusses things with them fairly and frankly. He's not telling them what's good for them. He discusses programs. I think I'm speaking for the band council and the Indians of the Blackfoot Reserve when I say there's a great appreciation for the way the minister is handling native problems.

I'm glad the native people have somebody sympathetic toward their cause, yet who is able to say no, given reasons for it, and reason with the native people. These people can be just as fine citizens of this country as any other group if they're given the right kinds of encouragement and opportunity. I believe the present minister is doing that. I think he's doing an excellent job in that portfolio.

MR. KIDD: Mr. Chairman, the discussion I heard this afternoon and the little bit I hear tonight remind me of an old saying: unto him who has done some work, unto him shall the works be given. I think that pretty well sums up the performance of the Minister of Government Services also responsible for culture.

I'd like to add my approbation to the Minister Without Portfolio responsible for native affairs. His performance has been excellent. I have two Indian reservations in my constituency. I've lived with Indians, grown up with them all my life. He has done an excellent job and is so regarded. I'd also like to say that those who have not discussed their problems with the minister of rural affairs have missed something.

Thank you, Mr. Chairman.

MR. R. SPEAKER: Mr. Chairman, I'd like to ask some general questions of the Premier, in the sense to give some feeling of direction for government. They are related to financing of government in general.

I'd like to have the Premier comment on his concept of direct and indirect debt. We both understand what that means and how that would relate to total budgeting. In the last year or so our guarantees in the province have increased tremendously. I'd like the Premier to comment on that.

Another is in the area of special warrants — just the use of them in the coming year, and the Premier's attitude toward that.

The third area is with regard to cost of legislation. In the present House we're studying a number of bills. One of the things that happens with bills I've learned from past experience. I can remember in about 1970, prior to 1971, one of the ideas we were looking at was costing out a bill on a 3- or 5-year projection. I've done some preliminary research on

some of the states of the United States, and I've found that what they do on each of their bills is to place the cost of that particular bill, and what it would cost in the coming year and the years ahead.

For example, as I look over the order list, one bill concerns me. I didn't speak on it in second reading, but I certainly intend to speak against it in Committee of the Whole. I'm not sure if all my colleagues agree with this point of view, but take The Occupational Health and Safety Act, for example. It takes a lot of civil servants to implement that particular act, to enact it properly. Certainly we can say we're taking some work from Workers' Compensation, from other parts of government, and so on. But in the research I've examined — for example, four years ago a similar bill was brought into the United States, and they had to hire something like 1,200 inspectors. The cry at the present time is that that is an inadequate amount and they want at least a 50 per cent increase. Statistics show that after four years we really haven't any better results. I use the act only on the basis of a costing procedure.

As my third item, I wonder whether the Premier has examined that and looked at the possibility of projecting costs so we have maybe a little more cost control in the years ahead to go along with restraint.

MR. LOUGHEED: Mr. Chairman, yes, those are three very important points. I'd like to respond to the hon. Member for Little Bow.

On the matter of direct and indirect debt and guarantees, it's difficult to deal with this. I don't have the actual data in front of me, except in a general sort of approach to it. The main thinking we have is that in a provincial government situation such as ours, there is an appropriate place for direct and indirect debt. There is an appropriate place for the liabilities that are involved. I think the hon. member is alluding to the fact that we have had over the past decade a fairly steady ongoing increase in what one would call the contingent liabilities and indirect debt of the province. And of course I would imagine the areas of the Alberta Municipal Finance Corporation and perhaps Alberta Government Telephones are probably the largest. I would anticipate that they would continue to grow rather steadily with the overall growth of the province, and it's a matter we are now looking at as part of our budget review on an overall review basis.

Secondly, the question of special warrants is of course always a controversial, debatable problem. It's one that arises, I guess, in three different areas. One is the obvious situation where something simply unexpected occurs; if you like, the forest fire sort of special warrant, which I'm sure even the Member for Little Bow wouldn't object to. There is the other one, which is the decision to move on a new program in an interim stage when it's desirable to move it and not to wait for the forthcoming year. These are judgment decisions that I'm sure will continue to be frequently debated in this Legislature, as the whole matter of special warrants always should be.

The third one, of course, and perhaps an even more debatable one, is the decision that has to be made from time to time by way of expansion of a program. If a program starts slowly and is growing, and then shows effective development, and it shows that the expansion of the program . . . I can use one example,

because I haven't heard from the Minister of Housing and Public Works yet — but he has been asked about it, and I have a little notation on my desk — and that is obviously the decision with regard to the second phase of the senior citizens' housing improvement program. We may be hearing from him, so to speak, when the House is not in session and when the estimates have been passed by, with a fairly compelling case that some of our concerns with regard to administration have been proven to be not that serious and that we may be able to move with phase two. And he will probably press that case. If he does, it's going to involve us in a special warrant.

Those are the decisions any government has to make over the course of the year in three basic areas. We'll continue to be conscious of the views that will be expressed from all corners of the House with regard to special warrants.

The third matter, though, [is] an interesting question that has been raised by the hon. Member for Little Bow, because we're just in the process of a new approach with regard to our procedural matters on the cost of legislation. I don't think the hon. member just by circumstance picked a good bill, because The Occupational Health and Safety Act was one where considerable discussion did occur with regard to cost. But I would concur with the hon. member's point that there are a number of other bills where the legislative concept is accepted after considerable internal discussion, and it's obvious from a legislative point of view the response is positive, but that what may come over a period of time is a cost factor not anticipated originally. And I think some members would reasonably ask during the course of committee stage of the bills what the potential cost factors might be.

I might just say in passing that that's only one of a number of problems we're concerned with with regard to legislation. Another one is the impact that legislation we have has on other groups affected by it. We've had some positions put to us by municipal governments from time to time, that we've passed statutes in this Legislature on a broad provincial basis, and the cost implications on municipal governments have not been fully considered by us, by them, or by the Legislature. I think it's a very useful sort of thing. We're in the process of coming out with a new approach where a particular item of legislation has been costed in advance to the extent it's practical to do so. I think it's a worth-while suggestion.

MR. R. SPEAKER: Mr. Chairman, just for clarification. Would the idea be to place that cost factor right on the bill, would it be just a piece of supplementary information, or has that not been determined at this point?

MR. LOUGHEED: Well, I think it would be supplementary. We weren't looking at it in a sense of anything formalized, but it's certainly something that when we get this procedure established and proceed with legislation, it would seem most appropriate if hon. members raised say, at the committee stage of a bill — I think they have to ask what the range is, the range of costs to the extent that they were tangible or intangible could be determined by the mover of the bill and by the minister. There may be particular legislation where it's not possible to do that, but I

think it's a matter of appropriate debate.

On the matter of contingent liabilities, there is a fair chance that the rate of increase will go down. But I think we still should recognize it's something that's going to develop on an ongoing basis as the province's activity and economy grow.

MR. THOMPSON: I'd like to ask a question on native affairs. The Blood Reserve is as big an area as a couple of our M.D.s, and populationwise it's larger than several of them. I wonder if the government would consider giving them a status equivalent to an M.D., if they wish to have it that way.

MR. LOUGHEED: Mr. Chairman, could I make a suggestion to the hon. Member for Cardston that if we approve Vote 2, those questions that really were going to be directed under Vote 3 and would be appropriate under Vote 3 would be answered directly by the minister responsible.

MR. THOMPSON: Agreed.

Agreed to:

Vote 2 Total Program \$171,260

Vote 3

MR. THOMPSON: I'll ask the hon. minister that same question. Is any consideration being given to giving the Blood Reserve a status equal to an M.D.?

MR. BOGLE: Mr. Chairman, prior to responding to that question, I would like to take an opportunity to thank the hon. members for Drumheller and Banff for their very kind words. It's my hope that this government will continue to set forward policies that will be acceptable to you, as members of this Assembly, and that will also assist the native people of Alberta to better enjoy the benefits and privileges enjoyed by other Albertans.

In response to the question posed by the Member for Cardston, I'd like to state that we as a government of Alberta are offering more services to treaty Indians all the time. Various programs now available to Alberta citizens are being made available to various reservations. It's my hope that over the course of the next few years we will be able to expand this program, but I think it's important to point out that this has to be done at the request of the bands themselves. When they are prepared to move, the position of this government is that we will do what we can to assist them in obtaining those services and benefits.

MR. SHABEN: Mr. Chairman, I just want to add a few comments to commend the minister responsible for native affairs. He has indeed been very active, accessible, and helpful to me and my constituents in assisting with the development of the land tenure program which is now going on in Wabasca-Desmarais, and also with the fine work with the Metis colonies and the Indian Regional Council in my area, which takes in 11 Indian bands.

I have a couple of questions I would like to direct to the minister. The first concerns friendship centres. I'd like to ask the minister to make a few comments

on the criteria for financial assistance to friendship centres in the province.

The other question I'd like to ask is the minister's assessment of the success of the change in the system of arranging his office staff.

MR. BOGLE: Mr. Chairman, to answer the first question posed by the Member for Lesser Slave Lake regarding friendship centres, there are nine friendship centres in Alberta, ranging from Fort McMurray and Peace River in the north to Pincher Creek and Lethbridge in the south. During the past fiscal year our office did an evaluation of the friendship centres and found that a great number were encountering some financial difficulties. When advertising a new position, we made some special concessions in that area so we would have some assistance available to the friendship centres. That was done in the person of Gordon Thomas, who joined our staff early in January. He has been to all the friendship centres and given them the kind of help they've needed — primarily, help with their books and budgeting matters.

In other words, when the centres encountered financial difficulties, we didn't turn around and give them a cheque for \$500, \$1,000, or \$1,500, but rather gave them the kind of assistance we felt was so badly needed. As I've indicated, the work of the centres today has turned around completely.

It's interesting to note, Mr. Chairman, that the friendship centre in the constituency of the member who raised the last question, the Slave Lake Friendship Centre, is one of the more progressive in the province. They are currently building a new building. They had their annual meeting yesterday. Mr. Tom Roach, our executive director, attended that meeting. He said it was extremely well organized. Their accounts were presented in a very businesslike way. Two new members were elected to the board, both very prominent people in the community. So I'm quite pleased with the work that's taking place in the friendship centres.

The second question posed by the member pertained to our staff and the reorganization that's taken place in it. As all members will recall, the staff of native affairs has been going through a transition. We recently changed our name from Indian-Metis Liaison Group to the Native Secretariat. But as I indicated in a speech to this Assembly a month or so ago, more important than that we changed our direction. No longer do we have a field staff; we now have a centralized staff. The idea behind that is that the native organizations themselves should be doing the fieldwork, should be identifying the needs; that our main role and function should be to assist those groups and individuals with various government departments and agencies.

We are also in the process of dividing our concerns into two categories: one, economic development, and the second, social development. We feel that with this kind of split, we will be able to assist the various groups in a way that's even more profitable to them than in the past.

MR. NOTLEY: Mr. Chairman, to the minister, I wonder if the minister would bring us up to date, as frankly as he can, in an assessment of where the

government stands with respect to certain land claims throughout the province.

MR. BOGLE: Well, Mr. Chairman, that's one of the more difficult questions because it involves the legal matter, and those concerns are being dealt with by the Attorney General and his department. But I might say it's not something going unnoticed by us, either in native affairs or by the government as a whole. A number of claims are currently being processed.

To give an example of one on the Blood Reserve, they've presented evidence which indicates there were actually more Blood Indians at the time of the creation of the Blood Reserve than they were given credit for. If this proves to be true, of course we'll have to find a way of compensation. When I say we, I refer to us as a provincial government and the federal government of this land. But any further comments on the land question would be premature at this time, as we're just in the embryonic stage.

MR. NOTLEY: Mr. Chairman, I realize certain of the claims are before the courts, and I gather that is still the situation with respect to the claim in the oil sands. But is the government developing any overall policy, or is it essentially a wait-and-see policy at this stage?

MR. BOGLE: Mr. Chairman, because of the complexity and wide variety of the claims — I gave as an example the Blood Reserve in the south — many of the native peoples in northern Alberta are not registered treaty Indians because their forefathers were not along the main trading routes and waterways when the last of the three main treaties was signed in 1899. Therefore it's a rather complex issue.

As I've indicated, the whole question is something we're beginning to review and study. As a provincial government we don't want to be caught in a position where the native people are ready to move, the federal government's ready to move, and we're not. So we're trying to keep step. But as I've indicated, it's still very early. I think either during the fall session or possibly next spring, we'll have a far better idea of our government's position and where we stand as a province.

MR. NOTLEY: Mr. Chairman, I want to follow that along a bit. Is the minister in a position to outline to the committee what the process of developing the policy is? Is formal consultation taking place, for example, with the Metis Association, with the Indian Association? What I'm really driving at: I'd like to know the mechanics of the Government of Alberta in developing its policy.

MR. BOGLE: Mr. Chairman, I'm sure the hon. member is aware that funds have been provided by the federal government through its Department of Indian Affairs for bands and other treaty Indian people to research their treaties and various land claims. That is currently under way. That process does not involve us as a province. Therefore, we're not involved in it. As I indicated earlier, we are aware of certain cases that are more advanced than others, and we're trying to gear up for that. Any other statements I might make on it would be premature at this time.

MR. NOTLEY: If I could follow that with just one final supplementary. The minister answered a number of questions very skilfully, but not really the one I asked. I asked: what was the process the government had, the mechanics of developing a policy, and to what extent is there formal consultation with the two major organizations?

MR. BOGLE: By major organizations, Mr. Chairman, I assume you're referring to the two associations?

MR. NOTLEY: Yes.

MR. BOGLE: Well, as I'm sure the hon. member is aware, Mr. Chairman, the Indian Association is not a legal entity. In other words, although the Indian Association of Alberta speaks for treaty Indians on a number of issues, when it comes to the very critical issue of land claims it does not have a legal voice. If you would like to look at the example of the caveat filed on Syncrude, you will note it was done by head men of certain isolated communities, not by the executive or any individuals in the Indian Association.

MR. GOGO: Mr. Chairman, I have three very quick questions for the minister. I too have heard many favorable comments about the role of not only this government, but indeed the minister and his treatment of and empathy toward the native people.

I'd like to know if the minister could tell me how many native people there are in Alberta; the division of responsibility between the provincial and federal governments with regard to native people. Something I've never quite understood is the role or office of one Harold Cardinal, a name I hear quite often in Alberta. Of the 75 constituencies in Alberta, would approximately half of them have native people?

MR. BOGLE: Mr. Chairman, I'll try to summarize very quickly in response to the Member for Lethbridge West. The first part of his question was: how many native people are there in Alberta? There are approximately 50,000 Metis people and approximately 34,000 treaty Indian people in Alberta.

The Metis people are primarily in the area of Edmonton and north. The treaty Indian people are scattered roughly one-third in each of the treaty areas. In other words, the area from Red Deer south contains approximately one-third of the treaty Indians, 11,000 to 12,000; approximately the same number is in the Treaty 6 area from Red Deer up to and including Cold Lake and then swinging back to Edmonton and over west; and all of northern Alberta, being the Treaty 8 area, contains the last one-third.

The second question is more difficult to answer, Mr. Chairman, in that the division of responsibilities is no longer clearly defined, as it once was. In other words, if we were to go back a number of years, we'd find the federal government's position was that it had responsibility for treaty Indian people, and the province was looked upon to provide whatever services might be available to Metis people.

However, in recent years and at an increasing rate, treaty Indian people have been looking to the province for services. I think this is a good sign. I think the treaty Indian people of Alberta are recognizing that they're Alberta citizens too and, as such, are entitled to benefits and services that other Albertans receive.

The last question pertaining to Mr. Harold Cardinal, the president of the Indian Association of Alberta, and his status: as president of the Indian Association, he speaks on a number of issues for all treaty Indians in Alberta. I might add that he has served on the National Indian Brotherhood, and he is held in rather high esteem by Indian people across Canada.

About a month ago I had an opportunity to travel to the city of Saskatoon for the opening of a new Indian cultural and community college. I attended with Harold Cardinal, and at the reception in the afternoon Mr. Cardinal spoke to the treaty Indian people of Saskatchewan. I can assure you, by the applause he received, he's well regarded in that particular province.

As far as the Government of Alberta is concerned, he is the president of the Indian Association, he speaks for the treaty Indian people on a number of very vital issues, and we listen to him. I might add there are 42 bands in Alberta, and we listen equally to the chiefs and councils of those bands.

MR. STROMBERG: Mr. Chairman, I would like to ask the minister approximately how many native Albertans are living outside the reserve system?

MR. BOGLE: Mr. Chairman, the hon. Member for Camrose has posed a most difficult question, because we don't have any exact statistics on the number of — and when you say "native", I assume you mean treaty Indian. Or do you mean Metis and treaty, because Metis people don't live on reserves. A number live in Metis colonies, but most do not.

I'd like to answer it this way, if I may. There are more treaty Indian people, particularly young people, moving to the cities. We can look primarily to Edmonton, Calgary, and to a much lesser degree, Lethbridge. There's an ever-increasing number. The reason for this of course is that there are no jobs or very few jobs on reserves, and with the high birth rate there's just not the opportunity on the reserves. So a number of younger families are moving to the cities.

In Edmonton, as an example, we now have two purely native kindergartens. I think this is most encouraging because it gives the native youngsters an opportunity to learn something about their own language, their own customs and culture, prior to entering Grade 1. I've had an opportunity to visit both kindergartens and I'm very pleased with some of the work I see taking place.

Agreed to:

Vote 3 Total Program	\$1,887,000
Vote 4 Total Program	\$5,375,000

Vote 5

MR. NOTLEY: Mr. Chairman, hold the fort here. Before we pass by Vote 5, I wonder if the minister, Miss Hunley, could advise where she stands personally on the whole question of affirmative action. I'm sure she's aware of the concept of affirmative action, using the Alberta government as a place to begin.

MISS HUNLEY: Mr. Chairman, affirmative action as mentioned by the hon. Member for Spirit River-

Fairview — if he's asking for my philosophical attitude toward affirmative action, I believe any action done in a constructive way is certainly very desirable. I'm just not too sure what specifics the hon. member had in mind.

As we meet with various groups from time to time, some have one concept they wish to have put forward almost to the exclusion of all others. I think there has to be a way we move forward in all areas of human endeavor, whether it be related specifically to women's interests or to all citizens of the province.

MR. NOTLEY: Mr. Chairman, if I could follow that up and be a little more specific. It really relates to the vote we have here, the Alberta Women's Bureau. A number of women who have brought this to my attention make the point that in Alberta admittedly we do have an Individual's Rights Protection Act that sets out certain basic rights and provides the statutory basis to eliminate discrimination in theory. The problem as I've had it explained to me is that we have an after-the-fact situation. The complaint is registered with the Human Rights Commission, which looks into it. But it is an after-the-fact situation which allows an investigation to take place, but sometime after the alleged discrimination has occurred.

The suggestion I've received from several people is that perhaps we should look at the Alberta Women's Bureau in a more positive sense and provide it with some muscle to be more than, as I understand it now, essentially an information gathering agency, doing some very good work I believe. Give it some positive enforcement powers. That's really the context in which I raised the question of affirmative action.

MISS HUNLEY: If the hon. member is asking me if I see a role for the Women's Bureau as initiating action — court action, for example — I do not see it in that role. I've said this from the beginning and I feel very strongly about it. Why should we have it in a women's section if we are not going to have it in all sections? If you truly believe in equality, as I do, then why would we single out this specific area and have the Women's Bureau initiate action that should perhaps be handled by the Human Rights Commission, if indeed there is an offence?

I think all of us have a role to play in changing attitudes. But you can't legislate a change of mind, and you can't legislate co-operation. I think we're making great progress. I really believe that, as I examine the various roles women are playing in this province, the things they're doing, and the steps we as a government have taken. I think some of the promotions that have gone on in the government are an example. We hope industry will follow.

But many people in industry and women who are employed by the private sector have talked to me and indicated that in their view there is ample opportunity for many of them to rise to the top in their particular field. Some of them do not wish to do so. They don't wish to have that additional responsibility. Some do; they're disappointed when they don't get there. I've suggested to each of them that there is a time and place, and I encourage them to continue.

In the final analysis, I've said to some of them: if they don't treat you the way you feel you're entitled to

be treated, then go where they will. Some of them have done that. I congratulate them for it.

MR. NOTLEY: Mr. Chairman, just to follow that along. That may well be reasonable advice in the private sector, but I wonder if the minister has any statistics on the public sector, on the Alberta public service, with respect to the number of women appointed to senior positions. Have any statistics been compiled that would show a change in the patterns of promotion that would demonstrate a significant increase in the number of women appointed to senior positions?

I raise this because it seems to me the government really has a responsibility to start with the public service. If we're going to talk about the private sector, that's fine. I respect the comments the minister has made. But I think as legislators we have to be particularly concerned about affirmative action, about beginning the processes to ensure that we are taking the steps in the public service; and that we are not only taking the steps in theory, but that there are statistics on the incidence of women appointed to senior positions which would back up our moves.

MISS HUNLEY: I don't have any current ones. Such statistics may be available in the Women's Bureau, because we do keep this as a matter of interest and encouragement.

I think in the various departments we're very interested and concerned and have made quite a few steps in promotions of women to the top executive positions. Just quickly, one of them I can think of is the deputy minister of health. For the first time we have a woman doctor in that position. We have a woman commissioner in Alberta Government Telephones. That appointment was of particular interest to me, because she came through the ranks from a telephone operator, up to administrative offices in Alberta Government Telephones, and is now one of the commission.

I think further down the line, from directors' levels and down, there is probably without a doubt the same as there is in any large organization: perhaps an inability to get to the top in those particular fields. We are encouraging it. You can force your ideas down only so far. But I think we are making some progress.

Recently we worked with personnel — and the director of the Women's Bureau was involved — in designing a special management course. Once again, I suppose it was discriminatory in that it was open only to women. But it was a special course to give them some special training. That was only a short time ago, and I don't know how successful we've been in placing them. But we felt it was important that they have additional training and skills to be available to fill roles when the vacancies occurred. I have not followed it up since that course was completed just a few weeks ago. But we are now moving in that direction. We believe in it, that it is possible, and we are attempting to encourage it.

But once again, I have to say it's something you really can't legislate. I think it has to come from encouragement on both sides. Encourage women to seek such positions, and encourage their employers, in whatever role they happen to be, to look for and not overlook, because often it never occurs to them

that the person sitting at the reception desk is probably the executive type they happen to be looking for, who is very knowledgeable. So we have a lot of work to do. I think it's as much in information and encouragement as legislation.

MR. NOTLEY: [Inaudible] and the person sitting at the reception desk has actually been running the business or the firm, anyway, for the last number of years. But in any event, I think I agree in part with you, but I also disagree. I agree that you cannot force a change of attitudes through iron legislation. But I think that the legislation in place — and we already have legislation with The Individual's Rights Protection Act — plus a continued policy on the part of the government of prodding and pushing and promoting, in my view, will gradually have an effect on attitudes. It seems to me it's a question of both the legislative framework being there and ongoing promotion.

The other thing I'd like to raise with the minister before we leave this particular appropriation, Mr. Chairman, concerns not the appointment of women to senior public positions so much as the question of day care facilities in government buildings and what have you. I remember I raised this at some point last fall. I wonder whether the minister or the Women's Bureau has given any thought to establishing day care centres parallel to the public service, so that women who work in the public service would have adequate or excellent day care services. This again would be an incentive to the private sector to improve their moves in day care.

MISS HUNLEY: I don't see this as a role for the Women's Bureau. Once again, I have always insisted that departments that have the specific responsibility should carry out that responsibility. The Women's Bureau can raise issues of women's concerns which are brought to the attention of the director of the Women's Bureau, and of course this is certainly one of them. I have asked the Department of Social Services and Community Health, because this is where the responsibility for day care lies, to attempt to design a model which might be useful for the government to consider.

But part of the problem with that particular model is that if you have one in the Administration Building, for example, or Alberta Health Care where there are large numbers of women employees, how does that spin off into collective bargaining, or does it fit in? And where there are fewer in number, are they going to be deprived of that right? I would prefer to see some leadership there.

I have asked the department to work on that for me, in consultation with personnel, to consider what might be developed. But that's in an embryo stage at the present time. We have not been able to get it developed so we can take a look at it to see what it will cost and what the ramifications of such a move would be.

MR. TAYLOR: Mr. Chairman, I don't want to delay the debate on this, but I feel an approach [has been] made by some people that more women should be hired simply because they're women. I don't agree with that philosophy any more than I agree that more men should be hired simply because they are men. I can understand women being hired in a women's or

girls' dormitory or as a companion to another woman as being mandatory, but I would hate to see the public service set out on a campaign to hire women *per se* simply because they're women.

I think the public service should be hiring people with the best ability, the greatest potential, the ones who can do the job the best. If it happens to be a woman, fine. If it doesn't happen to be a woman, let's not feel sorry about it. Let's be glad we've got the best person available.

Agreed to:

Vote 5 Total Program	\$76,362
Ref. No. 2.1	\$1,343,000
Ref. No. 2.2	\$5,766,000
Ref. No. 2.3	\$491,000
Vote 6 Total Program	\$7,600,000
Ref. No. 3.1	\$302,850
Ref. No. 3.2	\$759,300
Ref. No. 3.3	\$20,000
Vote 7 Total Program	\$1,082,150

MR. TAYLOR: Mr. Chairman, there's one point I would like to bring to the attention of the government with regard to various departments. I'm running into this problem in several places, and I believe there are solutions. That is the amount of public money being paid today to banks waiting for government grants.

At a meeting last Saturday with school board members in Calgary, which several members attended, one board mentioned their interest charges alone, I believe, were close to \$1 million. This is \$1 million gone to the banks, not being put to education, and paid out of the educational vote. A number of municipalities, counties, and cities have mentioned to me that because the grants do not arrive on time, they are required to pay large amounts of interest to the banks — again, public money going to the banks for which the public is getting no service. I'm not against banks, but I certainly think the banks will do all right with their power to expand credit without us borrowing from them unnecessarily.

I'm wondering if during the coming year the government could make a study — particularly the Department of Education, the Department of Municipal Affairs, and other departments that give grants to these areas — with a view to finding some way of getting the grants to these bodies earlier than they are presently. I know the school year is one of the problems. It seems to me if the grants were made one year for the months of April, May, and June — and after that vote for the school year, which I know overlaps the fiscal year. But I think there are ways and means of doing it if the government wishes. At least it certainly should be examined, because I think the sums going to the banks today out of public money amount to millions of dollars.

These millions of dollars are certainly adding to our inflationary troubles and trends. It's certainly not reducing them. In addition to that, it's good public money that should be spent on roads and streets, on education, on libraries, et cetera. So I'm simply asking at this time that the government recognize the problem and endeavor to find a solution to the greatest degree possible.

AN HON. MEMBER: Good point.

MR. STROMBERG: Mr. Chairman, we went through the Energy Resources Conservation Board so fast that I missed it. But I just want to bring up with the minister, in regard to the board, the recommendations of the ECA, which seriously questions the board's judgment in coming up with the amount of coal reserves we have in the province. On checking what the ERCB terms reserves, they have taken the cores from oil wells and have come up with a foot of coal at a depth of 700 feet being deemed a reserve.

With the board having let the permits for coal mining go on the very easy mining available in the province, wherever the outcrops have come to the surface, and where I suppose we are going to go down the road [as] we've done in the past, allowing export of our cheap mineable coal, when that has gone to Japan and there's no more available, I'm wondering what's going to be left for Albertans when we do need that coal for the petrochemical industry? We'll have to go to the high-priced coal, the deep mining. I think a couple of days ago at Camrose a film was shown by a German mining company which is mining to a depth of 700 feet to get coal.

Mr. Chairman, I suppose an example would be with our oil industry. We predict now that in 10 years we could be seeing a lot of our fields dry. What's going to be left for Albertans — high-priced Fort McMurray oil? Perhaps the ERCB could switch their priorities: for export, high-priced coal; for our own people, let's save some of these permits for coal we can easily get at for the heritage day down the road for the next generation.

I would like the Minister of Agriculture to reply.

DR. HORNER: He's not here, but we'll take note of the member's contribution and see that the Minister of Energy and Natural Resources is aware of it.

MR. LEITCH: Mr. Chairman, perhaps I could respond in part to the point made by the hon. Member for Drumheller regarding the earlier payment of funds to educational bodies, municipalities, and people of that nature and say to him that while I'm not sure I could agree with the remarks he made about the inflationary aspects of the current practice, we have been appreciative of the need for these bodies to receive their grants at the earliest possible time. This year we were successful in speeding up the payment of the educational grants.

We are looking at it. It's a valid point. While we were able to make some progress this year, we will continue to work on it, with the objective of doing even better in the future.

MR. NOTLEY: Mr. Chairman, I just have one final question. I think the remarks made by the Member for Drumheller are very apropos. They relate not only to school boards, but there have been particular problems that gas co-ops have had to deal with because of the provincial share of funding not coming through when anticipated.

Mr. Chairman, my last question goes back to Mr. Rogers' report again. I wonder if the Treasurer is in a position to advise us what steps, if any, were taken to recover some of the money which, for example, was not requested, went to groups that did not exist. One

example of that went to other groups where they didn't need the money, and the several cases involving individuals who had public property in their private possession.

MR. SCHMID: Mr. Chairman, maybe I can reply to that. First of all of course, some of the statements that were in there — some of the libraries stated they really didn't need the money at present. In the meantime that need arose, for instance because one of the libraries moved. Another library wrote in that it really had different thoughts, because it wanted to use the money to buy books instead.

As far as the property which the hon. member referred to, my understanding is — and I say "my understanding" because I'm not quite certain of the facts because some of these matters are before the courts. I think in this case it's rather that a bill of actual purchase exists where these items were purchased for the price that at the time was in existence for that particular item. For instance, I think a television set is mentioned. A television set was used for a while by an employment program. After it was no longer in use, that TV set was returned to that agency, whoever it belonged to, and subsequently was purchased by a relation of one of the employees. However, I understand this relation can prove that he paid the full purchase price. That's about as much as I can say on this question.

Agencies that did not exist: I have to repeat, there's only one to my knowledge, except of course the ones that are under criminal charges. That one of course was returned. The other one mentioned in the Auditor's report, the Chorale Assumpta, was really a matter of a group of nuns having a choir. Subsequently, rather than having an adult choir, they found they should really use that money for a children's choir. But the same group of people received the money. Therefore of course, that money was again put to the use it was intended for: a choir of French-Canadian ethnocultural origin. We therefore did not ask for that money back.

If the member would like additional specifics, I can easily restate what happened to the different grants which were paid. In all cases we have found they were . . . Again, especially the libraries have sent in reports of what they used them for. In most cases it was rather: we'd like to use it for something else, but since this is what we have to do . . . They bought, for instance, shelving, equipment, and so on, even though they felt books were more important. As we all know, the libraries in Alberta are short of funds all around, as we have mentioned many times. They felt maybe the applications would rather be for books than for equipment and/or improving their facilities, which of course we could not allow under the appropriation where the money was given out.

Agreed to:
Department Total \$17,463,082

Department of Culture

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. SCHMID: Mr. Chairman, in addition to what I just mentioned to the hon. Member for Spirit River-Fairview, I would of course be most willing to answer any questions that any of the hon. members may have regarding the Auditor's report. In addition, may I just state this much: it was the earnest desire of myself, and for that matter of anyone in the department at that time, to help the unemployed, especially the severely unemployed among our young people and native people.

For instance, when it was mentioned this afternoon that certain work had been done to prepare logs for buildings, it was really done to give our native people — who had the experience to cut those logs, to adze those logs with the kind of equipment they needed for that — not only employment thereby, but at the same time to prepare logs for the kinds of buildings which were planned for the future of that facility anyway.

Maybe I should give another explanation as far as the community hall or community centre program is concerned. I am sure all hon. members have been to a community library, whether in or outside the cities. I know every Sunday there's more activity going on in the Edmonton Public Library than in community halls in some other places, or for that matter, in an ethnocultural community where there's a French-Canadian or Croatian-Canadian background. Really it is a community in itself and, therefore, we felt very much that they were eligible for this assistance at this time.

Mr. Chairman, as far as the estimates for Alberta Culture are concerned, permit me to pay tribute to the staff for their loyal dedication and hard work which is always significantly over and above the normal requirements of any department, for that matter. Only last week and two weekends ago, I happened to be in Banff to speak to the library association, and I met one of my people at one meeting. Another was at another meeting. I'm sure they wouldn't be able to afford to take off during the week in lieu of overtime worked, as it is called.

What is our deputy minister like? I know I can call Mr. Les Usher at any time, day or night, to get his help; or could I mention our missionary for the development of culture in Alberta, Mr. Walter Kaasa. Mr. Chairman, I think we were most fortunate to get Dr. Lunn, one of, if not the most outstanding authority on museum development and historic preservation in Canada. Anywhere I travel in Canada they tell me how really envious they are of the calibre of man we have in him. The kind of leadership he has provided to us in this field of historic resources has already shown its mark. I hope Dr. Lunn enjoys many years in the province of Alberta in the kind of work he is doing.

As far as the division of finance and administration is concerned, we have also had the addition of Mr. George Earle, who has many years of experience in this field. Of course, he was very much needed in the Alberta department of culture.

May I just add a few other gentlemen who happen to be, as far as I'm concerned, among the finest civil servants we could possibly have: Mr. Bruce McCorquodale who is in charge of museums, and Les Graff who is not only an artist in his own right, but also runs one of the finest visual arts programs in Canada. As an example, the workshop for senior citizens is just an outstanding program, and many, many senior

citizens have written to me expressing their appreciation for the kind of work he is doing.

We have been very fortunate to regain Mr. Bob Cook as director of the performing arts program. He was for a while with Alberta College. Again, all I can say is that we are most fortunate to have a man of his outstanding calibre for Alberta culture, for cultural development, and especially for performing arts.

One of the more unfortunate directors in the department is Mr. Wiltshire, who is doing his best to calm the different library boards and libraries, because we were unable, of course, due to restraints this year to get an increase in funding for library development. But under the circumstances Mr. Wiltshire is doing the best he can.

Again from the federal government, we received the excellent services of Orest Kruhlak, who is working for us as director of the cultural heritage division. Development of our program in this regard is well known to all.

The difficult work of our board of censors, under the chairmanship of Mr. Owen Hooper, doesn't come up too often, but it should be mentioned. It is difficult to gauge the acceptability of the different kinds of films which happen to come to the province. If it runs [inaudible], as we have recently heard it in fact results in a court case. Nevertheless, I think all in all, the appreciation of the film industry of Alberta, the theatre managers, in fact of so many others regarding the work that has been done by the board of censors, is again exceptional.

May I also mention the leadership of Dr. Byrne who, by the way, is acknowledged in his field by all of Canada. In fact, I was warned the other day that our good people in Ottawa may want to have him back if I'm not careful. I have to express again our satisfaction as far as his work is concerned, as well as the historic site service work Mr. Clark is doing. If one imagines the 10,000 historic sites we have to look at and evaluate — so far we have been able to designate 13 of them and have about 40 prepared for designation. We can well imagine then, with the small number of staff he has, the kind of work he's involved in.

I can also mention Mr. Ridge who is responsible for the preservation of not only government records, but of so many other institutions, be it the United Church, the Oblate Fathers, the old merchants, and so on. There again I think the value of his work will be appreciated in the years to come.

It may be known to the hon. members that not very long ago we appointed the Historical Resources Foundation Board under the chairmanship of Dr. Grant MacEwan. I'm sure we can look forward to a fine example of preservation of historic sites with this foundation. The excellent advice we have received from the historic sites board under the chairmanship of Mr. Edwards is very much appreciated.

Last but not least, I should express the real pride we have in the fine work the Alberta Art Foundation has done for the province of Alberta and its artists in the past years under the most able chairmanship of Mr. Bill McMullen. The exhibitions put on by the Alberta Art Foundation in London, Brussels, and Paris have been and are an example of the kind of outstanding quality Alberta artists have been able to produce. The critics in all three cities were in general most complimentary. At the opening of the Art

Foundation exhibition in London, Mrs. Lougheed summed it up by saying that our artists are not only some of the best we can possibly hope for, but they also have the intensity of light, the vastness of our plains, and the majesty of our mountains to give them subject matter not many other artists have the privilege of experiencing.

Mr. Chairman, these are the few remarks I would like to make. Of course I could evaluate all the different programs; however, I'm sure some questions in this regard will come up during the estimates.

DR. BUCK: Mr. Chairman, first of all I would like to endorse the minister's position as far as the people who work in his department. I think the present government seemed to have some foresight in retaining most of them from the former government. I guess that's a step in the right direction.

Mr. Chairman, there are one or two things I want to touch on. Many of these will come up when we go through the different sections.

First, I'm disappointed; I thought I might be able to get into the debate this afternoon. I thought the Premier would be here when the final vote was voted, but I realize he's a busy man.

I would like to say I think the minister of culture is attempting to do a good job. Many of the people, especially in the cultural aspect of the department, feel the minister is doing a good job. But there was a president of the United States, Mr. Chairman — I just can't remember who it was — who said, nobody shoots Santa Claus. When the minister has large amounts of funding to hand out to Albertans, you're certainly going to be a very fine fellow.

Mr. Chairman, I don't hold the minister responsible for what happened in his department as much as I hold the Executive Council as a whole responsible. I cannot understand how large sums of money were spent without the Premier and the inner sanctum of the Executive Council knowing this was going on. Now, as I say, Mr. Chairman, I or any member of this Legislature could be a fine minister of culture, youth, and recreation if I had a large fund that I could hand out — and I do mean hand out — here, there, and everywhere. All you had to do, Mr. Chairman, was to look at many of the weekly newspapers. I've said on several occasions in this Legislature that the minister was certainly doing a good job for the Kodak company, because he was on the front page of so many weeklies handing out cheques.

Mr. Chairman, the minister had a job to do, and that was to hand out cheques. Now that's a difficult job when you have a lot of money to hand out. Because if you were looking at a fund of, say, \$6 million, and the funding averaged out to \$1,000, that would take 600 cheques. And if you were to hand out only one a day, it would take you at least two years. But with an election coming up, Mr. Chairman, you had to hand them out much quicker than that to get the job done.

This is what disturbs me, Mr. Chairman: the cheques that were handed out to different organizations were worth while. But let's start talking about priorities. The library association of this province has not had a raise, a per capita grant raise, for many, many years. That was partly a fault of the former government, but it's more a fault of the present government because there is a greater amount of

resource available, [interjections] We'll get around to stewardship, hon. Member for Edmonton Highlands.

Mr. Chairman, to me this brings home: where are the priorities of this government, when we hand out \$1,000 here, \$2,000 there, \$30,000 here? A story was given to me by a very reliable source: when the minister was down in Calgary watching the water polo demonstration, I believe some of the people of that group said, well, you know, hon. minister, we haven't received any money from your department yet. And the minister said words to the effect, well, I'll look after that. Now to me that's not exactly the way you should go about applying for a grant. I think there should be a little better ground rules than that, Mr. Chairman. There should be some parameters.

And I couldn't believe that the Premier said this afternoon that this OSP, this office of special projects, was not set up by some member of the Executive Council or in co-ordination with the Premier and other members of the Executive Council; that the minister had the jurisdiction — had his own jurisdiction — to set up this type of project. This to me is really what is wrong. Because governments spend a lot of money, governments waste a lot of money.

So Mr. Chairman, when we're looking at the problems of the Auditor's report I think we have to go back just a bit further. I did not envy the Premier his position when his very good friend, the present hon. Provincial Treasurer, was minister responsible for the Attorney General's Department. I respect the present Provincial Treasurer. I think he's a man of intellect, and I know he's a man of integrity. When the hon. minister got himself into a bad situation with the Dr. Craig case, or in a bad situation with the RCMP investigating people in Slave Lake — I can understand how that can happen. Because the minister has many responsibilities. Somebody comes in and says, Mr. Minister, will you sign this affidavit because we want to check how provincial funds are being spent up in Slave Lake. So I can see the minister signing that very innocently. And I can also see, when we had the Legg report, that the deputy minister got the axe, because it was quite obvious that the minister was not going to get the axe.

Mr. Chairman, running a government is just like running a football team. The hon. Minister of Energy would know all about that. He would know what happened to his good friend, the former coach. Eagle Keys. When you are asked to coach a team, when you have many friends upon that team, the most difficult decision to make is to put the axe to one of your best friends who has not done the job. That is the most difficult position any man in power has.

So it is quite obvious that the present Provincial Treasurer was not going to get the axe. It's quite obvious that the former Minister of Agriculture is not going to get the axe. So after there were no parameters about who gets fired in this cabinet, I certainly didn't feel that the former Minister of Culture, Youth and Recreation would be fired.

But Mr. Chairman, the decision and the pressures that will be brought from the opposition side and from the public could possibly force the minister's resignation. But I don't think that would be fair to the minister. And I say that in all sincerity, Mr. Chairman, because the decision rests right there in that centre chair. That's where the decision rests. I know how hard the minister works; I appreciate that, and

I'm sure the people of Alberta appreciate that, so really that is not the argument. That is not the argument at all.

The argument is: what standards are expected of a cabinet minister in the service of the Crown? And, Mr. Chairman, I know what standards were required in the former government, because the former Premier of this province walked into caucus one day — I wasn't there, but I have on fairly good authority that the Premier came in and said, I have asked for and I have received the resignation of the Provincial Treasurer; any questions? And there were no questions, Mr. Chairman, because that is the decision the Premier and the Premier alone can make. It may be very distasteful, but he has to make that decision because he and he alone sets the standards he wants his cabinet ministers to come up to.

Mr. Chairman, I want you and members of this House, members of the gallery, members of the media, to know that I have no question in my mind about the integrity of the cabinet ministers of whom I speak, because they are men — they are here genuinely interested in serving the people of this province, and they do a good job. But that still does not get away from the fact that somebody has to set the parameters. Because as the hon. Leader of the Opposition said, if the Premier and the members of the Executive Council do not have those parameters [at] that level, then what happens down the pecking order. It's really quite easy to 'can' a deputy minister. You know, you just tell him, your service is terminated. You give him severance pay, and he's gone. And he becomes the fall guy. But, Mr. Chairman, the responsibility about what level of performance you want must rest with that Premier.

Mr. Chairman, there are other things that distress me. I would like just to suggest to the hon. minister and members of the Executive Council, when we're establishing priorities and establishing how this government is going to do business, that I was a bit disturbed when we couldn't get the enlarged list of barristers and solicitors doing government business with the Department of Housing. Because, Mr. Chairman, to the members of the committee, this should be done on some type of tendering basis. Government business should be done in public. I think possibly we should let the law society, or somebody, decide how this is going to be tendered out.

Mr. Chairman, this is a little bit beside the point, but the point I'm trying to make is that we must appear not to be using political favoritism; not only do so, but make it appear that we're not. What we're really trying to do, Mr. Chairman, is to do the government a favor, to make them do public business in public so that there can be no suspicion cast upon them or their operations. So really we're trying to do the government a favor.

Mr. Chairman, with those brief opening remarks, I would like to say to the minister that we want to know from him how we're going to make sure that we do not have a fiasco like we had, where — I don't know the exact figure. I'd like the minister to indicate to us how many dollars there were in the office of special projects. Then we will go through different sections of the estimates.

Thank you, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, I've already made comments on this matter, so I don't intend to repeat those. However, I would like the minister to advise the committee just what steps he took in setting up the OSP and the considerations that went into its establishment, most particularly as they relate to some of the specific criticisms contained in the Auditor's report. I think, Mr. Chairman, it would be useful if we had that as a start.

When that matter was raised this afternoon in the Premier's estimates, he indicated that the establishment of the OSP was the minister's only major mistake. Under those circumstances, Mr. Chairman, I think we should perhaps begin our discussion by having the minister bring us up to date on just what went into the establishment of the OSP and why, for example, the deputy minister, whom he mentioned tonight, was to a large extent by-passed as a result of the ongoing operations of the OSP.

MR. SCHMID: Mr. Chairman, first of all of course, the office of special programs was established because the major concern at the time of the STEP and PEP was really our unemployed young people. As the hon. member well knows, statistics for Canada as well as Alberta had proven at the time that in fact the unemployment rate among our young people was as high as 30 per cent, even though the unemployment rate among adults was much, much lower.

Therefore, [it was] first of all to establish the kind of contact we needed with our young people. When we found that we were able to get work for them, either within the department or within special programs, we then found that the first thing they really did, after working one day, was come to us and say, can we have an advance on our employment because we really haven't any money to buy food, pay the rent, or anything else. In fact, we can't even buy a pair of shoes for the kind of money we need.

Since I found that most of the time it took to get cheques issued really was . . . I think at the time I considered the red tape that it took to get those different payments through — instead of three months, maybe to get it through in a couple of weeks. We had to cut out certain procedures which at the time did not appear to be as important as helping the over 1,200 young people who were helped through the employment programs, to get money to them as fast as possible so they could, in plain words, eat.

In doing so, of course, because it wasn't even fast enough when they would get the cheques within two or three weeks, we sometimes in fact even had to write letters to numerous banks and other financial institutions telling a banker that this person was employed by us, that their first pay cheque would be issued, hopefully, at such and such a time, and that if at all possible, if the circumstances would permit, they should loan this girl or boy some money so they could provide for themselves until they received their first pay cheque from government.

Maybe I can say this much: some of the young people who came with us were at the time considered drop-outs. That was really a continuation of the program started under the former minister responsible for youth. In going down the different groups into which our young people happen to have formed themselves, I look through some of the grants paid

under the former department of youth; exactly the same kinds of grants to help our young people take hold of themselves and become useful members of society.

We checked some of the programs we instituted from the office of special programs and found that of the young people we employed who were considered drop-outs, about 40 per cent have now been or at that time continued to be employed either within the government or in other useful employment. Therefore, we rated the whole subject of that kind of special employment program as being most successful, because other retention rates, as they are called, were definitely not as high.

As far as our native people are concerned, again I can give a typical example where there had to be an immediate kind of funding. The federal government and the last government, I think, had spent approximately \$300,000 on one of the native handicraft programs here, and the company went bankrupt. Within one of our programs I think we spent about \$15,000. It employed about 76 natives and continues to employ 39 native women without further government funding.

So all I am saying, Mr. Chairman, is this: in the endeavor and desire to help some of our most unfortunate people in this province, because they are unemployed, because they never had a job in their lifetime, one of the things we found was that young people used to come to us and say, "Can't we at least get into one of your programs so we can tell our employer that we have experience?" The saddest part of it all is that they go somewhere, apply for a job, and the first thing they say is, "Have you got experience?" They say, "No. We can't even get in though they need somebody."

So Mr. Chairman, what we try to do in our special programs is give our young people especially the privilege, if nothing else, of being able to say, I have experience in that type of work, either helping with young people in a kindergarten type of environment, a day care program, or for that matter in carpentry, artistic development, or whatever it may have been. At all times we tried to create an atmosphere where a person felt he was now gaining experience in the kind of work in which he would hopefully earn his livelihood, not only while the program existed but thereafter.

As I have said before, we have had the experience of about a 40 per cent retention of the young people whom we had hired and knew to be drop-outs. They continued in a useful way of life thereafter.

MR. NOTLEY: Mr. Minister, on page 9 of the report, the officials established by the minister within OSP required the office co-ordinator to communicate and receive all direction from the minister, thereby excluding the deputy minister and other senior officials of the department from participation in the activities of OSP.

Mr. Chairman and members of the committee, I think it would be useful if the minister would advise us why the deputy minister in this aspect was by-passed. There obviously must have been a reason. What kind of consultation took place with the deputy minister before the OSP was set up in such a way that he was effectively by-passed from any meaning-

ful say in the controlling of a rather important part of the department of which he was deputy minister?

MR. SCHMID: Mr. Chairman, the person in charge of the special program was also the representative of that program on the interdepartmental committee on STEP and PEP. Since some of these decisions especially with the employment programs we happened to be involved in — for instance if we found there was an immediate need for a program to be started on the reserve at Hobbema, or a local youth employment agency. A local youth [agency] could come back to us and say, we need so and so many young people who happen to be doing nothing, or for that matter some of them are on drugs and they would like to get employment. We used to get general approval from the interdepartmental committee and then immediately get their employment program into action. That, of course, needed my signature. It was not always passed on through the deputy minister but directly to the funding and employment of the young people to get them started at work.

MR. NOTLEY: Mr. Chairman, the minister indicated that the major reason for the OSP was the urgency of getting programs under way for young people, and that certainly would be true with respect to STEP and PEP. On page 4 we're looking at about \$1,099,000 and \$998,000. However, by far the largest part — almost twice as much, \$3,991,000 — came under the community hall improvement plan and the cemetery rehabilitation plan. I find it a little difficult to understand what the urgency was. Why was it necessary to move so quickly in terms of two-thirds of the expenditures under the office of special programs?

I could appreciate there might be problems with respect to students working on these other two programs. But with great respect, Mr. Minister, whether we restored the cemetery this month, two months down the road, or next year, was not worth the problems you've encountered because of the deficiencies of the OSP.

MR. SCHMID: Well, Mr. Chairman, that program was instituted two years after the office of special programs came into being. Again one of the reasons it was put through the office of special programs was that the people who helped administer that program, whether they went to check the community halls, or for that matter went to the cemeteries to check into them and talk to the people about how these cemeteries could be renovated, repaired, fixed up, or whatever, were all people actually working under the employment program. This is why this program really was within the parameters of the office of special programs.

While it may easily be said that it could have been done more slowly, again we have to state that the people who were working on the program, who checked the program, who administered the program, who prepared the forms and applications, so on and so forth, really were all people under special employment or temporary employment. Therefore, again, it was under special programs.

MR. NOTLEY: Mr. Chairman, to the minister. Did the minister receive any serious complaints or allegations

of wrongdoing as far as the OSP was concerned prior to the events that led to the Premier asking the Auditor to undertake an investigation of OSP?

MR. SCHMID: Mr. Chairman, because I think the question was asked before, maybe I should mention how much money the program really is but. I take it that the amount under which charges have presently been laid may amount to \$25,000 in total. But that really is the amount I am aware of, and no more than that.

The hon. member mentioned complaints. In this case I think the problem rather is that the complaints we have sometimes received regarding the program is that we weren't able — again I have to repeat that, and that's the problem again and again — to get the money out to the people who worked for the government fast enough, because they might need the money two or three weeks after they worked. For that matter, they needed the money the following week.

So some of the complaints, in fact the major complaint we received while the program was in operation — even I think to the Ombudsman — was that the people who worked under those programs sometimes felt that if they worked for a week, they should be paid for that week and nothing should be held back for the following week. Mr. Chairman, I think this was really the major complaint about that program while it was in existence.

For instance, as far as the cemetery restoration program was concerned, there might have been a complaint that not enough money would be made available. And of course it was felt that the community itself should put some money into that restoration as well. So all in all, Mr. Chairman, because of the success rate of getting our young people employed and retaining drop-outs where before it was most unsuccessful in doing so, I think I really can say that the benefits of the program far outweighed some of the complaints we received before the Auditor's report came out.

DR. BUCK: Mr. Chairman, I'd just like to ask the minister a question on the last point he was trying to make. I'd like to remind the hon. minister that the money he was responsible for spending just happens to be the taxpayers' money.

When we do services for the government, we know the person doing the service is just not going to get his cheque the next day. Certain accounting procedures must be followed. I just can't buy the argument the hon. minister is giving us: that there was such a note of urgency here that we had to by-pass government accounting procedures to give these people their wages. Mr. Chairman, that just doesn't wash. If the hon. minister wants to spend his own money that way, that's his business. That's his prerogative.

But we in this Legislature are responsible for spending the taxpayers' money. When we are responsible for spending the taxpayers' money, we must take the proper channels. I just cannot sit in my place and have the minister give us that type of argument. That just doesn't wash, Mr. Chairman.

MR. CLARK: Mr. Chairman, just three or four questions to the minister, and then perhaps a comment

after that.

Mr. Minister, it goes without saying, you know my feelings very straightforwardly with regard to the whole matter. I'd be very interested, Mr. Minister, in you explaining to us in some detail this matter of how your department got the approval to set up the office of special programs. You were here this afternoon when the Premier indicated that as far as he was concerned only one mistake was made. That one mistake was made in setting up the office of special programs.

So I'd like to know who was involved in the decision, and how it developed to set up the office of special programs.

MR. SCHMID: Well, Mr. Chairman, hopefully without sounding facetious, really the person who was going to be put in charge of the office of special programs was hired by the then minister of youth. I believed very much in his capabilities. Since we needed someone who could relate to the interdepartmental committee and who for that matter was a very hard worker at the same time, again I have to say that it really was felt that in order to expedite the employment programs . . . Because the hon. members may remember, any time these programs were announced, it was already at a time when there was a real crisis. We never knew until the employment figures came out what the need of the present situation really was. Once the programs and the amounts of money were approved, it really was a matter of: the whole amount of work should have been done just about yesterday.

Therefore I have to repeat, in doing so, my opinion at the time was — I have said many times already that I have to admit the mistake I made in this case to appoint someone who reported directly to me and thereby speed up the whole process. While the Member for Clover Bar — I appreciate his comments — may say, it's the taxpayers' money, I appreciate that very much. In fact that's what it is. But I also have to say this: one has to consider the compassionate thinking of someone who hasn't worked for maybe half a year or a year, is off unemployment insurance, can't get unemployment insurance, and has problems getting a welfare cheque because of some reason or other. Really, knowing that person is hungry, what is the situation? I can repeat case after case where this really has been so. Many people who have employed these young people have stated afterward what kind of conditions they really all were in.

All I can repeat again is: the office of special programs was set up because I felt at the time it was the best and fastest way to employ the over 1,000 people we were able to employ because of the program.

MR. CLARK: Mr. Chairman, I'd like to ask the question again and just simply say: Mr. Minister, who was involved in the decision? Did you make the decision yourself, without consultation, without any of your cabinet colleagues, to set up the office of special programs? What about the Minister of Labour at that time? What about the Minister of Advanced Education? Didn't you discuss with them the concept of setting up an office of special programs?

MR. SCHMID: Well, Mr. Chairman, as was mentioned before, each minister within his own department found the criteria within which he operated his special programs. For instance, the Ministry of the Environment had certain brush clearing programs along rivers. The Ministry of Lands and Forests had certain programs in the forest industry. However, since in the former Department of Culture, Youth and Recreation we had to find jobs for young people which had to be suited pretty well to what jobs were available within government or special projects, this is why I felt at the time this would be right kind of route to take. Therefore, the decision was really my own in setting up the office of special programs.

MR. CLARK: Mr. Chairman, I would like to ask the minister if he went through the normal personnel procedure to select the person who headed up the program, Mr. Stewart. How was Mr. Stewart selected?

MR. SCHMID: Mr. Chairman, if I recall correctly, at the time Mr. Stewart was assigned to special projects within the Department of Culture, Youth and Recreation, this project had run its course, and Mr. Stewart was open for reassignment. Therefore, we reassigned Mr. Stewart to the office of special programs.

MR. CLARK: Mr. Minister, I was involved in that department. I remember Mr. Stewart being in that department when I was minister. If I were to be so frank and say that, at least at that time, none of his training or his responsibilities were at all in the area of this kind of administrative responsibility. I would be very interested in knowing also how you selected Mr. Wowk. Was that done through the normal procedure, through the Public Service Commissioner's office?

MR. SCHMID: Mr. Chairman, all the people who worked in the office of special programs were people who were unemployed, who were unable to get employment anywhere else, and were hired under the PEP or STEP to enable them, hopefully after their employment with government, to continue in a different kind of position. My understanding at the time Mr. Wowk was hired was that he had background and experience in accounting procedures. Therefore he was assigned to that kind of position.

MR. CLARK: You didn't answer the question. Was Mr. Wowk hired as a result of the normal procedure for people who want to acquire jobs, through the Public Service Commissioner's office? Was it done through the Public Service Commissioner's office, or was Mr. Wowk a selection of yourself or Mr. Stewart?

MR. SCHMID: Again, Mr. Chairman, I have to repeat that whether it was Mr. Wowk or any one of the other employees who happened to work for the office of special programs, all these people were hired by applying for work within the Department of Culture, Youth and Recreation or for one of their special projects in order to have employment. None of these job applications for STEP and PEP went through the Public Service Commissioner.

MR. CLARK: So he was hired directly by the department?

MR. SCHMID: That's right.

MR. CLARK: I'd be interested in one other area.

One of the things I found very interesting and, frankly, very disappointing about the minister's explanation is that he continually talks about the number of young people who were unemployed or the people on welfare who couldn't get their cheques and the jobs that were generated there. But when I read the report, there was a great deal more emphasis in the area of community organizations. There was a great deal more effort in grants that were made for particular projects.

I'm sure the minister has read the report. There are several places in it where the Auditor deals with grant applications that had come from some groups that were fairly well-to-do. Now for the life of me, Mr. Minister, you haven't convinced me at all, for example, of the great need for a photographer in Calgary to produce a book showing his artistic impressions of Calgary. I pick that as one example.

I look at some of the comments made by the Auditor as far as libraries were concerned. The libraries wrote back and said, you know, either we didn't make the application or the town has helped us out — that kind of thing. Where is the urgency in those kinds of things? If you allow me to be very candid, what you're trying to do is to draw a red herring across the thing and say, yes, there was a need for urgency in some cases.

But as the Member for Spirit River-Fairview says, as far as cemeteries were concerned, as far as the community hall grant program was concerned, as far as a number of the other grants were concerned, you haven't made any case at all for the kind of emergency you talked about. If it had been done through the deputy minister, the thing would have been done properly and, likely, just as quickly.

MR. SCHMID: Mr. Chairman, I think we have to keep the two questions apart. I was asked why the office of special programs was set up and what led to the establishment of special programs. The hon. member now refers to some of the grants which were being made and which are now recorded in the Auditor's report.

Maybe I can give the following explanations. First of all, for instance, if a certain person is mentioned in Calgary — the interpretation of unemployment can be such that a person is unemployed because he's no longer able to do carpentry work, or she is no longer able to do secretarial work. In the case of this photographer, photography happens to be his trade, his profession. At the time he was not able to use his great, should I say, professional knowledge and background to do something, because he really had no work. Then this amount of money was a way of helping this photographer to have employment and, in so doing, create a book about Calgary in this context.

As far as the other grants are concerned, Mr. Chairman, the libraries — again I happen to have letters from many, many libraries that wrote back to us and said how very useful these different grants they received really were, because of the dire need of

the libraries of Alberta as far as their support is concerned not only from the municipalities, but also from the government. As I have said before, Mr. Chairman, I would be pleased to answer any kind of question regarding any of the library grants, because we have a great number of letters which express appreciation for the small amount, as it was called. Maybe it was small for the big cities, but it was very, very worth while especially for the smaller places.

As far as different names of grants are concerned, Mr. Chairman, I have a great number of names just because they happened to be called by the former government: a grant to the Tummy Ticklers, a grant to the Nimble Needles Club, a grant to the Southern Saddle Club, a grant to the Raven Rippers Club, a grant to the Kooky Kooky Kites, or a grant to the Careful Cutters. Mr. Chairman, one could make fun of them, but it's very serious because I'm very sure all these grants by the former government were very worth while, and because it was an individual group, or an individual organization that they knew well and appreciated the help of the taxpayer in the many endeavors they happened to be engaged in.

MR. TAYLOR: Mr. Chairman, this afternoon I thought the hon. Premier had handled this matter so admirably that the debate would probably end, and I consequently refrained from getting into it. However, since the whole thing is being revived, there are a few things I want to say and in regard to which I want to be on record.

In the first place, I felt the Premier's address this afternoon was the address of a statesman. To be frank, I felt the address of the Leader of the Opposition was the talk of a politician. I think that summarizes the difference between the two sides.

AN HON. MEMBER: Hear, hear.

MR. TAYLOR: Now I want to say that many of the things which the official opposition is pointing out as wrong have been done by the former government, have been done by every government, and will continue to be done by any government that wants to serve the people. The fact that one or two of the people were dishonest is the crux of the whole thing. Because one or two people were dishonest and didn't recognize their responsibility to the minister, to the government, to the people, and to the taxpayer, the minister is now in this position. He trusted his civil servants.

Now, I too was responsible for many millions of dollars when I was the Minister of Highways, and I trusted many of my employees. The ones I didn't trust, I got rid of as soon as I found I couldn't trust them. But I didn't peruse every cheque that went out, and if one of my employees had been dishonest and was sending this to a wrong address and somebody else was picking it up, I was no magic man. I wouldn't have known it was going on until the thing was revealed. And the hon. Minister of Education in that day wouldn't have known either. So let's not kid the troops. Every minister has so much time. If you spend 12, 14 hours a day trying to keep tabs on things, you are able to do it to a good [extent]. But if dishonest people happen to get into responsible positions, until you find that out, I don't care how honorable the minister is, he's going to get you into

trouble. I don't care who the minister is. If St. Paul himself were a minister and had dishonest employees doing that type of trick, he would have been in trouble too, because he wasn't psychic either.

When it comes to the instance of the radio reporter — I remember an instance that happened under the Social Credit administration before I was elected, which the press and many people made a great deal of. Somebody applied for a driver's licence for a dog, sent the application in, the licence came [back] and the dog got the licence. Now people said that was so silly. But in those days there was no driver's test, there was no examination. How was the minister of that day supposed to realize that somebody was being dishonest and tricky, and had signed the name for the dog — even if he held the dog's paw with a pencil in it and signed the dog's name. I didn't think that was any discredit to the minister. Those who made a great deal of it were in my view playing politics. Because the same thing could happen to anybody if you have dishonest people. Until you find out dishonest people or get some type of procedure to stop dishonesty to the greatest possible degree, that type of thing will go on. All it showed was that the minister couldn't see a trick. He took people at their word and felt they were trustworthy, so he tried to help them.

So when we try to kid the troops that something terrible has been done, I can't see that. This matter was discussed at my pre-session meetings — I didn't raise it, it was raised in two places — and there was no suggestion that the minister had done wrong. The suggestion was that now that somebody has been dishonest, let's correct the thing. If somebody is dishonest, let's lay charges.

Now if the minister had had personal gain, had helped himself to public funds, had done that type of thing, then I don't think anybody would have supported it. He would be charged like anybody else, and properly so. But even the most vicious opponents are saying that he's an honorable man, that there's no personal gain, that there's nothing wrong on his part as far as personal gain was concerned.

The next thing that I think has to be asked is: what did the government do with the people who were allegedly dishonest and were permitting this type of thing to go on? Well, from the way I read the report, the Mounties were called in and it was properly put in the hands of the police. An investigation was carried out, charges were laid, and those people will appear before the court. They will have their day in court, and properly so. If they are found guilty, they'll suffer the punishment.

If they are found guilty, I think part of the punishment should be restitution, to make that money up, not simply to go to jail. But if they go to jail, when they come out, make up the money. Let's get away from this idea that we send people to jail and that pays their debt. They steal money, whether it's from individuals or the public. Let them pay that money back as part of the punishment. If they are not found guilty, the whole thing becomes clear that they were not dishonest and they should be able to resume their place in society.

When we try to indicate that the minister should have had psychic powers when he hired somebody who had been in the department for a number of years — a man in the department whom I trusted and

I thought was a valuable and honorable employee, in the short time I had that department. I can't see why the present minister wouldn't have thought he was an honorable employee. He was highly respected in that department. He did good work in a number of fields. I don't want to take that from him. I'm not saying he's guilty. I don't know. That's up to the court. That's none of my affair.

Another thing I'd like to deal with is establishing programs. The hon. Leader of the Opposition knows that many programs were established by ministers. As a matter of fact, when I was taken into the cabinet, the Premier said to me, I want you to . . . I said to him, do I run the department, or does the cabinet? What is the procedure? He said, I want you to run the department just the way you've run your own constituency. And I said, well, that's fine with me. That's the way I want to do it.

So when new programs were set up, they weren't set up by the cabinet. The cabinet never suggested a grid road program. The department and I set up the grid road program. Then the cabinet took five years to adopt it and give me any money for it. But the grid road program was not set up by the cabinet and the hon. Leader of the Opposition knows that; it was set up by our department. Then I brought it in black and white, in a nice little book, and presented it to the cabinet. Some cabinet ministers thought it was extravagance, that we didn't need the program. But we felt we did. And I was glad the present government felt we did. They've run the program with sufficient money to give some results every year.

But I couldn't persuade Premier Manning that the program was that worth while. Not a cent was given to the grid road program until Mr. Strom was made Premier, and then we got a vote for one year before the election. It wasn't my idea that we only have it before the election. I think Premier Strom did believe in the program. I give him credit for that. Perhaps he would have adopted it earlier had he been Premier earlier.

But to say programs have to be set up by the entire cabinet — what do the other ministers know, with all [due] respect to them, about the details of a department in which they have never been? The grid road program was a need that came from the people. It came to the department because of the things we were doing. The need was very evident. The program worked out was done with the advice of the people in every municipality — municipal councillors, ordinary people, MLAs, et cetera. It wasn't my particular program, although I had a great deal to do with forming it. I suppose if it had been a flop, people would have said, who set it up? Why didn't you do it some other way? Why didn't you get cabinet approval first?

Well, if a minister is given charge of a department, surely when things such as needs for the people become very evident, that minister should be able to act, prepare a program, and work it out for the benefit of the people.

I can't see anything wrong with the minister setting up this office of special programs. I think it's a credit to him, not a discredit. It is a mechanism he wanted to serve the people, to cut some of the red tape.

Now when we're talking about taxpayers' money, many times when I was an MLA years ago — and I was an MLA for several years before I was in the

cabinet — and when I was a cabinet minister and since I've been in the opposition, I've urged ministers to get cheques out to people. It's not the taxpayers' money after a man earns his money; it's that employee's money and he should get it without a whole bunch of red tape. Certainly proper accounting procedures are in that department, had the person who is operating it chosen to use them instead of doing the things he allegedly did. Establishing programs isn't something new. It was an attempt to cut red tape.

I think it was the hon. Member for Spirit River-Fairview who said there's no rush about cemeteries, why do you want to rush about cemeteries? Well I want to tell him that I urged the hon. minister to rush, so I'm going to announce it publicly. We had cemeteries in my constituency that had been neglected for years. They were a disgrace. The loved ones were heartsore because nothing had been done. Cattle were running over graves. Grass was over the graves. The tombstones were sinking. Cows could get in and out at will.

I asked the minister if he couldn't at least get a fence up around some of them and make a study of it that fall — not in the spring, but immediately before the snow came, so something could be done — because there were some badly neglected cemeteries in this province. So I think there was some haste. I don't know who originated this particular cemeteries program, but it was needed, I'll tell you.

A poor lady came to me and told me that in one of the cemeteries up on the hill out of Wayne she had twins who had died during the flu in 1918. So she was so poor she had to prepare a casket out of an apple box. She made it as beautiful as she could. She had no money to buy one. They buried those two babies in that cemetery in Wayne, and when she went to see it and saw the stone that she and her husband had carved with their own hands sunk down with manure on top of it, she said she felt like passing away, she was so disillusioned that her children were in that grave that wasn't even respected.

Talk about no haste, it just came about 30 years too late. There was lots of haste for the cemetery program, and it's a needed program. I want to say that I supported it, and I urged the minister to look into the cemeteries, four of this type that are in my constituency. If that was wrong, I'll take the blame. But I don't think it was wrong.

Community halls — I wish some of the hon. members who think the community hall program was a waste of money or was a questionable item [would] go to some of the community halls today where that \$2,000 was granted. I believe every community hall in my constituency got it that applied for it. I was happy about that — very, very happy — because they were able to do things they hadn't been able to do before.

Some of them put in washrooms. Some of them put in furnaces. They did necessary things. Again not talking about haste, if we were going to use the halls that winter, something had to be done about heating in many of those halls, otherwise they sat like empty tombs for five months in the winter when you couldn't possibly use them. But the program enabled our community halls to be usable items.

I'm proud of the work that was done. The program was done above the table, and again I want to

commend whoever thought up this special program. It was a special program. I don't think one dollar of that was misspent. As far as I can see in my constituency, the people were happy to get it so they could improve their own community hall where they and their children spend a great deal of time.

When it comes to by-passing deputies, I can understand how this can be done too, without any disrespect for the deputy. As a matter of fact, a deputy can only do so many hours of work a day. I remember in Highways saying to my deputy: I'll look after certain items; let them report directly to me; you've got too much to do; I'll look after that.

Now was that wrong? Was I by-passing something? It happened to work out because I had honest employees, but if one of them had been dishonest maybe I'd have been in the same position. I don't think there is anything wrong with that. It was sharing the work with a hard-working deputy, and most of our deputies are exceptionally hard working. I can understand how that can be done without any thought of doing anything wrong, but simply trying to serve the people and trying to get things to move faster. Why should something sit on a deputy's desk for three days waiting for him to look at it when he's so busy, when it can come to the minister who has time to look at it? By sharing the work and dealing with it right away, nothing was kept secret from the deputy. Normally we periodically advised him what was going on, but certainly he didn't have to deal with each individual item himself. So again I say, if that is wrong I certainly was guilty many, many times, because many times I arranged for branch heads to come directly to me with material and with problems so we could get them solved and get them on the way.

When it comes to overexpenditures which were mentioned, I remember the Minister of Public Works, as he was called before I came into the cabinet, who was between \$.5 million and \$1 million in the red at the end of the fiscal year. He had overspent. Somehow somebody didn't keep close tabs on it, and he had overspent. The Premier of the day was very angry about it and said, "Well, it's just too bad." I remember coming to him several times and saying, "How about these people who earn these wages. They have to be paid. They have to live." "Well, they won't give me a special warrant." The time of the session was almost up before the Premier and the cabinet of that day finally decided to give a special warrant to look after that overexpenditure.

I was very happy it had been done, because a great number of workers in my own constituency needed their wages. They weren't rich. They needed their wages when the wages were due, not two months later. So there was some urgency. I'm not even condemning the former minister, because when you get certain types of weather and certain types of programs, get overly rushed, and somebody doesn't keep tabs on every dollar being spent, it's very easy to overexpend.

I believe the departmental officials kept me from doing that many times, because when it came to overexpenditures I had a pretty strict rule that we didn't overexpend without cabinet approval. I made it very clear to every branch head that if he was running short of money at any time, everything was to stop until we had cabinet approval to make sure we

were going to get the money by special warrant.

Another thing about distributing money near the end of the year, which the Auditor deals with in his report. Well, Mr. Chairman, I'm guilty of that too. I have no apologies to make for it. As a matter of fact, every fall I called in my construction people and said, how much money have we got in this vote for highway construction and grants to municipalities? In street improvement for municipalities, how much is left? If there was a lot of money left because of weather and some municipalities weren't able to spend it, I'd say, well that money was voted by the Legislature to be spent for this purpose. Let's give it to somebody else.

Many times in the fall I would pick out municipalities that were having a difficult road problem, like Athabasca, and send extra money to them because other municipalities were not able to spend it. This was well known. I announced this to the rural municipalities, and I didn't have anybody complain about it. I think it was a proper use of public money; otherwise it would have gone back into general revenue. Nothing was wrong with it going back into general revenue, Mr. Chairman, but that money was voted to build highways or roads or streets, and I could see no reason the minister shouldn't make arrangements to spend it during that fiscal year rather than sending it back into general revenue. If the truth were known, I believe almost every minister does that. Surely that's a responsibility to make full use of the money.

The other thing I'd like to say is, when we talk about the minister giving out grants, I don't know, my people seem to like grants. They want more of them, not less. But if we don't want the minister to give out grants, let's strike them out of the budget. Let's not vote him the money and then accuse him for giving it out to people. That's why we're voting it, so it can be given out to people, regardless of who gives it out. I couldn't care less who gives it out, as long as the people get the money and do the job intended with it.

I'm not finding fault with the minister giving out grants. We voted. His job is to give them out as quickly as possible so they can be used. If we don't want them, let's strike them out of the budget so he won't have to give them out.

There are just two other points I'd like to mention. One is that I have found the minister to be above board in all dealings. I've never asked him to do anything under the table, and as far as I know, he has not done anything under the table. I have asked him to do some things for which he said no. I had an old Catholic church in Newcastle, a hamlet now part of Drumheller. The people are poor there. There are not very many of them. They came to me and said, we would like to get our church improved. It was during the time of the community hall grants.

I made representations to the minister. I thought it was a proper use. It's an old church, serving people. The people are poor and I thought this would be a good use of some public money — give the people some help to help themselves. They certainly put on dinners and everything else and worked their fingers to the bone to try to keep their church going.

But the minister, after studying it for, I imagine, two or three weeks or longer, said we can't find a grant from which we can help you for this particular church. Now I was disappointed, but who can say I

didn't ask for it. He didn't say yes to everything, but at least considered it. I took the message to the people: there's no way, it wasn't old enough, they'd come under the historical votes. But it was considered, and they accepted that.

When it comes to the matter of libraries, I spent last Friday evening from about 8:30 or 8:15 until about shortly after 11 — I was late in getting there and I stayed longer than I should have — discussing libraries with people, many of whom were very angry because they aren't getting what they consider a fair share. The point I endeavored to make with them and the point I endeavor to make in this Legislature is that I don't depreciate our libraries in this province. I say we should appreciate the excellent libraries, and if we can get libraries like we have in Calgary and Edmonton at 24 cents, as they say, per capita, then as I said to them, it's a compliment to the people running those libraries that they've been able to make full use of every dollar spent. They shouldn't be told they've done a bad job because other provinces have given \$2.50.

As a matter of fact, in the libraries I've looked at, where they're getting these high grants, I would like to know where the money is going. I certainly don't see the type of library in Fredericton, for instance, that we have in Calgary or Edmonton. By saying that, however, I'm not saying our libraries are the best they can be. I'm proud of our libraries and I find them very adequate for my needs. But other people want other things done. They want films, symphony, several other things added, all of which are nice. I suppose all in good time.

But I personally think the next step, now that we've taken the ceiling off — this government brought in the act that does that — is an opportunity to gradually develop the regional library system where we can have a movement of books in an area. I think there's a great deal of merit there. Certainly a lot still has to be done. But let's not depreciate what we have, and try to pretend we've got the worst libraries in this country, when we've got some of the best and we've made really good value out of the dollars spent on libraries.

The library service can improve. When we talk about the 24 cents, I don't think that's including the moneys we spend in school libraries which are doing an excellent job. The money we spend on university libraries is public money doing an excellent job. Even the money we spend on this provincial Legislature library which is doing an excellent job meets quite a need. If we added it all up, maybe we would have a big sum of money per capita too. I'm not looking at the per capita grant. I'm looking at what kind of library facilities we have. Then from there let's improve them. But let's not point a finger at them as if they've done something wrong in building up what I consider to be a pretty good library system in this province — even in the smallest places, many times with voluntary help. But now let's move ahead as gradually as we can, as the money permits, and get a regional library, the movement of books from one place to the other, and maybe even get into films, photography, symphony, and so on. These things are important to some people.

The other point I'd like to mention is that I have had some complaints from my constituency about symphony. They don't appreciate symphony. As a matter

of fact, a Drumheller man said to me just last Saturday, why are we giving money to the symphonies in Calgary and Edmonton? Why don't we put that money into hospitals or schools? Well, I suppose any government could say, we'll stop all money for culture. But quite a sizable number of people in this province like symphony. Personally I don't particularly like symphony. I would much rather go and hear a brass band. I have a great deal of interest in brass bands, choirs, and drama. I would far sooner go to a good night of drama than to a night of symphony, but those are just my particular priorities. A government has to have a rounded program.

You know, Mr. Chairman, I would like to pay tribute to some people who take a lot of guff, including the minister, his deputy, Mr. Usher, and the man in charge of culture, Mr. Castle, who throughout the years have developed a rounded program second to none in this whole country. These men deserve credit. They've done an excellent job. They've worked out a rounded program that will appeal gradually to all types. I think that is good.

Mr. Chairman, I'm sorry for talking so long, but I wanted to get these few things off my chest. Now I'll be able to sleep very well tonight.

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

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

HON. MEMBERS: Agreed.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following

resolutions, and begs to report same.

Resolved that for the fiscal year ending March 31, 1977, amounts not exceeding the following sums be granted to Her Majesty for the Executive Council: \$1,271,310 for Executive Council Administration; \$171,260 for Ministers Without Portfolio; \$1,887,000 for Support to Native Organizations; \$5,375,000 for Energy Resources Conservation; \$76,362 for Women's Information; \$7,600,000 for Multi-Media Educational Services; \$1,082,150 for Disaster Preparedness and Emergency response.

Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, begs to report progress, and asks 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.

MR. HYNDMAN: Mr. Speaker, tomorrow afternoon the one hour has been designated for government business. We will continue with the Committee of Supply, and the Department of Culture, and then move to the Department of Social Services and Community Health in the afternoon and evening.

I move the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at half past 2.

[The House rose at 10:35 p.m.]

