

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Thursday, May 13, 1976 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

**head: PRESENTING REPORTS BY
STANDING AND SELECT COMMITTEES**

MR. HORSMAN: Mr. Speaker, as chairman of the Standing Committee on Private Bills, I advise that the committee recommends that Standing Order 76 be suspended in respect to the late submission of a petition for a private bill by the Alberta Real Estate Association. I therefore move that the recommendation of the committee be accepted and approved by the Assembly, and that Bill Pr. 4 be referred for hearing to the Standing Committee on Private Bills.

MR. SPEAKER: The motion made by the hon. Member for Medicine Hat-Redcliff is debatable, but if there is no debate on it and the Assembly wishes to have the motion put at this time, I'll put the motion.

[Motion carried]

head: INTRODUCTION OF BILLS**Bill 57
The Gas Utilities
Amendment Act, 1976**

DR. WARRACK: Mr. Speaker, I beg leave to introduce Bill 57, The Gas Utilities Amendment Act, 1976. The purpose of this bill is to clarify government intentions regarding The Gas Utilities Act with respect to contracts between private parties. Specifically, the bill will provide that consideration of altering private contracts cannot occur without consent of the Lieutenant Governor in Council. The government's intention is to hold the present status intact, and permit time for a more full review of natural gas pricing within Alberta.

[Leave granted; Bill 57 introduced and read a first time]

head: INTRODUCTION OF VISITORS

DR. HORNER: Mr. Speaker, I'd like to introduce to you, and to members of the Legislature, a group of dedicated people from our neighbor to the south, the state of Montana. They are members of the Montana State Public Utilities Commission. They are headed by the commissioner, Mr. Gordon Bollinger, who is accompanied by his wife.

It may be of interest to members that Mr. Bollinger

is an elected official. He is a past member of the Montana State Legislature, and a former Montana State Senator. Mr. Bollinger is accompanied by Mr. Sackett and Mr. Calkin of his department. They've been having discussions with members of the Motor Transport Board in Alberta to try to learn from one another how these matters may be dealt with between us. I would like to ask them to stand and be recognized by the Legislature.

MR. FLUKER: Mr. Speaker, I would also like to introduce to you today, and through you to this Assembly, some very dedicated people from the Fishing Lake Metis Settlement in my constituency. We have with us the council from that area: Louis Dumont, the chairman; councilmen Dave Calliou, Morris Cardinal, Gabe Deschamps, Dave Deschamps, and Lincoln Travers; and Brian Fayant, who is the co-ordinator of the Sputinou Counselling Services. These gentlemen are in the members gallery. I'd ask them to rise and be recognized by this Assembly.

MR. TESOLIN: Mr. Speaker, it is indeed a pleasure today to introduce to you, and through you to the members of the Assembly, some 42 Grade 5 students from the Vera Welsh School in Lac La Biche. They are accompanied by their teachers, Mrs. Thai and by Mr. Kavereau, and supervisors. They are seated in the members gallery. I would ask that they rise and be recognized by this Assembly.

MR. HYNDMAN: Mr. Speaker, today I'm happy to introduce 50 Grade 5 and 6 students from Parkview School in my constituency, accompanied by their teacher, Mr. Dempsey. They are in the public gallery. I would ask that they rise at this time and be recognized by the Assembly.

MR. MILLER: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of the Legislature, 30 Grade 11 students who are with us today from Lloydminster. They are seated in the members gallery. I would ask at this time that they stand and be recognized by the Assembly.

MR. CLARK: Mr. Speaker, perhaps I might take this opportunity while we're introducing guests to introduce to you, and through you to the members of the Assembly, a group of 36 ladies from the Innisfail constituency. They are equally dedicated. However, they happen to be members of the Social Credit women's auxiliary from that constituency. They are in the public gallery. I'd like to ask them to rise.

head: TABLING RETURNS AND REPORTS

DR. HORNER: Mr. Speaker, I'd like to table the submission with regard to passenger train service that we have made as an initial response to the Canadian Transport Commission.

MR. HYNDMAN: Mr. Speaker, I'd like to table, first, a reply to Motion for a Return 131 with regard to Alberta House; secondly, to file two copies of the *Standing Orders and Forms of Proceedings of the Legislative Assembly of Alberta*, containing, underlined in red, an updating with regard to grammatical

and consequential changes that have been recommended. There are no substantive changes, and representatives of members on both sides have reviewed and approved the documents.

head: **ORAL QUESTION PERIOD**

Petrochemical Development

MR. CLARK: Mr. Speaker, I'd like to direct the first question today to the Minister of Business Development. It flows from the announcement made in the House yesterday on behalf of the minister.

Mr. Minister, are you in a position to table with the Assembly, or make available to the members, the amendments that have been made to the original agreement?

MR. DOWLING: Those, of course, will be part of the orders in council which have been signed authorizing certain things to happen. But I do appreciate the question from the hon. Leader of the Opposition. It gives me an opportunity, Mr. Speaker, with your permission, to correct some misunderstandings in the press and obviously [by] the leader of the NDP as well.

There is no change in status regarding the amount of upgrading of ethylene by the Dow Chemical plant organization in Alberta. If I might, Mr. Speaker, 350 million pounds of ethylene was going to be used and is still going to be used to produce 700 million pounds of vinyl chloride monomer. That still stands. The variation in the formula now is that instead of a styrene-benzene plant being constructed, 300 million pounds of ethylene will be used to develop 300 million pounds of ethylene oxide, and from there, to ethylene glycol. Fifty to 100 million pounds of ethylene will be used to upgrade to ethylene dichloride.

MR. CLARK: Mr. Speaker, now perhaps . . .

MR. SPEAKER: I hesitate to interrupt the hon. Leader of the Opposition, but I rather doubt the usefulness of a precedent which would provide opportunity during the question period to correct press reports or statements. I would respectfully suggest to the hon. ministers that perhaps some other vehicle could be found for correcting that kind of statement, possibly in the press or outside it, or a ministerial announcement, if that were thought appropriate. But if hon. ministers were going to use the question period for that purpose, then it would also have to be open to all other hon. members on the same basis.

MR. CLARK: Mr. Speaker, thank you. Now perhaps we could get back to the question, and ask the minister once again: when will the amendments to the original agreement be available?

MR. DOWLING: Almost at any time, Mr. Speaker. I am sure we can make available very shortly the documentation for the order in council.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it still the position of the Government of Alberta that the government will not

become involved in subsidization of a petrochemical industry, either at the feedstock or the end product portion of the development of a petrochemical industry in Alberta?

MR. DOWLING: Mr. Speaker, as far as possible, our intention has always been not to develop or to assist to develop any of the petrochemical industry. We feel that in view of a number of positive things that are happening in Alberta — and I won't repeat them again — a subsidy is not necessary at this time.

MR. CLARK: Mr. Speaker, I'd like to rephrase the question to the minister. The minister says the government's position "has always been".

I'd like to ask the minister: is it the position of the Government of Alberta today that no subsidy will be needed either for feedstock or for end product for the petrochemical industry and, specifically, the announcements the minister has just made?

MR. DOWLING: Mr. Speaker, yes. The position of the government today is exactly as the hon. Leader of the Opposition suggests. There is no need for subsidy.

MR. CLARK: Mr. Speaker, then a supplementary question. I'd planned to pose it to the Premier, but perhaps to the minister or the Minister of Federal and Intergovernmental Affairs. Is it the intention of the Premier when he goes on his junket to the United States to meet with potential petrochemical customers in the Pacific northwest?

MR. HYNDMAN: Mr. Speaker, certainly we're not talking about a junket. I think we're talking about an opportunity to develop further opportunities for the province of Alberta.

I wasn't here when the announcement was made yesterday, but I think the main involvement of the Premier on such a visit would be to enter into discussions with regard to tariffs as they affect petrochemicals. I don't know whether there might be an opportunity to speak with petrochemical manufacturers. But I think one of the main thrusts would be to talk to corporate officials in the United States about the entry of finished petrochemical products from Canada to the United States; more particularly, from Alberta.

MR. CLARK: Mr. Speaker, then a supplementary question to the Minister of Federal and Intergovernmental Affairs. Is the minister in a position to indicate to us whether meetings have been set up between potential petrochemical markets in the Pacific northwest and the Premier for his trip to the United States?

MR. HYNDMAN: Mr. Speaker, I'm not in a position to offer a detailed comment on that at this time. I think it might be best if the hon. opposition leader awaits the Premier's return tomorrow morning to pose further questions in that regard.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Business Development and Tourism concerning the announcement made in his behalf yesterday by the Minister of Government

Services also responsible for Culture.

Since Dow is no longer committed to building a benzene-styrene plant, and apparently several other companies have expressed an interest, I would ask the minister if he can advise the Assembly how many companies have expressed an interest.

MR. DOWLING: Yes, Mr. Speaker, I can. I know of perhaps five. I'm not sure I can name them. But I know that one group of three has made a presentation to the ERCB, or is in the process of doing so.

Our reason for delaying the styrene-benzene portion of the petrochemical complex was that market conditions at the moment, as we understand from the companies, are not such as to allow them to proceed and make a profit.

In addition to that, in view of the intricate nature of the petrochemical industry, we were very anxious to have the project begin as early as possible. That's why the dates for commencement of construction were originally set for August. If we delayed establishment of the petrochemical industry for inclusion of the styrene-benzene portion of the plant, we would have delayed it further and perhaps chanced, to a large degree, losing the entire thing.

That doesn't indicate any favored position for any company over another. It simply means that down the road we believe a number of companies will be making application to become involved in the liquid side of the petrochemical industry.

MR. NOTLEY: A supplementary question to the hon. minister. Does the government have any market feasibility studies as to when the benzene-styrene plant would become feasible?

MR. DOWLING: No, we have not, Mr. Speaker. We have not investigated that. But we do have some indication from the companies that at the moment markets are not such that they could proceed.

We also understand from the Du Pont and CIL organizations that the same thing applied to the portion of the petrochemical industry they had intended to become involved in at this time. They chose to move their start-up date, if they become involved, to something like 1980.

MR. NOTLEY: Mr. Speaker, just to follow that up for clarification. Do I take it then that we're looking at a time frame of around 1980? Would that be a correct assessment of the minister's response?

MR. DOWLING: Mr. Speaker, of course I'm not in a position to commit the companies regarding scheduling of new plants coming on stream. But there was an indication from the two companies I mentioned latterly that they would perhaps be interested in making a proposal about that time.

I have no idea with regard to the styrene-benzene portion of the plant. It involves a commitment by the ERCB for an amount of condensate. I would suspect that there would be a number of things. In fact, I know a number of things must take place before a plant is approved by the ERCB: siting, assurance of supply, conditions of environmental control, and so on.

I have no doubt that Dow and any other company that wants to become involved will make this propos-

al very quickly, if they are interested, because it is something I think that a number of companies could and should be involved in.

MR. CLARK: Mr. Speaker, I'd like to ask one further supplementary question of the minister. The question flows from the two applications that are before the ERCB for benzene and other liquid plants in the Edmonton area. The ERCB said it wouldn't hold hearings on the application put forward by Alberta Gas Trunk because there was no fixed location. My question really deals with the Alberta Energy Company proposal. It has no fixed location either, but the ERCB has agreed to go ahead with hearings.

Could the minister indicate if he's had discussions with the ERCB on this question? How come one of the hearings is going ahead and not the other?

MR. DOWLING: No, Mr. Speaker, I have not. But I will indicate to the Minister of Energy and Natural Resources that the question has been posed. He is away, not feeling so well today. I will give him notice of the question, and perhaps he can respond when he returns.

Hospital Operations

MR. CLARK: Mr. Speaker, I'd like to direct my second question to the Minister of Hospitals and Medical Care on a rather familiar topic, the Calgary General Hospital. Has he been advised by the Calgary General Hospital board that, as of April 16, it has closed 36 beds and plans to close another 110 beds on June 25?

MR. MINIELY: Mr. Speaker, yes. The hospital board indicated that would probably be their plan and . . . [inaudible] to this question which I was giving to the hon. leader over the last couple of days. They indicated that this approximately would be their plan when I met with them some six weeks to two months ago.

Mr. Speaker, in connection with the question which the hon. leader has raised three days in succession, I should indicate that the chairman of the operating board of the Calgary General Hospital very kindly contacted my office today to reassure me that what the board indicated to me some six weeks to two months ago was still the fact, and that the board retained the position in the Calgary General Hospital that they expressed to me, that while they were closing 39 beds for the balance of the 1976 calendar year and would be closing a further number of beds for that two-month summer period while people are on vacation, that actually on a total-year basis they would only be closing 39 beds. The beds being closed were those which the management board of the hospital felt were of the lowest priority and were the least utilized beds in the Calgary General Hospital. As I've said in the House on earlier occasions, the chairman reassures me that the Calgary General Hospital does have a manageable situation and that no citizen requiring immediate or urgent access for care in the hospital will suffer as a result.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. In the course of the minister's discussions with the chairman of the Calgary

General Hospital, was the minister in a position to discuss the waiting lists at the hospital? Could the minister confirm that last year at this time the waiting list was 1,200, and this year the waiting list at the Calgary General is 1,957?

MR. SPEAKER: With great respect to the hon. leader, it would appear that getting down to specifics and numbers of this kind ought to be done by means of the Order Paper.

MR. CLARK: Mr. Speaker, supplementary to the minister. Did the minister discuss today with the chairman of the Calgary General Hospital board the increase of almost 800 people on the waiting list at the Calgary General Hospital this year compared to a year ago?

MR. MINIELY: Mr. Speaker, the chairman of the board just reassured me that if there was any increase in the waiting list, it was in elective [non-emergency] areas or needs in the hospital, which was again consistent with what was indicated to me some two months ago. As the hon. leader is aware, and as I've expressed in the Legislature on these matters, in terms of waiting lists, real numbers can be very much misunderstood unless they're analyzed specifically, because they represent different kinds of things. As to the actual number the hon. leader refers to, I can only repeat that the chairman of the board indicates to me that any rise in the waiting list at the Calgary General Hospital is [non-emergency], non-urgent patient care needs, which is consistent with what all hospitals in Alberta have indicated to me would be the area in which waiting lists might grow during this period.

MR. CLARK: Mr. Speaker, one last supplementary question to the minister. In the course of the minister's discussion with the chairman of the Calgary General Hospital board, did a discussion take place with regard to people requiring urgent admission to the hospital?

I take it from what the minister says that no one is in that particular situation. Checking with the hospital this morning, we were advised there were over 700.

MR. MINIELY: Mr. Speaker, the chairman of the board officially on behalf of the management board, which has public responsibility for the real conditions in the hospital, simply reassured me again that no one requiring emergency or urgent care in the hospital was not receiving access to same. Again, that is not to say that those who do not have urgent needs may not be waiting longer than they did prior to the hospital board closing 39 beds.

MR. NOTLEY: Mr. Speaker, I'd also like to direct my question to the Minister of Hospitals and Medical Care. Can he advise the House whether therapists of different kinds — speech, physiotherapists, psychotherapists — at the Calgary Children's Hospital have been asked to take voluntary leaves of absence in rotation, because of the problem of budget restraints?

MR. MINIELY: Mr. Speaker, again in contact with the chairman of the Calgary Children's Hospital board, in

the instance the hon. member refers to, he indicates to me that the Calgary Children's Hospital is in the process of negotiation with its employees, as other hospitals are, through the Alberta Hospital Association, and that there are some difficulties which have not been delineated specifically to my office with respect to the negotiation with the employees. But, Mr. Speaker, that is between the hospital management board and its employees to arrive at in negotiation with the Alberta Hospital Association.

The chairman of the board has indicated to me that, in particular, to tag any of the negotiation difficulties to provincial financial policy would be to tar or broadbrush the approach too specifically, and he did not indicate to me that it was related to provincial financial policy.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister confirm that voluntary leaves of absence in rotation are now one of the obstacles in securing agreement, particularly as it relates to the therapists serving at the Calgary Children's Hospital?

MR. MINIELY: As I've indicated in the House, other than my office being aware of the fact that there are some difficulties in negotiation between the employees and the hospital board and administration, I am of the view that those matters of negotiation are between the board and the employees. The specifics of those are to be resolved between, on the one hand, the hospital board as the employer and, on the other hand, the representative bargaining agent for the employees. In my view, Mr. Speaker, that's where it must remain.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Can the minister advise the House whether the department has investigated the suggestion that therapists who refuse to take a leave of absence may in fact be laid off?

MR. MINIELY: Mr. Speaker, I can't comprehend the line of questioning of the hon. Member for Spirit River-Fairview, because there are two principles in this Legislature which we must adhere to. One is the fact that the boards are autonomous . . .

MR. SPEAKER: Order please. I hesitate to interrupt the hon. minister. I realize the importance of the topic. But, with respect, it does seem to the Chair that there is a growing divergence between the subject matter of the questions and the subject matter of the answers. Perhaps if the hon. minister wishes to answer the question, and of course he's free not to do so, he might like to direct his answer to the substance of the question.

MR. MINIELY: Mr. Speaker, I was simply trying to point out that the specifics in a negotiation procedure are matters between the hospital board and its employees.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise the Assembly whether either the minister or his department have received information that at the present time, during the bargaining procedure, therapists

have been given the suggestion that if they refuse to take a voluntary leave of absence on a rotation basis, they will be laid off?

MR. SPEAKER: I hesitate to interrupt again, and I really don't like to be too prominent in the question period, but it does seem that this question is really identical in substance to the one that was asked first or second.

MR. NOTLEY: Mr. Speaker, on a point of order. There is a rather important difference. The first question really asked what the government was going to do about it. This question asks whether or not the minister has received any information that in fact this is happening.

MR. SPEAKER: With respect, to the hon. member: it does seem that the question repeats a previous one. In any event, it would be covered by the hon. minister's answer, according to which he was not going to become involved, at least for the purpose of this question period, in these specifics as between the hospital board and its employees.

MR. NOTLEY: Mr. Speaker, one final supplementary question, then, to the hon. minister. Can the minister advise whether the department has received any requests from hospitals for additional funds for therapists, because of restrictions on funds for outpatient services? If so, what has been the response of the government?

MR. MINIELY: Mr. Speaker, the only requests that have been presented in an official way to the Hospital Services Commission or to my office were through the budget appeal process. As I've indicated in the House earlier, those have been assessed and adjustments have been made where they were felt to be appropriate and equitable to individual hospitals.

We have not received in my office official requests for further funds, although we have asked hospitals in Alberta to indicate their views as to research areas that might fit the potential parameters of medical research which may be funded through the Alberta heritage savings trust fund. Some initial broad views on those are being submitted to us at the present time.

Gas Explosion — Calgary

MR. LITTLE: May I address my question to the hon. Minister of Utilities and Telephones. Mr. Speaker, I am informed that a residence in northeast Calgary was destroyed yesterday by a natural gas explosion. Is the minister able to verify this information?

DR. WARRACK: Mr. Speaker, I am unhappy to report that that is the case. The gas company, Canadian Western Natural Gas, called late yesterday and called with further information this morning indicating this had indeed occurred. There is additional information going on, but I am pleased to report that there are no injuries and that the six adjacent houses which had to be evacuated are now all reoccupied, with the exception of one.

MR. LITTLE: A supplementary, Mr. Speaker. Is the minister able to inform the House of the particular cause of the mishap? Is it a defect or a deterioration in an old line?

DR. WARRACK: I have preliminary information on that, Mr. Speaker, subject to the further investigation that is proceeding. My understanding is that the cause the preliminary investigation of the matter shows is that a fencepost hole was being augered in the adjacent house. By way of an underground leakage, the gas seeped toward the house and eventually exploded. It was the interruption of that service by way of the gas line being hit by the fencepost auger. That's preliminary, subject to final investigation.

Foreign Students

MR. KING: My question, Mr. Speaker, is to the hon. Minister of Advanced Education and Manpower. A report recently presented to the Senate of the University of Alberta states that only 4.6 per cent of the students enrolled at that institution are foreign students; that is, here on a student visa.

I wonder if the minister can advise whether this figure conforms to the information of the department. If so, is that percentage approximately the same for other Alberta universities?

DR. HOHOL: Mr. Speaker, the information on student population in the institutions of Alberta, whether universities, colleges, technical institutes, Alberta Vocational Centres, or whatever, comes from the institutions. I have to feel they are accurate within the limits of some inaccuracy.

MR. CLARK: Oh, oh.

DR. HOHOL: Because the governments, over many years, have transferred money to institutions on the basis of the number of students, I think there hasn't been a very unusual pressure on universities and colleges, except for the logistics of assignment of classes, really to deal with this problem very accurately. But I simply accept those figures as accurate.

MR. CLARK: What did he say, Dave?

MR. KING: I think I have a supplementary, Mr. Speaker. Again, the report presented to the Senate stated in part:

The presence of . . . Foreign Students . . . has greatly contributed to the international milieu of the campus and community and has provided unlimited opportunities for educational, cultural, and social exchanges.

I wonder if the minister could advise if that statement contained in the report to the Senate of the U of A reflects the policy of the department with respect to the presence of foreign students at Alberta university campuses.

DR. HOHOL: Mr. Speaker, there is just no question that that statement is accurate. I agree with it. I subscribe to it. I'm sure the government of this province does. I'm sure all Albertans do. I'm just as certain that our initiatives with respect to a two-tier

system of fees will leave that very sound principle intact.

MR. KING: Mr. Speaker, my final supplementary is to the point on which the minister last spoke. Could he assure the House that the objective of the two-tier fee system is other than an imposition or a limitation on the number of foreign students in Alberta universities?

MR. MILLER: Oh, come on.

DR. HOHOL: This is the kind of thing I wish I had had the opportunity of discussing at some length during the estimates last Thursday. But if I can do it briefly without leaving improper impressions, I would put it this way. While it may not be the specific intent, it could be a concomitant, or it could be a sort of residual effect. But with a fee structure that is the lowest in Canada, it certainly isn't something we're seeking with intent by raising the fees for foreign students in a significant way. It has to be put in that context.

MR. TAYLOR: A supplementary to the hon. minister. Are students from other parts of the Commonwealth considered foreign students?

DR. HOHOL: To the best of my knowledge, subject to checking with the Canadian Immigration Act, I would say yes.

Farm-Home Loans

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Has consideration been given to possible changes in the farm-home lending regulations? It's in regard to the method of determining the income ceiling. I bring this question up because farmers' gross incomes vary so much, it's hard to determine an income level.

MR. YURKO: Mr. Speaker, the hon. member recognizes that that program hasn't been too effective thus far. I just want to assure him that the entire program is under examination in conjunction with the Minister of Agriculture and his officials.

MR. MANDEVILLE: Another supplementary question, Mr. Speaker. If it's under examination, I wonder if the minister has given consideration to increasing the 1,200 square feet, which is not satisfactory for most farm homes, especially for mobile homes.

MR. YURKO: Mr. Speaker, we haven't necessarily been convinced that 1,200 square feet is not satisfactory in this period of requiring the building of more modest accommodation. Perhaps the member can supply me with some concrete facts as to why 1,200 square feet isn't satisfactory as a limit.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. I certainly will do that, Mr. Minister. I will supply you with some information.

Has any consideration been given to separating the program, and having it handled by the Alberta Development Corporation instead of the two corporations?

MR. YURKO: Well, Mr. Speaker, there is a greater leaning toward it being handled by one corporation, but that is the corporation that's responsible for housing rather than the other way around.

However, I should also indicate with respect to the latter question that after the house is built, nothing prevents a farmer from adding more square footage to the basic house if he wishes.

Rapeseed Industry

MR. FLUKER: Mr. Speaker, my question is to the Minister of Agriculture. Due to the heavy seeding of wheat crops in Alberta this spring and a cutback of a possible 50 per cent in rape seedings, does the minister anticipate any problems in the supply of raw material for some of the new rapeseed processing plants in Alberta this coming crop year?

MR. MOORE: Mr. Speaker, I believe the Statistics Canada mid-March reports of seeding intentions in Alberta indicated a reduction of about 40 per cent in rapeseed acreage, which would leave us with just under 1 million acres of rapeseed in the current crop year. There is sufficient carry-over of rapeseed from the 1975 crop so, added to the anticipated production of 1976, the existing crushers would not be likely to experience any shortage of supplies during the coming crushing year.

MR. NOTLEY: A supplementary question. Does the Department of Agriculture have any marketing analysis of the impact in future years — not this year but the coming year — in view of the fact that we won't have a carry-over next year?

MR. MOORE: Mr. Speaker, a number of factors contributed to the shortfall in planting intentions, at least, this year. It remains to be seen how accurate those are. The level of rapeseed planting rose in 1975 from about 1.1 million acres in '74 to 1.5 million acres in 1975. Now it's back down to a little below 1 million acres. That fluctuation occurred in part because many farmers in the province have been unable to deliver their crop from the last crop year. It didn't occur entirely because of price. Indeed, the world oil seed market does fluctuate to the extent that the conditions could be entirely different by the time planting intentions are known for the 1977 production year.

Foster Parents

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Does the department hold foster parents responsible for acts of vandalism by foster children?

MISS HUNLEY: I'm not sure, Mr. Speaker. I'll check, though, and advise the hon. member.

MR. TAYLOR: A supplementary to the hon. minister. Has the department taken out an insurance policy covering such acts, as recommended by His Honour Judge Catonio?

MISS HUNLEY: Once again, Mr. Speaker, I will have to check that and advise the hon. member.

Unsafe Television Sets

MR. PURDY: Mr. Speaker, I wish to address a question to the Minister of Consumer and Corporate Affairs. I'd request a one-sentence preamble to it. A number of unhappy occasions have happened in the province — one in Edmonton a while ago, where three or four people lost their lives, and an unfortunate incident in my constituency yesterday — because of instant-on TVs exploding.

Has the minister's office considered banning the sale of these instant-on portable TVs in Alberta?

MR. HARLE: [Not recorded]

MR. PURDY: I didn't hear the minister's response.

MR. SPEAKER: Perhaps the minister could summarize it for the hon. member.

MR. HARLE: Well, Mr. Speaker, it's a rather unfortunate circumstance, but the answer is no.

MR. PURDY: A supplementary then, Mr. Speaker. Is the minister or the minister's office considering legislation or regulations to make sure that these TV sets are actually approved by the CSA?

MR. HARLE: Mr. Speaker, I would have to look into that further and respond later.

MR. PURDY: A further supplementary, Mr. Speaker. Has the minister or the minister's office had representation from other consumer groups in the province of Alberta on this subject of unsafe TV sets?

MR. HARLE: Not that I'm aware of, Mr. Speaker.

Automobile Insurance

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Consumer and Corporate Affairs. If a short statement is in order, Mr. Speaker . . .

SOME HON. MEMBERS: No, no. Question, question.

MR. NOTLEY: Go ahead.

MR. KUSHNER: I have been receiving complaints from citizens who insure their cars through the Alberta Insurance Exchange Board, that a month or so after they sign a contract, they send them a substantial bill again. I wonder if a contract is signed, does it hold; and further, if that particular board has guideline rates.

MR. HARLE: Mr. Speaker, when an applicant for insurance completes an application, that application is figured out by the insurance agent and an estimate, I suppose you would call it, of a premium is arrived at. The application then goes over to Insurance Exchange. When the insurance company receives the application, the company then has to assess the applicant, and two things can happen. The agent can make an honest, human error in calculating the premium. On the other hand, when the insurer sees the application, he makes a search of the motor

vehicle branch records. It could well be that some convictions show up that are not disclosed on the application. As a result of that, of course, the insurer advises the agent that the premium is a lot higher because it's a higher risk.

If the hon. member has any knowledge of an agent who is doing this and it isn't in those kinds of circumstances — it isn't because of an error or because of some misinformation completed by the insured — the superintendent can be made aware of the specifics. The superintendent can ask the agent to show cause why his licence should not be removed. In other words, if it is becoming deliberate or it's because the agent is just not doing his job; the superintendent of insurance can do something about it.

MR. KUSHNER: Mr. Speaker, a supplementary question to the minister. I understand, and I stand to be corrected . . .

AN HON. MEMBER: Agreed.

MR. KUSHNER: . . . that an agent receives a specific commission. I believe it is about 7 per cent. The agent tells me there are no specific guidelines as far as he's concerned. He writes it up — whatever time it requires coming from the company, and they say, you're only entitled to 5 [per cent]. There doesn't seem to be any clear explanation. I wonder if there are any specific guidelines in that area.

MR. HARLE: Mr. Speaker, I think the hon. member is talking about the commission an agent is to receive on insurance exchange business. That is set by the insurance exchange. I'm surprised to hear that an agent isn't aware of the commission rate.

Confidentiality of Health Files

MR. TAYLOR: Mr. Speaker, on April 2 I addressed a question to the hon. Minister of Hospitals and Medical Care. It was taken over by the hon. Attorney General. It involved the confidentiality of files of the Alberta Health Care Insurance Commission insofar as parents and police are concerned.

Has the hon. Attorney General been able to reach a decision on that matter yet?

MR. FOSTER: Mr. Speaker, I have received some material from my department and have sent it to my colleague the Minister of Hospitals and Medical Care. He and I should discuss the matter so that our answer is consistent. In short, I have some material, but I'm not yet quite in a position to deliver a response. I would happy to do so in the next day or two.

Cycling Infractions

MR. BATIUK: Mr. Speaker, my question will be directed to the hon. Solicitor General. It's going to be a sort of follow-up to the bicycle question. Yesterday the minister stated that there have been prosecutions of persons exceeding the speed limit on bicycles.

I wonder if the minister could advise whether, if an impaired driver was riding a bicycle and apprehended,

he would be liable for the same penalty as if he were driving a car.

MR. SPEAKER: If the hon. member wishes to amplify his expert knowledge of bicycles in the direction of a legal opinion. I would suggest that he consult a solicitor.

Mobile Home Legislation

MR. LITTLE: Mr. Speaker, may I address my question to the hon. Minister of Housing and Public Works. Approximately a year ago this Legislature passed a motion recommending the review and updating of legislation pertaining to mobile homes, mobile home parks, and the mobile home industry in this province.

Is the minister in a position to advise the Assembly what progress, if any, has been made to this end?

MR. YURKO: Mr. Speaker, I think first of all I'll take the opportunity to commend the hon. member for bringing forth the resolution he did, which was debated in the previous session.

A number of areas of action have in fact resulted. One is Bill 40, The Bills of Sale Amendment Act, 1976, which has considerably improved the mortgaging of mobile homes. The second is that we have enunciated a policy identifying mobile homes as an acceptable form of housing. Indeed, there is no differentiation between mobile homes and any other type of homes in all our mortgage packages; that is, within the provincial government or the Alberta Housing Corporation.

We have increased our budget this year with respect to mobile home parks, and the Alberta Housing Corporation, as you know, Mr. Speaker, has engaged itself actively in mobile home subdivisions; for example, the proposed Airdrie subdivision. So we have moved in a number of specific directions since that resolution was debated.

Leasing of Lots

MR. NOTLEY: Mr. Speaker, I was going to direct this question to the hon. Attorney General, but after the hard luck story we got yesterday, I wouldn't want to encumber him. So I'll direct my question to the hon. Minister of Housing and Public Works instead. It concerns Edmonton city council's resolution asking Alberta Housing to supply mortgage money to build houses on leased land. This would enable the city to proceed by leasing Mill Woods lots.

Is the minister in a position to advise the Assembly what his position and the government's is on this matter?

MR. YURKO: Mr. Speaker, I can just advise generally, because I haven't yet received any formal communication from city council with respect to the resolution. I have heard some news reports on the matter, but one in this profession establishes as an absolute that news reports can often be cloudy. So one must wait for more specific information.

SOME HON. MEMBERS: Agreed.

AN HON. MEMBER: You've got some opposition up there.

MR. NOTLEY: You're losing that one. Bill.

MR. YURKO: However, with respect to leased land for single family housing, Mr. Speaker, the policy of the provincial government is fairly clear. Before we moved in that direction of course we'd have to review the situation extensively. To some degree we are under advice from a number of communities in Alberta that have single family homes on leased land, such as Banff, Jasper, and the town of Robb. An overwhelming desire in every case is for ownership of the land in connection with the house. This is a deeply entrenched and long-established practice and one which we would be very, very reluctant to change.

I should also indicate that the city of Edmonton is a major landlord and a major landholder. As far as I know, it can do whatever it wishes with respect to the land it holds and owns. When it tries to suggest that its policy or its wishes should be adopted by the senior levels of government, which have to relate to the province as a whole in terms of policy, then I have to look upon such action with some degree of scepticism. I simply suggest that it would only be studied if at all, and could only be related to on a much longer time base than anything relating to the sale of lots in Mill Woods.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Would the hon. minister give an undertaking to the House that he would be prepared to discuss this matter with the appropriate Edmonton authorities, in view of the resolution which was passed by the city council?

MR. YURKO: Mr. Speaker, I sometimes wish that some members of the Edmonton city council would be as anxious to discuss some of these matters with me as I am with them. I have been in contact with the mayor on several occasions recently in an attempt to see that both parties to an agreement on Mill Woods respect that agreement.

I have been in contact and requested a meeting recently with the economic affairs committee of the Edmonton city council. And I met with three aldermen and tried desperately to explain to them the existing government policies, the nature of the legalities of the existing Mill Woods agreement, and the intent and desire to provide housing for low- and middle-income people, not only in the Edmonton area, but indeed all across the province.

MR. NOTLEY: Mr. Speaker, one final supplementary question for clarification. The minister said he would study it at the most.

Is the minister in a position to advise whether or not the matter will be studied or, for all practical purposes, is the concept being ruled out at this time?

MR. YURKO: Mr. Speaker, anybody who knows very much about this area recognizes its complexity, recognizes indeed that it may involve legislation in several areas and that it's difficult to isolate this type of policy for any one area. At the same time I indicated that in all instances in Alberta where there is leased land, there is an overwhelming desire of the tenants, if you wish, to purchase the land.

We also recognize that it seems to be working in

Sweden, but you have to have your name on the list for at least eight years before you can get a house. One would suggest that a senior government — if that's what it may be called, the Government of Alberta being that type of government — would have to examine this sort of alternative in great depth in the area of single family homes.

It's not so difficult in the area of multiple homes. Indeed we are building senior citizens' self-contained accommodation on leased land. That's not home ownership. That's rented accommodation, and that's possible there without interfering with the basic desire and right of individuals to own their own property.

MR. SPEAKER: I recognized the hon. Leader of the Opposition instead of the hon. Member for Bow Valley. We are somewhat over the time. Does the Assembly wish to allow a further question by the hon. Member for Bow Valley?

HON. MEMBERS: Agreed.

Rural Telephones

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Utilities and Telephones. Will the Delburne area be getting extended toll-free telephone service, as was announced?

DR. WARRACK: Mr. Speaker, there has been one matter that can possibly snag or at least delay that particular situation, and I can describe it briefly.

The desire is there, as expressed in the vote that was taken some time ago. However, these matters are ruled on by the Public Utilities Board. Even though the percentage of people from Delburne who overwhelmingly wanted to have the EFRC hookup was clearly there, the number of people who actually voted was relatively small in terms of the percentage of the total of people who could have voted, with the result that less than 50 per cent of potential voters voted for it.

I didn't think of that, quite frankly, and it shows the usefulness of the Public Utilities Board review of these matters. It did spot that particular difficulty. As a consequence, it looks like a revote will be taken to ascertain the degree of feeling in the Delburne exchange as to wanting to be hooked up to Red Deer by EFRC.

MR. FARRAN: Mr. Speaker, I wonder if I could take two . . .

MR. SPEAKER: We've run over the time. I know it's a difficult matter for ministers to estimate how much time is left in the question period, but unless the matter is of some urgency, could I suggest that it be dealt with in tomorrow morning's question period. We're now quite substantially over the time limit.

ORDERS OF THE DAY

head: WRITTEN QUESTIONS

193. Mr. Clark asked the government the following question:

- (1) What was the total amount of money expended on the remodelling, renovating, and refurbishing of Building 3 at the Alberta Hospital, Edmonton, for the period April 1, 1972, to March 31, 1975?
- (2) What was the demolition date of the building referred to in (1)?
- (3) What was the occupancy rate per month of Building 3 from April 1, 1972, to the date of demolition?
- (4) What was the method of the disposition of the furnishings in Building 3?

head: MOTIONS FOR RETURNS

MR. FOSTER: Mr. Speaker, I move the following motions for returns stand and retain their places on the Order Paper: 190, 195, 196, and 197.

[Motion carried]

191. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) a list of all renovations to the physical plant, grounds, and equipment at Alberta School Hospital/Deerhome, initiated by the Government of Alberta at any time during the period January 1, 1976, through April 30, 1976;
- (2) a list of all purchases ordered and/or received by the Government of Alberta during the period January 1, 1976, through April 30, 1976, respecting each of the following categories listed separately:
 - (a) all cooking and eating utensils of any nature whatsoever;
 - (b) all cooking equipment, food storage facilities, food distribution equipment, and dishwashing equipment;
 - (c) all laundry, drycleaning, and mending equipment;
 - (d) all housekeeping and cleaning equipment;
 - (e) all vehicles used for on-site pick-up and delivery of meals, laundry supplies, and equipment.

[Motion carried]

194. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A copy of all studies and reports on the result of inquiries by the Department of the Environment into the House River oil spill from GCOS pipeline.

[Motion carried]

head: **MOTIONS OTHER THAN
GOVERNMENT MOTIONS**

1. Mr. Notley proposed the following motion to the Assembly:

Be it resolved that the Assembly urge the government to adopt a policy of not invoking the powers of the minister to take over the financial management of municipalities as a solution to the general problem of inadequate municipal revenues in the current context, but to invoke such powers only where there are established severe cases of lax and chaotic administration, financial mismanagement, or misappropriation of funds; and that the Assembly urge the government to establish a formula for sharing provincial income tax and natural resource revenue with Alberta municipalities, which would embody the following principles:

- (1) Property taxes, whose burden falls disproportionately on persons of lower and middle income, should not be levied beyond the level required to service property.
- (2) Other municipal services should be paid from revenues derived from progressive taxation sources and natural resource revenues.
- (3) The municipal share of provincial income tax and natural resource revenue should be set at a level to replace and compensate fully for conditional and unconditional provincial grant revenues, and to provide a reduction of property taxes.

MR. NOTLEY: Mr. Speaker, basically the purpose of Motion No. 1 is to deal with several important things: to clarify first of all the issue of when a minister of municipal affairs will be able to take over financial management of municipalities; and secondly, to move into the important area of revenue sharing.

Mr. Speaker, we all know that the Provincial Municipal Finance Council has under review the issues of revenue sharing as well as municipal finances. On July 15 last year, Mr. Ellis indicated that reform is expected within two years. Obviously, it may be premature to expect all the details to be worked out. But it seems to me, Mr. Speaker, that it is important that we begin addressing ourselves to some of the important principles at stake.

Indeed, the minister himself has on more than one occasion flown kites. We'll wait and see whether those kites are going to be the basis of future policy decisions. Some of them I happen to agree with; some of them I'm not so sure about. Nevertheless, I think it is time we in this Legislature began to look at this important issue in expectation of a report by the Provincial Municipal Finance Council.

Mr. Speaker, let me begin the discussion of the resolution by asking the question: how do we compare to other provinces in the field of municipal financing? During the Budget Address, the statement was made that Alberta compared favorably to other provinces. Well, no one really disputes that, Mr. Speaker. But at this juncture, with the buoyant Alberta economy and the even more buoyant revenues of the province, I think simply comparing favorably is not necessarily good enough. It seems to me that clearly we should have the best situation in Canada as regards our local levels of government.

Mr. Speaker, let's take a look at the situation elsewhere in Canada. Several weeks ago, a report was prepared which outlines the taxes an average

low-income Canadian has to pay across the country. This report was compiled by *The Globe and Mail* and recently released. It takes an average low-income family with an income of approximately \$8,300. Mr. Speaker, we look at the amount this family would have to pay across Canada, and find that Alberta is not in the most favorable situation by any stretch of the imagination. Admittedly, Tory Ontario is the most expensive place to live. There the total federal tax, provincial tax, health premium, and property tax, less rebates, amounts to \$1,078. But the lowest cost place for low-income people, from a taxation point of view, is the province of Manitoba — next is Newfoundland, next is Saskatchewan. Alberta is only sixth on the list; substantially more expensive for low-income people than these other provinces I've mentioned.

Mr. Speaker, I raise that because we can talk as we have incessantly in this House about the lowest taxes in Canada. No question that for many high-income people, this is indeed a tax haven. But it seems to me the test of equity in the taxation system has to be the impact on low-income families. By that test, rather than Alberta ranking first, we rank fourth.

I'd like to briefly touch on another aspect of municipal financing which is also vitally important and crucial to this debate: the question of per capita municipal debt. Canadian Tax Foundation statistics for 1974 indicate the following figures: the lowest in Canada is Newfoundland, with \$174 per capita municipal debt; P.E.I., \$167; Nova Scotia, \$317; Quebec, \$474; Ontario, \$516; Manitoba, \$487; Saskatchewan, \$372; B.C., \$419; the national average, \$471. But the per capita debt in the province of Alberta, Mr. Speaker, was \$672 — the highest in Canada. In other words, it is time we began to seriously review this issue, and not just pat ourselves on the back and assume, since we live in sunny Alberta and the oil is flowing and we've got \$1.5 billion to put in the heritage trust fund, that God is in His heaven and all is right with the world. The fact of the matter is that our per capita municipal debt is something we must be concerned about — the highest in Canada. Mr. Speaker, I know that when they get a chance to speak, the backbenchers will probably try to dispute this and raise all sorts of red herrings. But this does come from the Canadian Tax Foundation. That is a pretty objective source.

Mr. Speaker, moving on to the question of where municipal finance stands today, in 1976, we've already got the dire warnings by the minister this year that many of the rural M.D.s and counties are in serious trouble, facing very serious deficits: an average of \$57,000 for each of the M.D.s and \$154,000 for the county, according to the minister's statistics — a total of almost \$4 million. Mr. Speaker, we've heard from time to time the subtle suggestion among certain federal and provincial politicians that local government officials are not very careful of the taxpayers' money, that somehow they are a group of spendthrifts. Frankly, Mr. Speaker, knowing the municipal politicians in my constituency, especially the councillors in the M.D.s, that is the last thing one could ever charge them with, because they make a dollar go about as far as anybody can.

But let's look again at an objective assessment of the situation. Not too long ago we had an in-depth study of the administrative costs across the country as part of the overall statistical analysis of public

finance in Canada, commissioned by the Economic Council of Canada under the late Mr. Deutsch. It found some very remarkable things. First, federal administrative costs — and we're not talking about per capita programs here, we're talking about the costs of administering programs — federal administration costs work out to \$77 per capita; provincial administration costs, \$69 per capita; but municipal administration costs, only \$23 per capita. That takes in all the municipalities in the country, everything from a small hamlet in Alberta to the city of Toronto. We find the municipal administrative costs are the lowest by far, compared to both provincial and federal governments. Again, that was brought to the public's attention by the statistical analysis of public finance in Canada.

Mr. Speaker, let's take a look at where revenue for municipal purposes comes from in Alberta. If one cares to peruse the municipal statistics which were tabled in the House a few weeks ago, one finds that between 55 and 60 per cent still comes from the property tax, despite all the ballyhoo about removing the property tax for education and social services. If one looks at the statistics, there's really a drop of only 5 per cent between 1971 and 1975, the last year of statistics. So the fact of the matter is, Mr. Speaker, a very large percentage of municipal financing in this province comes from the property tax, which is an extremely regressive form of taxation.

Mr. Speaker, let me then turn specifically to the resolution itself. What about the intent of this resolution as it relates to the minister's power to take over management of municipalities? At present, members are aware that a provision in the municipal act allows the minister considerable latitude to move in and take over the operation of municipalities in this province. I suggest to you the time has come for us to seriously examine what the ground rules should be for a provincial government moving in and managing local government. That's not just a local municipality or a county or a town. It is equally relevant to school divisions, because The School Act also provides certain power for the minister.

I think it's clearly time we sat down with the municipal authorities to discuss this matter. The purpose of this resolution is to set our thinking on this matter. It seems to me that the present legislation places the emphasis on the revenue side; that is, if a municipality is bankrupt, the minister steps in. Perhaps what we might do is take a very close look at the Auditor's report. It may well be that that should be the area for movement by the provincial government; perhaps the test should be if the administration is lax and chaotic.

Nevertheless, Mr. Speaker, as members of the Assembly we have to begin to think about this matter. The minister got all sorts of headlines two months ago when he made an offhand remark about possibly having to move in and take over operation of at least several local governments in the province. But it seems to me, Mr. Speaker, if we're going to see municipal government as essentially a working partnership with the provincial government, this matter has to be clarified and clarified quickly.

Mr. Speaker, I can only say that I look back to 1969, '70, '71, and recall the remarks made at the time by the now government when it was the then opposition. At that time there was really no doubt

about their strong commitment to a partnership — I believe even the term partnership was used — with local levels of government. Well, Mr. Speaker, if you're going to have a partnership, certainly one of the basic aspects is a clarification of just at what point the minister can play big daddy, and move in and dissolve the local level of government.

Mr. Speaker, the next part of the resolution really deals with the important question of revenue sharing. To the first point,

Property taxes, whose burden falls disproportionately on persons of lower and middle income, should not be levied beyond the level required to service property.

I know many members will say, well, so what? That's already been put into effect.

No, Mr. Speaker. It really hasn't, because there are still many local contributions to social service programs that have nothing to do with property, that have to be met from the tax base of the municipality, including the property tax. Everything from part of the local share of PSS funding, to public housing operating deficits, to school requisitions as far as our school boards or counties are concerned. So a very important part of social service financing at the local level still comes from the regressive property tax.

Mr. Speaker, what about the principle of tax sharing with local government? I suppose any government can very easily say we're going to bring in tax sharing and then share a tax which is relatively static in terms of yield. The purpose of this resolution, Mr. Speaker, is to make the point that local government costs are rising, just as provincial government costs are rising. If we are going to share tax revenues with the municipalities, we have to share revenues which have a higher yield, which will rise as the productivity and the prosperity of the province rise. That's why access to personal income tax and corporate tax points is so important.

Mr. Speaker, we hear a lot in this House about the position of the province of Alberta, requesting equalized tax points in preference to cost-shared programs. Well, Mr. Speaker, one hears that same request from many people in local government throughout the province. They say, give us access to a tax base which will allow us to broaden our base, so we do not necessarily have to be so reliant on a regressive source of revenue.

Mr. Speaker, I mention natural resource revenue. However, let me say at this same time that simply sharing natural resource revenue, particularly because we're looking at oil and natural gas, would not in itself be the total answer. I would hope the Provincial Municipal Finance Council would look beyond sharing just the revenue from our natural resources.

We're dealing with non-renewable resources, which at some point will run out. Perhaps there will be substitution of coal over the years, but certainly the tremendous volume of revenue we receive today will not be coming in tomorrow, or 10 or 20 years down the road. That being the case, one can look at this as an area of tax sharing. Members will recall that the former government, in years past, developed a program where one-third of the oil royalties were shared with the municipalities.

Mr. Speaker, I say that while access to natural resource revenue may be one of the things to be

examined, I would think greater emphasis should be put on corporate and personal income tax sharing, because these taxes will be around long after our oil and gas have gone.

Mr. Speaker, as members of the Legislature are aware, several other provinces have undertaken this kind of revenue-sharing program. The province of Manitoba debated this matter in the House last spring. I think it's worth bringing to members' attention again that one of the reasons the statistics in Manitoba are so favorable is the revenue sharing developed in that province. In the province of B.C., a portion of the natural gas income was shared with the municipalities.

Mr. Speaker, in general conclusion, the purpose of this resolution is to state clearly two important principles. Let's look very carefully at this issue: on what basis we're going to have the minister take over financial management of local levels of government. Secondly, Mr. Speaker, it is time we commit ourselves to the principle of revenue sharing, so that local levels of government have access to tax sources which are not only equitable in terms of relating clearly to the ability to pay principal, but also have some potential to grow as the province grows.

Thank you.

MR. MUSGREAVE: Mr. Speaker, I would like to respond to the motion by the hon. Member for Spirit River-Fairview. I note the Minister of Municipal Affairs is not here, but I am quite sure he would wish to participate in this debate, as this is a designated motion by the opposition. He had other commitments which prevented him from being here.

Mr. Speaker, the hon. member may have thought the government's action in appointing a financial administrator for the county of St. Paul was inappropriate. I would like to express a different point of view, Mr. Speaker.

Frequently when people are elected to public office they forget they are stewards of the people's money. They sometimes assume that by spending dollars in a fit of spite against fellow councillors or by knuckling under to pressure groups for facilities that quite often the entire community neither wants nor can afford, they are being good stewards of their trust as elected officials. Other councillors sometimes feel they are doing their job when they adopt a no-debt philosophy.

In my view, this too often is also being a poor steward of a community's needs. For example, bridges, sewage disposal systems, power systems, in many cases have a life exceeding the life expectancy of the citizens. In my view, these costs should be accumulated and the charges should be spread over several years, funded either by bonds or by long-term loans.

But in making such commitments for capital projects, particularly recreation facilities which have a high ongoing operating cost, all municipal governments must make long-term budget plans. They must do this so they can know how they're going to pay back the capital cost, how they're going to pay their interest cost, and most importantly, how they're going to pay the operating costs. I understand, in the case of the municipal district of St. Paul, this was not done.

Because of this overexpenditure, Mr. Speaker, the minister appointed a controller to administer the

affairs of the county of St. Paul. This was necessary because they could not meet their payroll for March as the bank would not loan them any money unless the minister took action to make sure that the county got their financial affairs in order. I would point out to the hon. Member for Spirit River-Fairview that under Section 15 of the act the minister would be remiss in his duty if he did not bring in a financial manager to ensure that the employees were paid their wages.

Now I note, Mr. Speaker, in the first part of this motion, that if the hon. member had known about the St. Paul situation, I doubt if he would have suggested that the minister not perform his responsibilities as required by laws of this Legislature.

Dealing with the second part of the motion, Mr. Speaker, it reveals to me how we as legislators get trapped by repeated suggestions and ideas that quite frequently are based on slogans or expressions that will not stand up under scrutiny or careful investigation. Several available studies indicate that the single-family home does not pay its fair share of cost to a municipality.

Now, Mr. Speaker, I cannot speak from experience for large municipalities in the province, except for Calgary. But for less money than some people in Canada pay to heat their homes — in the maritimes, in particular — the citizens in Calgary receive police and fire protection; streets and roads which are paved, swept, and cleared of snow; and weekly garbage pickup. We have some of the best lighted streets in North America. They have free parks and some recreational facilities. In addition to this, Mr. Speaker, for a modest fee, which is about one-third of what the charge should be, they have access to golf courses, swimming pools, hockey rinks, a zoo, a planetarium — the list is quite long.

Mr. Speaker, this year the increase in taxes in the city of Calgary will be about 80 cents a week. In my view, Mr. Speaker, the people of Calgary in particular, and many of the municipalities in the province of Alberta, are getting good value for their money.

Mr. Speaker, I'm not going to engage in any financial gymnastics today, because we can all quote figures to show that the province of Alberta is the best in Canada, or we can quote figures to show that maybe it isn't the best. But I would like to make a few comments.

I agree with the Member for Spirit River-Fairview that the people we should be concerned about are those in the low-income bracket. I would suggest to him, though, that to bring in a sales tax, for example, which is enjoyed by every province in Canada except Alberta, would be very harsh on those people least able to afford it. If you consider such costs as home heating in other parts of Canada, you would appreciate the unique and fortunate position that citizens of Alberta are in; likewise the tax on the gasoline we use in our automobiles.

Finally, Mr. Speaker, I would point out that most of the debt owed by the municipalities in the province of Alberta is owed by those citizens to the citizens of Alberta. We have a very enjoyable position through the Alberta Municipal Financing Corporation, which guarantees us a lower rate of interest. Most of the money that accrued through the oil revenues in past years has been loaned back to the municipalities for construction or for capital works. On that point, Mr.

Speaker, the hon. member mentioned the position of Alberta in relation to such provinces as P.E.I., Quebec, and Manitoba.

While I was an alderman in the city of Calgary, I had the good fortune to travel at taxpayers' expense to cities in every province in our country. As many members of the House know, I have a habit of walking a lot. I walked the streets of Charlottetown, Quebec City, and Winnipeg, to name three. I would suggest to you, Mr. Speaker, that the conditions of the streets in the cities of Edmonton, Calgary, and Lethbridge, to name three, are far superior to any in those cities.

Mr. Speaker, they are better because we've spent money upgrading our facilities. Because you spend money, you obviously have capital debt. That may explain the capital debt the hon. member mentions. But, as I said earlier, it's debt we owe to ourselves.

I'm also pleased to say I agree with the hon. member that the legislators up here are no better, or no more intelligent — and lots of us here have been on both sides of the fence — than members of local councils. Again, I agree with the hon. member that the majority of the money does come from taxes on property. But I would point out to the House that most of the expenditures are for the protection of property, for police forces and fire departments, and for parks departments — all these various services that cities, villages, and municipalities have to engage in. They are heavily loaded with labor, which is a reason for our taxes.

But, Mr. Speaker, I also have to agree with the hon. member about the position of the former government, where they apportioned one-third of the oil royalties to the cities. I remember some members of this House came to Edmonton and lobbied the government of the day to maintain it. The government was going to change it. I'm glad the previous government did change it, because that's why we have a heritage fund today. Instead of having a heritage fund, we may have had — I was going to say, streets paved with gold, but I think that would be extreme. But I hate to think of the kinds of expenditures that would have been made in this province if \$1.5 billion had been spread throughout the entire province for anybody anywhere to do as they saw fit.

Mr. Speaker, as a former alderman, I can tell you we always had ways and means of spending our money. But having said that, I think we were good stewards, because in the city of Calgary we never made expenditures anywhere near what we're allowed to in terms of debt we could incur. We were good stewards of our money. This is one of the problems we have in financing our cities. As a member of the provincial finance council, we are faced with great difficulties. Some municipalities have less debt structure than others. Some have no debts. Some have unique situations, where — like the city of Edmonton — they own utilities that require heavy capital expenditures. Obviously, to come out with one unique plan that will fit everybody and everything is going to be most difficult.

To suggest that we should adopt the method the province of Manitoba has in relating money to the municipalities might be worthy of consideration. In the past, some of us have suggested that a portion of the liquor taxes should accrue to the community. The more you drink, the lower your taxes. I wouldn't

subscribe to that, because I think we should be taking a positive stand towards discouraging drinking. But I do think, Mr. Speaker, that we should perhaps consider putting into a fund such things as a share of liquor and gasoline taxes, and possibly of personal income tax. I agree, too, with the hon. member that income taxes and corporation taxes are going to be here a lot longer than resource revenues. I would agree that perhaps would be a route the municipal council could consider. To work out the method of apportioning it is going to be very difficult.

That brings me to my last point, Mr. Speaker. One of the concerns I had recently in the House was when we were discussing financing or extra financing of police budgets in the cities of Calgary and Edmonton or in the take-over of social services by the province from the city of Calgary. Every time the senior government or the Government of Alberta moves into an area like that, I think the municipalities have to be conscious of the fact that they are in effect giving up part of their responsibility and their ability to perform services to the community.

I constantly harp on this, but I think we have to make a clear delineation of the responsibilities of the local municipalities. We have to ask them to make sure they have the ability to perform the services their citizens want. They have to be compelled to learn that, if they adopt a service, they're going to have to pay for it.

Mr. Speaker, I'm in a unique position. I was instrumental in convincing the city of Calgary — and I believe the hon. Solicitor General was on the council at the time and supported my bill, so he's partly responsible — that we should have an ambulance system run by the city. I suggest to you it's one of the best systems in the country. It's also one of the most expensive. It's really a part of the health services, but we haven't been able to convince the province of Alberta that they should pay the bill. I think that is an excellent example that when a municipality engages in a particular project they should realize they're going to have to pay for it for the rest of their lives.

As long as we allow cities to get into situations like this and then bail them out, we are going to keep on weakening their ability to govern. We are in effect increasing the centralization of power in Edmonton, which, as the hon. Member for Spirit River-Fairview said, is not what we intended. The aims and objectives of this government would hopefully indicate to him that we will live up to our promises that the municipalities will be able to run their own financial affairs. There are going to be unique situations such as that I mentioned in the first part of my speech, the situation in St. Paul. When it comes down to the citizens being paid for work, obviously the senior government has to move in and make sure the local governments put their affairs in order.

So, Mr. Speaker, in conclusion, I would suggest that all members of this House should try at every opportunity to help us make sure that the government that raises the taxes is the government that spends those taxes for the voters who put those individuals into power.

MR. TAYLOR: Mr. Speaker, I would like to say a few words on the resolution. I will not delay the House very long. I hope the hon. Member for Innisfail will have an opportunity.

I can't get enthusiastic about this resolution, because it's using a Band-Aid where an operation is required. That's summing up the entire resolution carefully. What is suggested is what the Manitoba socialist government is presently doing, distributing the poverty of Manitoba. The people of Manitoba will simply have to share their own poverty or get poorer by increasing their taxation.

Now the difficulty in this type of resolution is to say, just share the income tax and consequently increase the income tax so that more and more people pay. I would like to have a word or two in connection with that. I am coming across working people today who are getting very tired of paying the government a large proportion of every dollar they earn. One businessman said to me just the other day, if my income taxes keep going up, I'm going to quit work and go on welfare like other people. If other people can do it, that's fine. In other words, we're killing initiative when we start taking away from people too much of that which they earn by the sweat of their brow.

Canada is getting into a very, very dangerous economic condition today. I believe the total amount of municipal, provincial, and federal taxation now comes to more than 40 per cent of the gross money value of production in this country. Economists have said many, many times that if any country gets its taxation beyond 50 per cent of what the country is producing, it's getting in a pretty dangerous position. Even though they are able to deduct certain expenses, farmers today are still not keeping enough of the money they actually earn through the sweat of their brow. At least the people in industry can work out their expenses in advertising and so on, and get some redress or relief from income taxes through contributing to other sources, or increasing expenses, building houses, or buying extra equipment, et cetera. But even so, that means they have less money to do what they want to do. This does kill initiative.

I think we have to be pretty careful in this country that we don't kill initiative, that we keep people wanting to work. The work ethic has a lot of value and merit. If our people can be encouraged to work, and they are encouraged to work, the more pay they can take home, then we're going to have a more prosperous country. We're going to increase production, and of course that's one of the great things in our country. That produces real wealth. The more we can do of that the better.

So when we talk about working out a formula for sharing the income tax, the first thing that would happen once that was done would be to increase the amount of income tax. That means you decrease the amount of take-home pay. And that means you kill initiative at the local level, so that somebody else says, well, I'm going to give up. I'm not going to be working entirely for the state. Why should I be giving 35, 40, or 50 per cent of what I earn to the state? It may go even higher than that.

Working people, people on wages today, are finding it very difficult. Some are becoming discouraged. One chap told me the other day; he said, why should I be getting up at 6:30 in the morning and slaving all day and hardly having any time at home with my wife and family compared to others who are simply on welfare, who can sleep in every morning, who have the total day with their friends or with their families?

He said, I'm beginning to think that's the better type of life. Well, if enough people start thinking that way, we're in a dangerous position in this country; a very dangerous position, because we're killing initiative.

It's all right to talk about sharing this and that; but the trouble is, once you start sharing you start increasing. Again, if you start increasing the percentage of income tax, it hits the low-income worker and everybody else progressively up the line. The basic error in this type of thinking is that you're always going to have enough money. There's always going to be somebody working, so we just take more from them. If they make more, take more from them. That's the socialist point of view. Tax the rich. This is what Mr. Barrett started to do in B.C., and you saw what happened there. It killed initiative. People went on strike. They had to get more money in order to stay alive. That's what happens. The more the state takes, the less you take home and the lower standard of living you get; until, as many economists have said, we then share our poverty.

Who wants an impoverished country with very few people working, and sharing what the few who do work get among the balance of the people? Unless we keep production up, unless we produce the things, we want, there's not going to be very much to share. After all, money is a medium of exchange. It's not real wealth: you can't eat it if you're in the desert, you can't use it for lunch if you're in the coal mine. You have to have the real thing in order to keep your body alive.

So I say this resolution is built on a false premise. It's built on a premise that there's all kinds of money someplace in the pockets of those who are working, of those who are making a good income, even of those who are making any type of income. Income tax can be graduated up or down, depending on how much money a government needs. The federal government graduates it, and the provincial government graduates it to endeavor to secure the amount of money it wants; just as a municipality works out its budget and then sets its mill rate, deciding not whether the people can afford to pay, but how much do we need to run this municipality the way we think it should be run.

There are two or three things I would like to suggest. The first is that I don't believe in this sharing program a great deal. We're doing that today. The previous government shared its revenue. This government is sharing its revenue. Take the budget and see how much of the total is going, in some form or other, to municipalities in this province. I haven't added it up, but I know it's a good percentage. The present government is sharing. If you say, we'll take it all out of income tax, then what good does that do if they're not going to continue to share what they're sharing now? All the revenue goes in general revenue. Then the government shares it. Isn't that a better method than saying we'll just give a certain percentage of income tax and lead everybody to believe we can then increase our income tax?

When it came into power, the present government said we'll take the educational costs off property, and the government lived up to its promise. Many, many people at the grass roots were very happy when they said, yes, we're not going to have to pay education tax on our property. But what happened? There was a vacuum there and municipalities immediately started

to fill the vacuum. There are very, very few municipalities today which aren't paying the same property tax they were paying before the present government decided to give them relief from property tax. What it actually did was to provide an avenue for the municipalities to get more money to fill that vacuum.

But what about the individual at the municipal level? Is he any better off? Does it matter to him which government takes the money off his property, or which government takes his income tax? It's how much money he has left to represent his wealth, what he can buy after all these things are taken off. That's the basic item in every home.

I have been in a great number of homes where people say, we thought we were going to get some relief through the provincial government relieving us of education tax on property. For a few months they did, but municipalities were soon to get in. I'm not particularly condemning the municipalities; they have services they want to perform and they have to have money to do it. They saw this vacuum and they stepped in. So the taxpayer is left in almost the same position, if not even in a little worse position. I wouldn't say a worse position, but certainly no better a position.

This year, by some decrease in the income tax, we did leave more money in the pockets of the people. That is good. That's going to induce people to continue to work.

Sharing, I say, is being done now. All this resolution is saying is, let's do it by sharing the income tax alone. Well, I'm not so sure if we did that that the municipalities would be as well off as they are today, because there's no assurance. If we keep raising this tax, the amount of income tax is going to be progressively reduced. It might be that they're not going to have very much to share from that particular source of revenue. If we're going to do it this way, I'd much rather do it the way the present government is doing it, by sharing its general revenue, the profit from every source of revenue that comes into general revenue.

I think a vital change is required in Canada. Probably our municipalities in Alberta are better off than municipalities anywhere else in Canada. I think they are, and they have been for many years. But the change required to help municipalities right across this country is to change the present set-up under the BNA Act where there are two governments, federal and provincial. Then the municipality is the child of the provincial government. So they're not really partners, they're children of the provincial government.

The original thought of the Fathers of Confederation was that each provincial government would then handle its municipalities as a father handles his children. Maybe that works out, and municipalities have fared well or not so well across Canada, depending on the attitude of the provincial government.

I think that municipalities have reached the state where there should be a three-way partnership, and that may require a change in the BNA Act. Not may, it will require a change in the BNA Act. I would like to see some provincial government establish a partnership of the three levels of government: municipal, provincial, and federal.

The previous government used to say at times that

the municipalities should have a sufficient amount of revenue to carry out its responsibilities. I think we all agree with that. But what is a sufficient amount of money to carry out its responsibilities?

What I think we have to do — there's some work being done along these lines at the present time by committees of the provincial government — is to set out the logical and reasonable responsibilities of municipal government, provincial government, and federal government. Then work out the revenues based on those responsibilities as far as that will go. But when we've done that, there's still one big gap. If you're going to take it in taxation, you never have enough revenue to provide all the services you want. I don't suppose under any system you would have enough money to provide all the services you want.

One source of revenue in this country has never been tapped by governments. This doesn't belong to any one political group. There have been politicians in every party in Canada — with the possible exception of the NDP, I don't know of anyone there — who have advocated that we tap the tremendous source of revenue we've handed over to the banks. The banks can expand their credit based on certain things in the Bank Act. They can expand their credit. It's an orthodox way. It's been developed through the years. No wonder the banks are prosperous. For every dollar deposited with the Bank of Canada, they can issue up to \$14. They can expand credit and then lend it out. Mr. Speaker, I've always claimed, and I still claim, that that expansion of credit should redound to the benefit of the people of Canada, not to the benefit of the banks, not to that monopolistic group. I've got nothing against banks. They're doing a service in this country. But one group in this country shouldn't have the monopoly of expanding credit and getting all the value from that expansion of credit.

What would be the real thing — I've said this is a Band-Aid, not an operation. The operation Canada needs is for the federal government to say, we will take half the expansion of credit that goes on in Canada today and provide that money to the provincial governments and the municipalities. Then we'd have something to share. Schools, hospitals, and social services could be provided which we can't even dream of today, because it would be based on the wealth of this country; not on something artificial, but on the expansion of credit, a sound device that's been worked out through the years.

The only difficulty is that we've put it in the hands of one group. I would like to see government take at least part of that back and use that expansion of credit and the tremendous value of it for the benefit of the people of this nation and the people of this province.

Mr. Speaker, in my view this resolution is simply a Band-Aid. It simply wants to share in a different way — and in my view a more dangerous and more hazardous way for the municipalities — something that's being done by every provincial government in Canada today, sharing from general revenue. It is certainly being done by this government with an amount of money from general revenue going into the pockets in various ways to conduct municipal government. But if we could have the other with a partnership arrangement, with a share of the expansion of credit to every level of government, we

would without doubt be the most buoyant nation on the face of the earth.

MR. DOAN: Mr. Speaker, I'd like to say a few words on this motion today. I can't support it in principle. I do feel, though, that in some extreme cases our government should probably step in and supervise some municipalities, particularly those that make a habit of overexpenditure. I would say this, Mr. Speaker: only in the cases of severe overexpenditure should this be done.

I feel there are many causes for overexpenditure. Some of them should be given consideration. I think it's generally caused by the lack of programming ahead of time. In my experience on municipal councils, I found our cause of overexpenditure was generally the demands that came in after the budget was made up. Therefore, I would say this should call for each councillor to be on his toes and probably publish his program ahead of time. Then, if he were to get any beefs, they would probably come in before the budget was made up. Certainly, I feel that in extreme cases of emergency, consideration for a small overexpenditure should be given. But this overexpenditure should get first consideration and be taken into the budget next year.

Many other things could possibly cause overexpenditure, such as extreme cases of a change in the weather. I've seen cases when we got a tremendous amount of moisture at the end of the season. This called for our school bus routes to be regavelled or something that hadn't been on the program. This is getting to be a very expensive operation. Many counties and municipalities today have to haul their gravel 30 and 40 miles at a cost of \$3, \$4, and \$5 a yard. By the time the gravel is paid for in the pit, crushed and hauled that many miles, it gets pretty expensive to put on even 200 or 300 yards to a mile, running up to \$1,000 to \$1,500 a mile. But if we're going to operate our schools and get our kids to school these days, this sometimes becomes almost a necessity.

The member for Spirit River-Fairview compared our taxes with other taxes across Canada. It was a little hard for me to understand what he said, that per capita we were in many cases higher than other provinces. With our government paying 84 per cent of education, hospital and social security costs, I can't understand how other provinces could be paying this and be anywhere near the per capita tax that Alberta has today. Besides that, they have many taxes we don't have, such as sales tax. Also, as the Member for Drumheller mentioned, we have lowered our income tax. I think all these things add up in Alberta's favor.

He also mentioned that we should be sharing income tax and our natural resource tax. We are doing this today, Mr. Speaker. I understand 40 per cent of our budget is made up of our natural resource money. I feel that is a pretty good sharing of the resource taxes.

He also mentioned property tax being a regressive tax. Mr. Speaker, I think we're beginning to take a second look at this. This was understood for some time. Now, with the demand of the people, it seems to me the more that is given these days, more is asked for. Consequently, I feel the property tax and people paying for some of the services they receive

has a bit of a holdup on the demand.

I also note that in our municipal finance revenue sharing, where our provincial finance council is looking into these problems, a scheme was undertaken in Manitoba where 1 per cent of the point of the corporate tax and 2 per cent of personal income tax goes to municipalities. In 1976, this amounted to \$16.8 million. In Alberta, if we took today 10 per cent of the total income tax estimated in 1975 and 1976, it would result in only \$51 million, which is less than what was distributed in our municipal assistance grant. I think the different provinces and different situations require different consideration.

Mr. Minister, I can't support the motion that we should not have supervision of our municipalities, because I believe those who severely overspend should probably get some supervision.

Thank you.

MR. KING: Mr. Speaker, I have a copy of the chart to which the hon. member referred, and a copy of a speech made by the deputy minister of the Department of Urban Affairs for the province of Manitoba. I can hardly wait for the opportunity to make a few comments about the chart and the Manitoba experience. I'm really sorry that it's 4:30.

I beg leave to adjourn the debate.

head: **PUBLIC BILLS AND ORDERS OTHER THAN GOVERNMENT ORDERS**

Bill 219

An Act to Amend The School Act

MR. PURDY: Mr. Speaker, I move second reading of Bill 219, An Act to Amend The School Act.

I've had this bill in front of this Legislature on two previous occasions, in 1975 and 1974. I understand that it's been in front of the Department of Education for about the last seven years. It was in front of the ASTA convention about that number of years ago.

Mr. Speaker, the principle of the bill would allow a band council on an Indian reserve if 10 per cent of their pupils were enrolled in the public school system surrounding the reserve.

When I first presented this bill to the Legislature in 1974, I wrote to the various band councils in the province of Alberta, 42 in number, and all the municipal districts. I had a fairly positive response from the various agencies I wrote to. The reason I bring this forward in the 1976 session, Mr. Speaker, is that recently in the county of Parkland on the Enoch Indian reserve, we signed an agreement with the federal government, the provincial government and the county of Parkland to build a 16-room school.

At the present time none of the students of the Enoch Indian reserve attend a school on the reserve, because there isn't one. They attend in Spruce Grove and Winterburn, and a lot of them go into the separate school system in the city of Edmonton. This agreement will allow the native children a school on their own reserve and take pressure off the school systems in Winterburn and Spruce Grove by allowing about 600 pupils to attend the native school on the reserve.

We have this school which will be set up. Hopeful-

ly, it will be opened in 1977. And the native people will not have any voice in the school on their reserve. This is why I bring this amendment of The School Act to the Assembly on this occasion.

I'm not going to be too long on it, because it's fairly straightforward, Mr. Speaker. In summing up my remarks, the only thing I would like to say is that I think that anybody who opposes this legislation will oppose other things we have tried to do for the native people of Alberta.

Thank you, Mr. Speaker.

MR. BOGLE: Mr. Speaker, it's a pleasure to make a few remarks on Bill 219, An Act to Amend The School Act.

I would like to begin my remarks by commending the Member for Stony Plain for bringing forward this piece of legislation. I think the example he has given regarding the county of Parkland and the Enoch reserve is most commendable: the concept of building on a reserve a new school that will serve both native and non-native Albertans. If we are to have the kind of understanding and mutual respect for both native and non-native Albertans that we hope to achieve, there has to be a blending of ideas. There has to be an appreciation of each other's culture and historical values. I believe that can be done very well through a school that serves both cultures, both ethnic groups.

I would like to give a couple of examples of some of the things that I see happening in the province right now, Mr. Speaker. I would like to begin by looking at the Lesser Slave Lake region and the regional council made up of the Indian bands in that area. This council is headed by Walter Twin, a very prominent chief of one of the northern bands. Over the past number of months, the Indian regional council has been negotiating with federal Indian Affairs so that the funds provided by federal Indian Affairs to the various school districts within the regional council jurisdiction will not flow directly to the school boards but will in fact go to the regional council, so that they in turn may negotiate with the various boards.

It's a concept that is a first in Alberta as well as Canada. It's a concept that's allowing the native people to have input. It's their way around the present situation, and that situation is our present School Act, which does not allow treaty Indian people who live on reserves to be nominated to the various school boards in their area.

Another example I would like to refer to, Mr. Speaker, is taking place in the Cardston School Division. About three weeks ago, along with the hon. member from that constituency, I had an opportunity to visit the schools in Cardston. We met Mr. Grant Matkin, the superintendent of the school division, as well as school officials and band officials.

Some of the things we saw taking place, in the elementary as well as secondary level, were most commendable. We saw the special efforts being made to assist native children to learn our language and to better equip themselves to become good Albertans. But again the case remains: there are no Indian representatives on the school board in Cardston.

In order to overcome this inequity, I think the type of legislation proposed by the hon. Member for Stony Plain is warranted. However, I have one concern

about the proposed legislation. It is suggested that in a district or division where 10 per cent or more of the pupils enrolled are Indian residents, an Indian reserve may appoint a member to the school board.

One concern I have, Mr. Speaker — and I think Cardston might again be a good example to use — would be a case where in the schools within the town of Cardston itself, more than 10 per cent of the students would be native. However, if you're looking at the entire school division — and that would include the town of Magrath, the village of Glenwood, and several other rural schools — the overall native population would drop below the 10 per cent figure. This would, in essence, eliminate that reserve from having participation on the school board. I believe that would be detrimental and something that possibly could be looked at in the form of an amendment.

I'm also concerned about a number of smaller reserves that lie within a school jurisdiction. I note that provision is made in the act whereby the largest of the reserves would have the opportunity to appoint a member to the school division. I'm wondering if a more equitable way could not be worked out that would allow a more representative type of voice for the reserves.

One final point, Mr. Speaker. I am a bit concerned about the fact that the band council would nominate a trustee. I'm wondering if the hon. member would give consideration to the idea of having a trustee elected on the reserve, similar to the elections on school boards that take place, generally speaking. If we really are serious about involving our treaty Indian citizens in a democratic way, should they not too have an opportunity, as we do, to freely elect their representatives to the school boards, rather than have their band councils appoint the members?

I would like to conclude my remarks by again commending the Member for Stony Plain. I know he has contacted various bands throughout Alberta. I know this because of the response I received in my travels. I think it's most commendable, and I urge members of the Assembly to give it consideration.

MR. THOMPSON: Mr. Speaker, I'd like to say a few words in support of Bill 219. I would like to give the hon. members a brief history of the involvement of the Cardston School Division with the Blood Indian students.

Originally the education of the Blood Indian students was held in residential schools located on the reserve itself and operated by the Roman Catholic and Anglican churches. In 1948 the parents of four Grade 9 students approached the board of the Cardston School Division and asked permission to have their children attend school in Cardston. The board agreed, and in 1954 an agreement was signed with Indian Affairs for a maximum of 150 students from the Blood Reserve to attend divisional schools.

In the period from 1955 till 1965, Indian Affairs put increasing pressure on the board to accept more students. During this period the school board, of which I was a member, on several occasions discussed inviting the Blood band to appoint a trustee to sit on the board. However, The School Act contained no provision for this, and the idea was dropped.

Since this time, for several reasons, the Indian department and the Indians themselves have decided to upgrade the schools on the reserve, and the

pressure on the school division has decreased. However, there are at present 750 students attending the schools in Cardston, and there are approximately 3,100 students in the Cardston School Division. So the hon. minister is wrong in thinking we would drop under the 10 per cent level.

In the past several years, the Indian student enrolment in the Cardston School Division has varied from 20 to 25 per cent of the total enrolment. The school division graduated 15 pupils from Grade 12 last year, of whom six attained senior matriculation. We could all agree that this is not a very high percentage of the total enrolment. This is one area of concern in the school system. Another is that approximately one-third of the Indian students drop out at the Grade 9 level.

Another, and possibly the greatest area of concern, is the truancy rate. Many pupils at the 12- and 13-year age simply ride the school bus to town in the morning, hang around town all day, and then ride it back home in the afternoon. As the school division has no official control over the Indian pupils, the only alternative it has is to expel these truants. This it hesitates to do. It has two Indian lady counsellors to try to talk to these students, but many of them pay no attention to these counsellors.

I believe Bill 219 may be a possible solution for these problems for the following reasons. If an Indian trustee was appointed to the board — and there are many responsible people on the reserve who could be appointed to this position — the people on the reserve would become more aware of the situation and, I feel, could help solve the problems I have mentioned. At the present time, there is very little communication between the school division and the Blood band. Secondly, the school division itself would be better able to understand many of the problems Indian children have at present in attending school. Thirdly, in matters of discipline, the Indian people would accept board decisions more readily if a member of the band helped make these decisions.

I believe Bill 219, in making this permissive legislation, is taking a step in the right direction. The Indian band, if it so wishes, may appoint a board member. If they are satisfied with the way a school board is operating, they may not avail themselves of this option. But if they feel the system is not satisfactory, they are able to appoint a member to help solve their problems. At the present time, the Indian segment of the school population is not allowed a representative.

The people in my subdivision had many local problems which they brought to me as a school board member. But the Indian people at present have no official spokesman to voice their concerns at board meetings. This may be one of the reasons they feel out of touch.

In conclusion, Mr. Speaker, the problems I have discussed are areas the Department of Education appears to ignore. I assure you these problems will not just go away. Some attempt to solve them would be appropriate. Some people feel an appointed trustee is not the democratic way to do things. But I repeat: when a segment of the school population of 10 per cent or more is not officially represented in some way on the board, this is not democratic either.

Mr. Speaker, I thank you.

MR. COOKSON: Mr. Speaker, I'd like to say a few words about Bill 219. I don't have an Indian reserve in my constituency, so perhaps I can speak from a more neutral position. Although I don't entirely agree with the Member for Stony Plain in saying that if one objects to the principle of this bill, one would automatically — I think he said — object to any initiations with regard to the natives. I hope to clarify that point.

I think the purpose is excellent. Any time you can give any kind of representation to people who have their young people participating and attending a different kind of institution or municipality, I think it has to be a very fair and proper kind of objective. The bill spells out the percentage of pupils required to attend before they would get representation. I think that's fair ball. One has to put some percentage figure in there, or you might want to make provision for percentage attendance of all other ethnic groups.

I suppose that's one thing that concerns me a little bit about all bills that have the intent of helping ethnic groups. It tends to identify the ethnic group, and it has to be spelled out in the bill. That, to me, tends to isolate and identify what I consider a total Canadian mosaic in this country and in the province of Alberta. We're made up of many, many different ethnic groups. I hope some day, Mr. Speaker, to be able to bring in a bill and get support for doing away with identification of ethnic groups as such. When our forefathers came here, unless it was pointed out that you were from another country, we were all from other countries, with the exception of the native people we're dealing with here. I think any time we attempt to make distinctions, unknowingly it causes some concern and perhaps division amongst our people.

There are a lot of inequities in representation, not just with regard to this particular situation but in other areas as well. I happened to run across recommended changes to The County Act submitted on the 28th and 29th of November of '75 by the Alberta School Trustees' Association. They had a number of resolutions expressed about general inequities in representation, for example, in the school system. The inequities are not simply restricted to population as such, but also to equalized assessment and total assessment. Just to point out what I mean by these inequities, I did a little cross-checking to find out, for example, what position the ASTA took on this kind of situation. They have a resolution in this particular paper, and perhaps I could read it. It says:

Amend the provision for representation by towns and villages to school committee to achieve more equal representation by reflecting both population and equalized assessment and further that the formula to be adopted be developed by the ASTA County Act Committee for presentation to the Government of Alberta as soon as possible.

What they're saying is simply that they recognize inequities with regard to assessment and population. There is a section in The School Act, Section 21, which — I won't go into detail — spells out the kind of representation one should have on school boards. [The ASTA brief] says:

This section provides that each village is eligible for one school committee representative no

matter what the population or assessment is of that village. Each town is also eligible for one school committee representative subject to an increase to two if the enrolment of . . . pupils in the town is in excess of 40 per cent of the total enrolment of schools in the county.

They make the point:

The representation from villages should reflect the villages population and assessment. As it compares to that of the total county. There is no formula or base at the present time in regard to villages.

I know from my own experience that we had people sitting on the school boards who, even though they only had one equal vote, represented a tremendous variation in the number of people they spoke for in the assessment.

So let's get to specifics, for example in the city of Edmonton, where my information is that they have seven members on the school board. Each one of those board members represents approximately 40,000 people in his area. Let's take a contrast to that, for example in our county system, to indicate the kind of inequities in population assessment. The one I would be most familiar with is the county of Lacombe, which has, I think, 13 members on the school committee.

The county had a population of about 15,500 when this statistical data was put together, and the towns and villages had a population of about 7,000. So if you have the picture, there are about 7,000 within the towns and villages and about 8,000 in the rural areas. Now, if you work that out in terms of representation, we have a small village known as Clive that has a population of about 249 people. It has an assessment of \$315,000, but it has one representative to represent its people. Conversely, we have a town the size of Lacombe, with the statistical figure of 3,700 people, which has an assessment of \$7.2 million, and which has one representative.

So all I'm saying is that there is a lot of inequity at the present time. I'm hoping the Minister of Education in his busy schedule will take time to look at this, because there is another provision in the county system which says that the county must put at least three council members on the school committee. If the county were to do this, the county would have only three members representing well over half the total population, well over half the total assessment, on a school committee board of 13 members. It's obviously a tremendous inequity in terms of population and assessment.

The result in that situation is that they chose to put the total county council on the school committee. I think there is a provision to do this. The net result is that we have 13 or 14 school committee members dealing with financing, et cetera, representing a population of a little over 15,000 in total. Then we have a situation in the city of Edmonton where you have seven members, half the number of members, representing 280,000 public school supporters. So I think we have to have a look at this somewhere down the road. I've found, for example, in my own situation that we had a very cumbersome school committee, actually overrepresented. I suppose that governments have a tendency to take the easy way out when it comes to politics. Probably when you try to

reverse the situation it is sometimes a lot harder than to carry through with whatever it is and hope the thing works itself out. It's a political decision that may have to be made down the road. I think there have been some submissions by counties and school committees on this very point.

Another one is the county of Paintearth, which has a total population at this time of 5,500, with a \$20.5 million assessment. I think the number on the school committee is about the same as the county of Lacombe. Yet here is a small place, Halkirk, with only 136 people in the area, and \$173,000 assessment, having one representative.

I suppose one could argue that these representatives don't just represent the people within their given boundaries, but tend to represent others too. I suppose one could argue the same thing here: that we don't just represent our constituencies, but we would like to think that we represent people outside the constituencies too, who have particular thoughts about issues.

The bill speaks about appointing a member. I think the hon. Mr. Gogo pointed out this problem in the remarks he made, or perhaps it was the Member for Cardston: that there is some question whether we should permit someone to be appointed to a school board or school committee, or rather to allow this sort of thing to happen through the democratic process, through the election method.

The issue is fairly complicated. I could see some real problems shaping up on a school board where a native person was appointed to that board, and where that school board passed supplementary requisition and requisition in general onto that general area, excluding the area which the native person resided in and represented. I could see all sorts of problems where, we'll use the term, the white population became deeply concerned that they were picking up the tab for part of the school costs incurred by the native children coming in and being a part of the school system.

I know the province and this government have done a tremendous job so far in working with our native people. I think the department handles \$1.5 million and devises ways and means of upgrading, if you want to use the term, the level of educational standards on our reserves and through the Metis population. I sometimes wonder whether we should be upgrading them or they should be upgrading us. That would be a philosophical question. I used to travel through a reserve in 1951, and these people were still living pretty well all year round in tents. I thought to myself, if these people are able to stand the rigors of winter and survive in tents and so on, in this day and age they could probably upgrade some of our learning, because I'm not sure too many of us could survive those kinds of conditions. I suppose we could do it, but I don't know whether we have the courage to do it.

I had an opportunity to attend a function for the minister of postsecondary education at Hobbema not too long ago, and I was tremendously impressed with an institution that has been started by the University of Calgary. It's a branch of the University of Calgary affiliated with the Hobbema Indian reserve, participating in short courses to help the young people to adapt themselves to our fast-moving society. I was really impressed with the young people there, particularly

the girls, in the courses they were taking. They have, I think, probably a little more affinity to education than some of our men, unfortunately. They were largely represented there, although there were some young men working there too. They have tremendous talent in art and music. They are slowly, and I think very effectively, becoming more and more respectful of their own cultural heritage.

I think this is tremendously important: I'd like to see all this crap on TV banned that has any reflection whatsoever on the capabilities of our native people. I think a lot of it is going now. Hopefully, a lot of it is going out of our theatres. It was a lot of junk we inherited from down south, across the border. I hope they keep it there, because we don't need any of that here.

Our native people don't necessarily have to be sympathized with. I think they have to be dealt with man to man. I don't think that a vast amount of money is going to solve their problem. I'm not sure, Mr. Speaker, whether we should be making particular exceptions for them or for any other ethnic group for that matter. Let's work slowly towards letting them find themselves, instead of pouring a vast amount of money into solving some problems they may or may not have.

I sometimes think of the story that was told not too long ago. A teacher was instructing a class. She said, "Now class, would you be in support of taking from the haves and giving to the have-nots? And taking from those that don't have any wants, and giving it to those who need it?" Oh, yes, everybody put their hands up. This is a great suggestion — wonderful. Well, a week went by and another suggestion was thrown out. "Well now, if you agree with that, would those of you who have really top-quality marks be prepared to share them with those who don't do so well in order to upgrade them, and get you all through school?" That's a great idea. Yup, that's fair. Everybody supported that kind of concept. But it wasn't too long, a month or two later, that tests were given. They took 10 per cent off the high marks, and gave them to the person who only had 40. Then they took 15 off. Those supposedly bright characters in the crowd began to figure this was not so good. Gosh, what's the point of working for these marks if this is what they're going to do? So the marks started to drop at the top. Pretty soon there were no marks for anybody. I think it illustrates a pretty good principle of what sometimes happens when you attempt to solve problems by use of funds.

I think we should try — and I know the hon. member is doing this working with native people — to treat them as equals. We should try to eliminate all those areas in which they have special status, because I think we can gradually work those things out in our negotiations. I think this is the problem: the federal government has responsibility for the native people. We have to be very, very careful as we move into assisting our native people in the province that we come to terms with the federal government as to just what responsibility we should take and what responsibility they should take, when they should opt out of certain responsibilities and when we should take over those responsibilities. I think they go hand in hand.

Not too long ago I spoke briefly about hunting rights, where we made special concessions and

exceptions to our native people based on something written 100 years ago. I'm not sure whether many native people today are exactly proud of the fact that they have certain rights that the white population doesn't have. I think we'll gradually move into the area where they'll be prepared, because they know in their own hearts that if we make those special concessions and exceptions somewhere down the road, it doesn't blend a culture. It simply divides a culture.

What I'm saying is that in amending The School Act and making this provision, we should look at all these possibilities, negotiate with the federal government in this particular area, and encourage our native young people to attend our schools, and in turn encourage our own people to attend schools perhaps on the reserves. I even hesitate to use that term any more, because it denotes special status of some type, which I don't particularly like.

But I know that right now a number — I don't know how many, the Member for Ponoka would know — are going to the Ponoka School from the Hobbema Indian reserve. They're a pretty bright, clean, well-dressed, alert group of youngsters. I think they're coming along just fine. All we have to do is encourage them, get away from some of this special status business, and I think they'll take care of themselves.

There's one other group that I'm particularly impressed with down there. That is the Hobbema girls' school band, which I understand has done a tour of Europe. As I say, they are tremendously talented in music. They have been encouraged in this particular area.

In conclusion, I think we should take, through the summer, a good hard look at the amendment, and do some more negotiation with the federal government to make sure we're clear on what our position is with regard to our native people, what their position is, and what changes are going to be made down the road, and incorporate those so as to make our native people feel, and be, equal with the rest of the people in the province.

MR. TAYLOR: Mr. Speaker, I want to just say a few words on the bill. First of all, I'd like to commend the hon. member Mr. Purdy for bringing the bill in. The first thing that I like about the bill is that it would provide Indian people with some experience in the way we conduct municipal government.

I have attended quite a large number of band council meetings over the years. I've always been impressed with the democratic way in which the band councils hold their meetings. I've also been impressed with some other items, like the Stony tribe, west of Calgary, which always opens its meetings with prayer. They might be like us. We open it with prayer and then fight like blazes afterwards, but it still helps a lot I think. I've always been quite impressed with the sincerity with which they start their meetings. But the democratic way — they want to refer to the people who elected them. I think maybe we can learn something from that aspect.

My main reason for supporting the bill is that I think a great number of the misunderstandings on our reserves might be cleared up if we had a person from that reserve on our school boards, or the school committee if it happened to be a county. A number of

complaints always come to me from the Blackfoot reserve about how their children are treated in school, how some things seem to be against them, that they really don't have any idea of how to correct, or who to go to. They generally go to their MLA or, when the minister responsible for native affairs comes around, they go to him. Actually, many of these things could be cleared up right at school board meetings if somebody there could present the facts and deal with them.

My greatest complaints, however, have come from white people about Indian children not being regular enough at school. They're not getting the full value of the school because they're absent too much. It makes it very, very difficult for a teacher to carry out a continuing, good program. That could be dealt with too, because if a trustee was at board meetings when this matter of the attendance at the various schools came before the board from the school superintendent or the teachers, certainly he would be in a position to do something about it, and could take it right back to the people and discuss it with them in their own language.

A native from one of the reserves could also add some color to our school committee meetings. There would be another voice with a different point of view, a point of view that would probably want to retain the cultural heritage of native people and Metis.

Really, I think there are a lot of advantages in this bill being passed. There may be some disadvantages. There may be a lot of obstacles to overcome, as outlined by the hon. members so far and certainly by the hon. Member for Lacombe. But I would like to see the bill enacted, and see what the result would be. I think we might be amazed how many benefits it might bring to us, as well as being a benefit to the native people.

Through the years, one of the major complaints of native people, both Indian and Metis, has been that white people tell them what's good for them, tell them what they should preserve in their heritage, tell them what they should learn, and so on. I think there's now a trend away from that. The Indian and Metis people can decide themselves what they want their children to learn, particularly in the way of cultural heritage. I think it's important that we retain the culture of our native people in the mosaic of an Alberta culture or a Canadian culture. They have much to add in that respect. I think a school board member right from the reserve could add quite a bit to the discussions and the enlargement of a program that would feature or maintain or retain to the greatest possible degree the cultural heritage of the first people of this country.

So I'm supporting the resolution. I think it's a good one. I think it would be well worth a trial. Even if the bill doesn't get through all its stages, I would like to see some school board — if they have the authority to do so presently — try this as a pilot project and just see what the wrinkles are, how much good could be done. I wouldn't even mind discussing this matter with the band council on the Blackfoot reserve. Children from the reserve attend the Bassano schools, the Cluny schools, the Gleichen schools, and the Strathmore schools.

The one fear I have about this, without knowing the actual figures, is that possibly the number of boys and girls from the reserve in any one school would not

equal 10 per cent of the number of pupils in that school. If that was the case, of course, there'd be no authority under this act for a native to be appointed.

However, I think the bill has a great deal of merit. I would like to see it proceed right through all committee stages.

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

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

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, the hon. Member for Spirit River-Fairview asked, as his bill is next on the list and because he can't be here, that it hold its place on the Order Paper. We're agreeable to that.

MR. SPEAKER: Does the Assembly agree to the proposal by the hon. Deputy Premier?

HON. MEMBERS: Agreed.

Bill 206
An Act to Amend the
Highway Traffic Act, 1976

MR. TAYLOR: Mr. Speaker, I believe under the rules that when a debate starts at this time, it would also retain its place on the Order Paper. I'm just wondering if hon. members want to start this debate today with about 11 minutes, or if they want to adjourn and not listen to the same speech twice.

DR. HORNER: Mr. Speaker, perhaps we could call it 5:30. I was going to tell the hon. member that I am in agreement with his bill and I'd quite like to see it passed quickly. However, it would appear that the majority of the members would like to call it 5:30.

Prior to doing that, we should be aware of the proceedings this evening when the House will be in Committee of Supply. I take it we will need agreement of the House to move from Committee of Supply to committee studying bills without calling the Speaker back in. If that could be generally agreeable ...

MR. CLARK: We may not get that far, but if we do it's agreeable.

MR. SPEAKER: Assuming the agreement of the Assembly that it's now 5:30, do all hon. members agree that when they reconvene at 8:00 o'clock this evening they will be in committee to act as Committee of Supply or for consideration of certain bills on the Order Paper as the committee may from time to time decide?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until the committee rises and reports.

[The House adjourned at 5:20 p.m.]

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

head: **GOVERNMENT MOTIONS**
(Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order. With your permission we will revert to Introduction of Visitors.

HON. MEMBERS: Agreed.

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

DR. HOHOL: Mr. Chairman and members of the Assembly, it is my very real pleasure tonight to introduce a group of senior citizens sitting in the members gallery. They have been here for some time touring the Legislature Building.

These people are pretty special in more ways than one. This particular group is part of a larger registration of classes of senior citizens registered for courses at the extension department of the University of Alberta. Seventy-five are from north of Red Deer and 60 to 80 are from Calgary. They're all senior citizens. The course is sponsored for the most part by the Department of Advanced Education and Manpower and by the faculty of extension and the Society for the Retired and Semi-Retired.

The senior citizens were offered 13 courses to choose from. Mr. Chairman, these courses range from general interest classes — such as Indoor and Outdoor Gardening, three different writing classes, and Well-Read Grandparents, a study of children's books — to Philosophy, Living on Reduced Incomes, and design workshops. The senior citizens are treated to social programs such as today's tour of the Legislature, dances, picnics, and visits to the planetarium, the Muttart Conservatory, and other interesting points in Edmonton.

I should mention, sir, that Mrs. Monda Wadsworth, who developed this year's program, and Miss Donna Fleming, associated with the program, are with the honored guests here this evening. I would like to ask them to rise and receive the applause of this Legislature.

MR. JAMISON: Mr. Chairman, it's my pleasure this evening to make one short announcement. At the end of the second period, it's a 2-all tie with the Montreal Canadiens and the Philadelphia Flyers.

AN HON. MEMBER: We knew that.

MR. JAMISON: Mr. Chairman is not too happy tonight. He has a small bet with me on that.

Tonight we have with us the 3rd St. Albert Apache pack, 25 in strength, together with their leaders, Dale Rokosh, Neil Gray, Rod Fimrite, Don Funk, and Peter Howell. They are seated in the members gallery. I ask that they stand and receive the welcome of the Legislature.

head: **GOVERNMENT MOTIONS**
(Committee of Supply)
(continued)

**Department of Federal
and Intergovernmental Affairs**

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

MR. HYNDMAN: Mr. Chairman, I've noticed over the course of the last eight weeks that when the first two or three departments came forward, there was always considerable applause when you asked for the minister to make opening remarks. I've noticed the decibel rating has dropped considerably over the course of the last 20 departments. Also, I might add that over the last 72 hours I've received some unsolicited advice from a number of MLAs, most of whom indicated they would have no serious objection if my remarks would be something less than a verbal marathon.

Accordingly, my remarks this evening will be in the form of a general overview, and they will be brief. I would be pleased to supply any detailed information with regard to particular aspects of the department, perhaps in response to questions following my brief remarks.

At the outset, Mr. Chairman, I would just like to call attention to the outstanding leadership given to the Department of Federal and Intergovernmental Affairs by Mr. Harold Millican, its Deputy Minister, very ably assisted by the new Assistant Deputy Minister, Dr. Peter Meekison. I think there should also be some recognition of the resourceful and talented staff of the department. It's very small, numbering something fewer than five dozen people in total, but their brain power and good judgment, in my view, have done a great deal to make this compact but very highly motivated department an effective one in government.

I'd also like to have the Assembly take note of the effervescent efficiency of the four people in my office, my executive assistant Mr. Peter Horcica and three attractively competent young ladies.

MR. CLARK: We expect more applause than that, fellows. Come on.

MR. HYNDMAN: Mr. Chairman, with regard to a general and brief overview of the department, I'd like to relate it to some current federal moves and initiatives, some of which might even be characterized as intrusions. I think four have been discussed over the course of the last seven or eight weeks, and information has been given by ministers of line departments, so I won't go into them at this time, but I'd be happy to answer questions. Those are the subject areas of energy, transportation, patriation of the constitution, and anti-inflation. They're all important. They all occupy a good deal of our time and attention, but I think many of the MLAs are familiar with the broad areas in which the department and the government are now moving.

There are some other areas however, Mr. Chairman, which I think should be reviewed — areas in which the federal government is making a number of

significant moves, and which are occupying a good deal of time, attention, and sometimes very real concern by this department. One of them is telecommunications. As members know, the CRTC recently took on a larger mandate in the area of developing a national policy in telecommunications. The federal government has been taking some firm steps toward control of Canadian broadcasting through regulatory restrictions, and of course the very important phase two legislation involving the federal Broadcasting Act will be coming before the committee and the people very shortly. That legislation could have a very real effect on the relationships and jurisdictions of the private sector and the roles of the CRTC, the federal and the provincial governments in Canada.

The administration of justice is another area of special attention. The young offenders' legislation with regard to juveniles has now been delayed until the spring of 1977, and we have indicated some very real questions about the constitutional and jurisdictional aspects of the first draft of that bill, which appeared some months ago.

The RCMP agreement between Alberta and the federal government is still not a completely satisfactory arrangement. The question of the federal government's peace and security legislation is, of course, one of continuing interest. The area of law reform is going to require a dovetailing between the federal law reform provisions, which the new federal Minister of Justice has indicated he will act on, and our own Kirby Commission report.

There is some movement in the area of national parks. There's a federal study on local government for the townsite of Banff scheduled to be completed in June or July. It's anticipated the results of that study will be applicable to the Jasper townsite.

In the area of land, of course the question of foreign ownership has now taken the form of an amendment proposed by the federal government to the Canadian Citizenship Act. As I indicated to the House some weeks ago, we've written to the federal government indicating some concerns with regard to the limitations. We haven't yet received a reply. I hope to receive one shortly.

Another area with regard to land that I think should be of concern to Albertans is a recent proposal for federal guidelines for land use in Canada; in effect, a suggestion that the question of planning, land use, Land Use Forum jurisdiction is one where the federal government may now be seeking to get in and do planning for provinces in areas which we feel may well be matters of provincial and local jurisdiction, not federal.

A further area where there could well be what we consider an intrusion is the area of demographic objectives. That essentially means who lives in what places, the size and future size of our cities, the dispersal of our population, the role of our towns and villages. I'm not at all personally convinced that many aspects of that question are of federal jurisdiction.

In the area of fiscal arrangements, a great deal is going on at the moment. There are important discussions, some of which have already taken place, with regard to renewal of fiscal arrangements to expire March 31, 1977. It's a complex area. Some of the subheadings being discussed are revenue equaliza-

tion payments, the provincial revenue stabilization, tax collection agreements, tax revenue guarantee payments, transfer payments regarding the 1971 income on hand, and postsecondary education adjustment payments. It's a very complex area, Mr. Chairman, and I very much doubt whether the transcripts of these discussions will ever be serialized in *Maclean's* magazine or reach the bookstores in the form of a best seller. But they are areas with regard to the fiscal relationship of the provincial and federal governments that will be especially important over the next two or three years.

Another area is cost sharing. As members know, four special areas of shared-cost programs are occupying our attention: the medical care program, hospital insurance, income security, and postsecondary education. At their meeting in mid-June, the first ministers will be looking at and reviewing what we understand will be a new federal proposal with regard to cost sharing. The western premiers recently offered their comments on it, and it's an area where I think we'll be increasingly involved over the next three to five years.

Finally, Mr. Chairman, I'd just like to outline developments in the area of consumer protection that I think are of very real concern. This relates to provincial jurisdiction. The federal government is unfortunately not showing a willingness here to discuss the question of legislation or policy with the provinces. They have indicated some discussion of the regulations might be considered. That's not good enough in our view. This area is one in which the federal government is moving on seven or eight fronts, and they must be watched very carefully.

This area includes items which relate to federal initiatives in the areas of securities legislation; mutual fund legislation; the supposed electronics payment system, which has many implications; the Bank Act revision scheduled for 1977, which may have an impact on near banks; national credit legislation; legislation with regard to loan sharks, as has been reported; new competition legislation; the question of trade practices — an area where three provinces, B.C., Alberta, and Ontario, already have statutes, and we don't propose to have the federal government move in on them. There's a real question of conflict or possibly duplication of provincial legislation. That also applies in the area of bankruptcy, where the four western provinces are already involved in orderly payment of debts.

Then there's a proposed national home warranty program. The suggestion sometimes is that mortgage funding by the Central Mortgage and Housing Corporation might be used as a lever to achieve federal ends. In our view, the province of Alberta can act in that area in concert with the private sector probably much more effectively than the federal government.

In conclusion, Mr. Chairman, I think it's clear that as a government we must be wary of new federal initiatives in a host of areas in which they are moving. We have to be on guard with regard to real or developing federal intrusions. We have to be very vigilant as to the long- and short-term consequences of various federal moves. Certainly, as a province we're prepared to co-operate in any way we can on a reasonable basis. We're prepared to negotiate. We're prepared to go to meetings and have discussions.

But as a province we're not prepared to accept unilateral decisions from Ottawa. We're not going to buy any edicts from the national capital. We're going to dispute very vigorously any kind of take it or leave it propositions from the eastern part of the Canadian federation. That's not the kind of confederation we see. That's not the kind of Canadian partnership of provinces we see. That's not the kind of Canada we, and I think other provinces, envision.

I think it's clear, Mr. Chairman, that this whole area of relationships between Alberta and the federal government is becoming increasingly complex, almost on a daily basis. I don't think there's one department of the Government of Alberta that isn't involved in some way or another with a matter that involves other provinces or the federal government. There are going to be some very difficult problems. But as I said, I think that with continued vigilance, with an ability to react quickly, to co-ordinate, to work out carefully considered and imaginative plans for the long term, we will continue to be able to move Alberta into a position of respected leadership in the Dominion of Canada.

MR. CLARK: Mr. Chairman, I welcome the remarks by the minister. I can recall, I believe it was in 1972, when the government set up the Department of Federal and Intergovernmental Affairs, and the debate or the argument — the debate I guess — that took place on that occasion. Perhaps for a while this evening it would be good to look at other kinds of progress the department has made during the four-year period of time.

I'd like to ask the minister to start with the area of cost-sharing agreements with the federal government. The minister indicated that in the next three to five years some very major decisions will have to be made in this area. There is the medicare area, there's postsecondary education, there's the income security question — those three areas.

Before we get involved in those areas in a bit of depth, I'd be very interested in having the minister explain to the committee how his department works with the various government departments here. Does the minister's department operate with perhaps one person in Federal and Intergovernmental Affairs who becomes somewhat of a 'generalist' in that department's concerns, or does the department rely pretty well completely on officials within the department involved? In this case, it would be in Treasury. So perhaps the minister would give us some sort of outline as to the working relationships and who really ends up with the responsibility as far as the position Alberta takes with regard to the cost-sharing question coming up in the next three to five years. What mechanism, Mr. Minister, is used between you and your colleague and the officials involved?

MR. HYNDMAN: Well, Mr. Chairman, this department is not a line department. It's not a program delivery department. So the general programs and policies, for example, in the area of postsecondary education would be developed by that particular ministry. Similarly, in the area of income security, the Department of Social Services and Community Health would be developing the general policies there.

However, bearing in mind the fact that there are

four major programs, one of our objectives would be to co-ordinate the provincial position so that we don't have three or four voices speaking to Ottawa in three or four different ways as to the overall principles of shared-cost programs. We don't want to be whipsawed: Our efforts there are to ensure that there is a coherent provincial position, the principles of which are approved by the cabinet. We have a senior intergovernmental officer who works with a small staff on the question of shared-cost programs, co-ordinates with the three other departments involved, and would attend meetings with them. But those departments would take the initiative in terms of presenting arguments at federal-provincial conferences.

MR. CLARK: Just following along, Mr. Minister. You indicated that you have a senior official in the department who, if I might use the term, rather co-ordinates what's going on in the cost-shared program areas. What other areas do you have co-ordinators or people in? I think in terms of especially the question of the constitution. Is that being handled by Dr. Meekison, or just where does that responsibility rest?

So really it becomes two questions. In addition to the cost-shared programs, what other areas do you have co-ordinators appointed in; and secondly, how is the constitutional question — not the question, but how is it being organized within the department? Where do the responsibilities lie?

MR. HYNDMAN: Some other areas, for example, where there are co-ordinators would be the area of energy, and the area of consumer protection and consumer affairs in a very broad way. The area of constitutional matters and relationships is one which has been occupying a great deal of the attention and expertise of Dr. Meekison with the assistance of two or three able people. But he certainly has been one of the key people, and his expertise in relationship to the university has been of great assistance.

MR. NOTLEY: Mr. Chairman, just a few comments on this particular department. I don't intend to go over the ground we trod upon last fall when we discussed anti-inflation in this House. However, Mr. Chairman, I would like to ask the minister if he could bring us up to date on just where things stand with Mr. Pepin and Mme. Plumptre's board in terms of whether they are doing the job or not, and whether we're satisfied with the kind of performance taking place, particularly with respect to two areas.

One area is the whole field of price control. I would be interested to know whether the minister feels that the rather complicated formula of per unit costs averaged over five years is in fact workable, whether that is in fact restraining price increases in the country, or whether there are other factors.

The other point I would perhaps like to pursue relates to certain settlements between management and labor which have been agreed to in Alberta, but have subsequently been rolled back or modified by the AIB. Because those will be of a little more specific nature, perhaps we might begin with a general assessment on the performance of the Anti-Inflation Board to this point in time.

MR. HYNDMAN: Well, Mr. Chairman, I think when the various provinces entered into agreements with the federal government — and most of them have — they realized at that time it would probably be folly to expect perfection of this board. We have in our agreement, as members know, a provision whereby on three months' notice, which would be June 30 of this year, if there were a substantial degree of dissatisfaction with the method of operation of the federal Anti-Inflation Board, we could move to our own board on October 1.

Realizing that as someone prominent once said, there is and has to be an element of rough justice in this program, I think we are not unsatisfied with the general performance of the board to date. I think it had to be organized probably too quickly. There have been some major areas of weakness, but so far, I think, the two things we were concerned about — one was a continuous series of major delays, and the other was a failure to recognize regional interests — have not become sufficiently serious that we'd give consideration to moving to our own board.

On the question of price control, the mechanism is a very complex one. It's difficult to measure. Certainly one of the more prominent measurements has been the consumer price index. I suppose one can draw any number of conclusions from that index. It has dropped. The biggest drop has been in the area of food, yet food at the farm gate is not controlled. Food at the retail level is controlled, and many people will suggest that the laws of supply and demand play a greater part in terms of food costs than anything else.

The housing area is one which has been off the general pattern of the consumer price index. It has been dropping, whereas over previous years it had been rising. I think it's probably premature now to have any definitive judgment on the effectiveness of the AIB, but there is some evidence to date that the inflationary psychology, which I think was the original problem, is dropping.

With regard to the question of individual settlements, perhaps the hon. member would like to detail those. I presume he's thinking about the AGT one, for example. If he'd like to pose questions in that area now or follow up on these, I'd be happy to answer questions.

MR. NOTLEY: Well, Mr. Chairman, the question of how much credit you give the AIB is really subject to debate. For example, in the area of food costs, I suspect that the ranchers and the cattle producers of this country are playing, or have been for the last year and a half, a much greater role, albeit a totally involuntary one, than Mme. Plumptre and Mr. Pepin in bringing down food costs in this country. That's not necessarily something in the public interest of Alberta — as a matter of fact, quite the reverse.

The question I wanted to come to dealing with the labor settlements relates first of all to the AGT settlement. Perhaps we might just begin there and ask the minister what the position of the government was on this particular matter.

MR. HYNDMAN: Well, Mr. Chairman, I think the government and the Legislature itself knew, when we entered into the agreement and passed the enabling legislation last fall, that there was a capacity in the

board to roll back. I gather that the initial settlement agreed upon between the parties was something in the area of 13.5 per cent. There have been indications the federal board wishes that rolled back to 10 per cent. It is my understanding that the question of the method of calculation of certain benefits is really at issue.

I understand the union has initiated an appeal to the administrator. We recognized some months ago that there would be some appeals, but I think we'll have to see the result of that. I guess one swallow doesn't make a summer.

MR. NOTLEY: Mr. Chairman, very frequently we've seen joint appeals, where a settlement has been reached between management and the union, and the AIB has said, no, that won't do. We have seen examples of joint appeals. The minister points out that the union is appealing it. However, in effect the agreement was between AGT and the union.

My question in this instance is: why would we not consider a joint appeal?

MR. HYNDMAN: That's a decision I think we have left to the board of directors of Alberta Government Telephones. Presumably for reasons they're more aware of than I, they decided they would not join in an appeal, and I presume the union, the International Brotherhood of Electrical Workers, decided to proceed on its own. I gather an appeal is valid irrespective of whether it's a single or a joint appeal. I don't know the reasons. That's a matter we would leave to the board of directors of AGT.

MR. NOTLEY: There's one other labor question I'd like to deal with before getting into the mechanics of the AIB: the Luscar coal dispute, where the 425 workers walked out in protest. I think it was a week ago — was it not, Mr. Minister? Is the minister in a position to report on the disposition of that? I understand the AIB has rolled it back. But does the minister have any additional or supplementary information he could bring to the members of the committee?

MR. HYNDMAN: I don't at the moment, Mr. Chairman. I heard the same informal report as the hon. member, but I'll follow up on that and attempt to get more definitive details as to exactly what the board has ordered or decided, and where we go from here. Perhaps on a subsequent day you could ask me that question, and I'd be happy to pass on details.

MR. NOTLEY: Mr. Chairman, I'd like to move on, dealing with this question of the wage and price controls issue. The newly elected leader of the Conservative party recently initiated a number of speeches across the country suggesting there ought to be full public discussions on options for post-control Canada. Well I happen to think in this case the leader of the Tory party is right.

However, I wonder whether or not that is the official position of the Government of Alberta as well, whether in fact at this stage Mr. Trudeau and his colleagues should be making available whatever memorandum, data, assessments, reviews, what have you, would be necessary to facilitate the kinds of discussions of future options Mr. Clark is talking about.

MR. HYNDMAN: Well, I think it's more properly a responsibility of a federal Member of Parliament to pursue that. Our position in Alberta is one which will reflect the best interests of the province. The area of what's going to happen after the three-year federal plan is up — they said it will be three years — is one that we haven't information on. I think, probably through the level of officials who have been meeting since last October, we would try to ascertain what the federal government is going to do. We understand that in the forthcoming federal budget there may be some changes in the anti-inflation area.

But I think our obligation is to try to foresee what the federal options might be, then determine a policy that will be in the best interests of Alberta. Of course, we have our own program, which ends on March 31, '77, under an act of the province of Alberta.

MR. NOTLEY: Mr. Chairman, because we have a temporary program which lapses in approximately a year's time, it seems to me that it is of interest to know where the Government of Alberta would stand on this question of post-control Canada.

In the minister's discussions with federal officials, has there been any indication as to how long we are looking at this wage and price control program? I'm not talking about the province of Alberta. I know the position of the province of Alberta, but in terms of federal thinking, has there been any change? Have they been sufficiently happy with the progress to date that they feel it need not go the original three years that I think was contemplated?

MR. HYNDMAN: We haven't received indications of any time line from the federal government other than what they said originally, which was December 31, 1978. There's a good deal of speculation from various quarters, but we've received no information as to anything other than that original three-year time line which they proposed, and which we halved to 18 months.

MR. NOTLEY: At this stage, is it still the position of the Government of Alberta that at the end of the 18-month period our participation will in fact expire? Or are we leaving the option open to participate if the federal program is continued? Obviously to a certain extent we have no choice, because the federal program applies to Alberta, barring any unforeseen change as a result of constitutional challenges which I'll come to in a moment.

What is the position of the province of Alberta at this juncture as to the exploration of participation at the end of 18 months as far as the public sector is concerned? You could very easily see a rather unique situation where if we withdrew from the program, the public sector that comes under provincial jurisdiction could suddenly have substantial increases. On the other hand, the companies of 500 employees or more which theoretically come under federal jurisdiction would be restrained by the provisions of the federal program.

MR. HYNDMAN: That's an important question, Mr. Chairman. I think I'd have to say that we see nothing at the moment which would lead us to change our minds on the initial period of 18 months for Alberta.

However, we are continually assessing and monitoring the situation. It is possible that we would reach a different view as the months go by.

MR. KIDD: Mr. Chairman, first I would like to add to the approbation the hon. Minister of Federal and Intergovernmental Affairs has given himself in his opening remarks. Although for a modest man such as I this is somewhat embarrassing to do, his performance has been excellent.

However, with regard to the national parks, I would ask the minister to urge the federal government to act more quickly and effectively in the integration and co-ordinated development of Canmore and Banff in the Canmore corridor. Canmore does not wish to become a bedroom community for Banff. However, such developments as the recreational area at Assiniboine can be good for both. Let's just move more quickly and in a more co-ordinated way.

MR. CLARK: Mr. Chairman, I'd like to ask the minister about the trip to Europe last summer. If I recall correctly, one of the areas covered by the trip was to create a greater awareness of services available in the Alberta service industry and consulting area to groups in Europe.

I suppose we could start by asking the minister for a general statement on the kinds of positive things he has seen as a result of that trip. I believe leaders from two countries in Europe have been to Alberta on two occasions during this session. I think that's a plus. But after we get through that stage, what are some of the more concrete results of the trip to Europe?

MR. HYNDMAN: Mr. Chairman, as I think I mentioned when I reported on the mission, it's going to take some time before one can identify specific areas that have brought benefits to Alberta as a result of the trip. As members know, it took some three years to generate the \$40 million hog contract after the mission to Japan.

I think, though, that most people in the private sector — and one of the difficulties is of course that the private sector is just that, and we're not privy to everything that happens. But many people I've talked to in that sector have said they have made new contacts and people from Europe have come to Alberta as a direct result of the mission.

I recall talking to the late Mayor Hawrelak last fall, just a few days prior to his unfortunate demise. He said that two people from financial circles in Europe had called on him and had wanted to invest substantial millions in Edmonton, and that it was as a direct result of our mission there that they were coming to the province of Alberta.

It's difficult to compile an inventory without going through all the private companies in the province and saying, well now, have you had any results from the European mission? It's difficult to identify them. I think quite clearly the \$300,000 investment will pay off, if you look at a time line of three to five years.

Certainly, the visit of certain European statesmen and leaders in finance and industry, while difficult to pin down in terms of concrete benefits — I think the realization, perhaps even in central Canada, that there's more to Canada than just a golden triangle and the fact that they are now saying to people who

come from Europe, you must go to Alberta, is one which will pay substantial benefits.

MR. SCHMID: Mr. Chairman, if you will permit me, because I really haven't had time yet to communicate this to the hon. Minister of Federal and Intergovernmental Affairs. Within the last three weeks I happened to have the privilege to entertain a banker from one of the largest private banking companies in Germany, who came here for investment investigation. I know personally of a company which is opening a manufacturing plant in Calgary as a result of that mission to Europe.

Also last week, a similarly interested party who came over previously from Great Britain visited my office to investigate investment possibilities in the city of Edmonton, again as a result of that mission.

MR. CLARK: Mr. Chairman, I know how the minister likes to commit himself to specific periods of time and so on. Mr. Minister, are we looking at a three- to five-year period when we can start to look at some of the, shall I say, more concrete results of the trip to Europe? You mentioned the trip to Japan, and I think you said three years following that we became involved in a pork contract and some other areas.

I interpret from that comment that it's fair for us to look at the trip to Europe in three to four years, something like that, and say, now what are some of the concrete things that developed as a result of that trip? Mr. Minister, is that a fair assessment of what you're really saying to us?

All Albertans are pleased that people like those the hon. minister of culture talked about are coming to Alberta. But I think we're all aware, too, that these people go to a number of areas around the world. It then becomes a matter of them making some decisions as to what in fact they're going to do and where they're going to do it.

So I come back to the question: is it fair to think in terms of three to four years as a reasonable time to expect some, let's say, fairly concrete happenings as a result of the trip to Europe? Now I wouldn't want to put the government in a position that they'd have to take the credit for everything that might emanate from Europe in the course of the next three to five years. But seriously, is that a reasonable period of time?

MR. HYNDMAN: Mr. Chairman, I think the benefits probably started accruing the day after the mission ended; many of them are, say, not that visible. I think they have been occurring daily, and if one wanted to carry out a very substantial and detailed canvass of the entire private sector in Alberta, you'd find that virtually hundreds of people would say, well, partly or wholly as a result of that mission, these positive things happened.

But if you're talking in terms of a specific like the \$40 million hog contract to the far east, I would think that over the course of the next number of years, up to five years, there will be an increasing number of projects which may have had a gestation period of the first week or two after the mission. I'm personally convinced it was thoroughly worth while, and if I had the choice to recommend it again I would do so highly and without hesitation.

MR. CLARK: Mr. Chairman, I'm not trying to put the minister on the spot. Mr. Minister, if you had to do the trip again, what additional things would you do there?

MR. HYNDMAN: Well, I think I might do a few less, Mr. Chairman. It was a fairly wild and busy pace. But in the assessment we made of the mission, we thought it was properly done. There was a very real question before we left as to whether we should be going off to get information with regard to the social areas — such things as housing, corrections, environmental ideas — in Germany and the like. I think we concluded that was a valuable benefit. It was very different from the normal everyday type of trade mission, but I think we found that was very much a plus. I can't think of any major aspect of that mission that we would have done differently.

MR. CLARK: Mr. Chairman, just following along with the minister's comments. One of the things that surprised me, frankly, as a result of who was involved in the trip to Europe — as I understood it, one of the prime areas was to increase trade between Alberta and the European Common Market basically, the European countries. One of the things that surprised me somewhat was the fact that the Alberta Export Agency wasn't involved in the process. It's my understanding that that would be the overall agency the government would look to as far as a field for the potential is concerned.

If I recall the set-up of the agency properly, we have a group of people in the agency who really are familiar with the kinds of things Alberta has that perhaps various areas of the world are interested in from a market standpoint. Then the agency has had trade directors in various areas of the world, and in fact those trade directors have the responsibility of bringing together the Alberta products with the opportunities in various parts of the world.

So I ask you, Mr. Minister, why wasn't the Export Agency involved in the trip? It does seem to me, if it's playing that co-ordinating role within the government, that that's the agency the government might well have looked to, not for the organizational input but certainly for input as to opportunities. Frankly, I would have suspected that some of the senior people from the Export Agency would have been along on the trip because of the experience they've supposedly had in Europe over the past three years.

MR. HYNDMAN: Mr. Chairman, I think the Minister of Business Development and Tourism was on the trip, and I think it's important to remember that we were not so much going on the mission to sign specific contracts for 100 or 200 specific goods. That would come later. It was developing an awareness, particularly with regard to any assistance we could provide in the third of the federal government's options, which were: developing in the European Economic Community a relationship to balance that with the United States; finding out something about that economic community which is now, or will become, one of the largest trading blocs in the world; and assisting the Canadian position with regard to opportunities in that economic community. So that's done at a level, I think, with the minister involved with the Export Agency, who was there. The kind of

activity the hon. opposition leader refers to, I think, is essentially follow-up.

MR. CLARK: Mr. Chairman, when the delegation left I got the impression there was a considerable amount of enthusiasm from Alberta for the negotiations that had gone on [between] the federal government and the European Common Market, as far as the contractual link was concerned. I'd be interested in hearing what kind of feeling the Alberta delegation, especially the minister, came back with, following Alberta discussions with the European Common Market people, and in the course of the discussions the Alberta government had with a variety of political figures they met with. Perhaps in the long term, while central Canada may have a bit more to gain from a contractual link with Europe than we have, certainly Alberta in the long run has a great deal to gain too, if this can develop properly.

So what was the reaction of the Alberta delegation concerning the contractual link and the negotiations with the federal government, and the follow-up meeting since coming back to Canada?

MR. HYNDMAN: When we arrived, Mr. Chairman, the question of a link of any kind between the country of Canada and the Common Market was very much up in the air. We left with a good feeling, with a hope that something would be done. We certainly weren't experts in dealing with such large and unique entities as that. But in recent remarks, the Prime Minister specifically stated and acknowledged Alberta's contribution as one of the elements that assisted Canada in developing what has now become, I gather through a protocol or treaty, a formal relationship between Canada and the European Economic Community.

MR. MANDEVILLE: Mr. Chairman, could the minister indicate when we can expect a decision on the constitutionality of the federal price and wage control, which is going to be tried in the courts?

MR. HYNDMAN: I don't know, Mr. Chairman. From my experience in the legal profession, I hesitate to predict when Her Majesty's courts will come up with decisions. That is within their jurisdiction. However, I hope it would be at the latest in midsummer or possibly before.

I understand that last Monday — that is, four days ago — was the deadline for filing of the factums of the formal legal submissions of the various parties, the federal government and the provinces. There is some indication the justices of that court would be prepared to hear the case in the first week in June. I don't know when they will come up with a decision, though I gather the federal minister has indicated the federal government would like an early one. So I would presume at the earliest, June, and at the latest, August.

MR. MANDEVILLE: Mr. Chairman, in the [event] the decision favors the feds, what effect will it have on Alberta anti-inflation legislation?

MR. HYNDMAN: In that event, it wouldn't have any effect on the legislation now in place in the province. What it might well mean, though, is a permanent erosion of what we would consider the historical

constitutional responsibilities of the provinces. I think it would mean very serious consequences in future decades with regard to the provinces determining that part of their own economic future which has been properly theirs.

MR. NOTLEY: Mr. Chairman, I was going to raise the question of the constitutionality, but perhaps I'll do that in the context of several other questions as well.

During the course of the minister's first response on the anti-inflation program, he indicated that the housing index price was down. I was a little intrigued at that . . . Oh, up. Well, fair enough, we're on the same wave length now. I was certainly puzzled when I had the indication it was down.

I wonder if the minister would care to advise the committee whether there have been any specific representations by the Government of Alberta on this question of the price-control factor. The minister indicated it was a very cumbersome approach — no question about that. But has there been any discussion among your counterparts in other provinces as to how one might be able to devise a somewhat less clumsy price-control system? Because it seems to me that the method that is outlined now is really an incredibly complex route to follow. I would assume there must have been discussion among other provinces as to alternative routes.

For example, Mr. Turner was quoted several months ago as saying what the federal government should have done, if they meant business on wage and price control, was to have brought in a freeze across the board as a preliminary, so they could have put their program in place. In 1974 Mr. Stanfield made almost the same proposal, that there be a temporary freeze while the mechanism of wage and price restraint was set up. I'm the last one to be a follower of Mr. Turner or Mr. Stanfield, but it seems to me that the fact of the matter is, if you are going to create the psychology which would engender co-operation — especially now, let's face facts, right across the country, there's tremendous opposition to this in the trade union movement — I really feel that Mr. Turner's suggestion would have made a lot of sense. It would have set the plan so that the working man would see it as a fair scheme.

If there are going to be controls on wages, fair enough. But at least for the period of time the mechanism is being set up, the bureaucracy established, the agreements with the provinces ironed out, there would be a freeze. That didn't take place. But it seems to me that as a result of it not occurring, the whole restraint policy will suffer inasmuch as it does not have the public acceptance that might otherwise have been the case. That's history now. We're talking about something I believe could well have changed the course of this program significantly.

However, my question, Mr. Minister, relates to whether we as a province have made any specific recommendations as to how we could make the price control feature more workable.

MR. HYNDMAN: Mr. Chairman, I suppose the price-control feature, and indeed the entire anti-inflation program, is very complex because Canadian society, especially in the private sector, is very complex and has been based essentially on supply and demand. I guess it would be suggested to the provinces who

criticize that it would be their responsibility to come up with a better alternative. When you look at the base guideline the federal government is using, and that is to try to have a 'cost passed through only' kind of price-control feature, perhaps most people would agree on that one. However, I don't think there can ever be a totally simplified program unless it's a complete freezing of wages with prices. I think the number of inequities from that kind of program — which I suppose was one option the federal government could have followed last fall for a limited time, but did not follow. I think perhaps the severity of the dislocations and inequities might have been even worse.

At the moment, I think the federal government is simply trying to come up with something in a highly complex area when there are literally millions of interrelationships between supply and demand and consumption; and that this program — and there have been some changes, moves with respect to banks and that kind of thing — will necessarily be imperfect. I doubt whether there is a perfect plan. It's like democracy; it's very imperfect, and to work effectively it will always have to remain so.

MR. NOTLEY: Well, Mr. Chairman, I certainly agree we have an imperfect plan. We have a plan with a very large measure of rough justice. There's really little doubt about that. But because of the complex nature of the Canadian economy and the literally millions of different pricing structures that exist within it, frankly, I have real difficulty in seeing this thing work. The two senior officials of the board can be the most able people in the country, and they can be backed by the most brilliant staff, but the job of using the formula they apply is just so incredibly time consuming that you will get only periodic moves in prices. Perhaps these periodic moves will have some symbolic value. But I just can't see this mechanism working effectively.

Now the other point, of course, about a freeze on prices: I think Mr. Turner's point was not that there be a permanent freeze on wages and prices. That really isn't possible when so many of the goods and services in this country have to be imported. So the only way a freeze could work would be for a limited time. The point I think Stanfield made in 1974 was a 90-day freeze, so that during the period of the 90 days the governments would have an opportunity to consult and put in place some kind of workable restraint policy. Now that may still be rough justice.

The point I made in raising the question is: it seems to me that had there been a freeze in prices, it would have been an awful lot easier for both federal and provincial governments to sell the scheme now to working people, because you had a situation where the announcement was made in October by the Prime Minister, and very shortly thereafter the price of a whole series of commodities went up.

It's a little difficult, you know, for the person who's pushing a broom to be convinced that this isn't — not only rough justice, but tough justice, or not even justice at all. That, of course, is the situation which I think governments have to face today in Canada, that it's not just a few labor leaders who are objecting to wage and price controls.

Frankly — and I've been fairly closely associated for a number of years with the labor movement in the

province — I am amazed at how deep the frustration and the resentment on this matter runs among average people in the shop, not just the top leadership of the trade union movement. I think we deceive ourselves if we think it's just a matter of a few isolated labor leaders complaining. It runs much deeper than that. I think it stems to a large extent from a feeling that the working people are being singled out as scapegoats, and that the price control mechanism has not been seen to work effectively. Well, again to a certain extent that's water under the bridge. I just simply state that as my opinion.

Mr. Chairman, I would like the minister to respond on a number of other questions dealing with federal restraint. It's pretty obvious that when we as politicians decide we're going to fight inflation by cutting government expenditures, there are certain things that affect us. Obviously one thing that is affecting us is this cow-calf stabilization plan. In his discussions with federal authorities, has the minister been given any idea whether that scheme has the slightest hope of proceeding? Or is it now finally and completely a victim of Mr. Trudeau's restraint policy?

I say that not to provoke an argument, but because we have had promises and we have had undertakings and suggestions from federal officials since last spring, a year ago, that this plan would be just around the corner. But it's a rather long corner. In the process, it may well be that the market situation will work itself out, not because people are in business who should be in business, but because a lot of the little fellows are going to be squeezed out and prices will eventually rise as supply goes down.

But the question really is — it seems to me that one of the casualties from Mr. Trudeau's current restraint policy we in Alberta have had to face is the cow-calf stabilization plan. Is the minister in any position to comment on that?

MR. HYNDMAN: Well, I think the Minister of Agriculture could comment in more detail, but we haven't given up hope that the federal government will find the funds to bring something in. For months, through as many areas and avenues as we can find, we have attempted to persuade them of the necessity for this program. We indicated that the exclusion of the anti-inflation program applying to basic producers was crucial. I haven't yet given up hope. It certainly doesn't look too encouraging, bearing in mind the history of the last number of months. But we'll continue to apply pressure on as many levels as we can.

MR. NOTLEY: Mr. Chairman, I'd like to move — if there are more questions on anti-inflation, I'll defer, because I'd like to move to the question of patriation of the constitution. So I'll defer.

MR. CLARK: Mr. Chairman, I'd like to ask the minister if he'd be in a position to outline to us, as best he can, recognizing that he's bound by the federal-provincial discussions and so on, the events that led up to the federal government's announcement of the wage and price thing. The minister will recall that the Alberta delegation was in Europe at the time. In fact, the Premier came home for a Thanksgiving dinner, if I recall the details correctly.

I'm frankly very interested in knowing: was that

completely, totally, and absolutely the first inkling Alberta had? Are you in a position to indicate if there have been discussions, perhaps not of this program specifically, Mr. Minister, perhaps not with the Prime Minister, but certainly the Minister of Finance or with your intergovernmental people? Did Alberta have any kind of inkling that this kind of thing was going to take place? What was happening in Ottawa?

MR. HYNDMAN: The short answer is no, Mr. Chairman. I think the best evidence of that is the fact that only weeks before the meeting convened by the Prime Minister, the Provincial Treasurer, pursuant to government policy which at that time was that somewhere some government had to start some kind of program that would reduce the inflationary psychology — that we came up with the 11 per cent ceiling guideline. Had we known that something was coming in the federal wind, I think that probably wouldn't have occurred. But we essentially had no indications that that program was coming, in that or any other form or with that kind of massive involvement in the economy. I think the fact that the Premier flew back, postponed his visit with the Queen, is further evidence of that. We didn't know that was going to be dropped on us.

MR. NOTLEY: Just before we get to the question of patriation of the constitution. On the question of the challenge to the constitutionality of the wage and price control package, the minister indicated that we're looking at the earliest in June, at the latest in August. Is there a close working relationship among the provinces that are now challenging the federal wage and price control plan from a constitutional point of view? That's number one.

Number two: to what extent are we seeking constitutional advice outside of Dr. Meekison, outside of the Attorney General's Department? In other words, trying to seek out the very best — I'm not denigrating Dr. Meekison here — other constitutional opinion on this area.

Also, frankly, can the minister expand just a bit on his announcement the other day as to the specific areas where we feel a challenge is in fact valid?

MR. HYNDMAN: Well, on the matter of constitutional opinions, I think those are sought from a number of sources. Within the Department of the Attorney General, of course, there resides a legal capability. Frankly, I don't know whether or not they have consulted solicitors outside the department. I would suspect they may have done so within our department and various other authorities. That's where I think we sought our opinions. We have carefully considered them, and we have drawn conclusions as to the legal position we want to take, as evidenced by our announcement.

With regard to discussions among provinces, attorneys general discuss a number of matters from time to time. The deputy attorneys general of Canada — and also involving the provinces that have intergovernmental officers such as Ontario, Newfoundland, and Alberta — have met, I believe, to discuss informally the various positions, the strengths and weaknesses of the anti-inflation reference.

On the subject of the reference itself, perhaps the

specific question could be posed again, and I'll answer that.

MR. NOTLEY: I wonder if in the more free atmosphere of the committee the minister could perhaps review the basic grounds we're presenting in terms of our appeal. Because it is somewhat different from, say, Saskatchewan's challenge.

MR. HYNDMAN: Well, our basic position — and we will be submitting [it] to the Supreme Court of Canada — is that those portions of the federal Anti-Inflation Act which purport to give jurisdiction to the federal government over the private sector are not within the power of the federal government. We argue that on the basis that we recognize that under certain situations, such as in wartime, the peace, order, and good government clause in the constitution can be invoked, and pushes aside established provincial jurisdictions. But in the past those have been moved on in situations described as emergencies.

In this case the federal government has not claimed any emergency; nothing is exceptional. They've simply said that on a matter of serious national concern, an economic problem, they should have the right to move in and push aside many established and traditional provincial jurisdictions.

I think that any time the historical jurisdiction of the provinces is threatened, and there's a danger of them being seriously eroded, it is up to all the provinces to take appropriate action to protect that. We are looking decades ahead. We felt we should take that initiative, irrespective of what other provinces did. We've had some experience with federal intrusions in the area of provincial jurisdiction. Maybe we were able to muster our case slightly more quickly, but that's the reason we decided to take the position we did.

MR. NOTLEY: In a sense then, Mr. Minister, there is a rather close similarity to the Saskatchewan position. I gather Saskatchewan is essentially saying to the federal government: if you're going to poach on provincial jurisdiction, the only way you can do that is under the peace, order, and good government clause, and there must be an emergency situation. Of course, then we get into the question of what constitutes an emergency.

As I remember my constitutional history, we do have a number of rather peculiar legal precedents on this very area. There's no problem if you have a war, but I think one judge away back in about 1880 concluded that a period of national drunkenness would constitute an emergency. So it may be necessary for the Solicitor General to get busy very rapidly to solve that problem. But that's speculating on what the Supreme Court will decide.

I would like to move on to the question of patriation of the constitution, so if there are any other questions on the constitutional challenge — other than just to comment, as a member, that in this instance I support the government. I don't very often support the government, but I think the challenge in this case has my support.

MR. CLARK: Mr. Chairman, just following along I would ask: Mr. Minister, is it your expectation that several other provinces will in fact be taking a similar

approach or at least having a watching brief on the arguments and the decision coming down from the Supreme Court? As I understand the argument, perhaps in its simplest form, and put very bluntly and crudely, if the federal government gets away with intrusion into the provincial jurisdiction here, this precedent becomes the basis they can build on in the future. And [they] have been fairly successful in using that kind of approach over a number of years.

Mr. Minister, is it your expectation that a number of other provinces will be joining Alberta, Saskatchewan, and Ontario, isn't it, that are presently going before the Supreme Court?

MR. HYNDMAN: I don't know, Mr. Chairman. Certainly Saskatchewan has done so. Ontario is very directly involved for different reasons. The Renfrew case, which was initiated there, relates partly to the question we're fighting, also to the question of whether you need an act before you can pass an order in council. So I don't know.

The other provinces unquestionably will be very, very interested and, I would think, would all have a watching brief because this will probably be the most important constitutional decision of the Supreme Court of Canada since it acquired that jurisdiction in 1949. But whether or not other provinces see fit to do that, we have decided this is the best course of action.

MR. CLARK: What is the position of the province of Quebec?

MR. HYNDMAN: At the moment I don't know what their position is going to be. But the factums filed, four days ago, I think, should be made public or should be available very shortly. Then we'll know the positions of all the provinces and the federal government.

MR. NOTLEY: Mr. Chairman, I'd like the minister to bring us up to date on this whole question of the patriation of the constitution that Mr. Trudeau is so concerned about. I understand that at the recent meeting you attended there was discussion on this issue among your provincial counterparts. Am I right?

MR. HYNDMAN: Yes. There was a meeting in Toronto on Wednesday, Mr. Chairman, which was a follow-up to the premiers' conference last August. It was an exploratory meeting. It was to clear the underbrush and to try to assess general provincial viewpoints with regard to the Prime Minister's letter, the three options he poses, and the very serious threat again of unilateral action from the federal government. It's simply one of what I think will be quite a number of steps on the constitutional patriation matter. The premiers' conference here in August will be another step, and there may be subsequent ones.

MR. NOTLEY: At this stage, what kind of unity among the provinces is there on this issue? Would you say there is a general consensus among the provinces of opposition to unilateral action by Ottawa? Let me just leave it there.

MR. HYNDMAN: Well, Mr. Chairman, I think we're getting into an area where, in the traditions of federal-provincial operation, I shouldn't comment because it's inappropriate. In the federal state of Canada generally, I think most governments, provincial and federal, agree that at meetings of this kind they won't be making statements as to what they think other provinces feel or what their positions are. So I think it's too early to tell whether that is the case, and indeed it may be difficult to assess. But perhaps as we go down the next few months, more will become apparent as to provincial positions.

From public statements already made, there appears to be a degree of agreement on the question of attempted unilateral patriation by the Prime Minister. There certainly appears to be very real concern by a number of provinces on that score.

MR. NOTLEY: Let me just make clear in my own mind, then, the position of the Government of Alberta on constitutional patriation. I take it from statements made in the Legislature during question period that we would not take the extreme position that all provinces would have to agree. It would be, as I recall — is it two provinces in western Canada that have a majority of the population, Ontario, Quebec, and two of the maritime provinces? Is that essentially the position the province of Alberta is taking on the amending formula?

MR. HYNDMAN: Well, that's one of the matters up for discussion in the Prime Minister's second option, the question of an amending formula. I think we're prepared to look at all alternatives on that score. Of course, we weren't represented and we weren't at the meetings in Victoria, although the hon. opposition leader was.

So the question of the amending formula is perhaps one which will be up for negotiation. It does, of course, involve a regional concept of Canada. Whether that regional concept is still current five years later, is something I think we will have to assess. But it's one of perhaps 20 or 30 concepts in this area of patriation, amending formula, and amending of the constitution that at one time or another will probably have to be dealt with as a package.

MR. MANDEVILLE: Mr. Chairman, it's been very difficult to follow the guidelines the Foreign Investment Review Agency is using. I've talked to many people who have been involved in this, and it seems there are different views as far as the Foreign Investment Review Agency guidelines are concerned. I understood that where a foreign investor was purchasing a business, they reviewed it if it was over \$250,000; and if it was real estate, over \$10 million.

I know of many cases where farms were purchased, and they couldn't determine whether they were a business or real estate. If a foreign investor were to buy a farm and resell it, it wasn't involved in the \$10 million. However, if he bought the farm, farmed it and did the business management, he was put down into the category of \$250,000.

Mr. Chairman, my question to the minister is: in applications from the foreign review agency that deal with investing in Alberta, what input does the provincial government have?

MR. HYNDMAN: We have considerable input, Mr. Chairman. The Foreign Investment Review Agency does contact Alberta with regard to any contemplated moves and either negative or affirmative decisions. The area of land and business, though, is in a state of flux at the moment. I think perhaps some of the people in Ottawa want to extend the jurisdiction of the agency.

In our view, if the substance of the matter is Alberta land, probably that should be a matter of provincial jurisdiction. We're now — as I mentioned in discussions with Ottawa — putting forward our points of view, and we haven't yet got a reply.

MR. MANDEVILLE: Just one more short question on this. In the report of the trade mission to Europe, they indicated 46 applications were made in Alberta, and 45 of them were approved. Could the minister indicate what application was refused?

MR. HYNDMAN: Mr. Chairman, I don't have that with me at the moment. I'll undertake to get the information for the hon. member, with the name of the specific company.

MR. CLARK: Mr. Chairman, just following along on this question of the Foreign Investment Review Agency. I take it from your comments, Mr. Minister, that basically the agency has made recommendations in keeping with the view of the Government of Alberta. Now is that a fair basis? Candidly, from talking to some of the officials of the agency in Ottawa on a particular land transaction in central Alberta, I didn't really get that impression.

So, Mr. Minister, I understood your response to the Member for Bow Valley was that the foreign review agency sought the view of the province of Alberta. I took from your comment that, in fact, Alberta was basically satisfied with the general response the agency had been giving to applications dealing with Alberta, but your very real concern was that some people in the federal government in Ottawa would like to broaden the scope of the agency.

So my question is really twofold. Is the agency basically acting on the recommendation it's receiving from Alberta? As I understand it, that's any venture over \$250,000 that has a certain \$2 or \$3 million involved in early operating money.

The other question, Mr. Minister. When you say the foreign review agency wants to broaden its scope of activity in Alberta, are you telling us the federal government would very much like to become involved on a much broader front in this question of control of not only agricultural land, but land in Alberta?

MR. HYNDMAN: On the first question, Mr. Chairman, the activities are initiated by the agency. That is the entity to which people who want to get involved and take over must apply. That agency then consults with the provincial government. The provincial government may say yes, no, or yes on conditions. Generally though, the agency and the government have seen roughly eye to eye.

On the subject of broadening of jurisdiction, I'm at the stage of assuming that almost every federal agency in the department wants to broaden its jurisdiction in the provincial field. But yes, there are indications with regard to the general use of land, the

population patterns, the development and size of our cities, that the federal government, through existing departments or new agencies, would very much like to get involved in and acquire a jurisdiction, a planning jurisdiction, a settlement jurisdiction — I mentioned demography and national land-use guidelines. So we are very wary, very vigilant and, in some cases, very upset that these initiatives have no foundation in federal jurisdiction. There may be some obvious public differences on those issues in the months ahead.

MR. CLARK: Could I say to the hon. minister that we would indeed be disappointed if there weren't differences, if that's what the federal government is up to.

Mr. Minister, can you be a bit more specific on what the indications are today? I think the committee would find it most helpful, and frankly most interesting. Pretty candidly, it's the first time I've heard the minister indicate his concern about the federal government becoming involved in this question of planning. Because I recall an item that the previous government took to the Supreme Court of Canada. The planning question was carried before the Supreme Court on that particular occasion.

So, Mr. Minister, can you elaborate for us somewhat on how the federal government is trying to get involved in this area of planning as it affects Alberta. I think we'd all agree on what some of the bad effects can be. But under what jurisdiction, Mr. Minister? How are they trying to do this?

MR. HYNDMAN: Well, one initiative has been in the area of what the federal government is pleased to call demographic objectives. Essentially, it involves the question of population patterns, dispersal, and some federal suggestions that they would like to decide the size and nature of large cities and towns across Canada.

Another aspect, recently raised by Mr. Marchand, has been the suggestion of national guidelines for land use. One aspect of that, which is not unreasonable, is the federal government's suggestion of some degree of compatibility of planning in national parks located within provincial boundaries. But I find offensive any suggestion that the present jurisdiction of the provincial Planning Act and the subject matter dealt with in the Land Use Forum is in any way a subject heading under Section 91(1) or any aspect of the constitution.

So my recommendation is that we wouldn't even begin discussions on any federal jurisdiction until we can assess what the basis is for them claiming jurisdiction. I think the planning of this province is going to be done in Alberta by Albertans, not by the federal government in the future.

MR. CLARK: I suppose one could say, amen to that. In fact, if there is going to be any move as far as planning is concerned, we could move it down to the local level rather than move it to Ottawa. I hope that's one of the things that will be in The Planning Act.

Just going a bit further, Mr. Minister. Under what guise of federal jurisdiction can the federal government become involved in trying to tell us the size, shape, and so on of our cities, towns, and villages?

Under what possible federal basis are they trying to hoist this upon us?

MR. HYNDMAN: That's exactly my question, Mr. Chairman. I've looked under Section 91 regarding weights and measures and all the other federal capabilities. I can't find any under which it would appear that this is a federal responsibility. There is a federal Department of Urban Affairs, a Secretary of State for Urban Affairs. It appears that that is the area and the source from which this new interest is coming.

There may well be certain areas with regard to federal planning in the parks that would be worthy of discussion. But my first question is: on what basis does the federal government claim any jurisdiction in this particular area? Because at the moment I've yet to be convinced there is any, and that any benefit would be gained.

MR. ZANDER: Mr. Chairman, I'd like to ask the minister two questions. One relates to the pipeline from the Arctic. I know the hon. Premier has said that we would possibly stay clear. But I wonder if we can, Mr. Minister, in acquiring the right of way? We will be supplying right of way for the pipeline which certainly comes under the jurisdiction of the provincial government, [as to] where it shall be.

The other question, Mr. Minister, is: can you inform us on the progress of the highway going into the Northwest Territories that was contemplated by the federal government, which certainly would be a benefit to Albertans? Is your department doing anything to get the federal government into the area to continue the construction or the clearing of the right of way so the highway can proceed?

MR. HYNDMAN: On the first question, Mr. Chairman, although I understand a protocol has been signed between Canada and the United States as federal governments with regard to pipelines crossing each other's territory, that document, which I have not yet seen, is subject to the preservation of the regulatory rights of provinces with regard to pipeline right of way. We would certainly insist on that.

With regard to the highway, I guess about 50 miles of the Mackenzie highway is yet to be completed. We have urged the federal government to see the benefits of a fully paved highway from Manning through to, say, Yellowknife. The highway proposal they initiated some years ago in the Territories seems to have died a natural or unnatural death. We see it as still a very significant enterprise: linking Alberta and the Northwest Territories with a paved road. So it will continue to be one of our priorities in suggesting northern development projects on a joint basis with the federal government.

MR. NOTLEY: Mr. Chairman, just touching on three things. First of all, I'm rather surprised at the moves by Ottawa as they relate to controlling or suggesting the size of our towns and cities. So I don't think there's going to be any major difference in the House on that score.

There are two areas, though, that I would like a little more comment on from the minister. The first relates to the whole issue of foreign ownership of land. The Premier announced last December in the

House that subject to certain agreements, Alberta would be willing to co-operate with the federal government. Exchanges of letters were made between the Premier and the Prime Minister.

Because of the concern over foreign ownership of land in Alberta, and it's a fairly widespread concern, is the minister in a position to advise what progress is being made on changing the Canadian Citizenship Act so the provinces in fact have the power to prohibit non-Canadians — to restrict the sale of land, if you like, to Canadian citizens or landed immigrants?

MR. HYNDMAN: Mr. Chairman, our first objective was to gain some jurisdiction in order to have the capacity to make laws of that kind so we wouldn't be bound by the Prince Edward Island example. My understanding is the amendments to the Canadian Citizenship Act, Section 33 I believe, are now in committee of the House of Commons. When they will leave, I don't know. But there seems to be slightly faster progress than is usual in amendments to a federal statute.

MR. NOTLEY: I appreciate that it's not going to be possible for the minister to predict when the amendments will leave committee. But I assume we should have some idea — not within a week or two, but at least within four, five, or six months — when some kind of settlement or resolution of this question can be obtained.

MR. HYNDMAN: Well, I assume there would be some enabling legislation, I would hope within four, five, or six months. Once that has occurred, the province would be in a position to generate, develop, and expand upon its general policies with regard to foreign ownership of land, and would then have a legal basis on which to act, not having to follow the Prince Edward Island example.

MR. NOTLEY: The province, then, would give very high priority to moving, on this issue when the enabling legislation is passed by the federal Parliament once it has cleared third reading and gained Royal Assent.

The other point, which of course the Premier made last fall, was something the Member for Bow Valley alluded to. One of the major concerns of the Premier at that time was the power of the federal Foreign Investment Review Agency, as I understood his ministerial statement last December.

The other point I would raise, Mr. Chairman, really is more of a statement than a question. I know the government has taken the view that the Berger hearings are essentially a federal jurisdiction, therefore the Government of Alberta should not become involved. That's true in a sense, but at the same time, I think we have to admit that the impact on Alberta, either in the short term or in the long term, is going to be profound if this pipeline proceeds.

If the timing of it is too soon or if we have major development in addition to Syncrude going on at the same time in the oil sands, it can only lead to serious overheating of the Alberta economy. On the other hand, if it is spaced out, as the Premier was suggesting the other day, it might very well come as a boost. It may well be part of the plan, you know, five, six, or 10 years down the road.

But whatever happens, Mr. Minister, for good or ill, that pipeline is going to have a rather profound effect on Alberta's economy, employment prospects, and for that matter even the sociology of the province, when one sees what has happened with major pipeline ventures in other parts of the world, most specifically in Alaska itself.

That being the case — and I'm not really asking a question here so much as just making the statement that I believe Alberta has to keep a very close watching brief. The Premier indicated yesterday, when the minister was absent, that in fact Alberta would be doing that. But he then made it clear that Alberta did not want to take a position on the pipeline before the Berger inquiry. I have pretty strong feelings that this is so profoundly important to the future of the province that in fact we might well consider making representation.

I have a little trouble at this stage in seeing the development go ahead. I don't want to get into a discussion on this, because it's really not directly relevant. But not that much gas has been found up there at this stage: 3.9 trillion cubic feet, about 7 or 8 per cent of the supplies of the province of Alberta. Nevertheless, whether it's a good or a bad investment, if it proceeds it will have a pretty important impact on Alberta. That's really the point I'm making. It seems to me that your department at the very least will have to be completely apprized of every move that's made on this matter.

MR. MANDEVILLE: Mr. Chairman, could the minister briefly outline the general function of the trade offices the Alberta government has abroad, and what results they are getting from the trade offices in other countries?

MR. HYNDMAN: Well, I think we've already briefly dealt indirectly with Alberta House in London, and a return was tabled today with regard to the efforts of that office. Since the mission, they have expanded materially, in terms of the number of business and other contacts.

Another smaller office is in Los Angeles. With regard to the market there, the state of California is as large as Canada in terms of population. There is also an office in Tokyo, Japan, which was very directly involved with the European mission. There is a manpower component in Toronto, which has been there for some years, staffed solely in a manpower capacity.

Agreed to:

Ref. No. 1.0.1	\$101,268
Ref. No. 1.0.2	\$200,526

Ref. No. 1.0.3

MR. CLARK: On this particular matter, Mr. Minister, I refer to the western premiers' meeting in Vancouver last year. One of the pretty forceful conclusions that came out of that meeting was a demand for observer status at the GATT meetings. I'd be interested in knowing how successful we, as western Canada, were there.

I ask the question not just because of the recommendation from there. In light of the an-

nouncement by the minister yesterday on the petrochemical venture and the comments in the House today, it seems to me that it's going to become increasingly vital for Alberta to get some tariff concessions from the United States, if in fact our petrochemical industry is going to develop along the lines I think many people would expect that it does develop.

That isn't just my view. From reading some of the comments made at the petrochemical conference in Calgary just this week, I note that they seem to come back repeatedly to this question that in the long run we're going to have to get some kinds of concessions from the United States, simply because there isn't the population in western Canada. So I come back to this question of how successful we have been in persuading the federal Department of Industry, Trade and Commerce as far as observer status on an ongoing basis at these kinds of discussions is concerned.

And then specifically, Mr. Minister, have there been discussions between either you or officials of your department and the federal people on this question of the renegotiation of the tariff situation with the United States, specifically zeroing in on the petrochemical venture?

MR. HYNDMAN: Mr. Chairman, so far the provinces have not been successful in achieving a formal observer status at the GATT negotiations in Switzerland. We did have the chief Canadian ambassador to the GATT operation come through Alberta, and at that time we briefed him fully on the Alberta position. I would think that if it appears there will be no success in achieving observer status, the provinces or Alberta alone may wish to take other steps to make sure our voice is heard.

On the matter of the GATT negotiations, they are important to Alberta, and we especially want to ensure that the negotiations don't take place with the result that there will be benefits to manufactured goods in eastern Canada to the detriment of materials in western Canada. I think there's been some concern in that area, particularly with regard to cheese.

On the subject of tariffs as they affect petrochemicals in Alberta, one of the reasons for the Premier's forthcoming visit to the United States is to discuss exactly that matter in the three northwestern states and in Washington. The matter will also come up either directly or peripherally in Switzerland.

MR. CLARK: Mr. Chairman, who will the Premier be meeting with in Washington and perhaps in the northwestern states? In question period today I asked about potential customers, but here I'd be thinking more in terms of government officials.

MR. HYNDMAN: He'll be meeting essentially with the governors of those three northwestern states. There'll also be an opportunity to meet with representative members of the business community and those perhaps involved with import of petrochemical products. In Houston, it will largely involve the state officials concerned with energy and oil, and the private business sector. In Washington, not only officials of the executive but also of Congress will be among those to whom the Premier will be talking.

MR. NOTLEY: Mr. Minister, is the Premier's trip being organized through your department by Executive Council apart from Federal and Intergovernmental Affairs?

On the question of tariffs, I would assume that is really a matter of federal jurisdiction. We can make our case for a representative when the discussions are taking place. But as things stand in the constitution, is it not essentially up to the federal government to decide this matter?

That being the case, have we made any progress in convincing Ottawa that if our petrochemical industry is to survive in Alberta, we're going to have to look to the Pacific northwest as opposed to central Canada, because the Petrosar plant has that market largely sewed up? So if we're going to develop a market, obviously the Pacific northwest is going to have to be a major one. If that's true, some kind of resolution of the tariff situation will have to take place.

MR. HYNDMAN: The U.S. trip is being organized jointly with Federal and Intergovernmental Affairs and the Executive Council office.

On the subject of tariffs, in a basic way, yes, that is a matter of federal jurisdiction. However, I think it's up to Alberta and the other provinces to ensure that federal submissions made during those talks reflect the entire country, all the regions of Canada and not simply a central part of Canada where manufactured goods are involved, and to ensure that there aren't trade-offs which adversely affect the two regions of Canada.

So the question of the quality and the nature of federal representations and negotiations made there, and the extent to which they reflect the entire country, is something where we think we have a direct involvement, and that is not contrary to federal jurisdiction. Certainly the Pacific northwest as mentioned, including even California, would be jurisdictions where a petrochemical tariff would be particularly important. That's one of the major reasons for the issue.

MR. CLARK: I'd ask three quick questions of the minister with regard to the trip. Mr. Minister, who will be going along? In general terms, what will the cost of the trip be?

Thirdly, Mr. Minister, you indicated earlier that if Alberta wasn't successful in getting the federal government to broaden its point of view as far as the General Agreement on Tariffs and Trade is concerned, Alberta would have to take some other steps. I take it from that kind of comment that you have given some thought to what these other steps would be. What are they?

MR. HYNDMAN: It hasn't yet been decided who will be going to the United States with the Premier — certainly nothing on the scale of the European mission. I don't know what the cost would be. It couldn't be described as a mission. It is one of a number of regular contacts that Alberta, as an outward-looking province, should be keeping with its trading partner to the south. Seventy per cent of our trade is still with the United States.

On the subject of other steps relating to the gap in negotiations, I think we would want to exhaust all possible avenues of persuasion with the federal

government. If those fail — and we believe very real problems are developing — one of the options I might recommend would be that Alberta, perhaps alone or in concert with other provinces, would send one or more people to Geneva to sit in, and be available to the Canadian negotiator.

Agreed to:

Ref. No. 1.0.4 \$367,575

Ref. No. 1.0.5 \$119,000

Ref. No. 1.0.6

MR. NOTLEY: Mr. Chairman, I assume that the \$130,000 would cover this year's missions, including the one to the United States. Are any others planned? More specifically, would there be any plans to follow up on the Middle East? At one time I think the Minister of Energy was contemplating a trip to the Middle East. Would that be co-ordinated through your department?

MR. HYNDMAN: That would be, if and when it takes place. It's still very much a problematic situation, but certainly nothing of that kind is contemplated in this fiscal year. Essentially that money is for the federal-provincial conferences; the conference of first ministers here in August; one of the energy meetings which has already been held; and a mid-June meeting on shared-cost programs. Every indication is that in the fall there will be other ministerial or first ministers' meetings on shared-cost programs or fiscal relations. The drop of 61 per cent is essentially the fact that no mission of the size of the European mission is being contemplated this year.

Agreed to:

Ref. No. 1.0.6 \$130,000

Vote 1 Total Program \$1,494,510

Departmental Total \$1,494,510

Supplementary Estimates of Expenditure Chargeable to Income

Agreed to:

Agriculture \$36,050,921.12

Attorney General \$987,500

Education \$8,164,000

Executive Council \$1,948,000

Transportation \$3,692,665

Business Development

and Tourism \$157,000

Legislation \$231,120

Municipal Affairs \$1,056,850

Housing and

Public Works \$18,588,109

Energy and Natural

Resources \$4,578,700

Hospitals and

Medical Care \$20,815,000

Social Services and

Community Health \$2,941,079.80

Government Services \$15,397,331.73

Treasury \$61,380,000

Environment \$245,000

Advanced Education and Manpower	\$12,195,380
Federal and Intergovernmental Affairs	\$532,928
Consumer and Corporate Affairs	\$486,570
Solicitor General	\$2,041,270
Recreation, Parks and Wildlife	\$1,935,116
Cultural Affairs	\$1,675,701
Total to be voted	\$195,100,241.65

Chargeable to Capital

Agreed to:	
Transportation	\$49,517,385
Housing and Public Works	\$4,540,000
Energy and Natural Resources	\$551,500
Government Services	\$3,878,000
Treasury	\$18,000
Environment	\$15,215,000
Advanced Education and Manpower	\$3,725,000
Utilities and Telephones	\$14,600,000
Consumer and Corporate Affairs	\$100,000
Total to be voted	\$92,144,885

MR. HYNDMAN: Mr. Chairman, I propose that the committee now proceed to Committee of the Whole for a few minutes. However, we're now in Committee of Supply, so with the unanimous leave of the Assembly that this Committee of Supply now convert itself into Committee of the Whole to study the first four bills on the Order Paper under Committee of the Whole, could we proceed?

HON. MEMBERS: Agreed.

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

Bill 13 The Temporary Rent Regulations Measures Amendment Act, 1976

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

[Title and preamble agreed to]

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

[Motion carried]

Bill 16 The Northland School Division Amendment Act, 1976

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

MR. TESOLIN: Mr. Chairman, first of all, on the original bill, 3(a) was omitted to coincide with the regions. That's seven members, changed to "not less than three and not more than nine" members. The regions in the previous bill we changed to not less than three and not more than nine regions.

The second part, the chairman of the board shall hold office during the pleasure of the Lieutenant Governor in Council, really clarifies what is presently being done. The members of the board shall be appointed for terms of not more than three years. It permits flexibility, in that if someone resigns or quits for some reason, the new appointee can hold the office for a full three years and not just for the remainder of the term.

The last, Section 6(1): really this is to allow the minister the prerogative of disallowing Northland Division access to assessment that should more readily be applied to another jurisdiction that is in fact providing the educational services.

[Title and preamble agreed to]

MR. TESOLIN: Mr. Chairman, I move Bill 16 be reported as amended.

[Motion carried]

Bill 19 The Alberta Home Mortgage Corporation Act, 1976

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

MR. YURKO: Mr. Chairman, there are two amendments. The first amendment comes after subsection (4). This is an amendment clarifying the application of The Public Service Pension Act to employees under the corporation.

The second amendment arose largely as a result of a request from Mr. Broad. It is an addition, after Section 33, to transfer a collective agreement from the Alberta Housing Corporation to the new home mortgage corporation, and also incorporates the possibility that the Civil Service Association of Alberta may become the Alberta Union of Provincial Employees. This is incorporated into the act as a convenience to the employees, as much as a convenience to the government.

MR. MANDEVILLE: Mr. Chairman, I'd just like to make a few comments in relation to the farm home program. We have heard many complaints from applicants who have tried to be approved under this program. I understand only some 30 have been approved so far in the province.

I was pleased to hear the minister say today that they are going to take a look at the regulations in this

area, because they do have very many unique problems as far as rural homes are concerned. I asked him if they were considering increasing the size of the farm homes. They are having problems especially in mobile homes — the 1,200 square foot or double-wide 24 by 50. The majority of our mobile homes are from 24 by 60 to 24 by 70 feet, Mr. Chairman, which is from 1,440 to 1,660 feet.

On the conventional homes, individuals have indicated to me that they don't put basements in most farm homes. They can have 1,400 feet including the basement, but in most cases they don't utilize this area. In most of the homes they have large utility rooms instead of basements. Also, in many cases they keep the family home to work on the family [farm], and in some cases they take their farm help right into the home. So these are some of the areas on which I've had people of the province get in touch with me in regard to approving more than the 1,200 feet.

Another area that gives concern is water and sewerage. They've got to put in their own water and sewerage, and sometimes it costs from \$3,000 to \$4,000 to do this in a rural home. They've got to put in their own septic tanks and their own water systems. Also, they've got to put in their own electricity and gas, and that can run up as high as \$4,000. So they do have added costs.

Another area that causes some problems, Mr. Chairman, is the nine-month construction period. In many cases farmers indicate they like to do their own work. Some of them do. It's seasonal work, and they like to work in different seasons and over a period of time. So they feel the nine months is not enough time to construct a farm home.

Another area of concern — and I know we run into the same situation on loans to students under the Department of Education — is using the gross income. The gross income on the farm certainly doesn't indicate the net income, for they get into so many different types of operations. For example, a cattle feeder can go out and buy \$250,000 worth of cattle. His gross income when he sells them is \$250,000; however, in the last year he has probably put in over \$250,000. So he could be showing a loss even if his gross income is fairly high.

I think some of the problems are where we have two corporations, the Alberta Housing Corporation and the Alberta Development Corporation, working on these applications. I do think the Alberta Housing Corporation is more adapted to rural housing — and not so much in the rural areas. I've had the individual farmer indicate to me that possibly we could operate these or handle them through the Agricultural Development Corporation.

MR. YURKO: Mr. Chairman, I want to respond quickly. I'm quite familiar with the areas in which concern has been expressed. There are some areas like the nine-month extension where indeed adjustments are easy to make and will be made. It's recognized the farmer should have more time. There are other areas where it's far more difficult, because we are catering to housing for needy people in Alberta in total. We are also engaged very massively in rural Alberta through the Metis housing program, the rural and native housing program, in providing housing where there is no water and sewer, and

where in fact outdoor privies and different types of water supplies are being used.

One of our difficulties — and the same is true in regard to size. Relating to the more needy, we use four criteria in trying to move everybody into a more modest type of accommodation. These four criteria — or I believe there may be five — are: the gross debt service ratio, the size, the maximum loan, the maximum price, and the maximum income. Once we start, there is constant and substantive pressure to give way on some of these programs, and to make them universal rather than putting limits on them and gearing them to the most needy. For example, there is great pressure to raise the \$16,500 income level in the smaller towns and large centres. The ceilings on SHOP are also under great pressure. We're under great pressure to raise every single one, including the size.

The point is that if we raise them in one area, on the farm, that chap has a relative in the town. If he gets a 1,400 square foot house in the country, the chap in the town also wants a 1,400 square foot house. He wants to know why we won't allow him a 1,400 square foot house. He can give you just as many good reasons as the fellow on the farm. So we have to have some control on size and on these other points.

Again, we were reviewing the whole farm-lending program, recognizing that some changes have to and will be made. But we're not going to change in some areas. It might be suggested that perhaps another corporation has greater expertise in the area of housing than the Alberta Housing Corporation. Maybe that's so. But most of this is being transferred to the Alberta Home Mortgage Corporation so we can deal with loans on a more rapid basis.

The ability to use agencies is one of the interesting things about the Alberta Home Mortgage Corporation. We will be giving serious consideration to using other agencies like the treasury branches, perhaps the credit unions, and some of the chartered banks in terms of receiving the applications, filling out the applications, and providing the initial approval of the applicants. I hope there will be a much wider ability in future years to have contact in terms of loan application and getting the details and the approval of the loans rather than the ADC directly. I know in some instances they're very busy and they don't necessarily have the right amount of time to give to the housing program.

The housing program is rather unique in that it has to relate to people who are experienced in this area. So again I say, Mr. Chairman, we will relax in some areas and make this program more acceptable to the farming community. In other areas we'll find it very difficult to extend the limits.

MR. MANDEVILLE: Mr. Chairman, I can appreciate that where they can use agents, and where they might be able to use the treasury branches or the credit unions, it's certainly going to help.

There's one other point I'd like the minister to comment on if he would. That's the \$16,500 income. Whereas a farmer will certainly have a high gross income, has any consideration been given to a net income in the case of a farmer?

MR. YURKO: Well, Mr. Chairman, all I can say is that this question is now under review. That is an area where we may make some adjustments with respect to averaging over a five-year period, using net incomes and so forth. But that is one area we have under consideration whereby in fact we can make some adjustments because of the unique financial situation of a farmer.

[Title and preamble agreed to]

MR. YURKO: I beg leave to move that the bill be reported.

[Motion carried]

**Bill 23
The Plumbing
and Drainage Act**

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

MR. DONNELLY: Thank you, Mr. Chairman. Yes, there are five amendments. The first one is to Section 7, which clarifies the persons who may be issued a plumbing permit by the chief provincial inspector or a municipal inspector respectively.

Section 17 corrects a printing error and strikes out some unnecessary words which were in the original act. Section 24 clarifies the power of a municipality to make by-laws with respect to permit and municipal inspectors.

Section 27 empowers a court to order compliance with the act after an offence has been committed. The last amendment is needed because of the powers of municipalities to make plumbing by-laws as now spelled out in Section 24. As the power is spelled out in Section 24, the same power is being removed from Section 223 of The Municipal Government Act; otherwise the sections would overlap. Those are the five amendments, Mr. Chairman.

If I may take just a minute, some questions were asked at second reading that I did not or could not answer. I would like to do that now for the Member for Bow Valley, who asked if every community will need an inspector. My answer is that all communities have a local inspector at the present time, or the service is provided by a provincial inspector, so there will be no change from the present conditions.

The second question was the use of utility officers as plumbing inspectors. Upon checking, I find utility officers do not have any plumbing qualifications. They are used for gasline gas transmission.

The third question was about a hamlet which had a problem with approval of a sewage system installation. The approval of such systems is the responsibility of the municipal engineering branch or the Department of the Environment, and is not covered by this act. Nor is it the responsibility of a plumbing inspector, as the plumbing and drainage regulations do not apply beyond the property line.

To the Member for Lloydminster, who asked if there is a shortage of journeyman plumbers, as the number of inspectors employed by urban municipalities and by the province is already established, any change will be of no consequence to the number of journey-

men available to the public. Furthermore, increases in inspectional staff could come from tradesmen who cannot actively engage in the trade for medical or other reasons.

The last question is: why is a permit needed to remove a plumbing system? The answer is that if the piping system is not removed properly, sewer gas could fill the building and create problems such as an explosion, or the occupants could suffer nausea and other discomforts.

MR. GOGO: May I ask the hon. member two quick questions: one, can the homeowner still do his own plumbing; and two, who is empowered to issue a stop order?

MR. DONNELLY: The answer to question one is yes, you have to get a permit, and you have to have an inspection, but you can do your own plumbing.

The only man in the province who can issue a stop order is the chief provincial inspector.

MR. TAYLOR: Mr. Chairman, I'm still somewhat concerned with Section 6(1) of Part 2. I don't know what the regulations are going to say, but it says:

Where a person intends to install, renew, remove or change any plumbing equipment or a plumbing system, he shall apply to the chief inspector or a municipal inspector for a permit to do so.

Now, does that mean a home-owner must apply for a permit to change the float in his toilet bowl? Well, it says, "renew, remove, or change any plumbing equipment". I'm rather concerned about how stringent we're going to be, because if we're going to have to do that, we're getting just too much government, and unnecessarily so. It sounds to me that any plumbing you're going to do, you must get a permit. I certainly hope that isn't the truth.

MR. DONNELLY: Mr. Chairman, to answer that, it isn't true.

MR. TAYLOR: It is?

MR. DONNELLY: No, it is not. If a fixture is to be replaced or repaired, there is no reason for a permit. If I could just read, under Regulation 119-2:

Permits shall not be required to repair or replace any fixture, hot water tank, water heater, tap, faucet, valve or trap, to remove stoppages, to repair leaks, to thaw frozen piping, or to do such other maintenance as may be necessary for the proper operation of the plumbing system providing there is no change to the piping.

[Title and preamble agreed to]

DR. HORNER: Mr. Chairman, I move Bill 23 be reported as amended.

[Motion carried]

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

[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, begs to report same, and asks leave to sit again.

Resolved that for the fiscal year ending March 31, 1977, a sum not exceeding \$1,494,510 be granted to Her Majesty for intergovernmental co-ordination and research for the Department of Federal and Intergovernmental Affairs.

Resolved that the following sums be granted to Her Majesty for the fiscal year ending March 31, 1976: \$36,050,921.12 for the Agriculture Department; \$987,500 for the Attorney General's Department; \$8,164,000 for the Education Department; \$1,948,000 for the Executive Council; \$53,210,050 for the Transportation Department; \$157,000 for the Business Development and Tourism Department; \$231,120 for Legislation; \$1,056,850 for the Municipal Affairs Department; \$23,128,109 for the Housing and Public Works Department; \$5,130,200 for the Energy and Natural Resources Department; \$20,815,000 for the Hospitals and Medical Care Department; \$2,941,079.80 for the Social Services and Community Health Department; \$19,275,331.73 for the Government Services Department; \$61,398,000 for the Treasury Department; \$15,460,000 for the Environment Department; \$15,920,380 for the Advanced Education and Manpower Department; \$532,928 for the Federal and

Intergovernmental Affairs Department; \$14,600,000 for the Utilities and Telephones Department; \$586,570 for the Consumer and Corporate Affairs Department; \$2,041,270 for the Solicitor General's Department; \$1,935,116 for the Recreation, Parks and Wildlife Department; \$1,675,701 for Cultural Affairs.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill 13 and begs to report the same.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bills 16, 19, 23, begs to report same with some amendments, and asks leave to sit again.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, tomorrow the Assembly will begin committee study of Bill 35, The Alberta Heritage Savings Trust Fund Act.

I move that the Assembly do now adjourn until tomorrow morning at 10 a.m.

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

HON. MEMBERS: Agreed.

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

[The House rose at 10:18 p.m.]

