

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 14, 1977 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. HYNDMAN: Mr. Speaker, it is a unique pleasure for me today to introduce to you, and to members of the Assembly, a very special visitor. He is the Ambassador of Israel to Canada and his charming wife Madame Shalev. His Excellency has had a very distinguished career in education with the Israeli government and in high diplomatic posts in the United States prior to coming to Canada. This is his first visit to the province of Alberta. We're all very delighted to welcome him to this province. Both he and Madame Shalev are in the Speaker's gallery. I would ask that both of them rise at this time and be recognized by the Legislative Assembly of Alberta.

MR. KROEGER: Mr. Speaker, from east-central Alberta, specifically Brownfield, a class of 17 students and three adults: Mr. Richardson, Mr. Bargholtz, and their teacher Mrs. Bargholtz, in the members gallery. Would you please rise and be greeted?

MR. ASHTON: Mr. Speaker, it's my privilege to introduce a group of students from Sherwood Park who are here studying government. They attend Sherwood Heights school. They're sitting in the public gallery. I'll ask them to stand and be recognized by the Assembly.

MR. DONNELLY: Mr. Speaker, it is my pleasure to introduce on your behalf to you, and through you to the members of the Assembly, 50 grades 4, 5, and 6 students from the St. Justin school in your constituency of Edmonton Meadowlark. They are accompanied by their teachers Mrs. C. O'Brien and Sister Clare Ashe. I would ask that they rise and receive the welcome of the Assembly.

head: **TABLING RETURNS AND REPORTS**

MR. GETTY: Mr. Speaker, I'd like to file a reply to Motion for a Return No. 216.

MISS HUNLEY: Mr. Speaker, I wish to table an annual report of The Public Contributions Act, as required by statute.

MR. FOSTER: Mr. Speaker, I wish to file two copies of the annual report of the Department of the Attorney General.

MR. FARRAN: Mr. Speaker, I'd like to table the annual report of the Department of the Solicitor General.

MR. ADAIR: Mr. Speaker, I'd like to table the first annual report of the Department of Recreation, Parks and Wildlife.

head: **MINISTERIAL STATEMENTS****Office of the Premier**

MR. LOUGHEED: Mr. Speaker, as a result of a proposal made by Canada and other member countries, Commonwealth Day is celebrated on the second Monday of March. This year happens to be the twenty-fifth year of the reign of Queen Elizabeth II as our Queen, the head of the Commonwealth.

The Commonwealth is an association of people and governments who work together for their common good. It is now a group of 36 member countries around the world, an association of independent, self-governing countries which have common traditions of self-government, especially parliamentary self-government.

One of the most important Commonwealth associations is the Commonwealth Parliamentary Association, to which all members of this Assembly belong. Groups of parliamentarians meet to help each other improve our parliamentary system so it is always up to date. We learn from each other. We look for ways to use the parliamentary system better in working for the people we are elected to serve. This year those meetings will be held in Canada.

Another example of Commonwealth co-operation relates to international aid. In the year 1975-76, Canada gave over \$9 million toward development aid for Commonwealth countries. A significant portion of the international aid program of this government of Alberta goes to Commonwealth countries.

Sports activities among the member countries are well known. As members know, the Commonwealth Games will be held in Edmonton next year.

Today we remember the precious heritage of the British Parliament, the mother of all parliaments in the Commonwealth. We note that the Commonwealth is a striking example of volunteer co-operation, remembering that no one can be forced to be a member of this special association. It is truly a family of nations.

In tangible recognition of Commonwealth Day, the Minister of Education of the province of Alberta today presented a cheque for \$45,000 for the printing and distribution of elementary curriculum material on the XI Commonwealth Games to the education committee chairman of the Commonwealth Games Foundation. Publications will be made available through the school book branch in late April. The curriculum resources can be used for the years after the 1978 Games, and will be supplemented by poster kits and slide sets now being produced.

Mr. Speaker, the rich and varied history of the Commonwealth is an important aspect of the heritage of this province and of this Legislature. As members of this Assembly and as citizens, we pay tribute to the ideals and goals of this very special world association.

MR. CLARK: Mr. Speaker, in replying to the comments by the hon. Premier, it is a privilege for me to rise on this occasion and add my congratulations to those of the Premier with regard to Commonwealth Day and with regard to the announcement of the \$45,000. It is an honor as a Canadian to know that Canada proposed the concept of Commonwealth Day and that 36 independent, self-governing nations are today paying tribute to the Commonwealth form of international co-operation. I think we should keep in mind that the lion's share of credit for organizing the Commonwealth belongs with particular Canadian individuals who believe that the nations with a common heritage should be bound together by ideals instead of by force. It is a credit to Her Majesty, Queen Elizabeth II, in the year of her silver jubilee that while other international organizations are confronted by factionalism and deadlock, the Commonwealth carries on the principles of mutual confidence and respect for each nation's unique culture, language, and customs.

Department of Municipal Affairs

MR. JOHNSTON: Mr. Speaker, I'd like to expand on remarks made by the Provincial Treasurer on Friday night regarding the amount of unconditional assistance which will be transferred to Alberta municipalities for the 1977-78 fiscal year.

The total amount of municipal assistance to Alberta municipalities will be \$60,125,042. This figure contains two elements: municipal assistance grants and an additional grant to recognize the extraordinary growth in some municipalities.

Municipal assistance grants are transferred directly and unconditionally to local governments to assist in the provision of services to Albertans without undue increases in the local mill rate. A 10 per cent increase in these grants, as announced by the Provincial Treasurer on November 7, 1976, will maintain the existing level of services and meet the added demands on those services resulting from population growth across the province. All municipalities will receive this grant.

Recognizing that in some municipalities there has been unprecedented, extraordinary growth, provision has been made in the budget for a grant, over and above the municipal assistance grant, which will be added to the unconditional transfers to these municipalities. To determine the dollar amounts of this growth factor, normal growth was calculated at 2 per cent during the past two-year period. Any increase above the 2 per cent figure is considered extraordinary, and a grant of \$40 per capita, based on this growth factor, will be transferred to these municipalities.

Mr. Speaker, this added growth factor for certain municipalities will help to alleviate the drop in per capita assistance which we perceived in rapidly growing municipalities whose municipal assistance grants are increasing on a percentage of the previous year's total amount, not on a per capita basis. The effect was a situation where the level of support for rapidly growing municipalities was below that received by the balance of the municipalities in the province.

In addition, Mr. Speaker, the high level of law enforcement grants to urban municipalities exempt from restraint guidelines last year as a priority item

will be increased this year from \$16,370,000 to \$17,480,330. This figure includes the extra enhanced policing grants made last year. Both grants will be unconditional this year in accordance with submissions made by the municipalities. In addition, various crime prevention programs will be funded directly by the Solicitor General's department to an amount of \$350,000, and a new subsidy of \$30,000 will aid smaller police forces to send members to training courses at Canadian police colleges. Alberta thus continues to be the leading province in providing substantial fiscal support to municipal police forces.

Mr. Speaker, according to the latest data available, the per capita provincial and local government expenditures in Alberta are the highest of any province in Canada, and the proportion of local revenue derived from all grants is well above the national average. In addition, the property tax in Alberta is among the lowest in Canada, and proportionally less use is made of property tax as a revenue source for local governments compared with the average of other provinces.

Mr. Speaker, Alberta municipalities are growing. These budget proposals, which transfer substantial unconditional dollars to the municipalities, ensure that Alberta residents will continue to receive the highest level of service of any province in Canada.

Treasury

MR. LEITCH: Mr. Speaker, it has been this government's policy and commitment to Albertans that over a reasonable period of time Albertans will pay the lowest prices in Canada for gasoline.

The Bureau of Statistics has for some time been doing a survey of gasoline prices in major population centres in Canada, and I'm pleased to be able to advise the Legislative Assembly that, as of December 1976, gasoline prices in the cities of Calgary and Edmonton were substantially below gasoline prices in any of the other 10 major population centres in Canada which were included in the survey. I wish to file the report which shows the average prices of wholesale, retail, and self-serve gasoline for premium and regular grades. The survey indicates that the Alberta centres recorded the lowest wholesale prices since December 1975 and the lowest retail and self-serve prices since June 1976.

Supplementary to the report is a statement which ranks Canadian centres that were surveyed according to the average price for premium and regular grade gasoline for the month of December 1976.

I should also draw members' attention to the proposal made in the province of Saskatchewan's budget presented Thursday which would raise the province's gasoline tax by 4 cents per gallon, from 15 cents per gallon to 19 cents per gallon.

head: ORAL QUESTION PERIOD

Natural Gas Price Increase

MR. CLARK: Mr. Speaker, I'd like to direct the first

question to the Minister of Utilities and Telephones. It flows from the natural gas protection plan portion of the budget on Friday evening. What anticipated price increase should Alberta consumers look to as of April 1 in light of the announcement, coupled with the announcement made before that the price of natural gas would go up?

DR. WARRACK: Mr. Speaker, when I made the announcement at the Federation of Gas Co-ops convention in November 1976 that the concept of the natural gas rebate plan would be continued for a further three-year period beginning April 1, 1977, I indicated that some modifications in the program would be considered.

With respect to the modifications I'm thinking about, some complex calculations need to be made, and this week I intend to get those completed. During the course of my remarks on the budget speech, I would be in a position to provide that information.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. I wouldn't want to misunderstand the minister's answer. Is the minister indicating at this time that the government doesn't know what size increase Alberta consumers should look to on April 1 as far as natural gas is concerned?

DR. WARRACK: Well, Mr. Speaker, certainly roughly. But in terms of being precise about it in the way the hon. Leader of the Opposition always urges us to be, I would want to be exact about the matter. Additional calculations of some of the complexities involved in the field prices of natural gas and so forth are involved in this, and as soon as I'm in a position of having that work done, I'll be able to announce the results to the House. I am determined to do so during the course of my remarks on the budget speech.

MR. CLARK: Mr. Speaker, then perhaps a further supplementary question to the minister, once again, so that everyone is keeping very accurate here. Is the minister in a position to confirm to the Assembly today that there will be no increase in the price of natural gas to Alberta consumers on April 1?

DR. WARRACK: Oh, absolutely not! I've said exactly the contrary.

Government Decentralization

MR. TESOLIN: Mr. Speaker, my question is to the Minister of Business Development and Tourism. In keeping with the government's policy of decentralization, can northern Albertans look forward to consideration being given to relocating the staff of the northern development branch to an appropriate northern Alberta community?

MR. DOWLING: Mr. Speaker, I would say yes, that the hon. member for the northeast part of the province can look forward to a continuing program of decentralization by the Department of Business Development and Tourism, bearing in mind that in the summer months we have some 80 students working in 14 travel information centres throughout the province. We have 10 regional offices scattered throughout the province, with a regional development officer

plus one support staff located in each. We have four regional development programs under way, each with one staff member and perhaps one additional support staff. We have a decentralized opportunity company in Ponoka. But we further decentralized that, Mr. Speaker, and have opportunity company staff in Edmonton, Grande Prairie, Lethbridge, and Calgary.

So I would suggest we are doing a reasonable job. However, bearing in mind the northern development group is composed of nine civil servants who are in fact very actively soliciting participation by northern Albertans and are in the field most of the time, I think we do a commendable job, considering our department is one of the smallest in government.

MR. SHABEN: Mr. Speaker, a supplementary question to the Minister of Business Development and Tourism. The minister made reference to the regional development offices throughout the province. Is the minister considering decentralizing the head office of the regional development branch to some appropriate community in rural Alberta?

MR. DOWLING: As a result of the caucus committee on decentralization, we always have before us a thrust toward further decentralization. We have looked at every single branch of our department and examined what we might further move into rural Alberta. At the moment we are not considering any further decentralization of the regional development branch since only about four people are involved in it, in a centralized sense, in the city of Edmonton. However that doesn't mean we've just thrown up our hands and said that this is the maximum we can do. We're constantly looking for new ideas and new reasons for further decentralization.

La Crete Ferry

MR. TAYLOR: Mr. Speaker, my question is to the hon. Deputy Premier and Minister of Transportation. Will the proposed hover ferry scheduled to be built at La Crete ferry, be in operation this year?

DR. HORNER: Mr. Speaker, as a follow-up to our letting the research and development contract on it, very recently we've been in discussions with the principals and they've assured me that they're on schedule. We expect to have it in operation this summer.

MR. TAYLOR: Supplementary to the hon. minister. In ballpark figures, what is the relative cost between the hover ferry, the conventional scow, and the construction of a bridge at this site?

DR. HORNER: Mr. Speaker, the figures I give will be certainly ballpark, and I hope the House would understand that. The ferry itself over a two-year period, including the research and development costs and the operations for that period, will run in the neighborhood of \$600,000 and \$800,000, and that includes some development and operational costs. A bridge across the river at that particular site, even in 1974 dollars, was in the neighborhood of \$5 million, and more likely \$8 million today. The question of ferry operation for nine months of the year maximum would be slightly less than that which we're going to

spend on the hover lift. But I would hope members would understand that we're talking about a 12-month operation relative to a hover lift ferry.

MR. TAYLOR: Supplementary to the hon. minister. Will the hover ferry be operated on the same basis as the conventional ferry, namely free of charge?

DR. HORNER: That's a detail we haven't worked out, Mr. Speaker, but to date it would be our . . .

DR. BUCK: A small detail.

DR. HORNER: . . . thinking that it would run as any other ferry or bridge operates in this province, that is free of charge. We haven't decided to put in any toll roads yet.

MR. TAYLOR: One further supplementary. Is the cost being borne entirely by the province or by some other body?

DR. HORNER: Mr. Speaker, we've been able to work out an arrangement with the federal government in which they are contributing in two ways: first through the National Research Council which is interested relative to the research and development component and, secondly, under our agreement on northern roads. The interest of the federal government of course is fairly apparent, in that if it works in our area of northern Alberta its application to the Northwest Territories and northern Canada is going to be very important indeed.

Borrowers' Protection Legislation

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Consumer and Corporate Affairs. It concerns the submission made recently to the federal government pertaining to the Borrowers and Depositors Protection Act, an act that is largely developed to try to tackle this question of loan sharking. Can the minister advise the House whether it's the government's position that control over so-called unwarranted or criminal rates is an unnecessary intrusion in the market place and would lead to reduced competition among high-risk credit grantors?

MR. HARLE: Mr. Speaker, I'd have to look at the question again in *Hansard* because of the fact that it's quite involved. Trying to recall the details within the question, I think it would be fair to say that the basis of our submission to the Commons committee studying that piece of legislation is that the unwarranted rate concept places upon lenders a degree of uncertainty which we believe will ultimately result in the cost of credit being increased. Therefore, if that happens, as a further result of that concept we may well see a reduction in the number of lending institutions willing to enter the field, thereby concentrating credit into the hands of fewer lenders.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the fact that elsewhere in North America the so-called business of loan sharking has at least in part fallen into the hands of organized crime, is the minister in a position to advise the House whether the department has any

information as to the extent of the penetration by questionable forces of what one might classify as the high-risk credit business?

MR. HARLE: Mr. Speaker, the best information I have is that there was in fact no loan sharking in this province. We do have some lenders in virtually high-risk types of transactions, but not in the general area of what I suppose would fall under the definition of loan sharking. It's our view that by restricting the legitimate lenders you will ultimately force many high-risk borrowers into obtaining loans from lenders who fall within the category of loan sharks.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the minister in a position to explain to the Assembly what mechanisms would be undertaken by the Department of Consumer and Corporate Affairs or by any other agency of government to monitor the question of whether the high-risk loan business is in the hands of reputable business people or whether there is any penetration by organized crime?

MR. HARLE: Well, I would have to refer the organized crime aspect of your question to the Attorney General. But under our Credit and Loan Agreements Act we have a mechanism in place which does in fact monitor legitimate lenders.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Is the Attorney General in a position to advise the Assembly what steps, if any, are taken by the Department of the Attorney General to deal with this question of high-risk lenders?

MR. FOSTER: Mr. Speaker, the Edmonton and Calgary city police departments, together of course with the RCMP as the provincial police force, certainly have the capacity to monitor certain financial activities of some interests in the province. Clearly there are individuals in the lending and collecting business in the province who have attracted the interest of the police force. At this moment I am personally not aware of any prosecutions under way involving what you have generally described as loan sharking. But the police forces of the province are very much aware of the propensity of man to engage in these activities and are watching certain individuals.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Minister of Consumer and Corporate Affairs flowing from reports concerning the submission made on the Borrowers and Depositors Protection Act. Is the minister in a position to advise the Assembly whether it is the policy of the Department of Consumer and Corporate Affairs to allow loan companies to refund charges improperly made to clients — a form of restitution, as it were — instead of taking punitive action, prosecution, or publishing the names of such companies?

MR. HARLE: Well, Mr. Speaker, it is an objective of ours to obtain redress for the individual consumer. When an incident is found through the auditing procedures under The Credit and Loan Agreements Act, we first attempt to obtain redress for consumers who

have been affected by overcharges. The matter is then of course referred to the Attorney General's department for prosecution, when in his discretion he feels prosecution should go forward. But it is the objective of the Department of Consumer and Corporate Affairs to obtain redress for consumers and to obtain refunds of overpayments.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the minister in a position to outline to the Assembly what specific steps are taken to ensure that the refunding would apply to all people possible who have paid more than they should, as opposed to those who have filed individual complaints? Is there some mechanism to make sure it's not just refunding X complainants overcharged, but that in fact it backs up and refunds to all people who have been overcharged?

MR. HARLE: Well, Mr. Speaker, I think the answer to the question really relates to whether there has been an individual complaint by a consumer, in which case of course that particular consumer's account is obtained. We have investigators and auditors who then examine that material. We are also carrying out on a regular basis audits of the various branch offices of such lenders who come within that legislation.

If a practice is discovered which has led to problems across the board and thereby affects a number of consumers, this is spotted by the investigators and auditors. We then try to determine the reason, first of all, for the error appearing, get that resolved with the company involved, then request that they review all their files with that policy change. So in fact very many accounts might be affected, and in this way we have been able to obtain refunds for people who have been affected.

I might say that when an error shows up, it usually shows up in a branch office of the lender and affects that one particular branch. We are continually working with representatives of the industry to try to ensure that they and their various staff members in the branch offices are aware of the provincial requirements.

DR. PAPROSKI: Supplementary for clarification, Mr. Speaker, to the Attorney General. I wonder if the Attorney General would indicate to the House what is defined in the Criminal Code as unwarranted and high-risk interest rate? Or is there clarification in this area?

MR. SPEAKER: With respect, might I suggest that the hon. member seek the advice of a solicitor as to that interpretation.

DR. PAPROSKI: Okay.

Rural Electrification Committee

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Utilities and Telephones. Could the minister bring the Assembly up to date on what the five-member committee on rural electrification associations has been doing?

DR. WARRACK: The short answer, Mr. Speaker, is that they've been doing a great deal of work. There's been extensive review by the caucus committee by way of meetings and information from participants in the rural electric system in Alberta. I'd like to take the opportunity to express my thanks, particularly to the chairman, the hon. Member for Whitecourt, and the hon. Members for Athabasca and Vegreville for the extensive amount of work and input they have undertaken.

In the cross section of meetings they have had across all government agencies that have responsibilities in the area of the rural electric systems, and participants in the process by way of the REA board, the power companies, Unifarm, and no doubt others that don't come to mind immediately, there's been an extensive amount of review by them and an ongoing discussion with the hon. Minister of Consumer and Corporate Affairs who has financing responsibility in this area and me, [with] responsibility for technical matters relating to REA systems. This has been an ongoing effort by that committee, and for my part something that has been very successful and for which they deserve thanks from the rural public of Alberta.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Will the committee be reporting to the Legislature? If so, when will it be making its report?

DR. WARRACK: Well, Mr. Speaker, I don't really think there's a necessity to overfocus on reports. [interjections] One way of reporting to the Legislature as a matter of fact was in the Budget Address. I think all members will notice and, I think, all rural members [will] be very pleased that upon the discussions and recommendations of the caucus group as well as me money is provided on a new program, a B budget program basis, for assistance to rural electric systems that might otherwise have safety and/or continuity of service problems. That result, by way of concrete action in this budget is, in fact, a reporting to the Legislature.

Conflict-of-interest Guidelines

MR. R. SPEAKER: Mr. Speaker, my question is to the hon. Attorney General. Could the minister indicate what progress is being made in drafting or implementing conflict-of-interest guidelines with regard to employees of the province?

MR. FOSTER: Mr. Speaker, that matter is currently before a cabinet committee and is not yet ready for public presentation. But I can assure the House it's being actively and diligently worked upon.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Will it be the recommendation of this cabinet committee to make conflict-of-interest provisions within statute or will they be placed in regulation?

MR. FOSTER: Mr. Speaker, one of the aspects for consideration by the committee is whether the proposed regulations can be accomplished by regulation

or whether it would need a statutory base. In short, that decision has not yet been taken, and it will not be taken until the full nature of all the guidelines is clear. Once all that's concurred in, the matter of the jurisdiction, the regulations, or the legislative base could be determined.

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the minister. Is a policy in effect at the present time for reviewing government purchases of land from, or sale of land to, employees of the province? Are you reviewing that particular aspect as well as the other?

MR. FOSTER: Mr. Speaker, the question concerns the purchase of land by a government employee. To my memory that can only be accomplished by order in council. I think that's accurate; I could check. In that event that would be the check on the propriety of such a decision.

Vehicle Insurance

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs and the Solicitor General. It's a follow-up question on automobile insurance. Can the hon. Minister of Consumer and Corporate Affairs indicate what monitoring mechanism [his] department or the Solicitor General's department has, where a person in a high-rate, high-risk area buys a licence and within several days cancels the insurance? Can the minister indicate how that is monitored and how the Solicitor General's department is informed of this?

MR. HARLE: Mr. Speaker, that matter was dealt with on Thursday last, I believe, by the Solicitor General. He and I and the Attorney General are attempting to work out a system whereby we can have a more efficient determination of whether or not a vehicle is on the road without insurance coverage.

I might say that there are of course legitimate reasons for not having insurance coverage. When you're not using the vehicle you therefore have your policy cancelled, because it's fairly expensive. I might say that dropping one's insurance within seven days would in fact be very expensive because I do not believe you would get only a few days' usage out of your policy. There are certain minimum requirements, so that cancelling it so fast would be of very little benefit.

We are working with the objective of having the industry pass information to the Solicitor General for us to determine whether or not a vehicle might be on the road without coverage.

DR. BUCK: Mr. Speaker, a supplementary to the minister. Can the minister indicate, or does he have any idea, what time lag there is between the time a person cancels insurance and the minister's department is made aware of it?

MR. HARLE: Mr. Speaker, I don't believe at this particular time there is a mechanism in the Solicitor General's department for receiving that information. However, you may wish to direct that particular question to him.

DR. BUCK: Supplementary to the minister. In the event of automobile insurance being cancelled, is there any mechanism other than spot checks to indicate to the Solicitor General's department that these people are in actuality driving without adequate automobile insurance?

MR. FARRAN: Mr. Speaker, although the production of the pink card at the time of registration of a vehicle is many light years ahead of the old policy of the former government to have no verification of compulsory insurance, nobody has ever pretended it's an absolute, foolproof system. It's a closing of the door, but it cannot be considered a total closing of the door.

This is why we are trying to develop an information system with the industry where we are informed of policies which are cancelled in midstream under suspicious circumstances, short-term policies that are not renewed, premiums that are not paid. I don't pretend we would ever have the personnel to act on every single one of the cases about which we are informed, but it would at least give us a basis for spot checking, for police investigation to go through in cases which seem extraordinarily suspicious.

Apart from that we have advised police officers whenever they stop a vehicle to ask for production of the pink card. The penalties for driving without insurance were of course raised last year to a minimum of \$400, which was a big increase in the minimum penalty and was imposed because the penalty has to equate to some extent with the premium avoided.

DR. BUCK: Mr. Speaker, a supplementary to the minister. In the monitoring process of the Check Stop program, where the pink cards are asked for, can the minister indicate or does the department have any indication as to how many people are driving without compulsory insurance?

MR. FARRAN: Mr. Speaker, no. We haven't developed that sort of statistic. I think the simple answer is to say too many people are driving without insurance. There's no doubt about that. The only indication is the number of hit-and-runs we have, which is not a foolproof check but it's a suspicion that too many people are. All we can do is increase the level of enforcement by demanding proof that a vehicle has insurance whenever it is stopped.

MR. TAYLOR: A supplementary to the hon. minister. I wonder if the hon. minister could indicate how vigilant the insurance companies are in getting the red card back after a policy is cancelled.

MR. FARRAN: That again, Mr. Speaker, is a good point. Of course if the pink card is examined by a police officer, he would see it is out of date unless it's been forged in some fashion, because the pink card does contain the date of expiry of the insurance.

Community Resource Teaching

DR. WALKER: Mr. Speaker, my question is to the hon. Minister of Education. Last week two criminals lectured to grade 9 students in the city of Lethbridge. Would the minister please advise the policy of his department on criminals teaching in schools?

MR. KOZIAK: In the first place, Mr. Speaker, in order to be able to teach in a school one must hold a valid teaching certificate.

DR. BUCK: Very good!

MR. KOZIAK: That of course doesn't indicate that the persons involved held such certificates or that they were in fact teaching.

The question of using community resource people in schools is left with the local school board. In other words, if a local school board feels it would be useful for the students in a particular course to be exposed to the knowledge or experience of others in or about the community, whether they be doctors, lawyers, politicians, or even people who have been in conflict with the law, that is a decision of the school board.

DR. WALKER: A supplementary to the hon. minister. If the school board's policy on this were at variance with the minister's policy, what would the situation then be?

MR. CLARK: He has no policy.

MR. KOZIAK: It would be fairly difficult for the school boards' policy to be at variance with my policy, because my policy is that that is strictly within the jurisdiction of the school boards. In other words they have the responsibility to exercise the local authority vested in them and make that particular decision.

DR. WALKER: A supplementary to the hon. minister. Does the hon. minister really consider these community resource people?

MR. SPEAKER: Possibly the hon. member is now inviting the minister to substitute his opinion for that of the local school board.

Library Regulations

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Culture is with regard to libraries. I was wondering what progress the minister has made with regard to the regulations which would govern library standards throughout the province.

MR. SCHMID: Mr. Speaker, these regulations are presently under consideration, and we will forward them to cabinet for approval at the earliest opportunity.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Will the regulations be presented to this spring session of the Legislature? Along with that, will the provincial library board be announced during the spring session?

MR. SCHMID: Mr. Speaker, certainly once the regulations have been approved by cabinet, we will provide a copy for the hon. member if he so desires. The Alberta Library Board nominations are presently being considered and hopefully will be announced as soon as possible.

Pyrotechnics Project

MR. CLARK: Mr. Speaker, my question is to the Minister of Business Development and Tourism. It flows from the controversy regarding Polytechnic Industries Ltd. at Cochrane, which I'm sure the minister is — at least I hope the minister is — very familiar with. The question to the minister is: has the department made an effort to sit down with Mr. Zimm and the residents of the area who are petitioning against this project going ahead? And have the problems or the misunderstandings between the residents of the area and Mr. Zimm been worked out?

MR. DOWLING: Mr. Speaker, yes that has been undertaken. The organization is Pyrotechnic [Industries] Ltd., not Polytechnic. They have undertaken to acquire the interests of Aqua Tech in Lethbridge, which manufactures activated carbon.

The process is rather involved. Mr. Zimm has undertaken to acquire some rights for lumber which he uses to manufacture carbon and [as] an energy source as well. We have dispatched the head of our regional development branch along with others to discuss the matter with Mr. Zimm and with some of the residents in the area who object to the fact that Mr. Zimm is proposing to locate his pyrotechnics operation in a particular area northwest of Calgary. That has been undertaken. A number of things have to be dealt with before Mr. Zimm is allowed to proceed: environmental; Energy and Natural Resources has to provide him with an amount of resource material; that kind of thing has to be finalized before he will be able to proceed, Mr. Speaker.

MR. CLARK: A supplementary question to the minister. Is the minister in a position to confirm that Mr. Zimm's operation north of Cochrane has already received assistance from the Alberta Opportunity Company?

MR. DOWLING: Yes I am, Mr. Speaker. As a matter of fact, the assistance received was to acquire the interests of Aqua Tech in Lethbridge. Two loans were provided for Aqua Tech under the old Alberta Commercial Corporation terms of reference. Mr. Zimm was provided an amount of money by the Opportunity Company — which is public knowledge, Mr. Speaker — to acquire the interests in this company. The reason was that rather than see an organization which has an option of becoming something substantial over the course of time go into receivership and vanish, it was considered discretionary for the Opportunity Company board to rule on an application for a loan by Pyrotechnic Ltd. and provide funds for them to acquire this business interest in Lethbridge.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of the Environment. I'd ask the minister if he's in a position to indicate whether his department has given the environmental permit for this project to go ahead.

MR. RUSSELL: The last time I discussed this with the department staff they had not. We've been in communication with the citizens petitioning and have looked at the proposal from the point of view of their concerns. The department has indicated to Mr. Zimm

the requirements he would have to meet in order to get licences under The Clean Air Act and The Clean Water Act. That's where the matter stands at the moment.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Could the minister indicate to the House why Mr. Zimin was allowed to commence the initial part of his work before the environmental permit had even been applied for, let alone approved?

MR. RUSSELL: Mr. Speaker, my understanding is that he hasn't done anything that requires a permit or licence from the Department of the Environment. He's apparently poured a concrete foundation and done some logging and timber work under a licence and permit he holds from the Department of Energy and Natural Resources. The staff has met with him and explained to him what he'll have to submit in order to get the licences. But he hasn't done anything yet that requires licensing.

Travel Agents

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Business Development and Tourism. Is the government planning to introduce legislation that will license, or require travel agencies to be licensed?

MR. DOWLING: Mr. Speaker, we are not at the moment but I should, with your permission, give a little history of that entire matter. In 1972, shortly after we took on responsibility for government, the Alberta government travel bureau undertook an examination of the whole business of licensing travel agents, because there was some concern about major defalcations by travel agency organizations when overseas charters were undertaken. We examined it at length and found that if some sort of a bonding arrangement was required of the travel agents before selling a package of that kind, and the bonding provision was of such a size that would prevent any major defalcation, there would really be only one travel agency left in Alberta.

So we told the travel agents association to get about regulating themselves. That has been undertaken. We've tried to be of some assistance to them. We know what's happening in the province of British Columbia. We feel it has considerable possibilities in Alberta, but at the moment we're very hesitant to get into a further regulation of another part of the private sector, bearing in mind that at the moment defalcations in the travel agency area in Alberta are not a major problem.

Rural Electrification Funding

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Utilities and Telephones. It flows from the announcement in the budget of \$1 million to the REAs to ensure safety and continuing power services in rural areas. Is the minister in a position to advise the Assembly whether REAs will be able to obtain money from this fund, or partial reimbursement, for brushing costs in northern areas where brushing is a rather important problem in continuing service?

DR. WARRACK: No, Mr. Speaker. I believe the Budget Address was quite specific about the degree of additional funding that would be available in referring to it for rebuilding purposes in circumstances where safety and/or continuity of service was in doubt.

Now in terms of the process of reaching those conclusions, I might say at this time I'd certainly appreciate comments and advice from all hon. members as to what might be the most reasonable and sensible mechanism to make the determinations necessary to use the funds as provided and specified in the Budget Address. But in terms of the criterion of rebuilding and the relationship to safety and continuity of service, I think it would be quite clear the question of brushing would not be a part.

Sour Gas — Crossfield

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of the Environment, and I would ask if he could supply us with some information as to the status of the sour gas problem at Crossfield.

MR. RUSSELL: Mr. Speaker, I think we're making progress with respect to solving that problem. It's been a serious one, as you know, since it was identified early in 1975. I met with the residents of the town of Crossfield this morning. We had a good meeting, and I'm hopeful we'll have a resolution to the problem before too long.

Electoral Boundaries Report

DR. BUCK: Mr. Speaker, I'd like to address a question to the hon. Government House Leader. Can he indicate if the Electoral Boundary Commission report will be discussed and finalized at this spring sitting of the Legislature?

MR. HYNDMAN: Mr. Speaker, I understand that the report has been finalized; the first report having been brought in last year and the second report having been made available to the Speaker, pursuant to legislation. As indicated in the throne speech, legislation will be brought forward to implement the report.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it the government's intention to bring in legislation at this spring session?

MR. HYNDMAN: In all likelihood, Mr. Speaker.

Summer Employment Program

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. Could the minister indicate whether there will be a continuation of STEP for the coming year?

DR. HOHOL: Mr. Speaker, depending on the figures with respect to unemployment for youth, there is a program in place to continue as we had last year and the years before.

ORDERS OF THE DAY**head: GOVERNMENT MOTIONS****1. Moved by Mr. Leitch:**

Be it resolved that this Assembly approve in general the fiscal policies of the government.

[Adjourned debate: Mr. Clark]

MR. CLARK: Mr. Speaker, it's my pleasant responsibility to lead off the debate on the budget this afternoon. Might I say at the outset to the Provincial Treasurer that I enjoyed his presentation Friday night very much. [applause] Perhaps you'd like to carry on because it may be the last chance you have. [interjections]

I enjoyed very much the Provincial Treasurer's budget Friday evening. I thought the presentation was first-class, if I might say that. I suppose I would characterize the budget by saying that generally speaking it's a pretty good budget. Because anyone could bring down a pretty good budget if he had \$3 billion.

Now to get more specifically into the budget itself. I would look at the budget from this point of view: it's not a bad budget in many regards, unless you're a farmer and you find that the estimates for the Department of Agriculture are cut back; unless you're a librarian and find that despite the announcements in the budget, Alberta now ranks seventh across all of Canada in comparison to financial assistance to libraries across the province.

I suppose it really isn't a bad budget if you're not concerned that 54 per cent, I think, of the total revenue of the province now comes from resource development. It's not a bad budget if you're not concerned about those kinds of things. It's really not a bad budget, Mr. Speaker, if you're not concerned about government growth. And I'll get involved in that area a bit further on in my remarks. But it isn't bad as long as you're prepared to buy the idea of a kind of one-year charade in the area of government growth before everything breaks out. It's not a bad budget, Mr. Speaker, if you look at it from the standpoint that there's no recognition that in Edmonton and Calgary, the two fastest growing cities in Canada, we're starting to see the signs of urban blight.

MR. McCRAE: Where?

MR. CLARK: No recognition in the budget, Mr. Speaker, of those kinds of problems coming upon the scene. It isn't a bad budget, Mr. Speaker, if you're not concerned about some of those kinds of things.

You see, Mr. Speaker, one of the hallmarks of this budget may well be that it'll be the most conservative of Conservative budgets. Because, despite the fact there are a number of good things in the budget, it's extremely short-sighted, Mr. Speaker, extremely short-sighted.

Early in the budget speech, it talks about the problems of our non-renewable natural resources declining. But I see no place in the speech where we talk in terms of longer term priorities the province has as far as building a base for this province when those

non-renewable natural resources go down, as indicated in the speech itself.

When I talk about the budget, Mr. Speaker, first of all I'd like to look at it from this point of view: if you look at the budgetary estimates and the budgetary expenditures, you will find \$3,329 million as compared to \$2,961 million for last year, an increase — I think the Treasurer and I agree in this area — of 12.4 per cent.

The speech then goes on to talk about two exceptions that we should take into consideration. The first is the \$40.2 million for medicare, resulting from the negotiations with the federal government. And I think it's reasonable to take that out of the budget for this consideration.

The second proposition the government puts forward to us, though, is that we should take out the \$35 million that's going to help cushion the blow for natural gas price increases under the natural gas protection plan. We can't accept that kind of argument, Mr. Speaker.

As desirable as a move in that direction is, you really can't come along and say, so we can get under the guidelines we're asking municipalities and school boards to live by, let us take this amount of money out of the budget. Because that is an ongoing program and a program that needs to be ongoing.

If we take out the \$40 million for medicare, we come down to something like an 11.1 per cent increase. But then it's very important that members look at page 23 of the budget, where we are reminded that \$122 million is in the Alberta heritage savings trust fund capital projects division for this year. That money is to be spent this year. Until this year that \$122 million would have been in the ordinary budget. This government isn't going to be able to get away [with] talking to people across this province and saying, here's our budget, but over here we've got \$122 million that we're spending this year on the capital portion of the heritage savings trust fund. But we're not counting that.

That's where you find the children's hospital in Calgary, the cancer clinic in Calgary, the heart research centre in Edmonton, the reclamation, the tree farm in northeastern Alberta, the irrigation in the south: all laudable projects. But I must make the point again, Mr. Speaker: these kinds of projects have been going on in this province for years and years and years. To try to develop the proposition that you take that out of the budget and say to municipalities, local governments, we're living with the guidelines: that simply will not wash.

So, Mr. Speaker, when you add the \$122 million back into the budget for overall consideration, you come up with an increase in the budget of something like 15.2 per cent. That's really the increase in expenditure the government's going to be responsible for in Alberta this year.

One of the other rather interesting comments as far as the budget is concerned is that we see an increase in revenue of something like 22 per cent for the year and, if our calculations are accurate, about a 29 per cent increase in the non-renewable resources revenue. Then there is a very sizable increase which results from the federal/provincial fiscal arrangement which was worked out.

I'd like to ask the Provincial Treasurer — and perhaps when we start his estimates, he'd be in a

position to respond to us — if it would be possible to table in the Legislature the full details of the new federal/provincial fiscal arrangements, accompanied by schedules and some calculations if possible, so the new arrangements could be compared with revenues which have been received from the former arrangement. If that information could be made available to the House it would be extremely helpful, Mr. Provincial Treasurer, in the course of doing the calculations and in fact following this particular area along.

Mr. Speaker, last year when I led off the debate on the budget I referred to the Provincial Treasurer as "Mervin the Marvellous", I believe. Last year I think he talked in terms of estimates of 1976 to the forecast for that year. Once we got the Provincial Treasurer straightened away in that area, and we got talking of estimates to estimates, I think it was rather generally agreed there was something like a 16.8 per cent in the budget last year.

Now, the Provincial Treasurer has made some progress in the last number of months. Several times in the course of the speech brought down the other night, he talked in terms of estimates to estimates. I commend the Provincial Treasurer for that.

DR. BUCK: He's now Merv the Magician.

MR. CLARK: But the problem was that there were occasions when it wasn't quite so advantageous to the government to make that kind of comparison. Then we went back to last year's habit of comparing this year's estimates with this year's forecasts.

MR. NOTLEY: Then it was Merv the Marvellous.

MR. CLARK: Then it was back to last year's tricks all over again.

In fairness to the Provincial Treasurer, I should point out that we'd give you a check point as far as the move in the area of libraries is concerned. We'd also give you a check point as far as the \$30 million [for] utilities are concerned.

As for the speech, language, and hearing services for handicapped young people, we commend the government for its move in this area. But we're talking of \$75,000 in that area. The initiative is nice. But in my own particular constituency, we've got people waiting to meet the speech therapist from the Mount View Health Unit, and the waiting list is for a year. Last year we brought to the House the problems in the Minburn health unit, where the service had been cut off completely — also up in Whitecourt.

We commend the government for a small move in the right direction here. But \$75,000 isn't really going to go very far to meet our shortage of speech therapist services, let alone some other problems of handicapped young people.

I've already mentioned the estimates to the estimates improvement, and we would commend the Treasurer there.

I would also have to give the Provincial Treasurer credit in the area that the special warrants for this year have been in the vicinity of \$107 million, if our assessment is accurate. That is a commendable step from the \$300 million for each of the two years prior to that. I trust that one year from now I'll be able to rise once again and say to the Provincial Treasurer, you've kept the special warrants under or very close

to \$100 million. I would be prepared to make the same kind of compliment.

We note with considerable pleasure the reference to productivity in the speech. We'll watch with some interest the government's activities in that area this year.

As far as government growth is concerned, we note the comment there. But I'll come back to that question of government growth, and whether it's real or imaginary, later on.

Generally, Mr. Speaker, the tone of the speech was certainly somewhat less boastful than some we've heard in the House in the past. I think that was appreciated by everyone concerned.

Now, Mr. Speaker, on to the question of what about the budget? Well, as I've said earlier, it isn't a bad budget unless you're a farmer. Net agricultural income: the Department of Agriculture of this government estimates that in 1977, \$498 million will be realized by Alberta farmers. In 1976 the actual amount realized by Alberta farmers was \$631 million; in 1975, \$796 million; in 1974, \$805 million. So we go from a high of \$805 million in 1974 to an estimate by the Department of Agriculture this year of \$498 million — at least \$300 million shortfall as far as farmers are concerned in this province. We have a decline of 4.1 per cent in the Department of Agriculture estimates from year to year, using the estimates of last year compared to the estimates of this year.

It's rather interesting to compare the actual expenditure of the Department of Agriculture in '75-'76; the actual was \$80 million. In '76-'77, the estimate was \$64 [million]. In '77-'78, the estimate is \$62 [million]. That's how I come to the conclusion that it isn't a bad budget if you're not involved in agriculture.

We notice there's no mention of a contingency fund in the Department of Agriculture — the hon. Member for Drumheller raised that question in the House on Friday — when we look at the drought situation several parts of the province are facing. Yet it's very strange that in the same budget we have a \$36 million contingency fund for salary contingencies. That was \$36 million for last year. It wasn't used at all, not a cent of it. We have in the budget this year some \$28 million as a contingency fund for salary contingencies. Yet we didn't have anything in there as far as the agricultural drought situation is concerned. So it's not a bad budget, unless you're involved in agriculture.

Now we go on to the question of our dependence on non-renewable natural resources. Referring to the budget speech again, our crude oil production is something like 27 per cent below its peak in '73. It's anticipated that by '85 our crude oil production will be half of what it is today. Natural gas production is anticipated to peak in '81, then decline more slowly than crude oil.

As revenues from this source first grow more slowly and then begin to decline, pressures will build to make greater use of conventional tax sources.

That comes from the budget itself.

As members of the Assembly we should recognize, wherever we sit, that today we are living through perhaps the richest times this province is going to see. It is incumbent upon us all, regardless of where we sit in the House, to take some steps to build a broad base for the future in this province.

Today 54 per cent of the total provincial income comes from non-renewable natural resources. It has been said several times before, and I say it again: we are far too dependent upon this source of income. Alberta's economic future is increasingly tied to the fate of international petroleum politics. We must strive to broaden our economic base. There's just no question about that.

So it's not a bad budget, Mr. Speaker, if you are not concerned about the fact that close to 54 per cent of our total income of the province now comes from non-renewable natural resources.

From the standpoint of libraries, our information is that '77-78 estimates will mean approximately \$1.36 per capita. If we compare \$1.36 per capita with the other provinces in 1975, that's two years ago, good old Alberta rates seventh. It is not a very good budget if you're still interested in libraries. We had really hoped, as a result of the day we spent on the estimates last spring, that the Minister of Culture would have been more successful in his negotiation with his colleagues, to improve Alberta's position far more than it was. I don't think we expected Alberta to be number one right off the bat, but certainly we could have moved up more than three notches, it seems to me.

AN HON. MEMBER: What about regional libraries?

MR. CLARK: Regional libraries? We're not moving at all in that particular area.

I notice in the speech that reference is made to government growth, and the attempt by the government to indicate it's genuinely concerned about government growth and is going to take some steps this year. Well it should be, Mr. Speaker. The government is finally getting around to taking a serious stab at trimming the fat, something that was promised before 1971, even though there is still growth projected in this budget rather than actual cutbacks. Maybe the six-year time lag was to allow the calf to fatten up a little more before the butchering process finally gets under way. The butchering process really isn't very active as far as this budget is concerned. I for one am highly sceptical, highly sceptical, of how serious this government is about trying to keep growth down to the level included in the budget.

There are four reasons I share those concerns. From the public accounts, we've prepared a comparison from 1972 to 1976. We've taken the total expenditures for general government as per the public accounts, less expenditures for direct programs, and arrived at what we refer to as a general government net. If you look at the general government net increase, the cost of government increase, 1973 was something like 27.6 per cent increase in the cost of government, as opposed to only 7.5 per cent increase in the budget itself; '74, a 30 per cent increase in the actual cost of general government operation, as compared to a 16.3 per cent increase in the budget; 1975, a 39.4 per cent increase in the actual cost of government operation, opposed to a 33.8 per cent increase in the budget; 1976, the last year of public accounts, an 87.8 per cent increase in general government, compared to a 25 per cent increase in the budget itself.

Perhaps to summarize those figures just a bit: between the years 1976 and 1972 there was an

increase of 116 per cent in the total income and an increase in general government net of 318 per cent; from '76 to '73, increase in the total government account of 110 per cent, and government costs went up 227.9 per cent. From '76 to '74, total income account went up 73 per cent, and the cost of the government went up 159 per cent; 1975-76, the budget went up 29.5 per cent, and the government net, the cost of the government, went up 87.8 per cent. These are figures from the public accounts.

That's why I become a bit sceptical when I hear the government start to talk about how they're cutting back, holding the line in these areas.

Then it's interesting that in the 1976 budget, for which we don't yet have the public accounts, but at that time the increase in support services — well, the Department of Utilities and Telephones went up 25 per cent. Support services for the Department of Transportation went up 40 per cent. The Department of Recreation, Parks and Wildlife, 21 per cent; Housing and Public Works, 169 per cent; Government Services, 28.7 per cent; Consumer and Corporate Affairs, 35.5 per cent; Department of Agriculture, 22 per cent. That was last year.

Then, Mr. Speaker, in September 1976 we ran across the study done by the Department of Public Works. This said that during the next four years an increase of 100 per cent will take place, raising the public service from 26,000 to 52,000. This is relating to the Edmonton region. [interjections] The Minister of Energy says we can't believe Yurko. I know that. I don't.

MR. NOTLEY: That's a revealing statement.

DR. BUCK: Nobody believes Yurko.

MR. CLARK: Well I had taken the man more or less at his word.

But the fact is, this is a report from the Department of Public Works. [interjections] The people do? They don't, after this kind of carrying on. This is the same minister, Mr. Speaker, who not many months ago, during restraint, unveiled plans for reflecting ponds out here. The government talks about restraint. Within the last year its own Public Works people have been planning to facilitate things so the government can double its complement of people in Edmonton. We really can't take their commitment in that area very seriously.

I think it's really an effort for a one-year stand, to try to give the impression to the people of Alberta that the government is really going to cut back in these areas. In fact they're not really cutting back. They're just simply holding the growth rate back, according to the estimates presented before us today.

To conclude this area, I'd say that I'm for a government that demonstrates it can control itself before it tries to control others. I'm still waiting for that kind of demonstration from this government. For the past several years we have tried to control local government, school boards, hospital boards, health units, and a variety of local government agencies like that. But we haven't been very successful in controlling our own situation here.

Mr. Speaker, I'd like to deal with the question of what's happening in our two largest urban centres. All members are aware that the concept of restraint

is very much in vogue these days, not just in Canada but with governments virtually around the world. Restraint is in fact a good idea for unhealthily bloated governments — we see this happening everywhere — not to mention being a nifty political catch-phrase. I'm sure it will continue to be that. A major concern of the opposition, however, is the direction that such restraints tend to take. These are the most visible and certainly, therefore, the most vulnerable areas of government expenditure, the areas of people or social programs. It is typical of this government and many others that such programs are the first to suffer from cutbacks when they are announced.

My colleague the hon. Member for Little Bow and I spent one evening last week in the downtown area of Edmonton, and we plan to do the same thing in the city of Calgary later on. The people in the downtown area in Edmonton, the organizations working there, talk about the urban blight starting to appear upon the scene in both Edmonton and Calgary. They are the organizations who say, it isn't more money we need. What we need is some leadership to try to pull things together so we are not falling over one another, so we can get some co-operation between the province, the city, and the organizations there, just so the people from the Department of Social Services and Community Health would even talk to the people from AADAC, would even talk to the people in the mental health area, so that all sorts of horrible administrative nightmares wouldn't be developing, where one agency refuses to accept people recommended to them from another government agency.

It doesn't take more money to start to come to grips with the problems of downtown Edmonton or downtown Calgary. What it does take is some moral leadership, some intestinal fortitude as far as this government is concerned in that area. There's no recognition of this in the budget speech at all. We're not calling for mass amounts of additional money in the downtown areas; we're talking about some commitment to try to move in the direction of coming to grips with the problems there. The problems are going to get worse, as I said in my budget remarks earlier. The real problem lies in the future, and this government's failure to develop social programs which will enable us to deal with these problems.

Let's look at some of the situations. We've had this question of day care and regulations and standards. We had a committee report some time ago. We asked for public input. The public input came, and now we've established another committee to review the public input. I know there are members in the House who say day care is going to cost us lots of money. Let me say to those members, the government doesn't have to put up all the costs for day care, and shouldn't.

Some of you were out visiting Fort Saskatchewan on Friday. At least I believe you were visitors there.

AN HON. MEMBER: I hope they were visitors.

MR. CLARK: It's no laughing matter. You saw there, in Fort Saskatchewan, some of the problems we have. These problems are going to get greater unless we're prepared to take some initiatives in this area of day care. I emphasize the point, we don't have to pick up all the costs of day care. We shouldn't.

What about single parents, my colleague says.

Look at what's happened to your own social assistance role as far as single-parent families are concerned. It's gone up a great deal. You can dilly-dally all you want in this day care area, but it's going to continue to increase the costs for us down the road.

We've been round and round and round as far as home care is concerned. We brought in a man from the University of Calgary who became an assistant deputy minister. I understood he was in charge of the whole home care area. Great enthusiasm was generated. Dr. Cochrane went back to the University of Calgary. I think we may have to bring him back to the government to get the program launched. The people in the department appear to be ready to go [with] home care, but for some reason the government can't get itself off high centre.

For some ridiculous reason, the government seems to have the idea that home care is going to cost a great deal of money. It isn't. It'll be one of the best social investments we can make. All you've got to do is compare what it costs to keep people in nursing homes, auxiliary hospitals, active hospitals, with something like \$6 to \$8 a day for home care programs. People make perhaps two and three calls a week, be it the Victorian Order of Nurses or health units or whatever.

Why will a government that's going to have over \$200 million surplus this year not move on home care at this time, the same time they make an announcement about extension of the home program for senior citizens, be it in the lodges, the units, or their homes themselves. The members of this Assembly have to recognize sometime that if senior citizens are going to be able to stay in these accommodations we're building them as long as they should be able to, we've got to get some nursing care to them, basically. Again remember, it's over \$100 a day for active treatment beds. Auxiliary beds aren't that much, but they're still substantive. How the members of the government can justify a \$200 million surplus and willy-nilly sit on their hands on home care and day care is completely beyond me. It isn't going to cost huge amounts of money.

It seems to me that we've really lost sight of what's going on in our large urban centres. We've lost sight of the problems that single-parent families or the working poor have. If we're ever going to start to do some of these things — if we don't do it now, five or 10 years from now is too late. The Premier himself has said the next 10 years are Alberta's decade. If we're going to move in these areas we must do it now, not wait until our resources are depleted a great deal more.

It's not a bad budget either, Mr. Speaker, if you don't think a budget should try to be far-sighted. I say it's not a bad budget because this budget predicts an overall deficit of \$40 million. But then reference has to be made to the Alberta heritage savings trust fund. If my memory is correct, I believe on page 38 it's indicated that possibly the non-budgetary requirements of the Alberta Housing Corporation and the Home Mortgage Corporation will be picked up by the Alberta heritage savings trust fund. If that happens, Mr. Speaker — and I suspect it will — that will be a change of \$373 million in the budget, when you look at the overall budget where it talked about that \$40 million deficit after the non-budgetary requirements.

Also I should remind members that this budget is

based on the present price for oil and gas. We haven't been able to pry a possible figure out of the Minister of Energy here, but the Minister of Energy in Ottawa says he wouldn't be prepared to settle for anything less than \$1.25 a barrel increase. Rather crude figuring would point out that that would mean in the vicinity of \$150 million additional revenue for the province next year. Say \$40 million of that goes to the heritage savings trust fund. That still leaves us with something in the vicinity of \$280, \$290 million. Let's assume there's another \$100 million of special warrants. We'd still end up with something like close to \$200 million surplus next year.

When I look at the budget, that's what I see. When you take into consideration the fact that the price of oil and gas will go up — if the federal minister is saying at least \$1.25, I think it's fair to assume we will get at least that much. If we take into consideration the effect of the heritage saving trust fund, we're looking at close to a \$200 million surplus as far as next year is concerned. That's why I say, the budget isn't really very far-sighted from that particular point of view.

However, the budget picture and the consequential financial position of the province for the longer term, 10 years, has to be cause for a bit of concern. If the provinces's budget were to continue to increase at its present rate — let's say the supposed 10 per cent restraint guidelines, which it didn't live with this year, it's 15.2. Let's assume that for the next 10 years the province were to have continued restraint at 10 per cent. The aggregate budget in 1986 and 1987 would be something [like] \$7.7 billion. That's \$7.7 billion in 1986 and '87 if we continue that 10 per cent rate of restraint each year, which we haven't been able to do in the last two years.

If the restraint guidelines were to be eased, expenditure programs could be expected to increase at a rate certainly far in excess of 10 per cent, perhaps at a rate comparable to that experienced during the prior five-year period, when actual expenditures, exclusive of non-budgetary items, for the year ended March 31, 1972, was \$1.2 billion. It increased to \$2.9 billion by '76-77. If this rate of increase were to prevail for each of the next two five-year periods, the province's budget requirements, once again excluding non-budgetary items, would exceed \$10 billion for '86-87, \$10,300 million to be more exact.

The 10-year period I talk about has been taken to conform with the Premier's statement that over the next decade the province has to diversify its economy, as the non-renewable resources are declining and the revenues will therefore cease to be available to the province at some future date. Now we're not as pessimistic as the Premier. We think we've got somewhat longer than 10 years. But repeated reference was made to this in the budget speech on pages 5, 7, and 14. Then on August 30, when the Premier announced the investment plans for the heritage savings trust fund, he was quoted as saying, "when revenues begin to decline dramatically in a few years as the wells . . . run dry." So it isn't unreasonable to expect in this budget — certainly budgets to follow — much more detail [about] the projected expenditures, revenue, and long-term projections as far as the heritage savings trust fund is concerned.

I get the feeling the reason this was not included in

this year's budget is that this is really a one-year budget. Next year will either be an election year or the year before an election, and I doubt we will see nearly as much reference to restraint. If we do see reference to restraint, we'll see much greater use of the heritage savings trust fund in that particular area. I suspect that's really the reason the budget is quite short-sighted in several regards this year.

From our point of view, Mr. Speaker, the most glaring omission in the budget was a lack of emphasis on the small business portion of this province. I think the lack of any emphasis in the budget on small business illustrates a basic philosophic difference between the government and my colleagues in the official opposition. It seems to us the government places a much larger priority on larger institutions, the big business, big union, big government kind of situation. We have seen an example of this in the oil sands pipeline fiasco, where the government put its corporate interests before its public interest. We see the promotion of large-scale industries such as Syncrude and the petrochemical industry. But in my judgment the government seems to be overly interested and concerned in those areas, to the exclusion of a genuine interest as far as small business is concerned.

I see \$137 million in this budget as a guaranteed loan to the AEC power operation. It is included in this budget as a guarantee. On page 8 of the budget, the Provincial Treasurer talks about labor, management, and government acting in consort and taking effective action to reduce inflation. He's obviously referring here — and I think this is a true reflection on the government's view that big business, big unions, and big government will get together and look after what's good of all the rest of us. We don't accept that point of view. We place a much higher emphasis on smaller institutions. Government's role should be to protect the individual from the abuses of large institutions.

The philosophy of the official opposition is that the community must be preserved and promoted, be it urban or rural. That is why we raise the question of the downtown areas in Edmonton and Calgary. It is in the community where the individual is generally able to achieve his greatest fulfilment in our society. That isn't true of the move toward large institutions. For examples of this kind of endeavor: our position on the question of the oil sands pipeline, refusing to accept the position of the government that they wouldn't become involved, that they weren't going to become a part of exercising influence when you have big business, big unions, and big government working to the exclusion of the rest of the people in this province.

I think back to the introduction of the Ombudsman in 1967, the emphasis on local government that my colleagues and I have consistently put forward during the last two years, and our strong support for the concept of revenue sharing. This kind of emphasis on small business — frankly, I think the cutback as far as the Department of Agriculture is concerned is inexcusable. It's the only department in the government, other than the Department of the Environment, that had its estimates cut back for this year. If there's a group of small businessmen, a group of people prepared to go it alone, it's certainly those people associated with agriculture.

I think we have to look seriously, Mr. Speaker, at the Alberta Opportunity Company. In 1975-76 the AOC lent \$20.4 million. In 1976-77, \$15 million was allocated to the AOC, and only \$6.6 million was actually lent. This year only \$8 million has been allocated by the AOC through the fund. This is very insignificant support for Alberta-based, owner-operated businesses when you consider this government made \$200 million loans at favorable interest rates to its partners in the Syncrude project, and in the last little while lent \$50 million to the province of Newfoundland.

It seems to me this government must go back and seriously assess its priorities and commitment as far as small business development is concerned. I think some positive policies have to be looked at in this area, Mr. Speaker: a total review of the provincial lending program as operated by the AOC, whether it be direct or guaranteed loans, to determine the best way to free risk capital and provide small business with access to intermediate and long-term debt financing. There will be failures, Mr. Speaker. Nevertheless there have to be some new initiatives in these particular areas.

As far as the area of special tax incentives is concerned, in 1975 the former Provincial Treasurer tabled in this Legislature a position paper entitled, *Basic Objectives and Terms of Reference for Alberta Business Taxation and Incentives*. The paper stated that one of the key components of the government's taxation policy

is to encourage the growth of small Alberta-controlled, Alberta-resident business and agriculture.

Page 8 states:

For Canadian-controlled, Alberta-resident corporations, we propose a reduction to 6% of the rate of provincial tax on the first \$500,000 of taxable income allocated to the Province . . .

It's obvious when one reads this speech of last year that the government now does not accept the philosophy outlined in that paper. Therefore special taxation policies affecting small business have also been placed on the back burner, and I think the natural gas has been turned off.

Mr. Speaker, I believe we should be dealing much more closely with the new federal minister for small business development. It isn't good enough to come along in one or two years during an election and say, he isn't doing his job, their program isn't oriented to Alberta. Now is the time we had better orientate him and his policies to Alberta. On numerous occasions in this House, we've heard all sorts of comments about DREE not meeting the needs of Alberta. [Inaudible] you see the federal ministers out here recently. Hopefully we are making some progress in that area.

I think it's essential, Mr. Speaker, that Alberta set up a centre for research and development of technologies which would focus on small, owner-operated businesses. The centre would also promote an understanding of some of the virtues of small, owner-operated businesses as opposed to large corporations, which are basically run by employees, even though they may be very, very well-meaning. Such a formulation of legislation would enable and encourage small businesses to band together for such purposes as volume buying, advertising, and a number of other advantages that could be available.

There is a centre in Butte, Montana, dealing with this question of research and development of technologies primarily aimed in the direction of small business. The Japanese government has moved in this area. Several other countries are recognizing that this is the way we have to go.

This is especially true in Alberta because in 10 to 15 years our non-renewable natural resources are not going to be with us. It's during this next 10 to 15 year period that we have to do the building up. In the judgment of the official opposition the building up has to rest with a very, very strong commitment to small business in this province, not to those people from without, who don't have their long-term interest here in the province. We must also make it much more possible for owner-operated businesses to have an opportunity to bid more effectively on government services. It may mean that tenders have to be broken down a great deal more, but very often I get the complaint from small businessmen that they are not able to bid on government services, not large capital contracts but simply ongoing government services. That's another very important area we have to look at.

In conclusion, Mr. Speaker, as I indicated at the outset, there are some aspects of the budget that naturally we are pleased with. I commend the Treasurer for his efforts in those areas.

I say it's not a bad budget if you're not concerned about ranking seventh as far as libraries are concerned; if you're satisfied to see Agriculture's estimates hacked away and be the only department that has less this year than last year; if you're satisfied that there's no home care in the budget; if you're satisfied to accept the first signs of urban blight in Edmonton and Calgary and to do little or nothing about it; if you're satisfied to see 54 per cent of our total provincial income come from resource revenues — and we can't change that overnight but must work at it diligently and from the standpoint of small business development — if you're not concerned about seeing a 15.2 per cent increase in total government spending for the year, at the same time we're saying to local governments, school boards, hospital boards, and the rest of them, you live with 10 per cent. If you're prepared to live with restraint on the backs of local governments it's really not a bad budget, I suspect.

I just make this last comment, Mr. Speaker. Unless there are some very dramatic changes, a year from now when we see the year-end statement, I'm sure we'll see the government has well over \$150 million surplus. That's the short-sighted portion of the budget that I think it's important for members to recognize.

I think when we get into the budget estimates — and we appreciate the government making it possible to discuss the estimates of the Provincial Treasurer first — we will find the estimates very revealing from the three points of view we set out when the session started: first of all, the public's right to know what's going on; secondly, from the standpoint of trying to get better value for the taxpayer's dollar; and thirdly, from the standpoint of trying to stop any more centralization in the hands of cabinet or the Edmonton decision-makers. We look forward to the study of the estimates from those points of view.

[Dr. McCrimmon in the Chair]

MR. TESOLIN: Mr. Speaker, as the years go by, the process of governing, I suppose in every modern government and certainly our own, grows ever more complicated and elaborate. The burden thrown on all who take part becomes heavier to bear and more difficult to discharge. So much is going on in our vibrant province from day to day and from week to week that it is bewildering to keep track of all that is happening and, still more, to keep a clear and correct proportion of the weight and value of facts and events.

It follows then, Mr. Speaker, that decisions must be made. One such important decision is that government expenditures for the year commencing April 1, 1977, will reflect only an 11.1 per cent increase over the previous year so that we can continue our war on inflation. This will necessitate restraints on some existing programs, while not nullifying the creation and expansion of needed programs. We have taken measures to assure that this provincial government leads the way in restraint by allowing only a 1.2 increase in the civil service for 1977-78.

I am pleased that initiatives are planned to maintain investor confidence in the financial sector and to further industrial diversification in order to establish a stable future in Alberta. The growth rate in total investment in Alberta is double that of any other Canadian province, amounting to some \$6.3 billion in 1976, a performance on which we must be commended.

Mr. Speaker, relating to libraries, I'd like to suggest to the Leader of the Opposition that when other governments calculate per capita spending on libraries, they take into consideration school libraries, university libraries, and legislature libraries. The government of this province includes in its per capita figures only libraries *per se*, and not those libraries in schools, universities, et cetera, which are included in other departments. I think the added funding to the libraries in this province is certainly commendable and a very welcome part of our budget.

Mr. Speaker, the increase of 124.5 per cent in small school assistance grants is most heartening to me. During the past weekend my constituents have indicated they readily endorse this move. With this in mind I would like to add that I too think the time has come for the examination of the provincial education system, with the hope of delineating certain goals and objectives in establishing a rational basis for long-term future planning. I support greater public input into setting curriculum policy while allowing ample opportunity for teachers to practise their professional capabilities [with] the least amount of external interference.

The budget stipulates that housing will continue to be emphasized, to provide adequate shelter for all Albertans regardless of financial status. This I view as [of] prime importance to my constituents. Alberta Housing is to spend some \$168 million for 2,700 housing units, \$41 million for public housing, and \$14 million for rural and native housing. This is indeed a remarkable situation. Three hundred and eighteen million will be budgeted for mortgage lending programs, a decisive measure to increase available accommodation for our ever increasing population. Indeed, Mr. Speaker, the minister must be congratulated for his ambitious, comprehensive housing programs, which stand second to none in Canada.

The natural gas protection plan will be further strengthened in 1977 and 1978. It recognizes that Albertans should share and benefit from the availability of that natural resource in our province. The 50 per cent increase in this plan will directly benefit every user of natural gas, and give him the cheapest heating fuel in all Canada.

Mr. Speaker, net farm income has declined in 1976. Thus it is of supreme importance that new initiatives will be made in international tariff and trade negotiations to develop markets for our vital agricultural history. I must give my sincere support to our Premier's desire to ensure Alberta plays a prominent role in any decisions made with regard to the General Agreement on Tariffs and Trade in Geneva next year.

The search for agricultural trade opportunities and the necessary market information has to be vital. With this in mind, I am most grateful to see the new international marketing branch of the Department of Agriculture. This branch, working closely with the producer, will also aid the development of agricultural processing industries, further strengthening Alberta's rural society.

The budget gives a framework which will set the parameters for a well-balanced social and economic plan for our province. The need for such a plan is most evident in the northeastern sector of this province, the area I proudly represent as the Member for Lac La Biche-McMurray.

Mr. Speaker, the economic development of the northeastern sector of the province is usually viewed solely on the basis of the wealth locked in the tar sands. In doing so, we are focusing on just part of my constituency's wealth, thereby forgetting one of its principal resources — land.

So many Albertans do not realize the huge mass of Alberta which lies north of Edmonton. The constituency of Lac La Biche-McMurray alone is equivalent in area to New Brunswick and Nova Scotia together. As you most likely realize, the greater part of this area is not suitable for agricultural use. But every day the process continues of clearing that which may prove productive. The importance of this vital resource cannot be underestimated. Therefore we earnestly await the comprehensive policy statement on the management and administration of public lands.

Those in my constituency who are awaiting the processing of these applications for both agricultural and small business are also very pleased that the public land inspector program will be accelerated.

Mr. Speaker, the land resource is an integral part of Alberta's primary, basic industry, agriculture. The southernmost area of my constituency contributes annually to the nearly \$1.8 billion cash income realized from the sale of farm products in Alberta. However, the shorter growing season necessitates reliance on a mixed farming venue, rather than the intensive specialization prominent in other areas of the province.

The cattle industry continues to play a vital role in northeastern agriculture. With Alberta's continuous efforts in improving market conditions, the prospects for the industrious cattlemen of the north will be brighter. With a \$23 million program, this year's budget recognizes the need for substantial assistance to those stockgrowers who face a severe economic crisis due to low world cattle prices. With the con-

tinuing importance of agricultural production in this area, it is imperative that northern farmers' needs be met. One of the most urgent requests of the agricultural community in my constituency is for more and better service roads. This means not only their construction but their maintenance, to assure that the farmer is not restricted by road conditions not only in reaching the local markets but in being able to share more conveniently the good life enjoyed by most Albertans today.

Reviewing the brief on multilateral trade negotiations submitted jointly by the provincial governments of Alberta, British Columbia, Saskatchewan, and Manitoba to the federal government, its content forecasts that we can rest assured that our position in every aspect of agricultural production is being represented. In 1974 Alberta produced 20 per cent of the total Canadian agricultural output, with less than 8 per cent of the country's population. In view of Alberta's relatively small population and food consumption, it is of prime importance that present and potential markets be scrutinized in order to maintain and improve our competitive advantage in agricultural production. The brief points out that only 5 per cent of the total employed labor force in Canada is in the agricultural sector. That figure rises to 15 per cent when just the four western provinces are considered.

An indication of the priority given to agriculture by these provinces can best be exemplified by referring to the introduction of the brief:

... it is the view of the Western Provinces that Canadian agriculture must not be sacrificed to protect the interest of certain industries which may come under pressure in these negotiations.

The brief calls for the liberalization of tariffs which mitigate the potential of western agriculture. It also recognizes the need for regulation in some areas to promote stabilization, but it endorses movement towards a less restricted agreement to enhance the marketability of western Canadian agricultural products. I am pleased that Alberta has not only contributed to the brief but is taking a leading role in assuring that its recommendations will be implemented.

Mr. Speaker, closely related to agriculture and the vital land resource in northeastern Alberta is the abundant supply of forest products. The Athabasca and Lac La Biche forests cover the entire constituency and make up 26 per cent of total managed forest lands in Alberta. It is estimated that the potential annual yield for these two forests is 75 million cubic feet coniferous and 73 million cubic feet deciduous. Therefore I am pleased that the government will commence a comprehensive new inventory of forestry resources in 1977. A sound effective forest management policy will provide immediate benefits, while maintaining efficient reforestation assures adequate future supplies of this renewable resource.

The land of lakes and forests also provides the necessary raw materials for a substantial trapping and commercial fishing industry. Where my urban colleagues are continuously confronted with the everyday concerns of bustling twentieth century living, I find it exciting to represent people who seek regulation of their trapping industry, hopefully helping them establish associations to ensure they will receive fair value for the products.

The northernmost part of Lac La Biche-McMurray

lies in the great Canadian Shield. Yes, we often hear of the tar sands, yet north of Fort Chipewyan lie mineral deposits we have not begun to develop. But this remains for future consideration.

I need not expand on the economic input of the development of the synthetic crude oil industry in the constituency. The new town of Fort McMurray is the most rapidly developing area not only in Alberta but in all of Canada. Since '73 the population has doubled to 18,000, and conservative projections are that it could grow to nearly 40,000 in the '80s. The town's operating budget is now \$8.5 million, and 1976 was a record-breaking year for the issue of building permits, valued at some \$90 million. Of this amount, over \$68 million was issued in housing permits.

Providing housing for Fort McMurray's bursting population is among the government's highest priorities. The Alberta Housing Corporation has accepted the challenge in helping to provide housing for the thousands of people who will move to McMurray during construction and operation of the Syncrude plant. The budget also makes provision for \$20 million in hospital construction which will be of some direct benefit to Fort McMurray, where the demand for more and improved health care services is very great.

The demands placed on the existing infrastructure are not restricted to McMurray. The continuous search and finding of energy sources is also taking place in the Lac La Biche region. The most immediate and pressing need is to assure accessibility by improved roads. But this does not preclude the ever-increasing demands placed on the housing, education, and health care facilities in the area. If economic development is desired, it must be met by consequent needs for improved people services.

The provincial budget shows that these people services will be met. For instance, \$500,000 will be allocated for the construction of water and sewer facilities in isolated areas. Supplementary funding for local health units will be greatly welcomed, especially the provisions for services for the handicapped. I've already stressed the importance placed on housing in the budget by the hon. Provincial Treasurer.

The improved accessibility into the heart of the lakeland district will open up this beautiful area and enhance the fledgling tourist industry. We are very proud of our natural heritage in the north. If individuals are willing to treat it with great respect, they are most welcome to enjoy this splendid recreational paradise with us.

The need for rapid economic development in the McMurray region, as well as diversification in the basic industries, must not be done without due consideration for the serious social implications involved. An area that has in the main been left alone for most of the century since Confederation must suddenly come to grips with the reality of tremendous industrialization. Consideration must be given not only to the wealth of natural resources but must be shown [to the] human resources. We must seek to allow the long-term residents to develop their own potential. It cannot be forced upon them, as is the machinery which comes to extract the resources.

In Canadian history, mistakes have been made in developing the northern frontier. The harsh realities of inclement weather and the ruggedness of physical

environment are not amenable to the construction procedures which are possible in more temperate climates. In many cases we have found it necessary to adapt to rather than overcome these obstacles. Where mistakes were made and progress slow, the objective was not given up. Let us then give the same consideration when dealing with the human resources of this area. In the process we will undoubtedly gain a greater insight into the character of the north.

Mr. Speaker, arguments can vary as to how this can be achieved, but one is repeatedly given as the best way. It is stated by Jim Lotz in his book *Northern Realities*:

The literature of development from elsewhere in the world stresses the need to inform and involve everyone so that the 'top-down' perspective of the centre and the 'bottom-up' perspective of the local level mesh with the least amount of strain and cost.

The Department of Indian Affairs and Northern Development can be extremely valuable to the north. However, I might suggest to the minister that we in the north think this department could gain a better feel and conscience of the north if the main offices were moved to the north.

AN HON. MEMBER: Hear, hear.

MR. TESOLIN: Surely the pulse might be better felt in the north if the heartbeat were more proximate.

The effective decentralization acknowledges the need for a great deal of provincial direction and control to facilitate rapid and efficient development in the area. But this overwhelming influx of administrative expertise and management systems should not prove so intolerable that any local initiative is completely destroyed. There is presently a need for added administrative accountability, which can be achieved only by really and effectively involving local residents directly in the decision-making process. With this it is heartening to see that the budget calls for an 18.1 per cent increase in unconditional assistance grants to municipalities. This \$60.1 million provided to the municipalities is an indication of the faith which the provincial government shows to the local authorities.

It is imperative that this not be perceived as tokenism, for that would only lead to further alienation in an already questioning society in my area. There are various justifications for allowing greater community involvement in preparing detailed planning concerning their future. The immediate result would be that citizens would begin to respect achievements in which they play an important part. It will instil in long-time residents the desire to see their community developing according to their wishes. It will allow the active involvement of the new residents and reduce the transient nature of the laborer in the north. Together this will create a stronger community which can greatly contribute to the future of Alberta.

Mr. Speaker, local administration will make the government more responsive. A greater knowledge of local affairs will promote quick reaction to new demands. In the long run it is also more economic to administer any area closer to the actual concern. As the community matures, it should be able to have the necessary authority to monitor its own affairs.

We must also see to it that those who wish to remain in the north, yet continue their education, are able to do so. This is one of the main concepts in establishing Athabasca University, and its desire to meet such needs must be commended. Presently only a limited number of courses are available to students, but it is hoped that continued expansion and development of the university will allow those students who wish to remain in their community the opportunity to complete this type of secondary education. This will greatly enhance the social development of the region.

Mr. Speaker, the Alberta heritage savings trust fund will increase in value by some \$900 million during 1977-78, assuring a prosperous future for Alberta. It will offset the necessity for greatly increasing personal income tax for future Albertans, so they will enjoy the lowest taxes as we in this great province do now.

The 1977-78 budget, the seventh of this administration, must be viewed in light of international economic pressures. When this is done, we can rest assured that it is dutifully concerned not only for the present but equally for the future prosperity of Alberta. Keeping this in mind, the Provincial Treasurer must be commended for estimating a budgetary surplus of \$248 million for the forthcoming fiscal year. Surely this is representative of his great contribution to the managing of Alberta's financial affairs.

Mr. Speaker, we the residents of the north are a selfish people. Those of us who have lived there all our lives take great pride in the quality of life this land can provide. We can now offer the amenities of more urban areas, but at the same time we will tenaciously hold on to the past which completely surrounds us. The beauty of the new north is the juxtaposition of rapid economic development and the constant forces of nature which guide the land. You can step out of the bustle of Fort McMurray into the splendid isolation of Fort Chipewyan, a community steeped in history yet a forecast of a vibrant future.

The scenic wonder of the north is not accessible to all. Those who live in Fort Chip have much more in common with the residents of the Yukon and the Northwest Territories than with people in Edmonton. This is why we continuously press for the construction of a road from the northern Alberta border to link the existing framework in the province. Such a road would not only be a service for the people, but would also open the door to granite development, further tourism opportunities for all urban people, plus untold amounts of other business.

A major underlying thesis of Lotz's book, to which I referred earlier, is that the common heritage of Canada is bound in its northernness. It is something which places us apart from the rest of the world. It is the one thing that is uniquely Canadian.

So, Mr. Speaker, at this time in our country's history when the tension seems unrelenting, we look north to our past and our future simultaneously. The pioneer spirit which carved this nation in the past is still quite alive and well in the northeast of this great province.

MR. KROEGER: Mr. Speaker, I want to extend my appreciation to you for letting me partake in the ongoing discussions. I did have plans to take part in the budget debate, where I understand you can talk

about your constituency and stay fairly close to home. For some reason this didn't come about, and this House is going to be forever deprived of the marvelous things I was going to say. They'll never know, Mr. Speaker, that I was going to make a few comments about the uniqueness of the constituency in east-central Alberta, the most unique aspect of that being that we have as large a caucus there as the whole opposition — six. We have six MLAs, one being a cabinet minister. Occasionally we meet informally. I won't tell you what we talk about. But Sedgewick-Coronation is the best-represented constituency in the province at the moment.

Secondly, you aren't going to know something else I wanted to talk about specifically. The Member for Lac La Biche-McMurray commented a bit on it. He was talking about the Premier's involvement in some trading. The thing that interested me in listening to discussion on it was that the Premier is going to my old home town. He's going to sell some wheat. As a Dutchman by nationality, born in the city of Moscow, and a naturalized Canadian, I found that sort of interesting. But the most interesting aspect of it, if you will allow me to talk about it for a minute, Mr. Speaker, was that I tried to visualize what was going to happen when the Premier arrives in the city of Moscow to sell something. It's interesting to me because that's what I do for a living, and having come from there I'm trying to visualize what he's going to do. I'm very proud of the fact he's doing this. Incidentally, he hasn't asked me to go along to coach him. But the key thing he's going to run into is communication.

I was going to give him one line he could use to advantage. I can't do that now. In order to give him that . . . I've used it many times. I lived there for nine years, could never speak the language, and was faced with the dilemma he's going to be faced with many times. Finally this particular line was given to me. If the Minister of Education were here, he could probably help with it. Maybe I will give you the line: *menia po-russki ne ponimaesh*. What is *Hansard* going to do with that? But if the Premier wants to know what it is, he can talk to the Member for Edmonton Beverly or perhaps the Minister of Education.

Having wasted that time and not having had an opportunity to use it in the budget debate, I'm going now to something far more serious and, to me, very interesting. Whenever I deal with anything at all I always ask myself, what is it? I'm looking at this and I ask myself, what is it? Obviously I haven't had time to look at all the pages, but I looked through it and decided it is a price list. That fits what I do again, Mr. Speaker, because I use one. In effect that's a price list of all the things I guess we're going to buy in 1977-78. I marvel at the Treasurer's ability to develop that kind of documentation and that kind of forecasting.

When I look at a price list I ask myself, if it's a price list, what's the next step? Well the next step, if that is totally a price list, is that I ask myself, what's a price? Because again I deal in prices.

I have another price list, Mr. Speaker. It's pretty dirty and pretty old. It's interesting to me and might be of interest to this House that the date on this price list is 1941 — but still the same in 1946. The Minister of Social Services and Community Health is smiling. She probably recognizes what that is.

There are some interesting things in there, as there are some interesting things in this price list. But the really interesting thing is that that price list didn't change from 1941 to 1946. Since I deal in iron — granted, sophisticated iron, with hydraulic controls and many comfort innovations; nevertheless I guess you're talking about iron — I looked at this price list, which I was fortunate enough to find after some 30-odd years. I see some pretty interesting figures in here that relate to what's in there.

I have to keep going back to that, Mr. Speaker, because I'm afraid you're going to pull me off and say I'm not relevant. We're talking about two price lists. So if you're tempted, I'll keep referring to this or I'll pick it up.

Now the interesting thing that's relative is that in 1977 in my new price list — which incidentally is three times as big as that, not this little deal — the price of iron in there is about 15 cents a pound; in my new price list it's about \$2 a pound. Let's convert it another way. Everybody's familiar with an automobile. Everybody drives one. It weighs about 4,000 pounds on average and costs about \$8,000 on average. That's pretty substantial. Using the other formula, you know what you would come up with. I won't do your arithmetic for you.

But if these are price lists and we are talking about prices, I want to get to a serious part of this and see what constitutes a price. We have the AIB talking about prices and wages; we're trying to control that. There seems to be a great mystery as to what we are trying to control. We hear people saying, well, we're controlling wages but we're not doing anything about prices, and the reason we're having all the increases is because the freight or the interest or whatever is high.

So I started looking at the anatomy of a price of anything. But I'd like to stay at something pretty tangible, such as an automobile. Mr. Speaker, I find myself going back to about 1956 when one day we were walking past a showroom in the town of Stettler. A British car was in there, an Austin. The price listed was about \$1,600. That's not important. But the chap with me said, look at that darn thing: \$1,600, and I understand there's about \$38 worth of material in that car. That really startled me. When I asked him where he got that figure, I didn't get any response that really meant anything. He just heard that somewhere. But it did raise a question. And what I'm trying to do now is to raise some questions. The question it raised in my mind was, how in the world could he come up with that kind of figure?

So then I started going backward — which I have been doing very often in my lifetime, Mr. Speaker. I asked myself, that can't be valid, but if it's valid, at what stage is there \$38 worth of material in that car? Finally I asked myself, would that be if a geologist looks at a mountain and says, there's ore in there, and here's a bill for \$38? Somewhere along the line there had to be some relevancy.

[Mr. Speaker in the Chair]

That brought me to another stage. I remember speaking to a chamber of commerce in Fort McMurray last summer. I passed out three slips of paper to the businessmen in that group. I said, write on that piece of paper for me the composition of a piece of

equipment, breaking it into material and labor. I got funny answers like 70 per cent material and 30 per cent labor, or the other way around. Then I said to them, let's take a real look at that; actually I'm willing to suggest to you that it's zero material and 100 per cent labor. No material at all. I got quite an argument.

But think about that. The materials we talk about that are in that mountain or in those trees in the north or whatever, are there. They're ours. We don't do anything about them. They aren't worth anything until somebody does something or lifts something for which they get paid.

So you follow right through from zero — no cost, it's there — to where somebody digs it out of the ground and throws it on a train. They haul it to a crushing or heating plant and start making metal out of it. Everywhere along the line is a price tag. All the price tags relate to people doing something, not to material.

You can follow that right through to merchandising if you like. When the Minister of Social Services and Community Health was in this business I'm talking about, she used to make a 20 per cent profit on everything she sold. If she sold something for \$10,000, she had a 20 per cent markup and made \$2,000. But it doesn't work like that in our business. Our business is the same kind, but it doesn't work.

We do pretty well if we wind up with about 2 per cent, because it costs about 17 or 18 per cent to operate. That 17 or 18 per cent represents our costs relative to running that business. So again I'm paying people for doing something. Let's get down to the 2 per cent I have left. I have to worry about living on that 2 per cent, paying taxes out of it, and it should represent my being paid for what I do.

Another thing interests me. We have a Minister of Labour, as we do federally. I marvel at that. I wonder why we should have a Minister of Labour, because if we start dividing people into labor then we must have a class that doesn't labor. I'm dubious about that, because I've done what I've seen other people in this Assembly do: I went to the dictionary just before I came up and looked up the word "labor". It says, to exert one's powers of body or mind. I thought that wasn't very good. I went to one that said "work". Work, it says, is sustained physical or mental effort to overcome obstacles and achieve an objective or result. That doesn't sound very parasitic to me. That doesn't sound like that fellow is being paid for doing nothing.

But we make this division; we have the labor people, so the opposite has to be the non-labor people like the Minister of Energy and Natural Resources. I wonder why we have to pay these people who don't do anything. [interjections] We allow people to think about that in divided terms, that there are people who work and people who don't.

If you try to imagine non-working things — one of the most comfortable chairs I know of that any of you can sit in is a dental chair. You can do anything with that. It will move you up and down, or it will recline you. It's got a headrest. It's just a marvellous thing. I think I'm going to buy one when I get finished here.

DR. BUCK: You will, Henry.

MR. KROEGER: Or you could give me one. It's a marvellously comfortable piece of equipment. It denotes not doing anything. When you get into that chair you don't do anything. Two hours after you get out of that chair you're going to be so tired that you'd argue with anybody that that wasn't work. Yet the implication is that you sit down and don't do anything. I resent that because I feel that in the makeup of this price, or the price the Provincial Treasurer has made up, there is nothing more suggested in there [than] that people are doing something and getting paid for it.

So I don't like the differentiation between working people and non-working people. I think we do ourselves a disservice, because we let a segment of our society believe that this is so and that we don't do anything. Therefore we create a feeling that something is wrong with us, and we foster this.

One of the ways we foster this is by wearing clothes that aren't made of denim, if you like, or they haven't got too many tears in them. But that's a deceptive thing too, because I watch bank managers better dressed than I am who walk out of their offices at night literally whacked into the ground. Then they do something else that is another deception. They go out onto the golf course and people take a look and say: ah, look at that guy; we know he doesn't work all day, but now he's got time to go out and play. So he goes out on that golf course, but what happens out there? It's an extension of what he does in the office, because quite often the people he has been dealing with all day are there at night to go a round of golf and pressure him some more. So it's deceptive, and we foster this deception that we have two kinds of people: working people and, I suppose, parasites. I think we should think about that, because it seems to me, Mr. Speaker, that when we develop what the Treasurer has developed here — and it's a price list, a shopping list, what he is going to buy for a year — he's buying nothing more than people's effort.

Rather than making a flat-out statement, I would like to raise a question with this group and suggest that we rethink this thing, because I can see problems coming down the road. I can see that sooner or later we are going to have to face people whom we designate as doing the work. I think we should have our thinking straight when we do that, because they're going to say to us, we'll quit working, you're going to starve. No one ever says, we'll quit working, you're going to starve. I'm not talking about labor as a union; I'm not anti-labor at all. I'm just suggesting that we all produce, we all work, and that we shouldn't make these kinds of distinctions. I think it's dangerous, and we have to face this down the road.

Thank you very much, Mr. Speaker.

MR. STROMBERG: Mr. Speaker, in rising to take part in this budget debate, may I offer the best wishes and congratulations of the people of the Camrose constituency both to His Honour the Lieutenant-Governor and to yourself, sir. You have done a most admirable job.

Mr. Speaker, in addressing this budget, I note with pride the areas of expenditure that will directly affect my constituency: the sheltering of the natural gas prices from the full force of the price hikes; the oiling of some 30 miles of primary highways 953 and 956; the grading of 12 miles of primary Highway 953; and

the recapping of some 12 miles of Highway 13. In the county of Camrose school centralization is an ongoing issue, and with school enrolment of 2,200, the extra \$1 million announced for school districts with less than 6,000 students will be of substantial significance.

Mr. Speaker, in the city of Camrose there are approximately 200 single parents, and to those needy single parents this budget really means something. Or let's take a look at the quadrupling of the library budget. Believe you me this will be most welcome to the hard-pressed library boards of Bashaw, Forestburg, Daysland, and Camrose. The budget to these boards, Mr. Speaker, will read like a best seller — the \$600,000 committed to the upgrading of the Camrose airport; \$880,000 for a new health centre building in Camrose; and hopefully for this year a new provincial building for Bashaw.

But, Mr. Speaker, I sincerely wish that the members of the opposition would take a look at the Saskatchewan deficit budgeting presented to their people only last Thursday night, or the budget brought down in the British Columbia Legislature. Rather interesting reading, Mr. Speaker. In general, the Saskatchewan and B.C. budgets have produced stand-pat unexciting budgets. It is noteworthy that they both lack the Alberta natural gas protection plan. Investment in British Columbia is 10.8 per cent as compared to 28 per cent in Alberta. Unemployment in B.C. was 8.6 as compared to 3.9 in our province. Back to Saskatchewan, 1976 resulted in a budget of deceit. Instead of a promised \$2 million surplus, Saskatchewan had a deficit of \$45 million. In their 1977-78 budget there were increases in the gasoline tax of 27 per cent, in diesel fuel for highway use of 5.6 cents a gallon, and in tobacco tax. That kind of budget, Mr. Speaker, is a guarantee for a P.C. government in Saskatchewan in their next election.

Mr. Speaker, I guess I'm from the old school that believes a dollar spent to save two dollars is sound fiscal policy. To carry this argument just a little farther, I would like to state the case for home care and especially tell the story of the Bashaw hospital board's experience with home care. It would seem that back about 1972, with all good intentions, the Bashaw board took the advice of the Alberta Hospital Services Commission and implemented a home care program. They started out by hiring a registered nurse on a half-time basis to care for the needs of Bashaw and district. Business picked up to the extent that she was hired on a full-time basis. Further, Mr. Speaker, her workload accelerated to where the board had to limit her service to a radius of 10 miles from Bashaw.

But that isn't all, Mr. Speaker. The Bashaw home care program was so successful in sending patients home early from the hospital by two or three days that it saved the taxpayers of this province considerable funds. But due to the rather narrow-minded attitude of the Alberta Hospital Services Commission, the Bashaw home care program was terminated because they had not got prior approval from the planning board to start their program. It would seem to me that sometimes it's a sin to try to save money.

Mr. Speaker, on my desk I have copies of three letters written to the Minister of Social Services and Community Health from the joint planning board of Camrose requesting permission to start a home care

program. I also have the results of the Leduc home care program study which, by the way, Mr. Speaker, is very encouraging. I would sincerely hope that the minister could implement a home care program for all of Alberta in the near future.

Mr. Speaker, I have another example of spending \$1 to save \$6. It is the Camrose PSS program. I have their annual report, a most impressive document, of programs and volunteer help. Mr. Speaker, with your indulgence, if I could read the programs we undertook last year: Camrose Counselling Services, Camrose Children's Centre, Family Life Education, Emergency Homemaker Service, Meals on Wheels, Senior Citizen's Drop-In Centre, Golden Club, Buffalo Lake Golden Age Club, Bashaw Senior Citizens Project, a thrift shop, Family Holiday Camp, Solo Club, Mothers Day Out, Rose City Handi-van Service, and in all of these programs a large majority of volunteer help which didn't cost this province one cent.

Really nothing is closer to my heart than lots of new pavement in my constituency. In viewing this budget, I see where we have allotted a sum of \$2.5 million for four specific highway projects to new industry. I wake up in the middle of the night in a cold sweat wondering if these highways being built into Mildred Lake, the Joffre gas plant, and Coal Valley are being built at the expense of roads in my constituency and maybe the rest of rural Alberta. I realize . . .

AN HON. MEMBER: I think that's the way it's going to be.

MR. STROMBERG: . . . that as we diversify the job opportunities throughout our province, the building of good roads to these jobs is a priority. I also realize the completion of the MacKenzie Highway in the north, through the Northern Alberta Transportation Agreement, has a priority. But I still wonder if it would not be advantageous to have separate programs in the highway budget to new industries and leave the highway program for rural transportation as is.

AN HON. MEMBER: Good idea.

MR. STROMBERG: I note, Mr. Speaker, the artificial response of the opposition to this budget. If the opposition members would only open their eyes on their many junkets to the real Alberta, those false prophets — and especially the hon. member from Fort Saskatchewan when he visits the Rose constituency, instead of speaking to deaf ears if he'd only look around a little bit in my constituency, . . .

DR. BUCK: Clover Bar, please.

MR. STROMBERG: . . . Walt would see that, according to the last federal census, the city of Camrose grew by 15 per cent. He knows that with growth comes jobs. He would also see that every town, village, and hamlet in my constituency has had an increase in population. That's sure a far cry from when I took office. The city of Camrose then was experiencing zero growth.

DR. BUCK: Tell us about the auction sales.

MR. STROMBERG: For about 10 years, every town and village was literally dying before our eyes. Our young people were leaving. This, Mr. Speaker, was one of the reasons I helped get rid of that tired, worn-out, old government.

DR. BUCK: Your turn will come.

MR. STROMBERG: The member from Fort Saskatchewan . . .

DR. BUCK: Clover Bar, please.

MR. STROMBERG: . . . would also see that for the first time Camrose county has had an increase in school enrolment. He would further see that Camrose city building permits last year were up 30 per cent to \$34,302,000. If his eyes were really open, Mr. Speaker, he would see ambitious and hard-working people who work in co-operation with this government to achieve their goals and solve their problems. If the hon. member would only live up to reality, he would realize that a great majority of my constituents don't believe a word he says.

Well, anyway, so much for Walt.

DR. BUCK: That's as bad as your column, Gord.

MR. STROMBERG: Well, thank you for reading it, Walter. Mr. Speaker, I thought the hon. Member for Clover Bar would be too busy yanking teeth to read the Camrose papers.

I can understand the violent reaction of the Leader of the Opposition to this budget, for he visualizes the same vision I see in this budget. After the next election, the obituary columns will read: "Deceased, the Social Credit Party of Alberta, death due to Merv Leitch's budget of 1977."

MR. FARRAN: Mr. Speaker, where else in the world than in Alberta can budgets be brought down year after year without a tax increase? Where the citizens of other parts of the world less blessed than ours tremble in anticipation before a treasurer brings down the expected tax increase, in Alberta for six years we've had no tax increase. We have no debt. Indeed we're saving for a rainy day, and by the end of the year we will be approaching \$3 billion in our savings account.

Mr. Speaker, that's performance, good housekeeping, good husbandry, good financial management. Not a bad budget, Mr. Speaker, not a bad budget. If we start from the highest level of service in Canada, more for hospitals and education than anywhere else, better parks and health services, a large variety of social services at a high level . . .

DR. BUCK: Most waste.

MR. FARRAN: . . . recreational facilities, a better road system, and so on *ad infinitum*. Our existing tax levels are the lowest: the lowest provincial income tax, no sales tax, no gift tax, no death duties, the lowest per capita property tax, the lowest fuel prices.

Contrast our happy lot with that of our fellow Canadians. We have the biggest proportion of adults in the workforce; almost 70 per cent of all adults are working. We have the lowest unemployment level,

the most vibrant economy. Contrast also, if you like, the situation today compared with the situation in 1971 when the hon. Leader of the Opposition was a prominent member of the government. Pretty bad budgets in those days. He criticizes the cow-calf program and the efforts of the Minister of Agriculture. I don't know why they had a minister of agriculture in 1971. Because in those days all they did was to circulate long-winded reports from the research establishments in academic language that only a professor could understand, telling farmers how to run their business. Today farm cash incomes are vastly better than ever before.

The hon. Leader of the Opposition tells us on the one hand that we should practise more restraint in the budget, and then within two minutes of having made that statement he screams that we should be spending more for his pet projects, social services, hospitals, schools, day care, libraries, and so on. You can't have it both ways. You can't really talk from both sides of the mouth at once and be completely honest in your approach.

In 1971 small towns were dying. Now there's hardly a one that isn't growing, because the agricultural market around them is prosperous and the government has given loan money to diversify and stimulate small business. In 1971 we were down — as I recall it, established by an independent auditor — to \$20 million in cash reserves. The government, which had yoked itself to a fixed royalty ceiling — and it was faced with declining revenues from the sale of oil leases — panicked. It cut back hospitals and schools to 6 per cent annual increases, 6 per cent without a plebiscite. It cut municipal grants overnight and so on. Now we have raised more revenue from our declining natural resources and have put aside almost a third for a rainy day.

The hon. leader weeps crocodile tears. He says we're spending recklessly even though he knows full well that growth in the civil service has been held to the phenomenally small increase of 1.7 per cent, practically zero growth. That's despite a booming economy and a growing population. No other government could have the good management to do such a thing.

DR. BUCK: Why don't you tell them in five years then, Roy.

MR. FARRAN: It's not going up at anything like the rate it was prior to 1971, and 1.7 per cent is a phenomenal exercise in good management. We held to a maximum growth of 11 per cent last year and to less than 10 per cent this year if we talk only of the provincial programs and not of the transfer payments to the municipalities.

The hon. leader equivocates, talks both sides of the fence at once, argues for increases in the budget, and within two minutes in the same speech urges us to spend more and more on new social programs. The trouble is he is muddled. Mr. Speaker, they used to call that being a mugwump, when you sat on the fence with your head on one side and your tail on the other. The hon. leader gets a sort of whining note in his voice when he talks about day care and home care. He infers that everything should be done by the state and never mentions private enterprise, which is supposed to be a plank of his party as well as of ours.

He says it's not a bad budget, Mr. Speaker, and then he goes into his "ifs".

The "if" I would like to ask, Mr. Speaker, is what would the opposition cut out? I understand well enough what they would spend. That's the easy exercise. But what would they cut out? After 35 years the former government had nothing left. They were good spenders, not good thrift artists. The hon. leader conveniently forgets the senior citizens' lodges, the nursing homes, the auxiliary hospitals, the self-contained suites, the \$1,000 home-owner grant, and the rental rebates, all of which have come since 1971. He forgets how we reduced property tax and took over 100 per cent of the cost of hospitals and health and welfare; how the province, despite this increased municipal grant, relieved residential property of basic education costs; how we provided huge parks in the metropolitan areas; how we stimulated industry; and how we broke the record last year for building houses in Canada. The hon. Minister of Housing and Public Works can take justifiable pride in having built more than 39,000 new housing units in this province. When he promises to do it again this year I believe him, because the track record is there for everyone to see.

DR. BUCK: You just said you can't believe it.

MR. FARRAN: In the area of law and law enforcement, the hon. leader may forget that we were the first in Canada to come to the rescue of the municipalities over police costs. For the first time, two years ago, almost \$13 million was directed to law enforcement grants and assistance to the municipalities. [He forgets] how we fought crime with crime prevention programs and how we spent millions of dollars to improve those antiquated prisons we inherited from the people who came before us. We have appointed more judges and prosecutors to try to reduce the delays in the courts. We are the first in Canada to take this initiative.

I agree with the hon. Leader of the Opposition in one area: that it would be good for all of us to be paying more attention to the moral fibre of our province. This government is, and I think everyone should.

We talk about basics in education. There are basics in life itself that we shouldn't forget: the basic importance of the family unit, of the old-fashioned virtues we inherited from the pioneers — fortitude, self-control, courage, self-reliance — all those things that are the only milestones along the path to a happy life.

With all these blessings of ours, we have some undesirable side effects that come as a reflection of affluence. We shouldn't allow our people, the people of whom we are justifiably proud in Alberta, to allow such things as the decline of the work ethic to take place. That is why in the correctional institutions, since I've been responsible for this portfolio, I've emphasized the importance of the therapeutic value of work. I hope to report to the Legislature later in the session on what has been achieved in this regard over the last year.

It's also why we introduced last year the new concept of a wilderness challenge school at Nordegg for young offenders: to try, perhaps late in the day, to rebuild character through challenge; to try to build self-respect, because you can't love your neighbor

unless you first have respect for yourself. That is why there were always those extra words on the golden rule: love your neighbor as you love yourself. Without one, it's pretty hard to do the other. If you feel in your heart that you're a loser and have no self-respect, then you probably will end up a loser.

That is why, also, we have introduced during the past year innovative programs to try to reduce the number of inmates incarcerated for default of payment of fines. This got off to a good start last year and, in light of the experience gained in the pilot program in Edmonton, will be spread throughout the province this year.

I also have hopes, despite early snags, that the Criminal Code can be changed to make the principle of restitution more practical. Even with the present handicaps, sufficient success has been achieved to warrant its extension through the province.

I believe that this year we must address ourselves to a new approach in the handling of juveniles in conflict with the law. It has just not been successful for a distinct minority of juvenile offenders to handle all offences with kid gloves. The principle of accountability must be introduced early in a person's life. It's not so much that the form of punishment is necessary. It is important that the young people be corrected when they stray from the straight and narrow path. They must know where the right way is, so they can come back if they've strayed from it.

This is probably the biggest problem of our day. Criminals are seldom born that way. There may be a few who are born with physical defects, but the majority are made that way by lack of attention, lack of training, corruption by pressures of society around them. The reasons for the increase in crime are probably in the area of conjecture. But nobody is going to tell me that the permissive society hasn't played its part: lack of discipline in the schools, the preaching of the wrong message on television, the loose moral climate, the decline of the churches, the publication of violent and pornographic material, and the increase in the consumption of alcohol and illicit narcotics.

People ask why crime continues to increase in spite of all these efforts we are making to fight crime. I give you one statistic which might offer food for thought. In the two metropolitan areas of Calgary and Edmonton, there are probably some 2,000 heroin addicts. At a rate of two capsules a day, they require \$100 a day to feed their habit. That's \$200,000. On the black market, stolen property usually brings no more than 25 per cent of its value. Using that as a calculation, the heroin problem alone is probably causing between \$800,000 and \$1 million worth of property crime per day. That is why law enforcement is so important.

Mr. Speaker, I submit that we have everything going for us. Certainly Canada itself may be in economic trouble. No country can shelter behind high tariff walls, covering extravagant levels of social service and wages by borrowing abroad or diluting her currency, and stay healthy for long. But here we have doers. We're told all the time that we're a little different from other Canadians; let's show it. Let us show them we're the practical Romans and not the wordy Greeks; that we believe in action rather than words. We believe in risk, in work, in working hard and playing hard. We believe in enterprise and initia-

tive. If we're out of step in the eyes of the pseudo-intellectuals of *MacLean's* magazine, so be it. Let it remain so. Perhaps we can contribute more to the health of Canada by emphasizing the right way, the only way to a happy life.

Thank you, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, in view of the time, I beg leave to adjourn debate.

MR. SPEAKER: May the hon. Member for Spirit River-Fairview adjourn the debate?

HON. MEMBERS: Agreed.

DR. BUCK: Mr. Speaker, I have spoken to the Government House Leader, and I wish to ask for unanimous consent of the House to bring an oral notice of motion that was misplaced in the Clerk's office.

MR. SPEAKER: May the hon. Member for Clover Bar have the requested leave?

HON. MEMBERS: Agreed.

head: **NOTICES OF MOTIONS**

DR. BUCK: Mr. Speaker, I wish to give oral notice of

motion that on Tuesday next I will propose the following motion to the Assembly:

Be it resolved that this Assembly urge the government to introduce legislation to abolish all provincial fuel oil taxes established under The Fuel Oil Tax Act.

MR. HYNDMAN: Mr. Speaker, the Assembly will not sit this evening nor tomorrow evening, and will of course not sit on Thursday night due to the dinner provided by The Alberta Teachers' Association.

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

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 afternoon at half past 2.

[The House adjourned at 5:26 p.m.]

