

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Wednesday, March 16, 1977 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

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

MR. PLANCHE: Mr. Speaker, on behalf of the members for Clover Bar, Medicine Hat-Redcliff, Sedgewick-Coronation, Lesser Slave Lake, and Wainwright, I have the honor, sir, of tabling the report of the select committee of the Legislative Assembly, Reviewing Intra Provincial Trucking Regulations.

**head: INTRODUCTION OF BILLS**

**Bill 235**  
**An Act to Amend**  
**The Alberta Energy Company Act**

MR. CLARK: Mr. Speaker, I beg leave to introduce a bill, being Bill 235, An Act to Amend The Alberta Energy Company Act. The amendments would require that the Minister of Energy and Natural Resources bring a resolution to the Assembly each spring naming the person or persons to whom the government plans to give its proxy, as well as outlining the direction which would go with the proxy. If such a resolution is not introduced, the minister would then be required personally to attend the meeting of the Alberta Energy Company and vote the government shares.

[Leave granted; Bill 235 read a first time]

**Bill 234**  
**An Act to Amend The School Act**

MR. TAYLOR: Mr. Speaker, I beg leave to introduce a bill, being An Act to Amend The School Act. If passed, this bill would force a school board to have a vote in a district, if parents requested it, if the school board wished to close or centralize part or all of their school. If 50 per cent of the judgment of the people is not carried, the centralization could not take place.

It also deletes from the act the section that permits a school board to make a charge directly to parents for school busing.

[Leave granted; Bill 234 read a first time]

**head: INTRODUCTION OF VISITORS**

DR. HORNER: Mr. Speaker, it is my pleasure this afternoon to introduce a group of very distinguished

Albertans who happen to be the mayors of our nine cities, other than Calgary and Edmonton. The mayors took time to come to Edmonton today to meet with me to discuss their problems in urban transportation. We've had a very useful discussion this morning.

I would like to introduce them to you and to the Legislature. Would they stand as I call out their names: Deputy Mayor Stromberg of Camrose, Mayor Francis Porter of Drumheller, Mayor Jim May of Grande Prairie, Mayor Andy Anderson of Lethbridge, Mayor Russ Robertson of Lloydminster, Mayor Ted Grimm of Medicine Hat, Mayor Roy McGregor of Red Deer, Mayor Richard Plain of St. Albert — our newest city — and Mayor Larry Johnson of Wetaskiwin.

MR. PURDY: Mr. Speaker, in your gallery today are a number of residents of the Carvel area west of Edmonton. In 1973 they embarked on a task to collect and write a book about the history of Carvel, Duffield, and the Wabamun area. Mr. Speaker, I'd like to file with the Legislature Library the book *Hills of Hope*, and again congratulate the group for writing the history of that area so our children can remember what it took to build this great province. They are, and I would ask them to stand as I call them, Mr. John Hrasko, Allan Olson, Mr. and Mrs. Schaefer, Mr. and Mrs. Shupe, Peter Florkewich, and Peter Chemago.

MR. SCHMID: Mr. Speaker, I would like to introduce to you, and through you to the members of this Assembly, Mrs. Aileen Wright, president-elect of the Library Association of Alberta, and three students from the U of A public library administration course. They are sitting in the members gallery, and I would ask them to rise and be recognized by this Assembly.

MR. DOAN: Mr. Speaker, I'd like to introduce to you, and through you to the members of this Assembly, 41 grades 4 and 5 students from Craigmyle school at the Canadian Forces Base, Penhold. They are seated in the members gallery accompanied by two of their teachers, Mrs. Quesnel and Mrs. McConnell. I would ask them to stand and be recognized.

MR. SHABEN: Mr. Speaker, may I introduce to you, and through you to the members of the House, an important northern Albertan from my constituency. He is Chief Walter Twinn, chief of the Sawridge band and chairman of the Lesser Slave Lake Indian Regional Council. He is seated in the members gallery. I'd ask him to rise and receive the welcome of the House.

MR. FLUKER: Mr. Speaker, I'm honored today to introduce to you and to this House some 50 grade 9 students from Racette School in St. Paul. They're accompanied by their teacher Mr. Adelord Poirier, a parent Mrs. Hebert, and their bus driver Mr. Krawchuk. They are seated in the public gallery, Mr. Speaker. I'd ask them to rise and be recognized by this Assembly.

**head: MINISTERIAL STATEMENTS****Culture**

MR. SCHMID: Mr. Speaker, the government of Alberta will be co-operating with the National Library of Canada in bringing to the province a wide selection of titles in 17 different languages under the federal multilingual biblioservice program. The Edmonton Public Library, which currently holds the largest public collection of foreign language materials in Alberta, will be responsible for the promotion, distribution, and control of these materials once they are received. Subject to the approval of the Legislature, we will fund this service at \$70,000 during the first year of the program. The books will be sent on request to public libraries throughout the province and will provide a wide selection of educational, informative, and entertaining titles in many subject areas. They will meet the increasing demand for non-English language materials from smaller libraries across the province.

At the same time, Mr. Speaker, in response to a most successful pilot project, public libraries will be able to offer increased services to visually, physically, and perceptually handicapped Albertans with the co-operation of the Calgary Public Library. The government of Alberta proposes to provide funding for the expansion and improvement of the talking book program. Materials such as large print books and talking books in the form of cassette tapes will be made available to persons requiring these specialized resources through their local public library. In addition, consideration will be given regarding the feasibility of producing talking books in Alberta to meet the needs of users for the works of fine Alberta authors such as W. O. Mitchell, Dr. Grant MacEwan, Dr. Jim McGregor, James Gray, John Patrick Gillese, Andy Russell, and many others.

Mr. Speaker, this proposal recommends an annual expenditure of \$125,000. I am sure hon. members will agree with me that the mental and intellectual stimulation which these materials will provide to our visually, physically, and perceptually handicapped will not only make a service available to them which most other Albertans already have, but will also further encourage these citizens in playing an active role in their communities.

**head: ORAL QUESTION PERIOD****Michener Centre**

MR. CLARK: Mr. Speaker, I would like to direct the first question to the Minister of Social Services and Community Health. It flows from the Parents for Progress report with regard to conditions at Alberta School Hospital/Deerhome at Red Deer. What progress is being made in negotiations between the government of Alberta, on behalf of the Alberta School Hospital/Deerhome, and the Red Deer school board?

MISS HUNLEY: I haven't received up-to-date information, Mr. Speaker, but I understand the officials at Michener Centre, which is the new name for ASH/Deerhome, are negotiating with the school board to

see if they will take over the educational portion of the program.

MR. CLARK: Mr. Speaker, a supplementary question to the minister, once again flowing from the Parents for Progress report and the concern expressed regarding low functioning residents in the institution there. What steps will the department take this year to deal with the recommendations the Parents for Progress group have put forward? Their concerns and recommendations were primarily in the area of the low functioning residents.

MISS HUNLEY: Could I ask the hon. Leader of the Opposition if he's referring to a new report from Parents for Progress, or is this an older report to which we've referred earlier?

MR. CLARK: This is the one when they dropped in to Michener Centre rather unannounced on December 7, 1976.

MISS HUNLEY: I can't recall having received that report, Mr. Speaker. I will have to check to find out. I have received a report though from the Hospital Visitors Committee which I took a great deal of pleasure and satisfaction in reading. But I would like to refer to the specific report the hon. Leader of the Opposition is referring to, then be more specific in my reply.

MR. CLARK: Mr. Speaker, with regard to the same matter, is the minister in a position to indicate whether steps will be taken this year for provision of day care staff for the lower functioning residents at Michener Centre in Red Deer?

MISS HUNLEY: We have beefed up the staff considerably and made a great deal of progress in all areas in Michener Centre. Once again I would like to refer specifically to the report before trying to be exact in my wording in a reply. I will arrange to do so.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is it the intention of the government to continue its contract with VS Services for the provision of support services at ASH/Deerhome?

MISS HUNLEY: Yes, Mr. Speaker, it is. I too dropped in to Michener Centre unannounced and had a very good tour. I stayed and sampled the food in some of the villas along with some of my officials and some of VS Services'. We were most impressed. We are also very impressed with the reports we have been getting from Michener Centre and with the observations I made at that time.

MR. CLARK: Mr. Speaker, just one further question. It deals with the commitment the minister made in the House last spring that it was the government's expectation that \$1 million would be saved as a result of giving the contract to VS Services. I would like to ask the minister if she is prepared to table in the Assembly an accounting prior to her estimates so we can see if in fact that has happened and what has happened to the services there.

MISS HUNLEY: Yes I will, Mr. Speaker. I'll be pleased to do that. Our initial assessment has been very satisfactory to us. I would like though to draw to the attention of the hon. Leader of the Opposition some other statements I made: that we could save money on the contracting of the food, dietary, and laundry services, and I would use some of that money to extend services in other areas. That also has been done.

**AEC President**

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Energy and Natural Resources. Could he indicate to the Assembly whether he held discussions with Mr. David Mitchell prior to Mr. Mitchell becoming president of the Alberta Energy Company? Specifically, did they discuss employee benefits and share purchase plans?

MR. GETTY: No, Mr. Speaker, I did not.

MR. CLARK: A supplementary question. Can the minister indicate who was responsible for negotiating Mr. Mitchell's contract as president of the Alberta Energy Company and making it possible for him to acquire a sizable number of shares in the Alberta Energy Company?

MR. GETTY: Yes, Mr. Speaker. It would be the board of directors of the Alberta Energy Company.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Can the minister indicate whether Mr. Mitchell's acceptance of the position of president of the Alberta Energy Company was contingent upon a contract which allowed him to purchase 15,000 shares worth \$150,000 by signing a promissory note which is interest free for the first five years and bears 8 per cent interest for the last two years?

MR. GETTY: Mr. Speaker, it was not a condition of any discussion I had with him.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. In light of the fact that Alberta Energy Company shares are trading today at 13-7/8, which would mean that Mr. Dave Mitchell would realize a profit of \$58,125 should he sell his shares today, is it the opinion of the government that Mr. Mitchell, as president of the Energy Company, and the board of directors are dispatching their responsibility properly?

MR. SPEAKER: Order please. The hon. Leader of the Opposition well knows that a question directed toward eliciting an opinion is not in order at any time in the question period.

MR. CLARK: Mr. Speaker, a supplementary question to the government then. Is the government aware that this is the situation? What are they doing about it? [interjections]

MR. SPEAKER: I would have to assume that they would have to be aware, in view of the announcement made by the hon. Leader of the Opposition.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. In light of the fact that they seem to be aware of some things and not of others, can the Minister of Energy and Natural Resources indicate if there was any discussion with Mr. Mitchell when the government hired or made the proposal to the gentleman named to take charge of the Alberta Energy Company? Was there any offer of salary or stock options? I mean, you just don't hire a man like this without some kind of offer.

MR. GETTY: Mr. Speaker, there was no discussion. As I've told the House before on many occasions . . .

MR. CLARK: No discussion?

MR. GETTY: Mr. Mitchell felt, after understanding the concept and the unique opportunity this might be for the province of Alberta, that he was challenged by the position and would be prepared to take his chances . . .

MR. CLARK: Some chance.

MR. GETTY: . . . with a representative group of Albertans on a board of directors, who frankly are highly qualified, fine Albertans.

I would say the price per share the Leader of the Opposition referred to is an indication of outstanding management, good direction from the board of directors. Frankly it's probably one of the best ways to get an indication of what the general public feels about the operations, the management, and the directors of the Alberta Energy Company.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister for clarification. Is the minister saying that he had no part at all in the appointment of Mr. Mitchell as the president of the Alberta Energy Company?

MR. GETTY: Mr. Speaker, the Leader of the Opposition, the Member for Clover Bar, and now the Member for Little Bow have referred up to now to the price of any incentive system and the salary of Mr. Mitchell. We did not discuss that matter. We certainly talked to him about the challenge and concept of the Alberta Energy Company, and wanted him to take on that challenge.

DR. BUCK: Have you ever been hired without being offered a salary?

MR. NOTLEY: A supplementary question to the hon. minister. During the discussions of the challenge was there any mention of stock options, either between the hon. minister and Mr. Mitchell or the hon. minister and any other member of the board of the Alberta Energy Company?

MR. GETTY: No, Mr. Speaker, there weren't. As a matter of fact stock options are really not involved in the present incentive system, as I read the prospectus and the annual report, rather they are commitments to purchase.

MR. TAYLOR: Supplementary to the hon. minister. Has the minister received any complaint about the

service of Mr. Mitchell from the directors or members of the board?

MR. GETTY: No, Mr. Speaker, I haven't.

MR. CLARK: Mr. Speaker, with all due respect to the minister, that's not right. He's had all sorts of complaints with regard to the pipeline from Edmonton to Fort McMurray, and he knows it.

MR. GETTY: Oh, come off it.

MR. CLARK: You come off it. [interjections] You know very well you have.

MR. GETTY: Mr. Speaker, on the chance that the Leader of the Opposition is saying either I am telling a lie or he misunderstands me or something, he should check with the . . . [interjections]

MR. SPEAKER: Order. Order please. The hon. minister is up on what I would regard as what is sometimes called a point of personal privilege. A remark has been made . . .

DR. BUCK: He inferred that. Nobody said that, Mr. Speaker.

MR. SPEAKER: . . . which impunes his veracity, and he's entitled to explain it now.

MR. GETTY: Thank you, Mr. Speaker. As I was saying, the Leader of the Opposition seems to be implying in some way that I'm now lying. Either that or he misunderstands me; I prefer it would be that. But in any event, Mr. Speaker, if he would check the question the hon. Member for Drumheller placed before me and my answer, then wishes to stand in the House and say I am lying, I think he should do that. But he should consider the implications.

SOME HON. MEMBERS: Agreed.

DR. BUCK: A supplementary question to the minister. Is the minister going to stand in his place, Mr. Speaker, and say that when he made an offer or was negotiating with Mr. Mitchell to become president of the Alberta Energy Company, he did not discuss in any way any salary this gentleman would be paid? If he did that, then he should resign. [interjections]

MR. GETTY: Mr. Speaker, I've explained it many times in the House, but I'll do it one more time for the Member for Clover Bar. When Mr. Mitchell felt that he would take on this challenge, it was under the condition that he would be able to arrange with the board of directors — highly qualified, fine Albertans who would take on the position of responsibility as directors of the Alberta Energy Company — a satisfactory compensation program. If he was unable to do it, I assume he would not stay on as president of the Alberta Energy Company. But we feel that people who have accepted the responsibility of directors are fine Albertans representing the people of the province.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister so there's no misunderstanding

about government policy. It is the policy of the government, then, that as regards the administration of our 50 per cent of the Alberta Energy Company, this government has no objection to the provision of, one can call it an offer to purchase, one can call it stock options, but in any event an arrangement whereby the president has an option for five years, interest free. The government takes no objection to that particular approach.

MR. GETTY: Mr. Speaker, the government does not. It was not part of the decision. The government feels that certain things in private business are done in order to attract good people to manage and take important jobs, to manage important companies. If the wisdom of the board of directors, all people who I have confidence in, that this was a good arrangement, and they can frankly defend before the shareholders at the upcoming shareholders' meeting — and I'm sure they will, Mr. Speaker — that it was a good arrangement for the province . . . Again I come back to say that the price per share is one excellent indicator of what the people of Alberta think.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. I assume, in light of what the minister has just said, that the largest shareholder, the government of Alberta which has \$75 million in the Alberta Energy Company, is not concerned?

MR. NOTLEY: A supplementary question to the hon. Premier. In view of the fact that these questions concerning Mr. Mitchell's salary, benefits, and challenges have been directed to the hon. Minister of Energy and Natural Resources, is the Premier in a position to assure the House that there was no discussion concerning benefits, salaries, the question of possible stock options, between any member of the Alberta cabinet and any member of the Alberta Energy Company board?

MR. LOUGHEED: Mr. Speaker, I certainly would reassure the hon. [member] that that was precisely the situation and that the Minister of Energy and Natural Resources has described it well. He's also described the logic for the situation, which seems to escape — for perhaps different reasons, but maybe not different reasons — the different opposition points of view expressed regarding the Alberta Energy Company.

It was our feeling, and it always was our feeling, that with regard to the Alberta Energy Company it was absolutely crucial for the shareholders of the province, if we were going to get the investment support we had, to recognize that they were not involved in a government Crown corporation; that they were making their investment commitment as shareholders the same way they'd make it in any other enterprise. That's why they oversubscribed the \$75 million — it was a total of \$79 million.

The fact of the matter is that we as a government — and it's declared right in the prospectus — have taken the position from the outset, consistently both within the act and in statements in this Legislature, that we view the position of the government's investment as one where we are prepared to leave this matter to the general shareholders of Alberta who subscribed to it, and through our director and our proxies we will give our confidence to the manage-

ment, as we think is fully warranted under the circumstances.

There is no way this government is going to retract from the commitment in that prospectus. That commitment is: the Alberta Energy Company provides an opportunity for Albertans to participate in the resource development of this province.

#### **Certificate of Variance**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of the Environment is with regard to The Environment Statutes Amendment Act we passed in the fall of 1976. In the remarks with regard to that act the minister indicated that he would make available to us as members of the Legislature a report on the certificate of variance, whether it was used and how many times. Has the minister prepared that report for the Assembly?

MR. RUSSELL: Mr. Speaker, I have not forgotten that commitment. We've only had one recent application within the last week for a certificate of variance. No others have been received to date.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister indicate what that application was, and who from? Does he plan any change in the legislation with regard to this amendment?

MR. RUSSELL: Mr. Speaker, no changes are planned for the legislation. The application came from a company called Cancarb in Medicine Hat. It has to do with visible air emissions.

MR. CLARK: A supplementary to the minister. Has the application been approved or is it still pending in the department?

MR. RUSSELL: No, Mr. Speaker, it was only received in the last day or two. It hasn't been processed at all.

#### **Native Land Claims**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Attorney General. It flows from reports concerning legislation dealing with the filing of caveats by native people claiming aboriginal rights. Mr. Speaker, I'd like to ask the hon. Attorney General whether it is the intention of the government to introduce legislation on this matter during the spring session of the Legislature, more particularly before March 28.

MR. FOSTER: Mr. Speaker, as I think I said outside the House yesterday to members of the news media who asked me the same question, the government has formed no firm decision on the matter of legislation. But if legislation in this area is to proceed, I anticipate it would in fact proceed before March 28.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Has the government reviewed or is it reviewing the decision of the Supreme Court overruling Mr. Justice Morrow's decision concerning a native land claim in the Northwest Territories which indicated that had the Alberta Land

Titles Act been in effect, the claim would in fact have been upheld? Is that presently being reviewed by the officials of the Attorney General's department or the other legal officers of the Alberta government?

MR. FOSTER: Mr. Speaker, the hon. member is referring to the Paulette case in the Supreme Court of Canada. I would not go so far as to say, as the hon. member has, that had the Alberta legislation been in place in the Northwest Territories, a caveat would have been filed. I believe that is an inaccurate statement of the conclusion of that case or the law.

The chief justice and the members of that court in dealing with the Paulette case considered legislation in other jurisdictions, in particular the Alberta legislation. In the course of arriving at their decision on Paulette they were good enough to comment; it was dicta. They commented on Alberta legislation and suggested that if wordings had been somewhat different, a different result might have followed. You cannot read into that, Mr. Speaker, that had the legislation been the same as Alberta, those results necessarily would have followed.

The point however is — and it's very important — that until the Paulette comment was made, clearly I and the law officers of the Crown, and I think the legal people generally, were under the very clear impression that that kind of tactic of filing a caveat under those provisions would simply not have been possible. It was not the intent of the land titles system or the land legislation in this province going back many, many years to allow a block caveat or a caveat to be filed that would massively cover huge tracts of land in northern Alberta.

Because of our concern over comments on the Paulette case, we are considering whether we need to clarify the law as we thought it was before Paulette, and return the state of the law in Alberta to what we thought it was before the Paulette comment. It is that question we are considering.

While I'm on my feet, Mr. Speaker, perhaps I could emphasize that whether or not the government of Alberta proceeds with legislation of this kind has nothing whatever to do — and I repeat, nothing whatever to do — with whether or not the native people involved are entitled to claim at law aboriginal rights in that land. The matter of whether they have those rights can only be resolved by the court, and it can only be resolved if the native people commence proceedings other than those currently before the court.

I said to the news media yesterday: if that is the wish of the native people, I invite them, seriously and sincerely, to commence those proceedings. That is the only way this issue can be resolved. The issue, Mr. Speaker, cannot be resolved by the issue that is currently before the court; that is, whether or not this caveat can be registered.

So I must emphasize, Mr. Speaker, that the caveat registration question has nothing whatever to do with whether or not the native people in the northern part of this province are entitled to aboriginal rights in that land. If they are, they must proceed through court, and I would hope they would do so.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Has the government reviewed the arguments of the president of the Alber-

ta Metis Association, among others, that any change in the caveat system would in fact make it more difficult for native people to establish their aboriginal rights or the claim to aboriginal rights through legal means? The question is really just as direct as that, the concern that removing the right to caveat will in fact not cripple but undermine the legal access of native people to the court system.

MR. FOSTER: Mr. Speaker, that's a very appropriate question. I thought I was addressing my earlier comments to it, but if I have been misunderstood let me again attempt to be clear.

I'm referring to the press release by Stan Daniels, the president of the Metis Association, dated March 14 where he suggests: "The removal of the right of Native people to place a caveat is detrimental to their claims to an aboriginal right in this area of North Eastern Alberta."

Mr. Speaker, in my judgment and in the judgment of the law officers of the Crown, that is inaccurate. I would not want the native people to feel they must have this caveat registered as a condition precedent to gaining legal right to the land or interests they claim. That is simply not accurate in law. The only way the native people can claim their entitlement, if that is an entitlement in fact, is to proceed through the courts in a different kind of legal proceeding than the one they have commenced. The one they have commenced has nothing whatever to do with gaining their legal rights to aboriginal rights and title in that property. They're separate questions.

MR. NOTLEY: Mr. Speaker, a further supplementary.

MR. SPEAKER: I hesitate to interrupt the hon. member. Before we proceed on this line of questioning, although I'm sure all hon. members found the remarks of the hon. Attorney General to be extremely interesting, since there is a rule in the question period that legal opinions should not be asked for, I assume the same rule would indicate they should not be volunteered.

With great respect, I see that rule as possibly having some further significance in this instance if the matters being discussed are later on going to be subject to litigation. I would hesitate to suggest that any court in this province would allow itself to be influenced by extraneous factors, but that is part of the reason for the rule that the courts should not be influenced by legal opinions expressed in this Assembly.

MR. FOSTER: Mr. Speaker, I quite accept your opinions, sir. I would not make any comment whatever on this issue if the issue itself were before the courts. It is not.

MR. NOTLEY: Mr. Speaker, I'm sure I agree with you that extraneous comments won't influence the courts. That being the case I'm sure this question period won't influence the courts.

My supplementary question is not dealing with a court ruling but is a rather practical question to either the Attorney General or perhaps the hon. Premier. In view of the consideration of legislation concerning removing the right of caveat, has the government given any consideration to alternative methods which

would impose a moratorium on development within the lands subject to aboriginal land claim?

MR. LOUGHEED: Mr. Speaker, I don't think the people of Alberta could find that an acceptable situation. I think if there are valid claims with regard to land they should be put forward in the way the Attorney General has proposed. Under certain special circumstances, such as the Stony Indian claim near the David Thompson highway, we have looked at a situation of that nature, but it was of a very isolated and very confined aspect. My understanding of the allegations with regard to the aboriginal rights involves vast tracts of the province of Alberta, literally almost the whole northern part of this province. I think there is simply no way the people of Alberta could take that position.

#### Restitution Programs

MR. TAYLOR: Mr. Speaker, my question is to the hon. Solicitor General and arises from the excellent report of the Pilot Alberta Restitution Centre in Calgary. My question is in connection with the defaults in that outline. With reference to the PARC program, is any action planned for those whose contracts are in default of payment or labor ordered by that body?

MR. FARRAN: Mr. Speaker, the adult probation branch does its best to back up the PARC project in the area of correction. But the only sanction that can really be applied in the law at present is to file what is called a breach order for a breach of probation to the judge who first heard the case. Then the judge quite often will sentence the offender to a period of incarceration. This is one of the weaknesses in the system. The victim is then out of luck. He might have a consent judgment in a contract signed at the beginning, and would have to start from scratch to try to collect on it.

My suggestion to the Minister of Justice of Canada and to our own Attorney General is that restitution orders by a judge be made to constitute civil judgments so the victim wouldn't have to start from scratch to collect what had been promised to him. This civil judgment would then hold, whether or not the offender served a period of incarceration for breach of his probation. The report and these recommendations were sent to the Solicitor General of Canada, the Hon. Francis Fox, within the last week. I have been urging that this path be followed.

MR. TAYLOR: A supplementary to the hon. minister. Is it the intention of the government or the Department of the Solicitor General to expand this restitution program to other parts of the province?

MR. FARRAN: Yes, Mr. Speaker. We have personnel in place for an expansion in the near future of the work-for-fine project we started last February in Edmonton, which has been an outstanding success. The same personnel will be instructed, so far as possible with the handicaps I've talked about in PARC's report, to also pay attention to restitution and collection of fines by civil process, by normal collection agency methods — reminding people they owe the money, for instance, before the deadline arrives for their default and possible incarceration. This will

be happening in the very near future. Just as soon as the Attorney General's department has notified the clerks of the court across the province, we're ready to start.

MR. TAYLOR: One further question to the hon. Attorney General. Is action being taken in connection with the convictions of adults to encourage our courts to apply restitution rather than jail terms, at least to a far greater degree than is being done today?

MR. FOSTER: Mr. Speaker, I think the Solicitor General has generally commented on that. The courts are aware of the pilot projects operating in Edmonton, and now Calgary, and I think are using that as much as they can.

As the Solicitor General has pointed out, there is a jurisdictional difficulty in the sense that so many of these problems arise under the Criminal Code. There needs to be further amendment to that specific body of law in order to equip the judges with the necessary capacity to properly function in this area. Those discussions have been carried forward with the federal government. I regret I'm not really in the position today to report on the current status of those, but certainly my colleague and I have had representations to the federal Attorney General and Solicitor General on the point.

#### **School Bus Safety Enforcement**

DR. BUCK: Mr. Speaker, I would like to address my question to the hon. Solicitor General. It's from a question I brought to the attention of the minister in the fall on the problem of automobiles meeting or passing school buses that are stopped, have their flashing lights on, and are discharging children. Can the minister indicate to the Legislature how extensive the program to prevent this practice of school buses being passed is and how it is working out?

MR. FARRAN: Yes, Mr. Speaker. At the beginning I must say I was grateful to the hon. Member for Clover Bar for fetching this problem to my attention last fall. I did direct the patrol division of my department to pay special attention to the loading and unloading of school buses. I haven't had a report on how successful they have been, although last week I did discuss duties with Mr. Marshall, the former superintendent of the Mounted Police who is now in charge of the patrol division, and he was telling me he had men concentrating very much on this school bus problem.

MR. STROMBERG: Mr. Speaker, I was wondering if the minister could inform the Legislature: are American tourists entering Alberta being warned of our laws pertaining to flashing school buses?

MR. FARRAN: Mr. Speaker, no. I have no special program for warning American tourists at the border. It would be almost impossible to acquaint them with all our laws. If they do happen to break one it will be drawn to their attention by any peace officer who happens to be in the neighborhood.

DR. BUCK: Mr. Speaker, a supplementary question to the minister. Can the minister indicate if any public information program has gone out to Alberta drivers

to bring forcefully to their attention or elucidate that you must not pass buses that are stopped? The complaint I received from the school bus drivers was that people didn't seem to be aware they had to stop, even though everyone who has a driver's licence should know that.

MR. FARRAN: That's a good point, too, Mr. Speaker. I will be giving the House samples of our crime prevention literature for the forthcoming year. After these I already have two suggestions from this session for new pamphlets, one on vandalism and now one on the danger of passing school buses. I will take it under advisement and see if we can draw something up.

#### **Residential Land Development**

MR. CLARK: Mr. Speaker, the question is to the Minister of Housing and Public Works. It flows from the ministerial announcement yesterday. Is it the anticipation of the government that the bulk of money lent to small developers to get land serviceable will be in those areas of Alberta outside Edmonton and Calgary?

MR. YURKO: Mr. Speaker, I believe I answered that question yesterday, but perhaps I might answer it in a slightly different fashion. It's certainly expected that the cost of a lot in Edmonton and Calgary may exceed the limits in the program. Nevertheless there is nothing in the program that suggests that all, 90 per cent, or 80 per cent of the money required for buying and servicing a portion of land in the Edmonton or Calgary areas need necessarily be obtained from that program. In fact perhaps only 70 per cent of the price of a lot in the Calgary or Edmonton areas would be obtained from that program, and the additional money from the private sector.

MR. CLARK: Perhaps 30 or 40 per cent.

A supplementary question to the minister. What target date do the housing authorities have for implementation of the program? In other words when can small developers expect to make applications to the minister's department? What kind of a time lag is the minister looking at for approvals?

MR. YURKO: Mr. Speaker, I think I announced the effective date of application as being April 1.

MR. NOTLEY: A supplementary question to the hon. minister. During the answer yesterday, I believe the minister indicated that the \$10,000 limit may be subject to review. Is there going to be any mechanism to monitor the success of this particular program as it relates to small building firms in the larger centres so that the government would have some input to make a judgment on whether or not the ceiling should be increased?

MR. YURKO: Mr. Speaker, every housing program administered by the Alberta Housing Corporation, the Alberta Home Mortgage Corporation, or the department itself is subject to periodic review in regard to performance. One of the review times is certainly during the annual budgetary process. A second time of review is obviously during the course of handling

the estimates of the Department of Housing and Public Works. Indeed there are internal reviews between these two points, and the corporations are constantly reviewing the success of the program.

I would suggest that each and every application that's approved, after being studied intensely by the officials of the Alberta Home Mortgage Corporation, will have to have the approval of the board of directors of the Alberta Home Mortgage Corporation. As a result, it will involve me directly.

#### **Meeting with Mayors**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Deputy Premier and Minister of Transportation. In his discussions today with the mayors of the smaller cities, did the minister find any common problems other than the shortage of money?

DR. HORNER: Mr. Speaker, the common problem that all these gentlemen expressed was the problem of growth. Surely that is the kind of challenging problem they are looking forward to co-operating with us in solving — a much better problem than the other way around.

#### **Legislature Building Cafeteria**

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Minister of Government Services. I'd like to know if the minister can indicate if the fifth floor cafeteria is going to be renovated. If it is, is it going to exclude public usage?

MR. SCHMID: Mr. Speaker, present indications are that we are going to have a new cafeteria built downstairs on the basement floor and make a subsequent decision on what shall be done with the present cafeteria on the fifth floor.

#### **Student Financial Aid**

MR. NOTLEY: Mr. Speaker, I'd like to address this question to the hon. Minister of Advanced Education and Manpower. To refresh the memory of the minister, it concerns the federal/provincial task force report on a proposed new national student aid plan. I would ask the minister whether or not the government of Alberta has formulated any position yet with respect to this federal/provincial task force report.

DR. HOHOL: We have done an assessment of it. We had membership on the task force, Mr. Speaker. The provincial positions with respect to the report will be examined this fall at the conference of the Council of Ministers of Education.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the fact that preliminary assessment of the report has been made, does the government generally favor the concept of a vastly expanded remissions program which would see the highest portion of grant money go to students with the highest demonstrated level of need?

DR. HOHOL: I don't believe the two can be separated, Mr. Speaker. It's a matter of balance. For the information of the House, at this time the Alberta position

is up to 50 per cent on the remission [of] loans. The matter of need has to be paramount in any kind of student aid program.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the fact that the proposal suggests a maximum level of remission up to 100 per cent, has the government formulated any position yet with respect to pushing ahead vastly the level of remission, so in some cases 100 per cent of the loan will be remitted to the student?

DR. HOHOL: Mr. Speaker, we could not hold that view as a position. I believe that 50 per cent is probably maximum and good. At the same time, however, if it involves a particular individual where the need and capacity to do effective work at a postsecondary institution is involved, then we in Alberta would look on it as a special case.

MR. SPEAKER: Might this be the final supplementary on this question. We're running out of time, and I've already recognized the Leader of the Opposition.

MR. NOTLEY: Mr. Speaker, a final supplementary question. The minister's last response concerning looking at special cases raises the rather important question of just what the mechanics would be of operating a 50 per cent remission system, except for special cases where it might be significantly higher. Has the government given any thought to the mechanics of operating that sort of remission system?

DR. HOHOL: In some ways we are now doing it. In some ways we remit more than 50 per cent. The logistics for doing that is in place at the present time.

#### **Non-certified Teachers**

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Education and ask if he's had discussions with some school boards in the province over the question of non-certified teachers in Alberta classrooms.

MR. KOZIAK: Not directly, in terms of school boards employing non-certified teachers in the classrooms. I imagine there's another reason for the question. Perhaps the hon. Leader of the Opposition could pose it in that way, and I could then respond.

MR. CLARK: Supplementary question to the minister. Has the minister had representation from school boards in Alberta where non-certificated teachers are teaching in Alberta classrooms? I phrase it from the standpoint of representation from school boards, because the students who are attending some of these schools are in the attendance jurisdictions of the concerned school boards.

MR. KOZIAK: Well I think the hon. Leader of the Opposition is directing his question to the matter of private schools. Perhaps he could be more specific as to his concern in that respect.

MR. CLARK: Mr. Speaker, very specifically has the minister had representation from the Three Hills school division with regard to the development of a

private school in that jurisdiction which plans not to use certificated teachers?

MR. KOZIAK: Yes, I have had representations from that particular school jurisdiction, and I've met with representatives of the groups that wish to establish a private school. They were informed of the laws of the province of Alberta which require that a private school in Alberta must employ a teacher with a certificate, or at least a letter of authority from the minister, and must follow the Alberta curriculum in terms of the course and subject matter they'll be covering in that school.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister in a position to indicate to the House how many classrooms are operating in the province at this time under the private school system where non-certificated teachers or teachers without a letter of authority from the minister are in fact instructing students?

MR. SPEAKER: With respect, that would appear to be a question that might appear on the Order Paper.

**AEC President**  
(continued)

MR. LOUGHEED: Mr. Speaker, I wonder if before the question period comes to a conclusion today, I could supplement the answer I gave with regard to the Alberta Energy Company. I would like to have *Hansard* record today the confirmation of the remarks I made on that matter with the reference to the letter from me to Mr. David E. Mitchell with regard to the Alberta Energy Company which we specifically tabled in this Legislature on October 24, 1974, before the Alberta Energy Company bill was passed; a letter I would commend to all hon. members to reread and a letter which sets forth both the policy and philosophy of the government relative to the matter.

MR. FARRAN: Mr. Speaker, I wonder if I could have leave to supplement my reply to the hon. Member for Clover Bar?

MR. SPEAKER: May the hon. minister supplement the answer previously given?

HON. MEMBERS: Agreed.

**School Bus Safety Enforcement**  
(continued)

MR. FARRAN: I just do this, Mr. Speaker, because it is in the public interest to give the matter maximum publicity.

In regard to the safety of loading and discharging of school buses, in the first month of the new enforcement drive there were 36 prosecutions and 16 written warnings. The maximum publicity for this was obtained from the local media.

**ORDERS OF THE DAY**

MR. SPEAKER: May the hon. Member for Calgary

Currie revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

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

MR. PEACOCK: Mr. Speaker, may I introduce to you, and to this Assembly, a man, a friend, who has done a great deal for Canada by helping to promote better understanding in trade relations between Canada and Japan. I would ask Colonel Robert Houston, president of the Canada Japan Trade Council, to stand in the members gallery and be welcomed.

head: **GOVERNMENT MOTIONS**

4. Moved by Mr. Hyndman:

Be it resolved that the Assembly adopt the following amendment to *Standing Orders*, to be effective until the prorogation of the Third Session of the 18th Legislature:

Standing Order 7 is struck out and the following is substituted therefor:

- 7.(1) The ordinary, daily routine business in the Assembly shall be as follows:
  - Introduction of Visitors
  - Presenting Petitions
  - Reading and Receiving Petitions
  - Presenting Reports by Standing and Select Committees
  - Notices of Motions
  - Introduction of Bills
  - Tabling Returns and Reports
  - Introduction of Special Guests
  - Ministerial Statements
  - Oral Question Period (not exceeding 45 minutes)
- (2) When "Introduction of Visitors" is called, brief introductions may be made with the prior permission of Mr. Speaker, of visiting parliamentarians, diplomats, officials and others who are to be specially recognized.
- (3) When "Introduction of Special Guests" is called, brief introductions may be made of groups of school children and with the prior permission of Mr. Speaker, of other visitors in the galleries.

MR. HYNDMAN: This motion, with regard to the routine of the Assembly, is similar to one which was proposed and passed last year. It is effective until the prorogation of this sitting. This will be its second year in a temporary form. If members find it effective this year, I would recommend that next year we propose it as a permanent change to the *Standing Orders*.

What it proposes, Mr. Speaker, is simply the introduction of a new category of visitors. The Introduction of Visitors category would be the first one under the routine, and would relate to introduction of visiting parliamentarians, diplomats, and officials, with the permission of the Speaker. The second category, Introduction of Special Guests, relates to school children, and is essentially the same as the present rule.

I would like to reassure those members who have indicated to me that they are concerned whether this

change in the *Standing Orders* may eliminate Prayers, that that is not so. The provision for Prayers, as found in Standing Order 6, remains unaffected. Certainly members on this side would not want to be deprived of the opportunity of praying for the opposition on occasion.

Accordingly, I think nothing further needs to be underlined with respect to the motion. I believe it has been found satisfactory. Certainly it is recommended by the Speaker and, I think, is appropriate in this Assembly.

DR. BUCK: We need guidance.

MR. SPEAKER: I believe the hon. leader referred to the prorogation of this sitting as the duration of the rule. Would it be the intention that it be the prorogation of the session?

[Motion carried]

1. Moved by Mr. Leitch:

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

[Adjourned debate: Mr. Notley]

MR. NOTLEY: Mr. Speaker, I welcome this opportunity to make a few comments about the provincial budget, which is indeed a very cautious document, which one would expect from a Tory government. Today we have a Tory budget under discussion, Mr. Speaker. I raise that because I'm not so sure we will have a Tory budget some months down the road. I look over the estimates and I see the heritage trust fund is growing, the capital works division is growing, and I note that last fall we spent or invested — let me use the term "invested" so I don't offend some of my friends across the floor — something less than we were authorized to by the legislation.

Let me suggest to the hon. members of the Legislature that come the fall of 1978, when we are addressing how to invest the capital works section of the heritage trust fund, we may well find that instead of \$182 million as we had last year, quite possibly, Mr. Speaker, there will be \$400 million. I wouldn't be at all surprised, notwithstanding the very conservative tone of the hon. Provincial Treasurer's speech and his 'hypercaution', that Santa Claus will arrive for the people of Alberta in October 1978.

DR. BUCK: You mean there may be an election next year?

MR. NOTLEY: I would just suggest to my honorable friends across the way that as we move from cautious restraint to the same sort of eager expenditure that characterized the months before the last election campaign, I do hope the front bench will be guided by the Auditor's recommendations with respect to the Office of Special Programmes.

DR. BUCK: Horst may have \$16 million this time.

MR. NOTLEY: Now, Mr. Speaker, I want to move on and deal with several topics during the course of my remarks: housing, agriculture, the natural gas rebate plan. But before I do that, may I just take a moment

to assess some comparisons between . . . [interjections]

Mr. Speaker, I welcome the dialogue back and forth, but it is a little difficult to shout over them.

In any event, Mr. Speaker, as I listened to the Provincial Treasurer answer a question the other day, he was quick to point out that in the province of Saskatchewan there was a 4 cent increase in the gasoline tax. But it struck me that maybe I should look at the rest of the Saskatchewan budget. Mr. Speaker, I uncovered some very interesting things. The Tory government here is very proud of the fact that there is an increase in the civil service of only 1.2 per cent. But in the province of Saskatchewan there is actually a reduction of 1 per cent. [interjections] Here in the province of Alberta the Tory government is very proud that the increase is 11.1 per cent. But in Saskatchewan it is 9.5 per cent.

But in some areas the Saskatchewan government is expanding, Mr. Speaker. I was interested to read that the hon. Member for Camrose is very concerned about home care. Well in the province of Saskatchewan home care is up 50 per cent to \$6.3 million, compared to the Alberta home care program increase of a rather feeble 10 per cent to a measly \$532,000, less than 10 per cent of what is being appropriated in the province of Saskatchewan.

We had some talk about libraries too, Mr. Speaker. We had a good deal of backslapping and breastpounding on the increase in library grants. But in Saskatchewan they are making \$3.33 per capita available this year, compared to only \$1.37 in Alberta. And that's a rather generous estimate of the Alberta statistics.

In Saskatchewan this year, hospitals are receiving a 19.5 per cent increase, compared to only 8.6 per cent in Alberta for active care treatment hospitals.

Mr. Speaker, I cite those comparisons because I'm rather troubled. There is so little in the hon. Provincial Treasurer's budget that backbenchers can commend, that the comments I have made about Saskatchewan will at least give them something to get their teeth into for the duration of this debate.

Before moving on to the question of housing and agriculture, I'd just like to comment on some of the phrases one sees on the question of overall economic performance in this country. There is certainly no doubt that it's important to have business performance and confidence. There's no question about that. But as I read through the Provincial Treasurer's address, I see the emphasis is almost entirely on the ability of the investor to make a dollar return on his investment, as opposed to the equally important part of the equation, Mr. Speaker, that if you're going to have goods produced, you've got to have people who buy the goods and services. That's why there really isn't much emphasis placed on the other side of the equation, what the worker obtains in his weekly or monthly pay cheque.

The suggestion is made that wages are somehow making Canada increasingly non-competitive.

DR. WARRACK: Agreed.

MR. NOTLEY: Mr. Speaker, I'm interested that the hon. Minister of Utilities and Telephones agrees. I suggest that if he looks at the statistics, he will find the productivity among working people in this coun-

try, and indeed in this province, is very high and is not something we should be begrudging or complaining about, but in fact should be taking some credit.

Mr. Speaker, the part of the budget that deals with overall economic policy points out that we have generally low unemployment in Alberta. That's true. But it is rather complacent about the pockets of unemployment that exist in Alberta. Slave Lake is an example. During the last several years, three major projects opened up under the DREE program. As a matter of fact, I remember one of the projects being announced in this House by the now Minister of Utilities and Telephones when he used to be Minister of Lands and Forests, and all the members at that time pounding their desks with enthusiasm. Unfortunately that project has gone broke [along] with two others, and we now have 650 people unemployed as a result of those three ventures going under.

Even in a province with a buoyant economy, then, there are pockets of unemployment. Slave Lake is the most obvious example of a pocket of unemployment. But as one goes to some of the smaller centres throughout northeastern Alberta, places like Faust or Kinuso, along Slave Lake, one finds evidence of lack of economic opportunity and lack of jobs. So let's not become so complacent about the buoyancy of the economy that we fail to single out the need to develop selective policies that will stimulate employment in those areas of Alberta where we do have serious unemployment.

Now let me move on from that particular question to raise the issue of housing in this province. Certainly housing remains the number one urban issue. I was interested to read in the estimates that there will be a 27 per cent reduction in the budget for rent regulation as well as a 40 per cent reduction in staff component. Well, Mr. Speaker, no matter what the Minister of Consumer and Corporate Affairs said the other day, when you've got a 27 per cent reduction in the budget and a 40 per cent reduction in the staff component, that obviously means this government is planning to do away with rent controls. If one looks at the estimates carefully, the most likely date would be the end of this particular year. If we are going to have a 27 per cent reduction in the cost of operation, that would mean we will have 9 months of operation instead of 12 months. So that is a matter of some concern to many people in urban areas, particularly renters.

Even some people in the real estate business recognize that if we decide to abandon rent controls, this will add fuel to the inflationary fires as far as the price of housing is concerned. People who are now renting can at least find some sort of confidence in controlled rents. Knowing the low vacancy rate in Calgary and the no vacancy rate in Edmonton, they can be assured that if rent controls are taken off, rents will skyrocket. That in turn will mean there will be pressure on the single-family dwelling market, and we've already seen record prices in housing in our two major cities.

I would suggest to the members of the Legislature that it would be totally irresponsible of any government that is serious about the housing situation in Alberta today to remove rent controls until such time as there is a sufficiently high vacancy rate so the market place has at least some opportunity to work. It's not going to work where you have .2 or .3 or less

than 1 per cent vacancy rates in Edmonton or Calgary.

Moving on from there, Mr. Speaker, in looking at our overall housing program, it's obvious we have been providing the carrot but not the stick in terms of policy development. The carrot, yes. There's no question. As one looks at the statistics, we've done quite well in providing housing starts.

I have here tables taken from the Edmonton Regional Planning Commission study on housing in the Edmonton metropolitan area. These tables contain some rather important information. First of all, the minister was right when he said the government wanted to shift emphasis from apartment buildings to single-member dwellings. The statistics contained in this Regional Planning Commission report bear that out. Seven or eight years ago a lot of apartment units were being constructed. That has been shifted in a material way so that today most of the construction is in single-family dwellings. That's one of the reasons we now have a no vacancy rate or a virtual no vacancy rate in apartment accommodation.

But, Mr. Speaker, that still leaves some rather significant questions unanswered about the pressure on the single-family housing market. According to the Regional Planning Commission report, between 1971 and 1975 in the Edmonton metro area — that includes Gibbons, Spruce Grove, and what have you — the population increase was 45,000 people. During that time the housing starts were remarkably high. The housing starts were 30,000, so you had a ratio of 1 to 1.5. Now, Mr. Speaker, that's a very good record. No question about that. It's a record that would lead one to believe the old argument is relevant: if you increase the supply, it should moderate the price. If the market place is going to work at all, these figures should be moderating the price of houses.

Well, Mr. Speaker, in actual fact that has not happened. When one looks over any of the statistics — the MLS statistics show that in Edmonton and Calgary we now have the highest housing prices of any city in the country. The statistics from Statistics Canada show that of Montreal, Toronto, Ottawa, Hull, Winnipeg, Calgary, and Edmonton, again between 1971 and 1975, the two Alberta cities had by far the highest increase in the price of homes.

The question is, Mr. Speaker: if there has been a relatively modest rate of population growth, and we have a rather impressive performance on housing starts, and our ratio of housing starts to population growth is 1 to 1.5, which surely must be among the most favorable in Canada, then why do we have this huge increase in the price of housing in our major cities? Well, Mr. Speaker, perhaps part of that answer also comes in the information compiled in the Edmonton Regional Planning [Commission] report. It looks at the price of lots. In 1969 the price of lots in Edmonton averaged \$100 per front foot. By 1975 that had increased 400 per cent to \$400 per front foot.

Mr. Speaker, I suggest one of the major reasons we have such an enormous increase in the price of urban housing is that while we have been doing a pretty good job in making public moneys available through the Alberta housing programs, in actual fact we have not been zeroing in on land speculation. And as a result of the rather dangerous concentration

of too much control in the hands of too few developers, we now find that the price of the basic component of urban housing — the land on which the house sits — has been pushed beyond all reasonable levels.

As a matter of fact, just looking at the comparative prices — we have some people who are always saying, well the reason houses are priced more is that construction laborers are getting more money. Well, no doubt about that. But looking at the Edmonton Regional Planning statistics, between 1969 and '75 the price of housing overall has increased 250 per cent. In the same period of time the increase in the price of land — which in no way, shape, or form is influenced — has risen 400 per cent. So it raises the question, Mr. Speaker: is the market place working? Obviously it isn't. If it isn't, who is benefiting from that fact?

The other day in the Legislature I asked the Minister of Housing and Public Works whether the government was going to take a look at the Abbey Glen/Genstar merger and the fact that some 16,200 acres of developable land around our major cities are now controlled by these firms. Recently, as the minister will know, a report was prepared in the city of Winnipeg which showed that a much smaller concentration of land was held by one of the major companies there, which has caused something of a furor in the province of Manitoba and the city of Winnipeg because of the very real concern there that what we see in fact is monopoly control or semimonopoly control of land development in our two major urban areas.

I'm suggesting, Mr. Speaker, that we can no longer continue to procrastinate on this issue of a speculator's tax, as was suggested by the Land Use Forum. The facts clearly illustrate that land is now one of the major components in the increased housing prices. The facts clearly show that even though we have increased the number of starts in a very favorable way, compared to the growth in population, we still have the highest priced housing in the country and our rate of increase is the highest in the country. I just suggest to the members of the Legislature that we can no longer delay action on this question of a speculator's tax.

Mr. Speaker, in my remaining comments let me move on to look at the whole issue of agriculture. During the Speech from the Throne [debate] I suggested the hon. Minister of Energy and Natural Resources was getting the money and the hon. Minister of Agriculture was getting all the plaudits. There's really little doubt about that when one looks at the estimates. Let's set aside the dismantling of the provincial cow-calf program for a moment and look at the statistics. One finds a reduction of \$2.6 million over the 1976 estimates, not counting the cow-calf program. Instead we have the rather inadequate federal program as a substitute.

Agricultural research is again something that is languishing. When one looks over the statistics in the estimates, you know, at best about \$5 million is being spent by the Alberta government on agricultural research. That has to be contrasted with the \$140 million we put into the Oil Sands Technology and Research Authority and the additional \$100 million we'll be investing this year largely in the conventional oil industry. So you've got a huge investment there,

and a very modest investment in agricultural research.

Mr. Speaker, I'm not one of those who, like the Member for Athabasca in the federal House, is suggesting that the climate is changing so dramatically that we're not going to be able to produce grains in northern Alberta. On the contrary, I believe there's a tremendous opportunity to open up new areas of agricultural production in northern Alberta. But bearing in mind the situation in the south, where there are considerable fears about a very dry year — and possibly dry years, which is even more disturbing — it seems to me we should be making a much larger investment than we have been making to look at the impact of possible climatic changes on agricultural production in Alberta.

Mr. Speaker, when I look at agriculture, another area that concerns rural people is highway construction. I see here, notwithstanding the clout of the Deputy Premier, that primary highway construction is down 11.8 per cent over last year's estimates. Mr. Speaker, I think that's unfortunate, because we have a lot of miles of road that can be built. If members of the Legislature were just to begin reciting the roads in their individual constituencies — I think of the completion of Highway 64 and Highway 49 as two examples, or the improvement district roads that need to be constructed in the outlying areas. Mr. Speaker, I just say it's extremely disappointing to see an 11.8 per cent reduction over the forecast from 1976-77.

One other very important area is ignored in this budget, Mr. Speaker. I was very interested the other day when the hon. Provincial Treasurer rose in the Legislature and patted himself and the government on the back over gasoline prices in Alberta. Yes, if one looks at Edmonton and Calgary, especially Calgary where we have a price war being fought largely at the dealers' expense, it's not a bad deal. But, Mr. Speaker, one wants to look at other places in Alberta. If one takes the time to compare the difference between the price Edmontonians and Calgarians are paying in 1977 and what other people in the province are paying, and contrast that with 10 or 12 years ago, you'll find a rather striking difference.

Mr. Speaker, I look back to the McKenzie report, a report on gasoline marketing in Alberta which this government has shown as much regard for as did the former government. Nevertheless there's some very interesting statistics in it. In 1965 the price of No. 2 gasoline in Calgary was 39.9 cents a gallon. By comparison in Peace River it was 43.9, a difference of 4 cents a gallon.

But today the price of gasoline in Calgary — and I'm not using the figure here, because that would make it look even worse than it is. I'm assuming the 2.3 cent increase the Minister of Business Development and Tourism said has occurred since January 1. If you look at an average price in Calgary — and I'm not talking about self-service prices — of 77.2, the price this morning in Peace River is 92.9 cents, a difference of 15.7 cents a gallon. Four cents a gallon difference in 1965; 15.7 cents difference in 1977.

When the question was raised to the hon. Minister of Consumer and Corporate Affairs the other day as to whether there's even a study being done to examine the disparity, again the minister said, well, you know, I'm going to have to check, I'm not sure. Something as basic as this. In this Legislature we

talk all the time about decentralization and opportunities for rural Albertans. Yet rural Albertans are paying a completely unfair premium, in my judgment, in gasoline prices. It's fine for the Provincial Treasurer to use comparisons of the cities. But maybe the front bench should realize that not all Albertans live in the cities.

Let's take a comparison with another part of Alberta: Calgary at 77.2, and High Level at 51.5. The only problem, Mr. Provincial Treasurer, is that's 51.5 for a half gallon, because they were selling No. 2 gasoline by the half gallon in the town of High Level as of this morning. A dollar and three cents a gallon, a difference of 25.8 cents.

We can pat ourselves on the back all we like. But the fact of the matter is that in rural Alberta they're asking, and quite properly so, what has happened to us in this situation? Our gasoline prices are now higher than St. John's, Newfoundland, or Halifax, Nova Scotia, where they have to bring in gasoline or oil from the Arab countries.

Well, Mr. Speaker, I'm sure many of the rural members have received complaints. If they haven't, no doubt they will in the future especially after the next round of increases.

Let's take a look at another factor. The Annual Review and Outlook, January 1977, prepared by the market intelligence division of Alberta Agriculture, examines this question. On page 6 the report looks at the impact of higher prices on farmers, just on the sale of 100 million gallons of purple gas used for farm requirements and 50 million gallons of diesel fuel:

The increase in price of fuel since 1974 has increased the total cost of fuel to Alberta farmers by more than \$18 million annually.

I point out, Mr. Speaker, that's since 1974.

I contacted the marketing intelligence division of the department to find out what the difference would be between 1972, before prices really began to rise. Members will realize that by the fall of 1974 we already had the first of the energy agreements, and the price of oil was \$6.50 a barrel. So there had already been a huge increase. My reckoning is that if one were to take that first increase into account, since 1972 when oil prices began to rise, I would judge that the increase to Alberta farmers would be at least \$30 million a year more. When one looks at the net income position also contained in this report, and sees how it has dropped so dramatically in the last several years, that additional amount of money that has to be put out by farmers to obtain fuel hurts, and hurts a good deal.

Mr. Speaker, in the remaining few minutes left to me in this particular discussion, I want to move from the question of disparities, as it relates to rural Alberta, to deal for just a moment with the natural gas rebate plan. The Minister of Utilities and Telephones and I have had many debates in this Legislature — and I'm sure we'll have more, most of them acrimonious — over the operation of the rural gas co-ops. But let me just say to him and to the members of the government that I would hope when that announcement is made on the new shield price for natural gas in Alberta, we would accommodate the request of the Federation of Alberta Gas Co-ops and recognize the need for a stable natural gas price for at least five years.

Now I realize that if one looks at the \$35 million in

the budget and applies that across the board, it would be about a 10 cent increase in the shield. But if we compute that on the 220 billion cubic feet of natural gas which came under the provisions of the rebate program last year, we'd be looking at somewhere around 15 cents per MCF. In view of most of the information I've been able to gain anyway, we're going to have an increase this year of 30 to 40 cents per MCF. Members should keep in mind that we have three factors pushing up the price of natural gas: number one, the effort to get the equivalent value to oil; the effort of the provincial government to push up the price of oil to world prices; and then, world prices themselves going up. All these will lead to a very considerable increase.

I would just say to the members of the front bench that while some consumers in Alberta may be able to stand an increase of 15 or 20 or 25 cents, I do not, in my submission, believe that rural gas co-ops will be able to stand that sort of increase. The cost of operation, the costs of construction, have already mushroomed to the extent that they are right on the edge. An increase of 15, 20, or 25 cents per MCF in the price of natural gas could very well mean the collapse of many of these co-ops. I suggest to the members of the Legislature, particularly to the rural Tories in the caucus, that an awful lot of money — about \$80 million — has already been invested in the rural gas program. If we're not to lose that investment, if we're going to make sure that in fact it is there and that the rural gas program stays and grows and improves as it can, then I earnestly suggest that the proposition placed before the cabinet by the Federation of Rural Gas Co-ops is a reasonable one. All they're saying is, give us some certainty on the price of natural gas for five years.

Mr. Speaker, I just close by saying to the members across the way, give that recommendation some serious thought, because it merits the support of the government of Alberta at this time.

Thank you.

DR. WARRACK: Mr. Speaker, it's a great pleasure for me in 1977 to have the opportunity not to review the throne speech, other than to relate the capacities of last Friday's Budget Address to the intentions and objectives of the throne speech and how laudable I feel they are; and in particular to have this opportunity on behalf of my constituents, in the constituency of Three Hills, as Albertans and as Canadians, and certainly with respect to the important programs of the Department of Utilities and Telephones, to extend my gratitude and pleasure to the Provincial Treasurer and to the capacities that are contained within the 1977 Budget Address. They are very significant, not only with respect to continuing some of the programs of major change and progress that were initiated after 1971 in Alberta but also the new initiatives in them — particularly, of course, the thrust with respect to the capacity for natural gas price protection to smaller Alberta users and, moreover, towards the REA rebuilding mentioned in the Budget Address.

I want to say that I think it references and builds toward a strong Alberta, and it's superbly sound in that way. I think this has to be said because of a convention that took place this past weekend. It is in direct and stark contrast with the proposition by the Canadian leader, from Ontario, of the New Democrat-

ic Party. I'm sure all members noticed, as I did, the proposition against the stronger capacity for Alberta as a province.

AN HON. MEMBER: He comes from Toronto.

DR. WARRACK: I was surprised not only by the judgment but also by the fact that it has so little recognition of what the people of Alberta aspire to in terms of meeting their potential. It contrasts not only with my constituents — and I'd invite the hon. member to come down and debate this one on main street in Three Hills if he'd like — it also contrasts very sharply with the observations made by one of the leading economists in Canada. At the Alberta economic society seminar in Calgary, Dr. George Post, chairman of the Economic Council of Canada, urges the opposite position, namely:

The solution is not centralization, but more decentralization of responsibilities for fiscal policy in Canada.

That's a position consistent with this government, consistent with our philosophy. Just so there is no mistake about the issue, it's precisely opposite the [one] proposed by one of the people who puts himself forward as an alternative in this Legislature.

AN HON. MEMBER: What else do you expect from a Toronto NDP?

[Dr. McCrimmon in the Chair]

DR. WARRACK: I'm sure, as my colleague reminds me, that proposition for a weak kind of colonial Alberta sells well in Toronto and Ontario. In fact the whole idea of big government, state control of these things from Ottawa, including us, is the proposition to be debated, and I do so now.

I congratulate the Provincial Treasurer on the matter of paying attention to the economic analysis of our present problems and the future destiny of Alberta, because the economic structure of Alberta is indeed precarious. It indeed points out that diversification of our economy, both by sector and geography, is essential. Incidentally that too is a part of the conclusion of the analysis by the Economic Council of Canada.

Also the focus on productivity — the standard line was just taken earlier in this House: that it's great to have higher wages with no consideration toward the productivity that determines the size of the pie available to be shared. In fact, Mr. Speaker, that productivity must be increased, and not in a confrontation manner but in a co-ordinated, co-operative manner with all peoples involved. From talking to many people across Alberta, including my own constituency, it's my impression that the working person, including the unionized working person, recognizes that as fact.

Mr. Speaker, I would like to outline basically what I want most importantly to say today. It's not nearly as much as should be and could be said on behalf of my constituents or the responsibilities I have in the province of Alberta, but I would particularly take this opportunity to report to this House, as I make a point of doing each year, on the progress of the successful rural gas program.

I couldn't help but notice that the last speaker's remarks were remarkably restrained and said with little enthusiasm. Not the usual shrill extreme, but

instead rather limited comment. I thought it must reflect [his] having talked to a number of people in rural Alberta who think the rural part of Alberta is much better off because they have the rural gas system.

In addition, with respect to follow-up on the 50 per cent increase in price protection available to Albertans in the natural gas price protection plan — and that's what it's called, not "rebate plan", for all hon. members to note — I would like to put forward the rather complex set of calculations that are necessary to deal with and clarify that matter. I would also like to make some reference with respect to the efforts in the budget toward rebuilding REA systems that may not be safe and may have doubt about their continuity of service.

Finally, with what little time might be left, I'd like to make some references relative to telecommunications, not only with respect to AGT but also recognizing that later this month the Alberta government will co-host with the federal communications minister the federal/provincial communication ministers' meeting here.

Mr. Speaker, the rural gas program is one of four basic objectives of resource management that relate to the non-renewable resource of natural gas. One of these, and I notice the previous speaker takes a position against this, is to get fair return by way of price and royalty including the fact that you can't kill the industry because you have to have some supply. Point one, fair return by way of price and royalty to the people of Alberta who own most of the resource.

Secondly, to use that resource and the capacity we have because of its ownership and the right to manage it, to develop resource processing and diversification across this province, providing job opportunities of a quality nature not only for current but future young Albertans. No longer need those job opportunities be shipped down the pipeline to elsewhere in Canada or, alternately, the United States.

Thirdly, Mr. Speaker, is to make natural gas — that clean, convenient fuel — more readily available and accessible to the people in Alberta to whom it had earlier been denied, the people of rural Alberta. I wish to report on that in the rural gas program.

Point four is the reasonableness of price with respect to natural gas and its availability at those price levels in Alberta. Those remarks will address the natural gas price protection program.

I draw all members' attention as I have before, certainly at least in Public Accounts, to the November 1972 *New Natural Gas Policies For Albertans* report that was tabled in this Legislature and by way of follow-up particularly to the rural gas program, Position Paper No. 11, tabled in this Legislature in April 1973 by my colleague the now Solicitor General, who at the time was Minister of Telephones and Utilities. The paper is entitled, *Rural Gas Policy For Albertans*.

Moving to that important program, there's been a lot of comment and a lot of comment on comment. Mr. Speaker, the most oft-repeated comment I hear about the rural gas program is that it's a shame it wasn't started a lot sooner. Those members who had been part of the tired, drifting, old government before 1971 may feel vindicated by their complaining about this, that, and the other thing in the rural gas program. But they have to stand foursquare in front of the people of rural Alberta and explain why they

didn't do it. It seems to me, Mr. Speaker, that it's abundantly clear that for so long nothing was done. A backlog of need that was not being met is now being met. It's being met by way of harnessing across rural Alberta the co-operative enterprise and sense of community of the people most intimately involved, and those are the people who live there. That's in contrast with the sometimes suggested big government, state control approach that would take it from the hands of those rural people.

The rural gas program certainly has had its problems. There is no doubt about that. As a matter of fact I tabled in the Legislature a report we had commissioned to assist in solving those problems. I have two comments I would like to make on that. The first is the fact that they are problems of progress, far better than the problems of complacency. The second observation is: when you have problems, let's analyse them, identify them, and get on with the solutions. That is what the report is all about. I welcome those kinds of suggestions from the various corners of this House, Mr. Speaker.

Highlighting the rural gas program, because it's a very complex and detailed program that really deserves an hour's treatment by itself, the program is about half done, perhaps more than half done. Natural gas in rural areas has been made available to nearly 37,000 new rural users. Mr. Speaker, that's nearly 150,000 people in rural Alberta who had previously been denied the opportunity to have natural gas at all. That, I think, points to a success. It has to.

Nearly \$70 million in grants toward the co-operative system of financing this program have gone out to every rural constituency — I can think of no exception. This has come about. I know a lot of MLAs have been very supportive in response to it, both in terms of the basic policy and of good suggestions in terms of the program and its implementation. Naturally some exceptions, people who can't find anything to say except complaints. But, Mr. Speaker, it has truly been a success.

I point out also, on the question [inaudible] sometimes brought up, that in 1976 just a little more than a year ago, we moved to a 75-25 financial support system above approved costs of \$3,750 per user, and then this year to 90-10, 90 per cent by the government for costs above \$4,500. There have been suggestions in the House about low interest and so on. But when the grant is made on this kind of a basis, Mr. Speaker, there is no interest at all. Surely that's the help needed to the greatest extent.

I'd like to turn to the natural gas price protection plan now, to be sure I have sufficient time to cover the matters about it that need to be covered. I can't help but comment — and it's unfortunate that the Leader of the Opposition isn't here to avail [himself] of these comments — that I was very surprised that in his remarks on the 1977 Budget Address he had such adverse comment to the 1.1 per cent budget increase involved with the additional 50 per cent price protection for the people of Alberta. Reading the articles he's written that have come into my constituency, and hearing the other kinds of comments I've heard the Leader of the Opposition make, I had the impression he wanted the price of natural gas to be held down. But his suggestion in this budget speech would, of course, put it up. I hope it's not another example of saying one thing in one place,

and one in another. But certainly it looks that way. I really wonder where the opposition stands on this matter. Above all, I don't think this Legislature or the public should let anyone get away with that kind of double talk.

I will not say the comments of the previous speaker from Spirit River-Fairview amused me, because I would regard that as a personal slight, and I'll not do that. But I did find it interesting that all his comments were with respect to Saskatchewan. The most interesting thing about that is he didn't mention British Columbia. That's a province that tried the brand of big government, state control and found they could no longer "bear it".

MR. NOTLEY: Your joke is as bad as your budget.

DR. WARRACK: I see I have his attention. I hope he's amused, because I'm going to amuse him some more.

I didn't notice any comparison with the Saskatchewan rural gas system, nor the fact that they have higher energy costs across the board. As a member, I for one don't like the term "backbencher", and I thought I'd point out we don't have any here. If the hon. member regards himself as a backbencher, I guess that's his prerogative.

AN HON. MEMBER: He's a backbiter, not a backbencher.

DR. WARRACK: In any case, Mr. Speaker, it was surprising the remarks were not so shrill after all, as has usually been the case. Generally it has been a proposition asking for magic. In the last six to eight weeks I noticed a suggestion that the Public Utilities Board handle the rural gas co-ops. I really wonder what those hard-working, dedicated, enterprising people in rural Alberta think about someone who thinks big government ought to take over and handle it and not let them have the opportunity to manage their operations, including their mistakes — and who doesn't make them? That was rather an extreme view and I notice it was not repeated in the House. I find that very interesting.

In any case, Mr. Speaker, the approach has certainly been to work with people in their enterprising efforts and their sense of community. The rural gas program has done that and I say to the House that it has done that with success. I suggest to all hon. members that instead of the big government, state control approach which could have been used, let's get on with the job. Let's not seek confrontations and try to distort into confrontations. Let's act on behalf of our constituents to get the job done.

Mr. Speaker, I would now like to outline very carefully the natural gas price protection provisions for the fiscal year 1977-78. I remind all members that in November 1976 the concept of price protection was committed, recommitted if you like, for a three year period, that being the length of the previous plan of price protection. Moreover, three years is a good planning horizon, particularly for rural gas co-ops.

But the concept on April 1, 1977, will be one of price protection rather than the term "rebate", for the simple fact that it describes better what it really is. So my remarks will henceforth relate to the natural gas price protection plan in that way. I remind hon. members that in May 1974, Position Paper No. 18,

*Natural Gas Rebate Plan For Albertans* was tabled by my predecessor and colleague. There's been much distortion of its provisions, but I draw all members' attention to exactly what it says, and leave other matters at that. Nearly \$170 million has been put forward by way of benefit through this government's budget to the people of Alberta. That's about \$100 for each man, woman, and child during the course of that three-year period, and that is price protection.

It's been announced in the Budget Address that that amount of protection, \$70 million in the present fiscal year, will be increased by a full 50 per cent to \$105 million. Mr. Speaker, that amount, when you calculate it, comes close to \$60 per man, woman, and child over the course of the coming fiscal year. That's a lot of money.

I did mention last November, when I announced the price protection commitment for three years, that we as a government would be considering modifications to policy. I also made reference to that on Monday, in response to a question from the Leader of the Opposition. I now would indicate what we were thinking in terms of those matters.

In the coming fiscal year the support price, which is presently 56 cents in Alberta, will have two components, a basic price support and a market component. The result of this change and the \$105 million budgeted would be an amount of increase that would take place on April 1, 1977, and partially track increases through the rest of the fiscal year. But I calculate those increases, effective April 1, to be less than \$2.50 per month. Seventy-five per cent of any further increases beyond that in the market value of natural gas would be covered by the budget under the natural gas price protection plan. Putting together even a fairly substantial look at what might happen with respect to Canadian energy prices on July 1, 1977, quite frankly, Mr. Speaker, it would still be an impact of less than the price of a regular case of beer per month.

Now to the exact calculations. The basic component of the support price under the natural gas price protection plan will be 61 cents. That's an increase of 5. The market component of the support price will involve the user paying only 25 per cent of the difference between the field price and the basic component of the support price. To state it another way, the Alberta government will pay 75 per cent of the difference between the actual field price and the basic support price component I described. Mr. Speaker, this involves a modification that relates to last-dollar sharing. A considerable amount of wise discussion can be put forward with respect to the value of that, in terms of people who spend the money being those who share in the cost of obtaining that money. It has the benefit of following real market forces at least to some extent now, and puts it into the clear reality of market forces rather than any fantasy about the possibility that government can somehow — without taxes, without programs, and all that kind of magic — prevent natural gas prices from increasing.

Thirdly, with respect to the last dollar-sharing modification in the natural gas price protection program, Mr. Speaker, I very much want to emphasize the point of energy conservation impact. My own view is that too little attention is being paid to the matter of energy conservation. We surely need to have more attention paid to that in order not to waste the valu-

able, increasingly precious fuel we have.

To bring forward exact calculations by way of example, Mr. Speaker, I discovered that as you analyse the question of the field price of natural gas and ask what is the field price, you don't get a number; you get a discussion. There is considerable variation for a variety of reasons relating to transportation, processing, size, facilities, and the like. As a consequence, Mr. Speaker, for the purposes of the natural gas price protection plan it will be necessary to deem a field price as applicable so the support price calculation can be made and the program can proceed. Considering this matter and thinking through all the complexities, we have reached the conclusion that for the period April 1 to the end of June — obviously in anticipation of a different energy price package effective July 1 — the field price would be 95 cents.

So to recap for hon. members — and they might find it worth while to use a pencil and paper in the process — the basic component of the support price will be 61, an increase of 5. The market component of the support price will be one-quarter of the difference between the field price of 95 and the basic support price component of 61. Now that difference of 34 cents divided by four is an 8.5-cent impact on price due to the market component. This then rounds out to a support price for the duration of the time I mentioned — the three months from April 1 to the end of June 1977 — of 69.5 cents, which is an increase of 13.5 cents in the support price.

Obviously the market component can alter as energy prices change. But it can only alter to the extent of 25 per cent, because 75 per cent of any increase that comes about during the remainder of the fiscal year will be covered by the Alberta government budget under the natural gas price protection plan. However, the basic component, the 61 cents, is committed for the entirety of the fiscal year 1977-78.

I'll also mention one other aspect of the operations of Gas Alberta. I think all are familiar with the operations of Gas Alberta and the fact that it's responsible for obtaining supplies from suppliers, either arranging paying for others to do, or in any case getting the gas into marketable form and into the places it's needed. All those operations, of course, involve considerable cost.

In evaluating this matter yesterday and finalizing the calculations involved there, it's clear that the present operation, because it's during the growth and construction stage of the rural gas program, is in a deficit position, though the concept is for it to operate on a break-even basis over time. But having regard for the concerns on additional costs, we have made a decision to hold the increase in the cost due to Gas Alberta level to a nominal 10 per cent. I should note for all members of the House that in doing so this will not cover the deficit in the coming year. There will be a longer term proposition to even that out.

By way of summary review of the natural gas price protection plan, I emphasize again that it is a 50 per cent increase in price protection to Albertans, to residences, farms, small businesses — \$105 million in the budget, to be exact. It involves last-dollar sharing for the reasons I mentioned and the effective support price, the basic plus market components, will be 69.5 cents for that three-month period of time. Above all, Mr. Speaker, if one takes account of that extent of difference and looks toward some calculations which

might be appropriate with respect to anticipating July 1, 1977, changes in the price of natural gas, it will still work out to be less than the price of a regular case of beer. And throughout the fiscal year, 75 per cent of what increases in price do come about will be covered by the provincial government's budget.

I want to make note of one item in the budget that has a printing error, I guess. The table on natural gas prices that was used indicated '77-78. That might have been by force of habit of whoever was printing and writing that. In any case, of course it was 1976-77.

In my few minutes left, Mr. Speaker, I just want to indicate that in the matter of REA rebuilding — didn't take long, did it — there is the new B budget program relating, as I mentioned in question period yesterday in response to a question from the Member for Bow Valley, that we're concerned about safety and continuity of service. The basic point is just that; we want to assure that as a matter of public policy. That's why that matter is included on page 21 of the Budget Address.

Again I express my thanks for the work of the caucus committee. Their work is certainly not done. There's much more to be done. I would draw members' attention to the opportunities those members will have to speak in this House, either on the budget or elsewhere. And please be attentive to the remarks of the members of that caucus committee as they develop what I might otherwise have had the opportunity to say today if I had the time.

Finally, Mr. Speaker, in the area of telecommunications I simply want to report to the Legislature that the Public Utilities Board has just recently completed its phase one review, last week as a matter of fact, and that phase two work will be going ahead with respect to the necessary hearings and analysis on the matter of AGT level of rate regulation.

I certainly appreciate the efforts and assistance of the Member for Calgary Bow with respect to his membership and contribution on the Alberta Government Telephones Commission. I also want to . . . [applause]

He's such a gentleman that everyone clapped but him, Mr. Speaker.

I also simply want to say that I very much welcome, on behalf of not only the government but all members of the Legislature, the opportunity to be co-chairman of the federal/provincial communication ministers' conference that will take place the last week of March in Edmonton. As quickly as things change in Canada, believe it or not I am the senior communications minister. The other 10 have changed since I got here less than two years ago.

I congratulate the Provincial Treasurer, Mr. Speaker. I extend not only personal but policy congratulations to him. I'm delighted with the budget in the ways I mentioned, and I've tried to describe and fill out the nature of its benefits to the people of Alberta during the course of my remarks. I urge all members to support it.

Thank you for your time.

MR. LYSONS: Mr. Speaker, once again it's my pleasure to have the opportunity to address the Legislature on the budget. I would like to join with others in the heartfelt feelings for you as Speaker of this Assembly. You are a proud and fair gentleman with a flair for

good humor amidst trying conditions.

All 75 members have a very important role to play here in bringing Albertans good government. This is a promising province. It's our home, our future, our younger and older generations' future.

If there is one thing that bothers the constituents in the Vermilion-Viking constituency more than any other, it would be the right to work as hard as we can, the right to be successful, the right to be heard, and the right to try again. My constituents very rarely ask for anything of a selfish nature. They may be above average when they hear some of the discussions in this Assembly. Mr. Speaker, we try to live and enjoy our way of life. We attempt to live with our environment.

We've heard speeches about basic education being reading, writing, arithmetic, and responsibility. Well I'd like to add another: instinct or survival, the education of coping, of taking a gamble and accepting a loss. Life is like a hockey game: you can't afford to quit because you've lost one game or two. Hard work and desire never hurt anyone. None of us would be here if we campaigned or did our job from eight to five. No way. The people in our area rarely ask for more than their fair share, in fact quite the opposite. We want to be left to our own devices wherever and whenever possible.

We have exceptions in education and health care. Here there is no compromise. We want the best. We'll not settle for second best. We view these areas as part of the mosaic of this province, of our heritage. We have the best farmers, the best businessmen, the best workers, and the best of the environment. That's why we don't want to settle for second best in health care and education. We want to continue to lead other areas of the country wherever and whenever we can. We reap as we sow.

In dealing with the budget, it is a successful businessman's budget. It is a responsive budget. It would be easy to wage a campaign on it. In any other province it would be called an election budget. In my duties as a member of this Assembly, my responsibilities have taken me into the other prairie provinces on several occasions. We are envied beyond any doubt. This budget has shown that we can and do keep a businesslike attitude. It's been said by others that a man who cannot and will not save money cannot and will not do anything else worth while.

In the interests of Alberta and Canada, and for that matter the rest of the world, we must show that we mean business. We will establish a brain bank — a bank of technicians to serve a bank of healthy, vibrant people. We will be responsive, responsible, and survival-minded people. We will seek the best. It is our duty in this Assembly to communicate to the rest of the country that we want to be together. Jointly and severally we must pull together. We must not allow anyone to believe otherwise. We must show a healthy respect for everyone in the Assembly regardless of their political affiliation and their position in that affiliation. If we as Albertans do not respect each other here, how can we expect anyone else to respect us? The election was over two years ago.

Mr. Speaker, at this time I would like to explain to the hon. members one very important part of the financial community that goes somewhat unnoticed. It's a quiet, non-controversial business that cuts across all political and social lines, all professions in

the business community. Although I'm sorry to say I'm no longer employed in this business, it still benefits me, my family, and my community. And I benefit from my experience with this organization. I hope I can share with you and the members of this Assembly an overview of credit unions in Alberta.

Credit unions are unique organizations. They combine into one organization the well-established principles of democracy for control over social institutions within a free society, together with the components of economics — the other most influential element in our environment. Besides being democratically owned and controlled institutions, they are unique in that they are closely associated with a community of people of common interests and concerns and are thereby responsive to the needs of that community.

This concept of local control and autonomy practised by credit unions is a first in the finance industry in Canada. No other financial business is as close to the people. These communities of people can be based on geographic areas, people belonging to an organization, or people employed by a common employer. The resources available to credit unions are those deposited by the members in their credit unions, and the resources are utilized by way of credit to the members of that community. In this way the needs of the individual and the community interest groups are both major considerations in the application of the assimilated resources of the membership.

These kinds of organizations are now prevalent throughout the free world. Mr. Speaker, there are more than 4,000 credit unions and *caisses populaires* in Canada with accumulated resources of \$15 billion, of which \$9.5 billion is out on loan to members — \$3.25 billion in cash loans and over \$6 billion in mortgage loans. In Alberta there are over 190 individual credit unions with bonds of association based on employer groups, parish groups, associational groups, and communities — some 320,000 members, and in excess of \$730 million in assets.

Recent developments attributed a greater degree of sophistication in operations and facilities, together with an increased awareness of the credit union's unique features. This has resulted in phenomenal growth. At the end of 1973 total assets in Alberta were \$325 million. In the subsequent three-year period assets more than doubled to \$730 million. With the increase of resources comes increased response. This increased response is being met by using the same principles which apply to the individual credit union through a co-operative effort among all credit unions associating themselves on a provincial basis with the Credit Union Federation of Alberta in the stabilization corporation. This is a self-policing arm of the movement. The credit union acting as a central service function for the member organization likewise associates itself with a similar central organization in other provinces on a national scale.

Although membership in a credit union and in the federation is voluntary, the application of sound business principles and the general policy control of a democratic structure has matured through 40 years of experience in Alberta and can make the claim that no member of a credit union has ever lost any savings. Along with the above claim, credit unions can also claim to have given assistance not available through other financial institutions to both individuals and businesses in their respective communities.

Although the best judgment is not infallible, the record compares favorably with other financial institutions.

Alberta people are proud of their independence; they have a provincial pride and a community pride. Credit unions give them an opportunity to exercise their pride by investing their resources in the community and the province from whence they came. The multimillion dollar business maintained in Alberta is supervised by this province. Mr. Speaker, the cost is small compared to the overall contributions they make to our provincial economy and individual Albertans. This dual co-operation allows credit unions to serve 320,000 members. As well, the credit union computer centre handles over 2 million items a month. This same system is copied in Manitoba and Puerto Rico.

In conclusion, Mr. Speaker, Alberta is strong. Let's pull together, each in our own way, each in our own capacity. Let's be good Canadians. Let's set an example for others. We've got the leadership, the people, the money. Canada needs us, as we need a complete Canada.

DR. WALKER: Mr. Speaker, I would like to congratulate the hon. Provincial Treasurer on his excellent budget presentation. I would prefer to concentrate my remarks on the rather broader aspects of federal/provincial spending and possibly discuss to some extent the development of federal/provincial relationships in Canada.

When we talk about budgets, if we could just buy economists for what they're worth and then sell them for what they think they're worth, we wouldn't have any worries about budgets at all.

The 17 per cent of federal income tax referred back to the provinces shows some inclination on behalf of the federal government to restore a little more autonomy to the provincial governments. It also allows the provinces to establish their own priorities, which has been one of the major platforms of the new Parti Quebecois.

The relationship between Anglophones and Francophones in Canada over the centuries has been imbued with that same underlying distrust of each other as the Irish and English. Each seems to have a very special ability to bring out the worst in themselves and in the other. The chief differences between the two groups in each case are not so much racial as cultural, religious, and linguistic. Many of these differences have been fostered in both countries by our systems of government, our churches, and our economic system, which have traditionally kept minority people of both countries in the role of hewers of wood and drawers of water.

In Ireland and in Quebec over the years, a great number of special events have deepened and exacerbated the grievances of their respective inhabitants. After the famous flight of the Wild Geese from Ireland — when large numbers of Irish soldiers went to the continent, mostly to France — after the Battle of Limerick in 1691, King William III passed a series of anti-Catholic laws, ostensibly to eradicate the Catholic religion in Ireland.[interjections]

[Mr. Speaker in the Chair]

They went so far as to debar Catholics from parliament, from holding a government office of any description, high or low, from entering the legal profession, and from holding commissions of any description in the army and navy. A system was devised by acts passed in 1704 and 1709 which forbade Catholics to buy land at all or to take leases for more than 31 years.

Sixty years later in Canada, between 1755 and 1762, the expulsion of the Acadians occurred. In the first year of the program about 6,000 persons were rounded up in what is now called the Annapolis Valley in Nova Scotia. They were shipped to other British possessions in North America where, because they were maintained at government expense, they were usually less than welcome. In all, over 10,000 French settlers were uprooted. Their lands were taken from them to make room for the future English settlers, just as in Ireland.

In each case it was a deliberate and determined attempt to destroy a way of life. The Acadians had been in the New World for over 150 years, had carved out their settlements in the wilderness only to have them confiscated without any compensation, just as in Ireland 60 years previously.

The Seven Years' War had been raging for many years in both Europe and North America when the Battle of the Plains of Abraham took place in 1759. The actual battle came after months of harassment of the civilians of the colony of New France, including a systematic attempt to starve the colonists by destroying their crops and pillaging their settlements.

The siege of Quebec itself began on June 23, 1759, when an English fleet of 175 vessels carrying more than 9,000 soldiers and 30,000 sailors anchored off the point of Ile d'Orleans. On June 30 Colonel Monckton led a landing by 3,000 troops on Point Levi across the river from Quebec. Three days later the English batteries began throwing their missiles into the town. There would be scarcely an interruption of this demoralizing bombardment of civilians until that final battle in September on the Plains of Abraham. Destruction was also carried out in the neighboring settlements up and down the St. Lawrence.

MR. SPEAKER: Order please. Although very considerable latitude is allowed in the throne speech debate and possibly a little less in the budget debate, with great respect to the hon. member, there is some question as to whether the time of the whole House should be taken up now in a study of fairly old history.

DR. WALKER: Mr. Speaker, with your indulgence and with the indulgence of hon. members, I would attempt to show that this all ties into the budget debate in not only a very relevant but I hope a very significant way.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: It's not a matter of my indulgence. It's a matter of the *Standing Orders* and of proper parliamentary procedure. One of the basic rules is the rule of relevance. While it may be stretched at times, I don't think we should cut it to pieces. [interjections]

DR. WALKER: Referring to the budget, they had budgets a long time ago too. I don't know how I'm going to get out of this. If I may give a little more to this, sir: a lot of destruction was carried out in the neighboring settlements of the St. Lawrence. A lot of atrocities were committed at that time . . .

MR. SPEAKER: With great respect to the hon. member, the Chair is not at liberty to allow him to continue on a dissertation of somewhat remote history and to tie it in some tenuous way to the budget.

DR. WALKER: Okay. If I may just a little bit — Shakespeare once had Mark Antony say, "The evil that men do lives after them, The good is oft interred with their bones." All of Confederation was not by any means bad for the provinces of Canada.

But while we sit in Alberta and compare our provincial surplus of many millions of dollars and contemplate a national deficit of somewhere over \$5 billion, we have not been unmindful of the plight of other provinces. I think our first loan of over \$50 million to the province of Newfoundland openly confirms our relationship with Canada as a whole.

I do not believe this is going to be the last of such co-operative financial arrangements with our fellow Canadians. I hope this will demonstrate our desire to maintain a friendly multicultural society, not only in Alberta but in this great diverse country we call Canada today.

Thank you, Mr. Speaker.

MR. PEACOCK: Mr. Speaker . . .  
[applause]

DR. BUCK: It's a long time.

MR. PEACOCK: Thank you. From this elevated position, it's a pleasure to be up here speaking again.

Mr. Speaker, reviewing the past and present budgets of the government, it is encouraging to see the province develop and grow on the foundations established by sound management and a planned economic policy. There is tremendous prosperity in Alberta. Today it's reflected not just in the strong economy but in the faces of the people in Alberta. We are confident and content, proud to be Albertans. We've never had it so good.

SOME HON. MEMBERS: Hear, hear.

MR. PEACOCK: It wasn't always this way. When the government took office, the province was faced with a \$100 million deficit and had a climbing rate of unemployment. That's hard to believe looking back from the position we're in today, just some six years ago and some four balanced budgets later.

With the lowest rate of taxation in Canada, the highest level of social services, and the lowest level of unemployment, it's easy for critics to credit our recent prosperity entirely to increased petroleum revenues. That's too easy. It's also short-sighted and naive.

AN HON. MEMBER: Agreed.

MR. PEACOCK: We've always had oil revenue in Alberta. The difference today is good management,

good planning, and a sincere regard for the future of Alberta.

Mr. Speaker, this budget is going to be identified by its people programs. In my opinion it reflects the exceptional empathy of government with the people it serves. The heritage fund must certainly reflect to all its concern and direction of future planning. Certainly the emphasis on good management is indicated by the balanced budget we're presenting to the House. Finally, the modest increase it reflects in this year's forecast on expenditures on government services is indicative of its responsibility to the people of this province.

The response and sensitivity of this government to the people may be best understood by briefly identifying some of the educational, social, and cultural programs that have been implemented on a pay as you go basis. The cost of these programs is certainly reflected in our budget this year.

Some examples of the people programs we have in place are the Alberta assured income plan, the property tax reduction plan, major cultural/recreational programs for the communities, extensive programs for the mentally and physically handicapped, health care programs, extensive housing programs, extensive decentralization programs, support for the Alberta Art Foundation, and senior citizens' home improvements. These and many others are absolutely new programs. These are programs the preceding government did not have the initiative, innovation, vigor, or courage to conceive, develop, or implement. In addition, we have repealed offensive or redundant programs we found when we formed this government. Finally, we have taken the best of the existing people programs and expanded them.

Mr. Speaker, this province enjoys a very high quality in its people programs. The high quality of social, cultural, and educational programs is a function of a plentiful financial resource coupled with competent and dedicated people, imaginative programming, and wide community acceptance. We practise pay as you go budgeting, and for reasons largely due to providence we can have all this without oppressive taxation and without stifling personal initiative.

Mr. Speaker, this may not always be so. The truly concerned government will not rest at the oars. It will not bask in self-satisfaction. It will continue to innovate as we are doing. The truly concerned government will seek to assure that five, 10, or 50 years from now our province will be prosperous, still able to pay as we go and present balanced budgets. No government is a good government if it does not seek to know the future. No government which can protect vastly different economic circumstances in the future is a good government if it does not dedicate itself to managing and minimizing the adverse impact of that future change. That, Mr. Speaker, is what government is doing with intelligence and diligence; not because continued economic well-being is an end in itself, but rather because it provides an ongoing incentive to all citizens. That ongoing incentive [is] reflected in the citizens' health, their education, their well-being, demanding a sense of security, a sense of contributing.

It is within this context, then, that the Provincial Treasurer referred to the diversification of Alberta's economy in his Budget Address. This diversification is the key to sustaining these people programs with-

out introducing punitive taxation or restricting individual initiative. We have all witnessed what has happened to countries where people programs introduced by their governments cannot be paid for from current revenues. In other words, planning for the future economy of Alberta to maintain the high standard of living we have reached in this province, the plan was first to diversify our economy in Alberta both geographically and categorically.

We are all aware that in diversifying our economy geographically, certain impediments had to be overcome in rural Alberta. For instance, adequate water and sewer had to be initiated. These programs are well on their way. Some 130 communities have taken advantage of them. Communication and transportation had to be improved, and for the first time this province entered into a well-planned, cohesive, comprehensive building program for airports — expanding runways, improving night flying facilities — to bring air service to rural Alberta. We had to increase the gross vehicle weights on our highways to upgrade and standardize highway capacity in order to improve the competitiveness of Alberta's economy. These were indeed aggressive moves by the Minister of Transportation.

At the same time that water, sewage, and transportation programs were under way in rural Alberta, we directed our attention to removing impediments to trading out of province. The government, in recognizing Alberta's vulnerability to transportation as a landlocked province, and to protect its northern markets and plan for future Pacific Rim markets, purchased PWA. A very important direct result of that purchase was that Wardair stayed in Alberta after they were committed to moving their 1,700 employees to Toronto. I might add that with the advent of the DC-10s by Wardair comes a whole new experience for Alberta people in the areas of service, maintenance, flying skills, further justifying our interest in this industry. I might point out, Mr. Speaker, that when Wardair — through their option of 25 per cent that was about to be taken up by Air Canada — had indicated and made commitment to move to Toronto, this government didn't then call on the federal Minister of Transport for a restraining order.

Freight rate inequities have been and are seriously being evaluated by the federal government. Some have been eliminated, and others are being checked to assure that decisions on future transportation matters that affect Alberta will be made in Alberta. Now there's one key the Minister of Transportation is directing his attention to to make rural Alberta completely competitive with the larger centres in this province, and that of course is in the rate groupings. This is still to come we hope. The progress being made today on transportation is largely a result of the continued concern of this government and the action of our Minister of Transportation.

Before I leave transportation, Mr. Speaker, I might mention that the Minister of Transportation will be going to Regina on Friday to attend a meeting of WESTAC. WESTAC is a rather unique organization in the fact that through the efforts of this government and Colonel Houston, the president of the Canada Japan Trade Council who was introduced to this Assembly today, WESTAC was formed. For the edification of all those here, WESTAC was made up of the principals of the four governments of western Cana-

da, the transportation ministers; the federal transportation minister; the principals of the industries and commodity movers of transportation products out of western Canada; the principals of the transportation systems themselves that exist in western Canada, such as rail, air, pipelines, trucks, et cetera; and also the principals of labor. I'm sorry our Member for Spirit River-Fairview is out, because Mr. Garcia, the president of the International Longshoremen's and Warehousemen's Union, is also a member of this unique organization called WESTAC.

The reason it's unique is that in the years since its formation in 1975 we have had labor peace on the west coast. It's largely the labor leaders sitting down with all the components of industry and the movement of products into the west coast ports that has allowed an understanding, a recognition of what the problems are. So we have overcome many of the problems we faced in the past due to not having that dialogue or that organization called WESTAC.

As we moved in our plan from moving on the impediments and disadvantages of rural Alberta in transportation, and then out-of-province transportation, the next step in our strategy was to diversify Alberta's economy, to encourage the processing and upgrading of non-renewable hydrocarbons into petrochemical and agricultural chemicals. At the same time efforts were being made to expand the processing of renewable resources in the areas of cereal and feed grains, and forest products. While strides have been made in these fields with rapeseed oil processing, feed plants, and distilleries, much is yet to be done.

The results of diversification have afforded the opportunity for Albertans to develop and expand challenging and satisfying careers as scientists and technicians in Alberta with new and accumulated technology now being exported around the world.

After we addressed ourselves to the problems of transportation and diversification, the next step was to encourage the location in Alberta of capital resource companies that were capable of providing the lending of venture, equity and debt funds, and sensitive to Alberta business needs. As a result today we have such organizations as the Northland Bank — which incidentally, I might suggest was a direct result of the WEOC Conference in Calgary — the Canadian Commercial & Industrial Bank headquartered here in Edmonton, and others. They are taking equity, debt, and management positions in growing Alberta companies. The government then joint-ventured with the public of Alberta to introduce the Alberta Energy Company. This company provided an opportunity for all Albertans to participate in the resource development of this province. Mr. Peacock, through the efforts . . . Mr. Speaker, just disregard that.

MR. SPEAKER: I've already congratulated myself.

MR. PEACOCK: Thank you, Mr. Speaker.

Through the efforts of the private sector and the government we are diversifying our industry. We are ever improving our transportation and have encouraged the market place to respond to our needs for capital fund resource. Conventional institutions have responded, and it's rather interesting to go to a banking meeting today and hear the bankers — I'm talking about conventional bankers — vying for the

position of being called the first bank of Alberta. I can recall just some 10 years ago when it was difficult to negotiate a loan of \$1 million within the province of Alberta. I can recall a little longer ago when it was difficult to negotiate a loan of \$100,000 in Alberta without going to either Winnipeg, Toronto, or Montreal. I can assure you that today the loaning limits of the conventional institutions have been raised into the millions, as the decision will be made here in Alberta. This is the advance made in the last two or three years as far as the conventional banking institutions are concerned.

Finally, it was incumbent upon the government to identify the market place. It is within this context that our trade and tariff initiative must be understood by all, including the graduate, the student, the elderly, the handicapped, the artist, the working mother and, yes, even the opposition.

AN HON. MEMBER: Even Walt.

MR. PEACOCK: Mr. Speaker, to understand international tariffs and trade is first to understand the General Agreement on Tariffs and Trade: how it came about, its objectives, how the strategy for Canada's negotiations developed, and particularly the lack of consultation and concern for western Canada's position from the inception of the General Agreement on Tariffs and Trade in 1947 through 1974, which carried it through the Kennedy and Tokyo rounds. It was in 1974 — and largely as a result of WEOC incidentally — that through the efforts of this government we finally received observer status and the western Canadian position was recognized by Canada's negotiating team.

What will come of the Geneva round is yet to be known. I might point out that the negotiating team is composed of permanent staff members headed by the federal Secretary of State for External Affairs, and supported by the federal Minister of Industry, Trade and Commerce. One must understand that within the General Agreement on Tariffs and Trade, bilateral agreements can be accommodated such as [the one] the Premier is suggesting between Canada and the western United States covering the sale of processed agricultural and hydrocarbon products.

There's a precedent we're of course all familiar with to establish the fact that a bilateral arrangement can be made within the GATT constituency. That of course is the auto pact, which basically satisfies Ontario and to some extent Canada's balance of trade, at least until this past year. So the ability to fill western Canada's and Alberta's objectives is within the framework of GATT.

Secondly, it is to understand that western Canada has not presented itself as aggressively as it could from a trading point of view, particularly to the potential market of the western United States. It requires a sales job to acquaint the western states with the aims and ambitions of Alberta regarding the upgrading and subsequent selling of our processed products in agriculture and hydrocarbons, to acquaint the western states with the desire of Alberta to be a good neighbor and trader, and how our political system works, why we believe in it, and its stability, so that we may be better understood by our neighbors and a firm foundation of confidence and respect can be established. Thereby our ambitions to sell value-added

products could be firmly understood within that trading area.

However, we cannot just sell and continue to sell our, natural gas from Alberta and the hydro and water from British Columbia. We want more than that to fulfil our destiny and satisfy our young graduates from universities and technical schools with job opportunities here in Alberta, because these young people wish to live in this province where they can see a positive future. Such an understanding must surely be established. The finest ambassador to tell that story is the Premier of this province.

Mr. Speaker, we are not being naive. In the beginning the story must be told. The impediments for international trade, if not all removed, must at least be understood. The desire of both regions to trade must be established before the initiatives of individuals can take over. In my opinion the action upon such initiatives by the Premier will result in better understanding and communication with Washington and Ottawa, so that tomorrow some of the tariff impediments and trade restrictions will be eliminated.

Mr. Speaker, when we weigh the pluses and analyse the importance of Alberta selling processed agriculture and hydrocarbon products to the western United States and Alaska, we find an overwhelming advantage to such a thrust. It is fortunate we have a Premier who understands this important initiative and is committed to doing something about it. Here in Alberta the western U.S. represents a market potential as big as all of Canada, some 20 million people. The western United States is many kilometres closer to Alberta than eastern Canada or the Pacific Rim markets. I threw in that kilometres for you, Mr. Minister.

The people in the western United States are closer. Basically they have the same heritage and goals we do. They understand our aims because they strive for similar goals. The western U.S. and Alberta already have a great interchange of travel. While the balance of travel at this time possibly favors the United States, we feel this can be reversed, particularly by the development of our tourist resources. We already have a trading pattern. We buy quantities of food products from California; they buy our unprocessed natural gas. The two regions have a common problem of communication with federal authorities, which are located in the far-east of our respective countries, some 2,500 miles away.

Mr. Speaker, so all might understand more fully our concern, may we relate an experience to support the need [for] our Premier seeking tariff adjustments? When we took office in 1971 — and, as mentioned, facing a \$100 million deficit in mounting unemployment — we set out to build an agriculture/chemical industry in Alberta as one thrust to diversify our economy, because we had basic feedstock in place and a large agricultural market in western Canada. We embarked on a trade mission to Europe to encourage British and European chemical companies to locate here in the production of agricultural, pharmaceutical, or petrochemical products.

After encouraging several of these agricultural and chemical companies to come and do a feasibility study, they chose to build in the United States of America only because the tariff imposed on insecti-

cides and pesticides entering the U.S.A. from Canada was 14 per cent — 12.5 per cent plus 1.5 per cent ad valorem — whereas the same products coming into Canada from the U.S. were duty free. By locating in the United States they had free access to the Canadian market. It requires little imagination to recognize that the commercial and political interests of eastern Canada were put ahead of the growth aims of the west.

Mr. Speaker, the opposition members across the way had better understand what Canada is all about before daring to criticize the needed and bold initiatives of the Premier in regard to international tariffs and trade. In my opinion, until these reasonable ambitions are understood and the impediments removed, we will have greater and greater difficulty affording opportunities to our skilled, semi-skilled, and young people to stay in Alberta. It is only by courageous steps such as the Premier has taken that Alberta will be able to become an equal partner in Confederation and retain its enthusiasm for this union.

In conclusion, Mr. Speaker, this budget reflects the sensitivity of a government to its people, its ability to manage, to plan, and to diversify its economy, which all adds up to a future and hope for all of us in Alberta.

MR. KING: Mr. Speaker, would the hon. member permit a question?

MR. PEACOCK: Yes.

MR. KING: Mr. Speaker, I wonder if the hon. member has any views on whether in the particular case of the one bilateral agreement he mentioned, namely auto pact, NDP support for that particular bilateral agreement is related to the fact that the Member for Oshawa-Whitby is the leader of the NDP.

AN HON. MEMBER: Good question.

MR. SPEAKER: That is scarcely the kind of question which . . . In fact it could be an invitation to the hon. member to continue debating.

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

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

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, I move we call at 5:30.

MR. SPEAKER: Does the Assembly agree with the recommendation of the hon. Deputy Premier?

HON. MEMBERS: Agreed.

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

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