

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Thursday, March 17, 1977 2:30 p.m.

[The House met at 2.30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 227

**An Act to Regulate Election
Contributions and Election Expenses**

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill 227, being An Act to Regulate Election Contributions and Election Expenses. The provisions of this bill are five in number.

First of all there would be a limitation on the amount of campaign spending, centrally as well as in local constituency associations. The limit for central expenditures would be 25 cents per capita.

The second provision would be to limit contributions from corporations, trade unions, and individuals to a maximum of \$1,000 to the central, and \$200 to the local campaign.

The third would be disclosure of all party finances, together with audited reports.

The fourth provision would establish a multiparty commission to administer the provisions of the act.

Finally, Mr. Speaker, the basic thrust of the act is patterned on legislation in place in the provinces of Ontario, Nova Scotia, and Saskatchewan.

[Leave granted; Bill 227 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. DOWLING: Mr. Speaker, I would like to table the 1975-76 annual report of the Department of Business Development and Tourism.

MR. HARLE: Mr. Speaker, I'd like to file the 1976 annual report of the Superintendent of Insurance.

MR. SPEAKER: I have the honor to table the report of the Electoral Boundaries Commission which, as hon. members know, was filed with me some time ago and distributed to each member of the Assembly.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ASHTON: Mr. Speaker, it's my pleasure to introduce a group of students from Sherwood Park with whom I had a very invigorating discussion a couple of weeks ago in their classroom. They are attending Wes Hosford school and are here to continue their study of government. They are in the members gal-

lery, and I'll ask them please to stand and be recognized.

MR. LITTLE: Mr. Speaker, may I introduce to you, and through you to the members of this Assembly, 50 grade 7 students from the Colonel Walker school situated in my constituency, Calgary McCall. They are accompanied by their vice-principal Mr. Thomas, teachers Mr. Main and Mrs. Hezmalhalch, and by a member of Calgary's finest, Constable Smith. They are seated in the public gallery, Mr. Speaker, and I would ask them to rise and be recognized by the Assembly.

head: **MINISTERIAL STATEMENTS**

Department of Housing and Public Works

MR. YURKO: Mr. Speaker, I'm pleased to inform the Legislature today of the allocation throughout the province of senior citizen lodges and self-contained housing units approved by the provincial government in the current fiscal year. Implementation of these projects is being done through the Alberta Housing Corporation and the Alberta Home Mortgage Corporation.

The distribution is the result of extensive need and demand surveys, and the policy of permitting senior citizens to live in their familiar surroundings. Increased budgetary allocation will provide for the construction of 219 beds under the senior citizen lodge program and 1,219 units under the senior citizen self-contained housing program throughout nearly 40 different centres in the province.

Senior citizen lodge accommodation provides housing for senior citizens, including such services as meals, linen, laundry, and recreational facilities in a community-like environment. All formal applications for new lodges or lodge additions received by the Alberta Housing Corporation for the 1977-78 fiscal year were approved.

A new provincial policy will give financial assistance to the managing foundations of lodges to offset operating deficits. Previously no assistance was given to lodges, but as of January 1, 1977 the Department of Housing and Public Works will provide a grant to cover half the deficit that is above 2 mills on the local municipality's tax base. Rents charged in lodges are considerably below rents that would be charged on the open market for similar accommodation.

Senior citizen self-contained units are designed for senior citizens who prefer apartment-like accommodation. Additional amenities within the complexes often include furnished lounges and recreational facilities, which enable seniors to communicate with their neighbors in a friendly and relaxed environment. Rents are geared to the tenant's income, resulting in a monthly charge of no more than 25 per cent of total income.

In addition to the senior citizen lodge and self-contained housing programs, the government has provided \$10 million in the budget of the Alberta Home Mortgage Corporation for a new program that will use the private sector to assist in the design and construction of innovative senior citizen self-contained units. The new experimental senior citizen

housing program will consist of loans at conventional interest rates to private developers who wish to construct senior citizen apartments which are unique and innovative from a cost-saving point of view.

This new program will finance some 400 units, of which 40 will have to be assigned to senior citizens on the Alberta assured income plan. The remaining apartments will generally be rented to senior citizens who have incomes too high to qualify for government subsidized accommodation.

The allocation of senior citizen lodges and senior citizen self-contained units throughout the province is attached to the news release. All I want to indicate to the House, Mr. Speaker, is that 399 self-contained units are allocated to the city of Edmonton, 328 to the city of Calgary, 332 to the northern region of Alberta including Fort McMurray, and 160 units are allocated to the southern region of Alberta.

Thank you, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, in replying to the ministerial statement, I can only say on behalf of our group that we certainly support the minister's announcement. I think it indicates and endorses the excellence of this program that was initiated in Alberta in the late 1950s and the early 1960s. I say this, one, for the record and, two, as a matter of fact. [interjections] Why not? I recall in my first campaign, in 1963, that this was one of the major planks in our platform. We carried out a great part of it, and now it is going on to completion.

With those remarks I congratulate the minister and endorse what he has said.

head: ORAL QUESTION PERIOD

Natural Gas Prices

MR. R. SPEAKER: Mr. Speaker, I would like to direct my question to the Minister of Utilities and Telephones related to his remarks yesterday to this Assembly. Is it the position of the government that rural gas co-operatives should receive no extra consideration in terms of gas pricing than what is provided under the natural gas price protection plan outlined yesterday?

DR. WARRACK: Mr. Speaker, if the questioner is familiar with the rural gas program he will know the people in rural Alberta, who for so many years had been deprived of the use of gas, have had some very special consideration by way of the financial assistance available through the construction of the rural gas program across Alberta. As I mentioned in my remarks yesterday by way of progress report, so far that special consideration has totalled nearly \$70 million.

MR. R. SPEAKER: Mr. Speaker, the minister doesn't realize that gas has gone up, doubled and tripled. [interjections] He still didn't even answer the question.

A supplementary to the minister. Will the government continue to pursue its stated goal of obtaining prices for natural gas at BTU parity with crude oil and, if so, how much closer to parity does the government want to be on July 1, 1977?

DR. WARRACK: Mr. Speaker, the hon. Minister of Energy and Natural Resources may wish to add remarks on that latter point with respect to negotiations across Canada on behalf of Alberta.

Certainly with respect to the fact that natural gas prices have gone up, it takes the simplest of calculations to recognize that with some 84 per cent of the production in Alberta going outside Alberta, those increases in natural gas prices have benefited Alberta dramatically . . .

MR. SPEAKER: Order please. The hon. minister is not obliged to answer the question, but he should not answer one that has not been asked.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. I'm sorry he didn't finish his speech yesterday. I would like to relate to a remark the minister made publicly some time ago with regard to higher energy prices relative to energy conservation. Does the minister, the government, or his department have any studies which indicate the relationship between higher prices and energy conservation?

DR. WARRACK: Not at this time, Mr. Speaker, although that might be a very positive suggestion. I think back to the resolution on energy conservation in last year's Legislature, posed by the Member for Lacombe I believe. There wasn't as much discussion on that important matter as I think there might well be in this House, and I'd welcome more. It may very well be that a specific study by the government into aspects of the point the hon. member raises would be very worth while.

Public Utilities Board

MR. R. SPEAKER: Mr. Speaker, a final supplementary to the minister. Has the minister or government given any consideration to changing the terms of the Public Utilities Board to provide more adequate protection for consumers in Alberta?

DR. WARRACK: Mr. Speaker, the terms of the Public Utilities Board are essentially that they evaluate reasonable and prudent costs on the part of the applicants, and out of that allow a rate base sufficient to attract the capital financing necessary to maintain and expand the level of utilities services in the province. I think those are very sound bases to consider. At the same time across Canada there has been a report by M. and M. Systems with very interesting suggestions with respect to refinement of that process, so some re-evaluation is going on in that manner. I certainly intend to spend more time on that matter when the Legislature has concluded this year.

MR. NOTLEY: A supplementary question to either the Minister of Utilities and Telephones or the Attorney General regarding the operation of the Public Utilities Board. In light of the minister's announcement about the price escalation factor during the year, has the government assessed the impact of several adjustments in the price of natural gas during the forthcoming year on the hearings process, and whether there may be a backlog in the hearings process? Was that specifically taken into consideration when the gov-

ernment decided to go the route that was announced yesterday in the Legislature?

DR. WARRACK: Yes.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Has the government made a decision at this point as to whether any changes are required in the staffing of the Public Utilities Board? Or is it the feeling of the government that the present structure of the board is adequate from a personnel point of view to meet the larger number of hearings that will be required by several adjustments in price during the course of the next year?

DR. WARRACK: My colleague the Attorney General may wish to add to my comment, but certainly we'd look to advice from the Public Utilities Board on that matter. But I would like to make this basic point, Mr. Speaker. If a policy direction is judged by their elected officials to be in the public interest of Alberta, I really don't think we should let administrative kinds of problems stand in the way of that sort of progress.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General in charge of the Public Utilities Board. Is any consideration being given at this point to implementing the M. and M. Systems pass-through proposal, which in fact would probably eliminate many of the hearings?

MR. FOSTER: Mr. Speaker, my colleague and I have had discussion with principals of that report, and brief discussion with the Public Utilities Board concerning that report. I expect there will be a more formal occasion for the involvement of a wide group of individuals involved in this whole field to get together and discuss that very question. I expect that will take place later this spring. That's being established right now.

With respect to the staffing of the Public Utilities Board, perhaps the hon. member noted the recent appointment of two additional members to that board, whose appointments commence later this month and early in April. I think an additional vacancy in the membership of the board remains, and we'll be looking for nominees for that in the near future. My most recent discussions with the chairman of the board indicate that while they have made some internal staffing readjustment, they are happy with the existing staffing patterns. I'm not currently aware of any shortcomings.

However, there are some matters on the horizon — perhaps it should be discussed in the budget debate, and no doubt will be — that may cause us to want to review that situation more carefully. That is the role of the intervener before the Public Utilities Board, the role of the government in funding or otherwise supporting interventions before the board, how that is to be accomplished. Clearly one of the alternatives is to strengthen the staff component of the Public Utilities Board, to provide them sometimes with a little better information base. Today they are often relying on the adversary system to obtain this information.

So these matters are current, Mr. Speaker. As I think I indicated a short while ago in response to a question about CAC and interventions, several of my

colleagues and I will be getting together with the board chairman to discuss the matter of interveners and possible ramifications on the board, including staffing.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Attorney General. In view of the policy announced yesterday, and the fact that the administrative problems re the Public Utilities Board will be arising April 1 or shortly thereafter, has the government assessed at this point whether there will be changes in The Public Utilities Board Act? Will changes be required to facilitate this periodic adjustment in the price of natural gas during the course of the year?

MR. FOSTER: Mr. Speaker, that question is specifically under review at this moment by my colleague the Minister of Utilities and Telephones, myself, and other individuals. No final decision has been taken yet.

High School Achievement Tests

MR. R. SPEAKER: Mr. Speaker, I'd like to direct my second question to the hon. Minister of Education with regard to high school achievement tests sent from the department. I was wondering if the minister could indicate what percentage of school jurisdictions use the exams in determining final marks for their students.

MR. KOZIAK: Mr. Speaker, the only examination which has been administered in connection with the department has of course been the biology test, the results of which I've made known to this Assembly. The next examination will be in chemistry on June 7. The examinations are such that from the departmental point of view no part of the marks awarded on those examinations necessarily count toward the student's final mark, unless the school board and/or the teacher deems it necessary that that be the case. Because it's not necessary for school boards or teachers to supply us with it, I don't have information as to whether any or all the results of that examination would count for the student's final mark.

However, I suspect it has been used by a great number of school jurisdictions for some reason or other in determining the final mark. One example that comes to mind: on my trip to Medicine Hat, in one particular case the teacher had indicated to the class that in order to receive a final mark in biology students would have to write the examination. However, the mark the student would receive would be the one the teacher would normally assign from the work the student had completed throughout the year.

So there are many variations and combinations in terms of how the results were used. But the significant fact is that 94 per cent of those eligible in fact wrote the examination, which compares almost exactly with earlier statistics available when we had departmental exams, at which time approximately 94 per cent of the eligible students wrote departmental exams.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is it the intention of the minister or his department to introduce exams in other subjects such

as math, physics, English, social studies? Will a complement of these be written each semester?

MR. KOZIAK: There are two types of examinations, A and B. I won't indicate which is which, but one is a set that's kept under security in the department, the other is a set available to teachers and in use now for some time. I know definitely [they] have been used concurrently with the biology test. Those now available for use are in mathematics, physics, chemistry, and biology. Rather than have teachers develop their own examinations, these sets are available for their purposes.

The ones under security in the same subjects and administered by the department are for the purpose of obtaining provincial bench marks that could be used for comparative purposes. The biology test is the only one that has been administered to date, although four are ready. Chemistry is the one that will next be administered, in June of this year.

The other three presently under development are in the areas of social studies, French, and English. I indicated in my remarks during the debate on the Speech from the Throne that we have placed much higher priority on the development of the English high school achievement test than initially, so the time line for the completion and administration of that examination will be moved up from what was expected.

DR. BUCK: Supplementary question to the minister, Mr. Speaker. I might have missed this when the minister reported on it to the House. If I did I apologize, but I'd still like to know. Can the minister indicate how close the average marks from the schools across the province came to the bench mark the minister used in his departmental exam? How wide a variation was there from the marks established through the departmental examination?

MR. KOZIAK: The examination, of course, was the one administered in January. Not all the final marks will be submitted by school boards, because in many cases the students will have completed a semester and not have completed their year, so they're still in school. This will come later as a total package when they request the high school diploma. But I don't have that information as a comparison; in other words, how the final marks awarded by teachers to Biology 30 students compare with the marks the students achieved on the high school achievement test. But I'm sure that information should be available some time in the future. I can't indicate a date now.

MR. APPLEBY: A supplementary, Mr. Speaker, to the minister. I wonder if the minister intends to provide these bench mark examinations on a continuing basis, or is this an experimental undertaking on a short-term basis?

MR. KOZIAK: Mr. Speaker, our plan is to provide probably two a year, one in June and one in January, although there sometimes might be reasons to increase that number. But that would be our overall plan in terms of the high school achievement tests that will be used for the establishment and monitoring of bench marks. The other examinations in these

packages will be available through the superintendents in the systems for use by teachers at any time during the year, or the use of all the subjects as they're developed.

DR. BUCK: Supplementary question to the Minister of Advanced Education and Manpower, Mr. Speaker. In light of the fact that we do not have departmental examinations, which in essence worked practically as entrance examinations at our secondary educational institutions, have there been discussions between the ministers and the heads of universities as to a type of entrance examination? Or do the heads of these institutions feel that a type of entrance examination is not required?

DR. HOHOL: Mr. Speaker, we have spoken of every conceivable matter that affects the lives of youngsters at universities, including the matter of entrance requirements into institutions of advanced education. Certain types have been mentioned by different universities, and these are ones in use in some parts of the United States and Canada. There have been discussions about developing our own — by "our own" I mean the universities themselves, the colleges, and so on. This is a costly business. But the significant thing is that the universities and other institutions are clear that students have to present evidence that they can do the kind of work the institution provides in the way of education.

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

DR. BUCK: Mr. Speaker, a supplementary question to the minister. In light of the fact that he's had extensive discussions with the leaders of our secondary institutions, has there been any correlation between the dropping of departmental examinations and how students do in their first year at university? Has there been an appreciable decline in the performance of first-year students because of the fact that there were no bench marks as criteria for entering university?

DR. HOHOL: The question is very much the kind of specific detail that I should look into the files [for]. My recollection is, not generally.

The important thing to remember is the increase in the number of students going to institutions of advanced education. Those at the upper level are no weaker in competence in written and spoken language, mathematics, and so on. But the generality, keeping in mind the increased number, would tend to appear to be less competent than when we had grade 12 examinations.

St. Patrick's Day

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to the hon. Member for Macleod. Would the hon. member indicate whether there is any special relation between the remarks he attempted to give yesterday in the Legislature, the flag which is presently flying from his desk, the color which the hon. members in his row are sporting, and the fact that today is St. Patrick's Day?

MR. SPEAKER: It would perhaps be stretching the rules to say that the hon. Member for Macleod is the only one with a special interest in this matter which might justify the answering of the question. I'm sure that having raised this interesting subject the hon. Member for Pincher Creek-Crowsnest is probably now content.

DR. WALKER: If Mr. Speaker were a little more indulgent than yesterday, I would be glad to give you a short history. [laughter]

Regional Air Service

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Deputy Premier in charge of transportation. Could the minister bring the Assembly up to date on the plan he announced last spring to provide third-level air service to our smaller communities — Brooks, St. Paul and Lloydminster?

DR. HORNER: Mr. Speaker, I had intended to deal with that matter in my estimates. I think it would perhaps be done better there because a fair amount of detail is involved.

MR. MANDEVILLE: Just one supplementary question then, Mr. Speaker. Have any efforts been made to obtain the necessary licence from the federal Ministry of Transport to implement this service?

DR. HORNER: Again, Mr. Speaker, I think that's part of the detail involved in what we're attempting to do in expanding third-level air service in the province, and I'd like to deal with it in some detail on my estimates.

MR. TAYLOR: Supplementary to the hon. minister. Would adding Drumheller to that list make the flight more viable?

Rail Right of Way

MR. STROMBERG: Mr. Speaker, may I address the Minister of Transportation as to the status of the ownership of the right of way of abandoned railroad lines, especially pertaining to the abandoned Camrose-Kingman-Tofield railroad.

DR. HORNER: Mr. Speaker, on the question of abandoned right of way, the Canadian National has agreed to give us first right of refusal. The Canadian Pacific did not want to do that, so we have placed public works caveats on some of that abandoned right of way. I should add though that our position before the Hall Commission was that in those areas in which the right of way was granted to the railways free of charge, the right of way should revert to the Crown and the right of the province, at no charge to us.

MR. STROMBERG: Mr. Speaker, who will decide how the Tofield-Kingman-Camrose right of way will be used? Will priority be given to agriculture, recreation, or habitat? Will the local people have input in the decision of how the right of way will be used?

DR. HORNER: I would hope the right of way would be used, if it's required, first of all for a transportation

corridor; secondly, for uses similar to the land adjacent to it. Certainly the local people will be given every opportunity to have input in what use is the best one. Perhaps in certain areas multiple uses of the corridors could be done.

MR. STROMBERG: Supplementary. I don't think the minister caught my question. Who will decide that use, whether it's going to be a hiking trail or if the farmers are going to be able to use it? Somebody has to say.

DR. HORNER: Well, Mr. Speaker, it would be my opinion that our department in conjunction with the local people will make that decision. In consulting with my colleagues in Agriculture and Recreation, Parks and Wildlife, we'll come up with that answer.

Native Services

DR. BUCK: Mr. Speaker, I would like to address my question to the hon. Minister responsible for native affairs. I would like to know if the minister has received any response from Alberta Indian chiefs regarding provincial plans to provide Alberta treaty Indians with social services and take it out of the hands of the federal department.

MR. BOGLE: Mr. Speaker, the hon. member is referring to a joint proposal presented to all the chiefs in the province in December 1976. It was a proposal by both the federal and provincial governments and had as signators Mr. Warren Allmand for the federal government and myself for the province. The proposals have been discussed with the various bands throughout the province at the officials level of our government, as well as very briefly at an all-chiefs meeting. To date considerable interest in the proposal is being shown by a number of bands in northern and northwestern Alberta.

DR. BUCK: Mr. Speaker, supplementary question to the minister. Can the minister indicate whether any other government departments are developing proposals for provision of services other than social services, like policing or any others?

MR. BOGLE: Mr. Speaker, a number of current proposals that would involve a wide range of services to treaty Indians are currently being studied. I want to emphasize, Mr. Speaker, that this is being done because of the requests for services coming from various bands throughout Alberta. At the present time we are taking a good look at it. When the government has a policy formulation for the overall area, an announcement will be made in this Assembly.

DR. BUCK: Mr. Speaker, supplementary question to the hon. Premier. In light of the fact the Premier was unable to attend the chiefs' conference, have the Alberta chiefs made arrangements to meet with the Premier at a later date?

MR. LOUGHEED: Mr. Speaker, it was our view that the matter before them was a proposal by the government that has just been discussed in the previous answers. It was felt that the ministers responsible,

the hon. minister who has just responded to the question and the Minister of Social Services and Community Health, should be involved at this stage in any discussions of this nature. At an appropriate stage in the future the matter may broaden to the extent of an overall commitment involving the government where a meeting between me and the All Chiefs Conference would be warranted. At that time I would certainly give favorable consideration to it.

Parolee Supervision

MR. LITTLE: Mr. Speaker, might I address my question to the hon. Attorney General. A recently released convict presently living in the city of Calgary was apparently incarcerated under the provisions of Section 687 of the Criminal Code of Canada which provides for indeterminate detention. In view of the fact that this person is still considered a dangerous sexual offender, is it the intention of the Attorney General to inquire into the circumstances of his release?

MR. FOSTER: Mr. Speaker, I suppose I saw the same press story the hon. member did. When it was brought to my attention, I made certain inquiries of the director of criminal justice. I have not yet had the opportunity of reviewing his advice, and would appreciate doing so before replying further.

Criminal Rehabilitation

MR. DONNELLY: Mr. Speaker, my question is to the Solicitor General. Is the minister satisfied that all the money and attention paid to rehabilitation of criminals is worth while?

MR. SPEAKER: The hon. minister's satisfaction, as I think has been pointed out previously, is a matter of opinion which could perhaps be elicited in another manner. [interjections]

MR. DONNELLY: Thank you, Mr. Speaker, although I didn't hear everything you said because somebody down front keeps talking all the time.

Mr. Speaker, to the Solicitor General. In view of the large amounts of money and time placed at the disposal of institutions for the rehabilitation of criminals, have any studies or factual figures been produced to assess the success or failure of such techniques?

MR. FARRAN: Well, Mr. Speaker, that's an extremely good question. I'm glad to give a response on the subject of rehabilitation, and begin by saying I'm also glad to see that the federal five-man committee has recommended that the system should come out of the dream world and recognize accountability in crime. The main purpose of correction is not so much punishment, deterrent, retribution, or rehabilitation; it's to underline the rules over and over again, rules on which a civilized society exists.

Now when you come to statistics on success — I distrust statistics, but it is true in terms of rehabilitation that recidivism or the repeater rate seems to hover around 60 per cent whether the authorities are tough in their approach or lenient. But that is no excuse for not trying. If you could achieve a drop of

only a few percentage points in that recidivist rate, the benefits to society would be very great. A civilized world must proceed on the assumption that there's some good in the heart of every man, even though it may be difficult to find.

Mr. Speaker, since the question has been asked, and this is St. Patrick's Day, I would like to illustrate the point by citing a story of nine Irishmen who were rehabilitated, if that's in order.

MR. SPEAKER: Possibly we could accept the hon. minister's assurance that they were rehabilitated, and discuss the matter at greater length on another occasion.

MR. FARRAN: Mr. Speaker, I do crave your indulgence, because it is an important point to show that the hon. Member for Macleod and I are not the only sinners with Irish connections saved.

It's important that we do understand, Mr. Speaker, the value of rehabilitation, that it isn't a lost cause. Can I proceed, Mr. Speaker?

MR. SPEAKER: The difficulty the Chair is in is to try to distinguish such an occasion from a number of other very worth-while occasions. It then becomes necessary to develop a whole set of new rules for the question period, which is a task that I think would be beyond me.

MR. FARRAN: Well this relates to the question on rehabilitation, Mr. Speaker.

MR. SPEAKER: My recollection of the question was that the hon. Member for Calgary Millican asked whether certain studies had been done or intended. It would seem to me that to that extent the question has been answered.

MR. FARRAN: I wanted to give him the purport of a study, Mr. Speaker.

MR. GOGO: Mr. Speaker, a supplementary to the hon. Solicitor General. Is it not a fact that the major difficulty in rehabilitation in provincial institutions is the fact that two-thirds of our inmates are there for less than 60 days?

MR. FARRAN: Well, it is true that in provincial institutions some 60 per cent are incarcerated for less than three months. Three months isn't very long for teaching a trade or doing too much with them.

MR. GHITTER: A supplementary, Mr. Speaker, to the hon. Solicitor General. I'm wondering if he could advise the House whether he has completed his study relative to the rehabilitation of the nine Irishmen. [laughter]

MR. FARRAN: Well, Mr. Speaker, I'm very happy on this St. Patrick's Day to give you a brief summary of this study. This study began in 1849. On that date nine Irishmen were sentenced to be hanged for the part they had played in the Troubles of the great potato famine. Queen Victoria, of lasting fame in this province, exercised her royal prerogative of mercy and commuted these sentences to life exile. These nine Irishmen were rehabilitated and my study shows

what happened to them.

First, Sir Charles Duffy became the Prime Minister of Australia. Thomas Francis Meagher became the Governor of Montana of the United States. Terrance McManus became a Brigadier General of the United States Army. Patrick Donahue became a Brigadier General of the United States Army. Richard O'Gorman became the Governor General of Newfoundland. Morris Lyene became the Attorney General of Australia, succeeded by another of the nine, Michael Ireland. Thomas D'Arcy McGee became a Member of Parliament for Montreal, Minister of Agriculture, and president of the council of the Dominion of Canada. John Mitchell became a prominent New York politician. I don't know if the recent Attorney General of the United States is descended from this John Mitchell or not. This man was the father of the mayor of New York at the outbreak of World War I.

Those nine Irishmen were rehabilitated, Mr. Speaker.

Calgary Restricted Development Area

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the hon. Minister of the Environment. There is a great feeling among landowners that they are very uncertain of the exact location of the ring road in the greenbelt announced last year. I wonder if the minister is in a position to inform this House.

MR. RUSSELL: Mr. Speaker, I think the hon. member is referring to the restricted development area around the city of Calgary which contains within it a half-mile wide future reserve, should it ever become necessary for transportation or utilities facilities. Every landowner registered in the Calgary Land Titles office has received a copy of a map showing the location of both those areas.

MR. KUSHNER: A supplementary question. Can the minister inform this House if the provincial government has bought this land in that greenbelt?

MR. RUSSELL: No, there've been no purchases in the Calgary restricted development area.

MR. KUSHNER: A supplementary question to the minister. Is the minister in a position at this time to inform this House when the development of the ring road will commence?

MR. RUSSELL: No, Mr. Speaker. The hon. Minister of Transportation may wish to add to my answer. The corridor is reserved for if and when a transportation facility may be required.

MR. KUSHNER: A supplementary question to the hon. Minister of Transportation. Is the minister in a position to give some indication to this House when the construction of the ring road in the greenbelt will begin?

DR. HORNER: Mr. Speaker, the short answer is, not in the immediate future. The idea is to reserve the land so that should a by-pass road be required at some future date, we would have the land for it. I would point out to all hon. members, Mr. Speaker, that most of our cities in Alberta are not by-pass

cities in the sense that they are service centres. People visiting them want to get into the city, not around it.

DR. BUCK: Mr. Speaker, a supplementary question to the hon. Minister of the Environment. In light of the fact that the RDA was an arbitrary drawing by the minister's department, has any consideration been given to compensating the people who in actuality have had their property frozen for development?

MR. RUSSELL: Mr. Speaker, I'm sorry that after all the publicity and information distributed on this the hon. Member for Clover Bar still has such a poor understanding of the matter. There is no land freeze.

DR. BUCK: Have you tried to develop anything in it?

MR. RUSSELL: At such time as compensation may be necessary, we indicated in our announcement that accompanied the imposition of the RDA that that would be considered. In fact that program has been well under way for several years in the Edmonton region.

MR. KUSHNER: A supplementary question to the minister. Is the minister aware of any change in the rezoning of the greenbelt in, say, the last six months?

MR. SPEAKER: It seems that question might be directed to someone in the administration of the city of Calgary.

MR. GHITTER: Supplementary, Mr. Speaker, to the hon. minister. I'm wondering if the Minister of the Environment could advise whether he has considered amending his legislation to put in rights of expropriation [for] individuals in the greenbelt who cannot negotiate a satisfactory price with respect to the value of their land.

MR. RUSSELL: Well this legislation is like any other on the books, Mr. Speaker. It's constantly under review, and in cases where it's new and tends to be controversial of course questions like that are given very careful consideration.

MR. GHITTER: Supplementary, Mr. Speaker, to the hon. minister. Has the minister arrived at any conclusions in his consideration as to the fairness relating to the lack of expropriation rights within his own legislation?

MR. SPEAKER: With great respect to the hon. member, an opinion as to fairness would be one of the most debatable topics we might find.

Concorde Flights

MR. TAYLOR: Mr. Speaker, my question is to the hon. Deputy Premier and Minister of Transportation. Is the Alberta government supporting an application of British Airways to provide a one-stop Concorde service between Britain and Calgary?

DR. HORNER: Mr. Speaker, there have been some discussions, and I discussed the matter briefly with the federal Minister of Transport. I don't believe Brit-

ish Airways has yet made any application to fly the Concorde into Canada, but that's a future possibility. If it were to happen, I would expect that my colleague the Minister of the Environment would become involved in the matter to ensure that the environmental question was solved.

MR. TAYLOR: Supplementary to the hon. Minister of the Environment. Have any studies been carried out to date on the noise factor that might result from a Concorde service to Calgary?

MR. RUSSELL: Yes, Mr. Speaker. I can't recall but I believe a copy of the study by the Environment Conservation Authority was tabled in the Legislature at the session last fall. It's a review of any studies available throughout the world on environmental aspects of the Concorde, including the noise.

MR. NOTLEY: I'd like to direct a supplementary question to the hon. Deputy Premier. The Deputy Premier indicated that discussions had occurred, and then indicated that BAC has not made application. My question to the Deputy Premier is: has the government of Alberta taken any position yet on possibly inducing this particular project?

DR. HORNER: Mr. Speaker, I think we do support the application of BAC to have a non-stop polar service from western Canada to the United Kingdom. What type of plane would be used on such a service has to be left to other authorities I think.

Student Teaching

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Education. Can the minister advise the Assembly whether either his office or the government of Alberta has received any recent communication from the teaching profession, the ASTA, or members of the minister's task force, on the subject of special funding for the extended practicum project which bit the dust some months ago?

MR. KOZIAK: Probably the hon. member is referring to a letter which was addressed to all members of the Assembly. As a member of this Assembly I received that letter.

MR. NOTLEY: A supplementary question to the hon. Minister of Education. In light of the primary concern of the Alberta government about education during this session, is the minister in a position to indicate whether any steps will be taken to review its decision not to provide special funding for the provision of the extended practicum project?

MR. SPEAKER: With respect to the hon. member, it would appear that this is exactly the kind of discussion that might be occurring on the estimates in committee.

MR. NOTLEY: Mr. Speaker, supplementary question to the Minister of Education. Is the minister in a position to advise the Assembly whether or not the government of Alberta has compiled any information or commissioned any studies to examine the impact of not proceeding with the extended practicum on the

government's overall policy of upgrading the classroom experience of education students?

MR. KOZIAK: Not under that specific title, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly whether or not it's the view of the government of Alberta that the extended practicum could proceed, providing that agencies other than the government of Alberta fund it? By other agencies [I mean] the school boards or the universities.

MR. KOZIAK: Mr. Speaker, I think the question is hypothetical. But I should add that we think additional practical experience in the overall Bachelor of Education degree program is an admirable and desirable goal. The president of the Alberta School Trustees' Association, who authored the letter the hon. member refers to, has met with me. I've also met with the president of The Alberta Teachers' Association and others in respect to this matter. Hopefully there may well be a possibility of ultimately arriving at a conclusion which will see some form of additional practical experience available in the Bachelor of Education degree program.

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

MR. NOTLEY: Mr. Speaker, in the light of his past answer and in view of the discussions that have taken place in an effort to see if some means can be found to extend practical experience for students in the Bachelor of Education program, is the minister in a position to advise the Assembly whether or not the government has firmly closed the door on special funding? Or is there still a little opening?

MR. SPEAKER: We're right back at the budget.

Parolee Supervision (continued)

MR. FOSTER: Mr. Speaker, I wonder if I could supplement [the answer to] a question put to me earlier in the question period concerning an individual in the city of Calgary. Reference was made to "a dangerous sexual offender". Perhaps I could report to the House that the individual involved was convicted of indecent assault on three occasions between 1964 and 1974, and latterly was serving a sentence of three years, eight months. Pursuant to the provisions of the national Parole Act he was released on mandatory supervision. This statute requires that he be put on mandatory supervision. At the moment he's in Calgary under close supervision. He has never been declared a dangerous sexual offender by any court. From my review of it so far, Mr. Speaker, the province of Alberta is not involved in any way.

Farm Improvement Loans

MR. ZANDER: Mr. Speaker, my question is directed to the Minister of Agriculture. Would the minister or the Department of Agriculture be monitoring how

many farm improvement loans were made by banks to Alberta farmers in the years 1975 or 1976? I'll have another supplementary later.

MR. MOORE: I'm sorry, Mr. Speaker. I don't have that information with me.

MR. ZANDER: Mr. Speaker, a supplementary. Would the minister be able to obtain such information? Also, would the minister know the reasons that farmers applying in Alberta for farm improvement loans under the federal plan are referred to the ADC for loans?

MR. MOORE: Mr. Speaker, I'm sure the information the hon. member is referring to could be obtained from records of the major lending institutions across Canada. Insofar as Alberta farmers are concerned, it's my understanding from past years that they have had the opportunity of both FIL loans and guaranteed loans through the Agricultural Development Corporation, which has allowed them access to lending programs that simply don't exist in some other provinces. However, I would be pleased to check the figures for 1976 relative to the balance between provinces of farm improvement loans which are guaranteed by the federal Treasury.

MR. ZANDER: A last supplementary, Mr. Speaker. When the minister is getting that information, would he also get the interest rate at which farm improvement loans are made in other provinces?

MR. MOORE: Mr. Speaker, I believe those would be matters of public record that could be obtained from any chartered bank.

ORDERS OF THE DAY

head: WRITTEN QUESTIONS

114. Mr. R. Speaker asked the government the following question:

- (1) Will workers' compensation be compulsory for market gardeners, potato growers, beet growers, and vegetable growers on January 1, 1978?
- (2) Will workers' compensation for dairy, mixed grain, and/or livestock operators remain optional on January 1, 1978?
- (3) What is the reason for workers' compensation for contract farm labor being the responsibility of the employing farmer rather than the agent of the contract farm laborers?
- (4) What employer or employer groups have made representation to the government, the Select Committee of the Legislature on Workers' Compensation, the Minister of Labour, or the Minister of Agriculture requesting compulsory workers' compensation for farm employers?
- (5) How many farm employers or farm employers groups are participating in the workers' compensation program as of March 1, 1977?
- (6) How many persons have become involved in workers' compensation rehabilitation programs as a result of farm injuries during the fiscal years 1974-75, 1975-76, and 1976-77?

- (7) What criteria will be used to determine the rates of workers' compensation for farm employers?

MR. SPEAKER: With regard to Section 4 of Question No. 114, there may be a slight difficulty, which was overlooked when the question was placed on the Order Paper.

The question is asking the government with regard to representations made to a select committee of the Legislature. It would appear that such questions, on the appropriate occasion, should be directed to the select committee rather than that the government be asked to get that information from a select committee.

MR. CRAWFORD: Mr. Speaker, [inaudible] information on Question 114 is called, and I would move an amendment to strike out those words. Otherwise the question is agreed to by the government.

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

- (1) What are the names of the members of the Dairy Control Board as of March 1, 1977?
- (2) Have any of the members of the Dairy Control Board referred to in (1) personally participated in any transfer of milk quota at any time during the period January 1, 1975, to March 1, 1977, and if so, what are their names?

MR. MOORE: Mr. Speaker, I accept the question and table the answer.

head: MOTIONS FOR RETURNS

MR. FOSTER: Mr. Speaker, I move that motions for returns 101 and 115 stand and retain their place on the Order Paper.

[Motion carried]

121. Mr. Mandeville moved that an order of the Assembly do issue for a return showing:

The number and total amount of all loans committed by the Alberta Housing Corporation under the direct lending program during the period April 1, 1975, to March 31, 1976, for each of the following regions:

- (1) Calgary,
- (2) Edmonton and Slave Lake,
- (3) Fort McMurray,
- (4) Grande Prairie,
- (5) Lethbridge.

[Motion carried]

122. Mr. Mandeville moved that an order of the Assembly do issue for a return showing:

The number and total amount of all loans committed by the Alberta Housing Corporation under the starter home ownership program during the period April 1, 1975, to March 31, 1976, for each of the following regions:

- (1) Calgary,
- (2) Edmonton and Slave Lake,
- (3) Fort McMurray,
- (4) Grande Prairie,
- (5) Lethbridge.

[Motion carried]

**head: MOTIONS OTHER THAN
GOVERNMENT MOTIONS**

1. Moved by Dr. Buck:

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

DR. BUCK: Mr. Speaker, several weeks ago when we brought a designated motion to the Legislature, it was indicated to the members on this side of the House that the resolution was unworthy of debate and, in essence, practically a waste of the House's time. Today we have before the Assembly a resolution that I'm sure all members will be glad to debate, and that nearly all members of the Assembly will be very willing to support.

Mr. Speaker, as I begin my comments today I would like to ask the government members to keep one question before them while we're debating this resolution. The question is basically this: given the present financial condition of this government, what possible justification can there be for retaining a sales tax, in essence, on gasoline and fuel oil in Alberta?

My argument in favor of this resolution will be based on three principles. I urge all government backbenchers and frontbenchers to give serious consideration to these points rather than just automatically voting it down because it hasn't received approval from the members of the front bench.

The first principle: there is no reasonable basis for having this tax according to the principles by which our democratic system works. Secondly, like all sales taxes, and you can call it whatever you wish, this tax is regressive and the worst, most inequitable form of taxation. Thirdly, removal of this tax would result in a non-inflationary stimulation of Alberta's economy.

Mr. Speaker, when we talk about not having a reasonable basis for requiring the revenue, the major reason for any tax measure is to finance necessary government activity. This should be especially true of a government that purports to be based on the private enterprise system. But sometimes I think this government should change its name to Socialist Conservative rather than Progressive Conservative. It may then follow in line with some of the things they do. But we will have time for that topic another day.

AN HON. MEMBER: How about the Socialist Credit party?

DR. BUCK: Mr. Speaker, given the principle that there is no reasonable basis for an unnecessary tax on Alberta fuels — after the impending oil price hikes and after the government juggles a few of the figures in the budget — according to calculations we have done, the province should end up with a \$200 or \$300 million surplus from this year's operations alone.

Now this business about a \$40 million general revenue requirement is really hard to swallow. The juggling to which we refer is the likely shift of the debts of the Alberta Housing Corporation and the Home Mortgage Corporation to the heritage fund. We

can use this fund just about any time we run out of money. We can use it as an adjunct to the balancing of our budget. Of course the smallest oil price hike per barrel we can expect is, I believe, in the range of \$1.25. So this number juggling we're having is getting a little hard to follow.

Perhaps we should change the assumption that the government had better have a large surplus or there'll be something wrong with their bookkeeping. I'm sure the hon. minister responsible — the hon. Minister of Energy, Mr. Getty — will make sure we get our fair share when we go to Ottawa to negotiate these prices. I wish him more luck than we've had in the past. Because we have always gone down with glowing press reports about we're going to do so well, and we always end up \$2 or \$3 less than the world price. In light of the fact that we keep subsidizing the east, Mr. Speaker, I hope that possibly the minister will go down there and have a little bit of luck one of these times in his negotiations to get the world price. We in Alberta are certainly looking forward to that.

The \$91 million the government will receive from gas and fuel oil tax is completely unnecessary in this province. If we are looking at protecting some of our local industries, I don't think we have to worry too much about that. Because there is certainly an adequate return right now.

Mr. Speaker, when we debate this resolution, I hope the government members will look in all sincerity at the reason we have taxes. When we look at the amount of revenue coming into this province, the figures are staggering. Without any argument or without any doubt, we are in a very healthy situation compared to other jurisdictions. We are also in a very healthy supply situation as far as our oil, gasoline, and natural gas are concerned. The negative incentive tax idea is not required, because our demand for gasoline — like some other important things such as booze and cigarettes, that some people consider almost a necessity for their life functions — is relatively inelastic.

MR. JOHNSTON: What does that mean?

DR. BUCK: "Inelastic" means it doesn't vary.

MR. CLARK: Any other questions?

DR. BUCK: At any rate, even after we take the \$735 million and put it into the heritage trust fund, there are still sufficient funds available in the provincial budget that we do not — I say do not — require the tax that's received from gas and fuel oil.

In general, Mr. Speaker, we'd like to see the government give some of this surplus revenue back to the people. In essence that's what we'd be doing. It's just one of the problems we have when we have too much money lying around. The government may want to buy another air line. They may even want to buy CP Air.

AN HON. MEMBER: Or a game farm?

DR. BUCK: Or a game farm. I think maybe they could use a little initiative and buy the Game Farm. That \$8 million would just be the \$8 million they paid as a premium price for PWA. The two things would have balanced out, and we wouldn't have had this terrible

schism in the caucus between Edmonton and Calgary.

AN HON. MEMBER: Heaven forbid. Never the Game Farm.

MR. NOTLEY: The Edmonton ones have lost, though.

MR. CLARK: Again.

DR. BUCK: Mr. Speaker, it's quite obvious we have this difference of opinion about what we should do about the Game Farm. We have a heritage trust fund of billions of dollars, and we quite obviously have this ongoing discussion in caucus: should it be given to Edmonton or Calgary and not the Alberta Game Farm. But that's basically beside the point.

The point I am making is that the revenue we are receiving from gas and oil tax is not required. Mr. Speaker, it behooves the members of the government side to talk to their constituents. Because when you get a large majority as the government has right now, you quite often forget to listen.

AN HON. MEMBER: Past experience?

MR. R. SPEAKER: It's worse when it's present experience.

DR. BUCK: Talking about increased revenues from many sources, it's a blessing in many ways that we had a very mild winter this year. The hon. Minister of Utilities and Telephones might have had a very, very difficult time convincing the people of Alberta that they were being sheltered from rapidly escalating natural gas prices had we had a difficult winter, Mr. Speaker. Even with the mild winter we have had, people are starting to wonder what the government's doing in the management of their affairs, especially when it comes to the pricing of natural gas.

Mr. Speaker, I would like to get back to the regressive nature of this tax. The second principle I would like to discuss is the fact that this tax, like all sales taxes, is regressive and the worst and most inequitable form of taxation. To quote from a text on the subject of public finance, "the chief objection to sales taxes rests on considerations of equity". Now, to my learned friend the Minister of Municipal Affairs, who will know all about this . . .

AN HON. MEMBER: Explain it, Walter.

DR. BUCK: . . . it is horizontally inequitable, since families with the same income pay different amounts of taxes depending on the size of the family. It's vertically inequitable — and the minister can go home this weekend and look through some of his accounting procedures — since the tax tends to absorb a larger fraction of the incomes of those who are poor than of those who are rich.

AN HON. MEMBER: Right on, Walt.

DR. BUCK: The hon. Minister of Municipal Affairs can even enlighten the hon. minister for Calgary affairs, who . . .

MR. NOTLEY: That would take a lot of enlightening.

MR. CLARK: That's a big job.

DR. BUCK: . . . I'm sure is going to find out from the constituents he represents. Sitting on the resources we have, refining them, and then selling them back to us at a price which I consider much too high in comparison to the other provinces — I will get into this a little bit later — in spite of some of the studies and reports we've had tabled in this Legislature, the people of this province are starting to wonder what they have to do to get a price they feel is reasonable, because it is their product.

We cannot exactly consider gasoline and fuel oil to be luxuries. It's very, very important to remember that because of the large distances and areas in Alberta, the automobile is very, very essential in getting to different places in the province, also in the commerce of this province. Because the government in its wisdom, or lack of wisdom, has not looked at the problem of using some type of commuter mechanism in some of the satellite towns and cities developing on the peripheries of our major centres, it behooves the government to look at the cost to the individual Albertan that's built into the cost this man or this woman is paying to commute to work in Edmonton or Calgary, or from these major cities out to where their jobs are.

Furthermore, through our gasoline tax we are still taxing our farm vehicles, school buses, and trucks. Mr. Speaker, in these days of schools having tighter and tighter budgets, in spite of the backslapping that goes on in this Legislature by the government members, there is an appreciable amount of revenue that the school boards could use for educating pupils if the gasoline tax were removed.

The final area I would like to cover, Mr. Speaker, is the non-inflationary economic stimulus that would be provided if we removed the gasoline tax. [interjections] In this final area, Mr. Speaker, to the hon. Minister of Municipal Affairs, the hon. do-nothing Minister of Municipal Affairs, and present-nothing Minister of Municipal Affairs, and always-keeping-us-waiting-and-studying Minister of Municipal Affairs . . .

AN HON. MEMBER: The elusive Minister of Municipal Affairs.

DR. BUCK: The elusive Minister of Municipal Affairs.

AN HON. MEMBER: And useless.

DR. BUCK: Anything I may add may be unparliamentary, Mr. Speaker.

MR. DIACHUK: Don't forget to quote Ghitler on that.

DR. BUCK: The final area I'd like to cover, Mr. Speaker, is the fact that the removal of this tax would be an excellent stimulus for economic growth without fuelling the inflationary cycle. In fact, since energy and housing costs have been the major inflationary factors in Alberta, it could actually ease the pressures on the consumer price index.

Mr. Speaker, it's common knowledge that Alberta has the highest rate of inflation in Canada. In fact

this was even pointed out in the Budget Address, so it's not something we brought up. It's something the government brought up. To quote that understatement, and I say understatement:

... buoyant economic conditions in Alberta have [kept] the rate of growth in the consumer price indices for Edmonton and Calgary somewhat above the national average.

Now that is a nice quiet way of telling the people of Alberta that they have inflationary problems. But I have to hand it to Mervin the Magician, Marvellous Merv — I beg your pardon, Mr. Speaker, the Provincial Treasurer — he did a skilful job in walking around this issue. There has just been a large jump in gas prices in Alberta and more are certainly around the corner.

AN HON. MEMBER: It's the same everywhere.

DR. BUCK: As a result of this, removal of the tax would ultimately result more in price stabilization than in actual decreases. In this regard, the anti-inflationary effects of removing the tax are very important, since as we all know, the battle against inflation is very much a psychological one and gasoline is one of the most visible of all commodities, especially here in Alberta. I certainly hope the government members will not argue this will be an inflationary measure. I'm waiting to hear from the Minister of Municipal Affairs, who is so conversant with figures.

AN HON. MEMBER: He's the one who has to care, Walt.

DR. BUCK: Mr. Speaker, any kind of speech would be welcome from the Minister of Municipal Affairs, written or unwritten. For \$40,000 a year, the people of this province should get something more than just heckling.

MR. JOHNSTON: Just wait.

DR. BUCK: We've been waiting. We've been waiting, Mr. Minister of Municipal Affairs. We've been waiting for two years to get something from you. But nothing. Nothing. What a waste of the taxpayers' money.

MR. NOTLEY: Mr. Tomorrow.

DR. BUCK: Mr. Speaker, this brings up another point. We could certainly do without about seven of those ministers over there, the do-nothing ministers, and save the taxpayers some money. But that's a topic for another debate.

Arguing that accumulation and expenditure of mass moneys by government is not inflationary is just not true. Personally I would hate to go back to my constituency with the argument that it's not inflationary hanging over my head. The tax reduction would stimulate the economy in many respects. Perhaps the most obvious would be the tourist industry, which the government's always talking about but in fact does very little to support. We seem to have a very, very viable tourist industry in spite of the lack of action by this government.

MR. HORSMAN: They support themselves.

DR. BUCK: Gasoline prices — for the hon. Member for Medicine Hat-Redcliff who's so worried about his seat — substantially lower than those in other jurisdictions would certainly encourage people to travel in Alberta. Many hon. members will recall that when the price of gasoline started escalating in the United States, many people changed their travel plans and didn't go there. As hon. members know, the tourist dollars are 100-cent dollars.

AN HON. MEMBER: Ninety-four.

DR. BUCK: One hundred cent dollars. Mr. Speaker, the removal of this tax would also stimulate our trucking industry, resulting in savings for farmers, and generally help those working people who depend on trucks and automobiles for their livelihood.

MR. ZANDER: Farmers use purple.

AN HON. MEMBER: They don't pay the tax.

DR. BUCK: Mr. Speaker, for the ex-farmers in the government caucus, the hon. Member for Drayton Valley should know farmers still use orange gas in their automobiles. In case the member's not conversant with that fact, maybe he'd better go and do a little research on it.

Mr. Speaker, in concluding my remarks I'd like to discuss this business of pricing for a minute or two. Earlier this week the government made a big announcement that Alberta had the lowest prices in Canada. All I can say is: that was some big deal. Our prices are 4 to 5 cents lower than those in B.C. and Saskatchewan. Of course it wasn't mentioned that the prices in the neighboring states of Montana and Washington are in turn 6 to 8 cents less than here in Alberta.

AN HON. MEMBER: Smaller gallon.

MR. CLARK: Oh, baloney. That's after the conversion.

DR. BUCK: I'll enlighten the hon. members on that in a minute.

AN HON. MEMBER: Federal excise tax.

DR. BUCK: Yes, these prices, the 6 to 8 cents, are changed to Canadian equivalents, hon. members on the government side. Am I supposed to congratulate the government because in the province that produces 85 per cent of Canada's oil and gas, the price is slightly lower than in our neighboring provinces but substantially higher than in non-producing states right next door?

MR. NOTLEY: Shame.

DR. BUCK: Mr. Speaker, Albertans have every right to expect the lowest gas and fuel prices in this country. There's no reason they can't be lower, absolutely no reason except, Mr. Speaker...

MR. NOTLEY: The Tory government.

DR. BUCK: . . . I have a very guilty mind.

AN HON. MEMBER: Oh, no.

MR. DIACHUK: First confession.

DR. BUCK: I am guilty of thinking the government may lower this gasoline tax before an event which may occur in '78 or '79. Now I would not want to be accused of being suspicious of this, Mr. Speaker.

MR. NOTLEY: That's the only string left in the bow in '79.

DR. BUCK: I would like to say, Mr. Speaker — because I am not a wagering man to begin with, and I wouldn't want to lay a wager in the hallowed halls of this Assembly — but I would hazard a calculated guess that if the gasoline tax, the fuel oil tax, is not removed within the next year or so, there will be a substantial reduction the spring before the election. As I said, Mr. Speaker, Albertans have every right to expect the lowest gas and fuel prices in this country. There's no reason they can't be lower now, unless this government has forgotten what "now" means.

Mr. Speaker, I question some of the figures announced by the Provincial Treasurer. First of all they're not really up to date. More important, the comparison is based solely on urban prices for six major oil companies, and these prices certainly don't reflect prices in Alberta as a whole. I think I would be just a little uneasy tabling the report the Provincial Treasurer tabled in this Legislature. The hon. Minister of Energy and Natural Resources accuses us of sloppy questions. But, Mr. Speaker, this document the Provincial Treasurer gave us is very, very incomplete, very, very bareboned. I repeat, these prices do not reflect prices right across the province.

Mr. Speaker, we took the liberty of checking prices across the smaller centres in rural areas. The prices are astonishingly high, much higher than the so-called averages announced earlier. So I'd like to say that if a true average is calculated, using both rural and urban centres, prices in Alberta would be at least as high as in a number of other provinces.

I think the honorable government backbenchers — you don't ever see too many frontbenchers today in the Legislature . . . Here are some of the prices, Mr. Speaker — this is not a news release, so I will read it into the record, a random survey of Alberta and U.S. gasoline prices: highway price in Brooks, regular 95.9, premium 99.9; Bassano, 93.9 regular, 97.6 premium; Cold Lake, 88.9, 92.9; Edson, 87.9 and 92.9; Fort McMurray, 89.9 and 94.9; High Level, \$1.03 and \$1.08; Hinton, 94.9 and 99.9. Mr. Speaker, there are others. [interjections] I think maybe we should read them all, because the hon. Minister of Energy and Natural Resources seems to think it's a big joke. Jasper, 96.9 and 99.9 — we're certainly encouraging the tourists to come and drive through our beautiful country — Lethbridge, 81.9 and 86.9 — I'm sure the Minister of Municipal Affairs influenced that low price — Medicine Hat, 89.9 and 94.9; Red Deer, on the highway, 92.9 and 97.9; Three Hills, 87.9 and 92.9 — I'm sure the Minister of Utilities and Telephones, in his usual humility, would indicate that

that Three Hills price was some of his doing — Vauxhall, 87.9 and 92.9.

The government figures show averages of six major oil companies for only Edmonton and Calgary as follows: Calgary, 74.9 and 81.5 — and they've gone up four to five since that time — Edmonton, 75.9 and 81.7. But current prices in both go up to 86.9 and 91.9 just about now. Now current prices in our neighboring states: Helena, Montana, self-service, 56.9 — translated into Canadian gallons, 68.3. Mr. Speaker, when we compare 68.3 to the High Level price of \$1.03 [per] Canadian gallon . . .

MR. GETTY: Self-serve.

DR. BUCK: Mr. Speaker, when we get the snow job in this Legislature . . .

MR. DIACHUK: Look who's giving us the snow job.

DR. BUCK: . . . that the government of Alberta is doing the citizens of this province such a great favor by keeping the prices close to our neighboring provinces, I say we are being snowed. Of course I've known this for five years. But what we're trying to do is indicate to the people of Alberta that they are being snowed.

Because I'm sure the hon. Minister of Municipal Affairs wants to dive right into the debate, so he can justify the price in Lethbridge — and I'm sure the hon. Member for Medicine Hat-Redcliff wants to dive into the debate, so he can justify the 94.9 cents per gallon in his constituency — I would like to conclude, Mr. Speaker. We're asking the government members to accept this resolution for these reasons: first, there's no justification for retaining the gas and fuel oil tax, and the fact that we do not need the revenue is the biggest reason this resolution should be supported. Because we do not need this revenue to support the activities of the government — because it's basic, it's fundamental, the revenue is raised to provide the people of this province with the services they require — that is the major reason for supporting the resolution.

Secondly, it's a regressive tax, Mr. Speaker, and governments should avoid regressive taxes wherever possible. Thirdly, the removal of this tax would result in a non-inflationary economic stimulus in Alberta, especially for the tourist industry.

So, Mr. Speaker, I am looking forward to some backpatting speeches from the government telling us, once again, how we have no tax here, no tax there, the lowest this, and the lowest that. Mr. Speaker, I am asking the government members to speak for their constituents and support this resolution.

Thank you, Mr. Speaker.

[Dr. McCrimmon in the Chair]

AN HON MEMBER: What did he say?

MR. COOKSON: I'm trying to figure that out.

Mr. Speaker, it's a pleasure to rise and say a few words with regard to the motion proposed by the hon. Member for Clover Bar. He started by saying he hoped the same thing wouldn't happen to this one as happened to an earlier one which, he suggested, was unworthy of debate. I think he's going to strike out

again.

He documented a number of points, I think three of them, substantiating his argument that there was no reasonable basis for a tax — something to the effect that it was undemocratic. I'm just wondering, Mr. Speaker, whether he would include all forms of tax or if he's dealing specifically with fuel tax.

DR. BUCK: Unnecessary tax.

MR. COOKSON: Unnecessary tax, he says. Then he started talking about it being regressive or inequitable, and talking about horizontal and vertical. You know, it sounded to me like he was giving a vertical speech from a horizontal position. In fairness, Mr. Speaker, I thought he had something when he [said] that removing this tax might reduce the inflationary situation in Alberta. But I thought probably even that argument didn't really wash when inflation in general in Canada is down to basically the lowest point in some years. I could go on at great length to talk about wage and price controls, but that's not really the subject before us.

The thing that crossed my mind when I looked at the total budgetary review for 1977-78, Mr. Speaker, was the volume of money the Member for Clover Bar was speaking about. I don't know whether he ever referred to that amount of money, but it would amount to something like \$91 million. If I recollect, that would be 8 or 10 per cent of the total budget brought down prior to 1971, when we were in about the \$1 billion bracket. Our budget this year will be in the area of \$3.3 billion. It's still a pretty significant amount of money.

I tried to analyse just where the Member for Clover Bar might want to cut back in services to people if we were just to wipe out with a sleight of hand some \$90 to \$100 million revenue from the fuel tax. Going through the Budget Address given by the hon. Merv Leitch the other day, I selected two or three areas the member might consider cutting back on.

The one I opened to first was the cow-calf program, which is so vital and important to the farm people of Alberta and a tremendous response by this government to help out these people in low-income areas who the member is talking about. They are finding it very difficult to manage their affairs because of the situation in the cow-calf business. That's a \$43 million program. I ask myself whether the Member for Clover Bar would really want to cancel that program. I'm sure he wouldn't. I know he represents a pretty large number of rural people, so I don't suppose that would be an area the member would be interested in trimming.

Then I go through the document. I won't deal with all of them, but because of the tremendous importance of these expenditures on behalf of the province, I'm trying to analyse just where we might be able to eliminate with a stroke of a pen some \$90 million, and still carry on with the kinds of programs in this budget that this province has initiated.

MR. McCRAE: Opposition research funds would be a good spot to start.

MR. COOKSON: That might be a suggestion, because I didn't think the hon. member really did too much research into his presentation.

DR. BUCK: I did more than you did, Jack.

AN HON. MEMBER: Somebody wrote it for him.

MR. COOKSON: The area I wondered he might want to cut back on was the natural gas protection plan, which the hon. Minister of Utilities and Telephones spoke about, and the proposal in this budget to increase that by 50 per cent. We are now sheltering the people of Alberta to the equivalent of \$70 million in the price of their natural gas. Well, we could take the \$91 million in tax from fuel oil and reduce it by that amount and wipe out the \$70 million. Then in addition, we've announced a 50 per cent increase in that, to \$105 million. I am asking myself: would the hon. member opposite want to cut out that program, from which we have to derive revenue from other sources? I doubt it.

Would he really want to cut out, for example, the proposal in the budget for \$113.4 million which will cover the province's deficit in the Alberta Health Care Insurance Commission? I'm thinking of all his constituents. He no doubt represents a very large number of senior citizens, people with low incomes who require supplemental medicare. Would he want to do away with this program? I ask the question rhetorically. I don't get much response from the member opposite.

Would he want to do away with the spectacular announcement by the Minister of Housing and Public Works in the area of the Alberta Housing Corporation? A program is announced in the budget: \$41 million for public housing, \$14 million for rural and native housing, \$30 million for land assembly and development, and \$5 million for an industrial land assistance program. Would the member want to eliminate that program at a time when those with low or fixed incomes are having great difficulty [with] the cost of housing? Would he want to cut out that program? I doubt that.

Then there is the area of housing for senior citizens. The budget announces and commits \$40 million for 1,200 units of self-contained housing for senior citizens. I'm sure the Member for Clover Bar has within his own constituency some of those units designed to assist those with low income.

DR. BUCK: More than you have.

MR. COOKSON: Now I don't think the member would want to eliminate that kind of program.

Then there's \$6.1 million in the budget for construction of 220 senior citizen lodge units — more for our senior citizens. I don't think the member would want to reduce that by taking off some source of pretty fair and equitable revenue, Mr. Speaker.

DR. BUCK: The price of oil is going up on July 1, Jack.

MR. COOKSON: Assistance to municipalities, \$60.1 million or an increase of 18 per cent over the last budget. These are unconditional grants. Mr. Speaker, I've already had a call this morning asking about the provision for those municipalities that are growing faster than a 2 per cent rate and the \$40 per capita. That's how vitally interested the people are in these kinds of programs which basically don't have strings attached to them; they are unconditional.

They require this kind of funding in order to balance their own budgets. I don't think the hon. member would want to eliminate that because we've eliminated a basic source of revenue.

I could go on at great length, Mr. Speaker, but others will want to make some presentation on this debate this afternoon. I thought that what we could do, Mr. Speaker — if we couldn't wipe out by a stroke of the pen the \$91 million, if there were some other way of doing it — is attach the recovery of this amount to some other part of the budget. So I was looking at the budgetary review for 1977-78 to see where our revenue comes from in order to establish a budget in the province.

One of our major sources of revenue is personal income tax. I did a quite rapid calculation in round figures. It shows that we receive about \$609 million in revenue from personal income tax. At this point I might add that that indicates pretty substantially the kind of high personal income in general that the province earns. If we were to recover the \$91 million from that, we would have a 16 per cent increase in personal income tax. I don't think the hon. member really wants that. I think dentists are in a high enough bracket now without adding another 16 per cent to recover the fuel tax. I don't know whether that's what he intended or not.

Then there's corporation income tax. I think our corporation tax has doubled in two years, which indicates the thriftiness, growth, and development of this province. It's estimated at \$188 million. Now, if we take the \$91 million or so that we are going to lose in fuel tax by his motion and apply it to that, we will have to increase the corporation income tax by about 50 per cent. I fail to see the member wanting to apply that to the corporation tax.

Then I reviewed the foundation program on power pipeline, et cetera, which is prorated throughout the province. That brings in \$118 million a year, and is required for our high level of school expenditure in the province. If we were to apply it on that, we would have to increase by some 70 per cent the tax on power pipeline in this area.

One other that I picked out was other fees, permits, and licences, from which we derive quite a substantial bit of revenue, estimated at about \$87 million. If we're going to eliminate the tax on fuel and apply it in this area, we would have to increase by 100 per cent the rate we charge for fees, permits, and licences.

So, Mr. Speaker, I was listening with great interest to see if the hon. member had some alternate proposal as to how possibly to recover this kind of loss in revenue. But he didn't come up with that. I'm just proposing that if we do it in these areas, this is the kind of cost we're going to be looking at.

I don't know whether it was inadvertent on his part, Mr. Speaker, but the Member for Clover Bar did fail to point out that the province of Alberta has the lowest tax on fuel of any province in Canada. I would like to review these taxes so it's clearly understood that we're talking about a province that has the lowest fuel tax in Canada.

In Alberta the provincial fuel tax is 10 cents. In British Columbia it's 17 cents. I think part of that tax is to recover the blunder the former government got into in insurance. Perhaps the Member for Spirit River-Fairview could clarify this point. Seventeen cents in one of the high-income provinces of Canada.

Saskatchewan has a 15 cent tax, and they've announced another 4 cents in their budget. So that brings it up to 19 cents. Manitoba is at 18 cents; Ontario, 19 cents; Quebec, 19 cents; and Newfoundland, 21 cents. In St. John's, Newfoundland, it's 27 cents. Now of course, Mr. Speaker, this is in addition to a 10 cent federal tax which goes across the provinces.

In conclusion, Mr. Speaker, I don't think the Member for Clover Bar has a very good argument. But there was one thing I wanted to point out to the members, and I would like to have a response to this [from] the Minister of Energy and Natural Resources, who doesn't happen to be here right now.

I did an interesting study on the information we have on average fuel prices — and I'm talking about regular fuel — across Canada. Aside from the argument that the rates are different from one town to another and so on, these are the averages submitted by fuel companies in the major urban areas of Canada, so they're all dealt with equitably. If we want to do a study with the rural areas, or with an area outside major urban areas, that's fine, we can do that. But we're now dealing consistently with the major urban areas. For the purposes of *Hansard*, I would like to indicate something I came across that I think would be of interest to the Minister of Energy, and I think deserves some response.

I deducted from the regular price of fuel — and these are the average prices in the major urban centres — the sales tax each province applies to gas. So what I did was take the average urban price in Alberta and deduct the sales tax, which is 10 cents. I took the average price in Saskatchewan and deducted 15 cents.

The interesting thing I came up with, Mr. Speaker, was that deducting the sales tax right across Canada gives the following results: Calgary would be at 64.9 cents; Edmonton, 65.9 — and again these are regular prices at the pump — Vancouver, 62.5; Saskatoon, 65.5; Regina, 65.5; Winnipeg, 64.2 — it sounds like a bingo game — Toronto, 63.7; Ottawa, 64.4; and Montreal, 64.7. I'm simply saying, Mr. Speaker, that in the provinces of British Columbia, Saskatchewan, Manitoba, Ontario, and Quebec, after deducting the sales tax, the price of regular gas at the pumps in those urban centres is lower or as low as the province of Alberta.

That this is possible really bothers me. The disappointing thing is that we only charge 10 cents as a tax. So I'm making the argument that if we raised it to 17 in this province, we would double our revenue — or we would at least increase it by possibly \$75 million — and I question very much if we would change the price at the pumps.

That leads me to the conclusion that we should take a very careful look at who is picking up the \$70 million in the province of Alberta, in comparison, for example, to British Columbia. Where is this \$70 million going? I can leave that to your imagination. Mr. Speaker, I know the figures indicate that if you take the markup from the tank wagon price, we in Alberta have a pretty substantial markup in our fuel. But that markup doesn't take care of that \$70 million, and I'm just comparing British Columbia and Alberta.

So I'm simply saying, Mr. Speaker, that this should be looked at very carefully. I'm convinced that the province of Alberta could raise the tax on fuel by 7

cents. A rollback on the prices at the pumps would likely happen so they didn't get out of line with what happens on either side of us. The province would end up with another \$70 million in revenue, and somebody between those pumps and the wellhead would pick up the deficit of that equivalent.

It's been very enjoyable, Mr. Speaker. I hope I've made a point.

MR. KING: Mr. Speaker, I would like to make a few brief comments about some of the points raised by the hon. Member for Clover Bar. One of his concerns about this tax was that it was regressive. He argued that regressive taxes are altogether bad. If you need the money they should be done away with in favor of what he called progressive taxes. I found that interesting.

I wonder what particular arguments the Social Credit government had at the time for introducing a regressive tax instead of simply raising the progressive tax already in existence — that is, the income tax — to get the additional revenue they needed. I think to myself, they wouldn't have done it arbitrarily; they must have thought there was a reason for going this particular route. Similarly, I think to myself that if the inherent evil of regressive taxation is as evident as he claims, we must surely expect that the Social Credit government of our neighbor to the west is going to eliminate their 17 cent sales tax on gasoline, since they share a common political philosophy . . .

DR. BUCK: They don't have the \$3 million, Dave.

MR. KING: . . . and replace the revenue — which admittedly, they need — by increasingly tapping a progressive tax source.

I was a little bit concerned about this, and I thought it's possibly because we have such a narrow perspective in this Progressive Conservative government. Possibly I should look to the example of a government acknowledged everywhere to be more interested in people and more humane. Naturally I turned to the government of Saskatchewan and their most recent budget. Mr. Speaker, given the self-evident advantages of progressive taxes and the inherent evil of regressive taxes such as the gasoline tax, I was amazed to discover that they are increasing their regressive tax from 15 to 19 cents. And they've got some peculiar argument in here that it should be done "to encourage conservation of a dwindling natural resource".

Now who could possibly argue that it was more important to conserve dwindling natural resources than to worry about whether a tax was regressive? Not only have they gone the route of a regressive tax to raise money, but at the same time they have reduced their progressive taxation. So I think to myself, Mr. Speaker, that there must be more to this than meets the eye. There must be something the hon. Member for Clover Bar isn't telling us.

I hearken back to a question raised in this Assembly earlier this afternoon by the hon. Member for Little Bow. Just as a digression, could I suggest that in future they talk to each other in caucus before they come into the House. It might eliminate some of the potential for embarrassment. Because the hon. Member for Little Bow got up earlier this afternoon and asked whether or not any studies had been done

about the impact of price in encouraging conservation. And that, with what I read in the Saskatchewan Budget when they increased their tax, led me to the question of conservation, and also led me to realize that it was something the Member for Clover Bar had studiously avoided during his debate. I had to ask myself, why? Mr. Speaker, I think I can give some reply to that.

I will begin by saying the hon. member concluded his remarks with the request that some of us should stand up and express the views of our constituents. That, Mr. Speaker, is what I would like to do, because the majority of the constituents I represent in this Assembly do not own cars, let alone large cars. There are quite a number of them, Mr. Speaker, who believe that our entire transportation system has been heavily, heavily weighted toward a massive subsidization of one of the most inefficient transportation systems that has come down the turnpike since someone invented the wheel.

I read in a publication from Ontario that in terms of conservation of all the resources involved, a fully loaded Concorde is more efficient than a mid-sized car which a housewife in Edmonton drives by herself from her home to the Safeway store to pick up a loaf of bread. Mr. Speaker, one of the important things the hon. Member for Clover Bar did not mention was the fact that an important effect of his proposal would be to further encourage the wasteful use of a valuable, depleting natural resource. A mid-size car like the one I drive, alone, from the Legislature to my home in the evening is less efficient, all things considered, than a Concorde jet. And we get in a flap about whether or not we should use Concorde jets. One dollar's worth of gas burned in the gas tank of my car is worth \$21 if it is used as a feedstock in the petrochemical industry and carried to a third level derivative. The hon. Member for Clover Bar, the hon. member from Fort Saskatchewan — where they want to develop some petrochemical industry to employ his constituents, not to mention others — advocates that we should encourage using a resource at the rate of \$1 in preference to using it at the rate of \$21.

Mr. Speaker, there is something in that that I don't understand. The hon. member opposite is advocating that the government should take upon itself the responsibility for compensating for the fat in the economic system, including the economy in this province; that if the tourism industry, with the advantages it already enjoys in this province, cannot compete with the tourism industry in Saskatchewan, British Columbia, or Montana for that matter, we as a government should see to it that we provide them with some additional benefit so they can avoid the responsibility of dealing with the economies of their own operation themselves.

Mr. Speaker, we raise \$91 million per annum — or at least that's projected for this year — from gasoline tax in this province. At that rate we enjoy the lowest gasoline tax in Canada and, in terms of tourism or any other industry, are offering a competitive advantage of a minimum 7 cents per gallon to every user in this province. And the hon. member opposite argues that that isn't good enough for the tourism industry, or any other industry in this province. Mr. Speaker, any industry operating in this province can deduct . . .

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

MR. DEPUTY SPEAKER: You have heard the motion by the hon. member. Are you agreed?

HON. MEMBERS: Agreed.

MR. R. SPEAKER: Mr. Speaker, because of the importance of the topic under discussion, would it be possible to ask for unanimous consent to continue the debate until 5:30?

MR. DEPUTY SPEAKER: What is the wish of the Assembly? Do we have unanimous consent? [interjections] We do not have unanimous consent, so we'll move on to the next order.

MR. R. SPEAKER: Mr. Speaker, it's unfortunate the Conservatives don't want to lower the gas prices for Albertans. I'm going to send that to Barrhead.

MR. APPLEBY: On the point of order the hon. member raised, Mr. Speaker, I think he was out of line. It's not a question to be decided now. It can be debated further at a later date, and I think we should have more discussion on it. [interjections]

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS**
(Second Reading)

**Bill 202
The Cash Discount Act**

MR. TAYLOR: Mr. Speaker, I have great pleasure in moving second reading of Bill 202, The Cash Discount Act.

The Cash Discount Act deals with a very important principle, namely that people should not be required to pay for service they do not enjoy. That really sums up the principle of the bill. In order to enlarge on that, first of all I would like to point out what this bill does not do. Many people think the bill may prevent anyone from buying or selling on credit. This bill does not in any way prevent anyone from buying or selling on credit. Credit buying and selling is part of our way of life. Farmers use credit to buy during the months they have no income, no crops to sell. Farmers use credit to buy machinery with which they can then harvest greater crops. Businessmen use credit to get into business so they can then become the owners of businesses. Workers use credit to buy between pay-days. Merchants use credit to stock their shelves. As a young boy, I learned the value of credit at the grocery store when the coal mines worked only 60 to 70 days a year and we had to live 365 days of the year, the major part of the year with no income, no pay cheque coming in. Had it not been for credit at the grocery stores, I just don't know how we would have survived.

So I emphasize that the bill does not prevent anyone in any way from buying or selling on credit. I want to emphasize that point, because I've heard people in some talk-back programs wondering why we want to stop credit buying. I don't want to stop credit buying. I agree on credit buying. I agree on the use of credit. This bill would in no way prevent buying or selling on credit.

The second thing this bill does not do is do away with credit cards. Some people have argued that this bill strikes against the use of credit cards. Not at all. Credit cards are convenient instruments. I use credit cards to buy my gas. I don't have to carry cash. I pay the account at the end of the month. I use credit cards at the Hudson's Bay, Eaton's, Woodward's, Canadian Tire. I find credit cards very convenient.

There is another advantage with credit cards, particularly on trips. While credit cards may be stolen, they are not convertible as quickly as cash and are easier to trace. There are a number of advantages in using credit cards. This bill does not in any way discourage their use. I want to get that argument out of the way. They do not deal with that item, and in this bill we do not want to do anything that would discourage the use of credit cards or try to make them illegal.

Now what does the bill purport to do? It intends to correct or at least partially correct the cases where the cash customer subsidizes the credit customer. In order to make this as simple as possible, let's look at a merchant accepting national credit cards such as American Express, master charge, Diner's Club, and see how it works. If I secure an American Express credit card, I have to pay a small sum of money for that card. The American Express people check my record, my net worth and integrity, I suppose, and decide to give or not to give the applicant a credit card. I don't hold an American Express credit card, but I think I could secure one if I applied and paid the fee. I'm not complaining about that fee particularly. I think that's money I have the choice of spending or not. I'm not complaining about that.

Then American Express makes a contract with merchants. They say to the merchant, we'll make it convenient for your customers to buy with an American Express credit card, and for that we will charge you a percentage of the sales on that credit card. I want to emphasize this: a percentage of the sales on that credit card. The more the credit card is used, the more profit goes to American Express. That exact percentage is difficult to secure. Some merchants have told us it ranges from 2 to 8 per cent. One merchant told us he was paying 12 per cent of the sales. Some credit card issuers have been known to charge as high as 15 per cent of the sales on that credit card.

So the merchant then has an obligation. When the credit card is used, he must pay a percentage of the gross amount he nets from that sale to the issuer of that credit card. That being the case, the merchant — who must stay in business, must make a profit — calculates the amount he must pay the issuer of the credit card for that service and adds that to the goods or services he is selling. It's the only way he can stay in business. He has to calculate what that amount is going to be if he has any amount of credit card business at all. Some of the credit card business goes into the thousands — maybe millions, but certainly thousands and tens of thousands. So it can become a sizable amount that must be added to the price of the goods he sells. This might be 5, 8, or 15 cents on the dollar. But whatever it is, that is added to the product you are buying with that credit card. I have no objection to that. That's a service being given to the credit card holder.

I might have some qualms about paying a percent-

age. If I were a merchant I would. And as a merchant I did have qualms about paying some company a percentage of the sales made on a credit card, for which they had put out very little or no money at all. They offer services. That's right. And they guarantee that payment and so on, which is a service to the merchant. I had qualms about paying it, but many merchants don't. They simply add it to the goods they're selling and that becomes part of the sale price.

I say again, I have no objection to the merchant adding that amount to his goods. It's the only way he can stay in business. I have no objection either to the user of the credit card, who is getting the benefit he wants from the use of the card, from paying that amount.

But then I come to the next point. I do have objections when that price is charged those who pay cash. That's where the rub comes. That person who buys the same product must pay the same price as a credit card holder unless there's a discount given. So the cash customer is subsidizing the credit card holder. There are no two ways about it. The cash customer is paying for a service which he or she is not receiving. That is my objection to the business as it's done today. And most of our places use national credit cards. It's as simple as that.

I'm trying to make it as simple as I can and to outline what bothers the man on the street. Because this bill is a bread-and-butter issue. Let's go on for a moment. Shortly, I want to deal with some of the objections.

The cash customer today is stuck with the extra cost, because they have one price on the product being sold. The cash customer receives no benefit. Now what happens to that money today? Either the merchant, in his calculations, has figured the cash customer will be paying part of that and makes a slight reduction on what he adds to the cost of the goods . . . That helps the cash customer to a degree, but not entirely. It still shows the cash customer is paying for service he is not receiving. In many cases the merchant simply has that as extra profit, extra profit he is not getting that helps to carry the credit of the credit card, that helps to pay the issuer of the credit card. Why should the cash customer be required to pay the credit card issuer?

Let's see what objections there might be to this type of procedure. I received a letter from a very prominent citizen in this city. He raised some points I think I should endeavor to answer, because undoubtedly the same questions come to the minds of other people.

The first question raised was the cost within business of administering this bill. It was felt that there would be increased administrative costs. Well, let's look at what happens today. The calculation of this whole thing increases the administration to the point where the merchant must ascertain how much he is going to add to every product he sells, whether it's one or a thousand. That's where the administration comes in. The bill we have is not adding that. That's already there. The bill we have is saying: in order to compensate the cash customer in whole or in part, at least partially to correct this payment for something the cash customer is not receiving, he must receive at least a 2 per cent discount on that price.

Now we said "at least 2 per cent" because I

understand that is the minimum percentage charged by the credit card issuer. It may go up to 8, 10, or 12 per cent. To be absolutely correct the merchant should give back the amount to the cash customer he is charging, so the cash customer will not be required to subsidize the credit card holder or help him pay his bill to the credit card issuer. But there are no additional administrative costs.

We even asked a merchant how much it costs him to give a discount on the goods he's selling. This is a merchant who today is giving a 1 per cent discount on all cash sales. He tells us that people have come miles to buy their groceries, their clothes, from him — it is a general store — because he has advertised there will be a 1 per cent discount for cash. Apparently it's paying off. We asked him, is this a lot of work? Is there any additional administration? He said no. He just showed us the cash register. No difficulty at all in taking 1 per cent, whether the bill is \$270 or \$1.50. The 1 per cent is based on the amount of the sale. It can be done without difficulty by a scale or even on some cash registers. It can be done as rapidly as you can put the money in the till today. So I can't see where the cost of administration is going to increase on the part of the merchant.

The second objection was that the market place has always operated on the basis of free competition. It has, and I agree with that. I go on to quote:

... as a result, this has left the pricing of commodities in the hands of the merchants. In the opinion of the business community this is still the best, most effective practice.

I agree, and I don't want to change that. I want the price to be set by the market place, by the competition. That's the best way in the world to give the consumer the best price. We're not changing that anywhere in this bill. All we're asking is that the cost of that service be placed where it belongs, on the shoulders of those who are getting the service, the credit card holders, the credit card users.

When I use my credit card to buy goods, why should I expect my neighbor who buys with cash to pay part of my bill? I just don't think it's sound. I don't think it's right. We're not interfering with the free market place. We're wanting the price to be set in competition, and that could continue to be done if this bill or a modification or enlargement of it became law tomorrow.

The third objection was that the requirement of a merchant to provide displays of all prices is not justified. Well I don't agree with that. Nothing irks me more than when I go into a store and pick up something I want to buy and can't find the price on it. I have to go chasing around the store, wasting my time, which is just as valuable as that of the girls he's hired or the men he's hired, to try to find the price of this thing. Many times the clerks have to go "chasing around" to try to find the price.

Most merchants today mark the price on everything they sell. It's part of doing business today, so that people know the price of a thing when they pick it up. As a matter of fact when I pick up an article in a store today and can't find the price, I immediately get suspicious. I wonder why the price isn't there. On the other side of the scale, in some stores I've picked up articles with two and three prices on them. The rule of most stores is that you pay the lowest price on that article. That's fair game.

I can't see why this bill is going to have any effect on marking the prices on things being sold. I think that's part of business. The customer wants that particular service and most merchants today are providing it — on, above, or below the article. So I can't see that as a logical objection to this particular bill.

At one time the issuers of credit cards said to merchants, and made it binding upon them, that they would not and could not give the cash customer a discount on the price quoted to the credit card holder. Why did the credit card issuers want to do that particular type of thing? To try to hide what they were charging for this service? I don't know why.

In the United States that was challenged and taken to the courts. The courts said the credit card issuer could not legally tell a merchant he could not give a cash discount. So it was corrected in the United States.

I'm glad to say — while we have it in this bill — it was also corrected by the Canadian government by a bill in the House of Commons. I was glad to see that all parties in the House of Commons, I believe, supported that section that makes it an offence for any credit card issuer in Canada to say to a merchant, you cannot give a discount to a customer on the price you charge the credit card holder. So that part has been cleared up. It's in the federal act, and it's in this act. It might be called superfluous in this act, but I think it's just strengthening that point. That would be interfering with the free market place — very, very much so. That's what the American court ruled. This bill is neither designed nor intended — nor do I believe it would interfere with the free market place in any way in that respect.

Mr. Speaker, for many years we followed a precept in this country that there would be no taxes without representation. I think that came from the days of Magna Carta in 1215. It was one of the things they wanted, no taxes levied without representation. I think it's just as logical to say there should be no charges when there's no service. That is the thing we're trying to correct. Today in business the cash customer is being penalized to the extent that he's forced to pay part of the charges of those who use credit cards. That is just not right.

The bill simply tries to correct that item. I said it was a bread-and-butter issue, and in my view it is. Whether or not this bill passes, I would like to see more merchants in this province show what can be done when cash customers are given a discount. We know one merchant has done it, and his business is good. As a matter of fact he's very happy with it, and he's continuing. Other merchants in this country could lead the way in showing that this type of thing is right and will be supported by the people at large. Because the present principle of making a person who pays in cash subsidize those who buy on credit is not sound.

MR. YOUNG: Mr. Speaker, speaking to the bill before us, first of all I'd like to observe that I disagree with the proposition before us, in the manner it is before us. That's my position, and I'll try to explain why I disagree with the hon. member.

First of all I'd like to deal with a couple of the comments he has made. I think in developing his argument, identifying what a credit card is and some of the advantages of it, I would have to agree. I

remember last year, speaking to a similar if not identical bill, I had occasion to cite the advantage identification provides: the case of my experience of winding up in Calgary, having to go to Banff, not having sufficient cash to pay for a rented car, and not having sufficient identification in terms of credit cards. For members who weren't here last year and might be in the House today, I should say that I solved my problem by using my MLA identification. Yes I was very fortunate.

I later attended a meeting of the professional women's association in Edmonton, and they were dealing with human rights. One of the ladies was citing the inequalities confronting businesswomen in our society today. She cited a very similar — in fact the same — problem in the airport in Calgary, and was blaming her problem on the fact that she was a lady. I was able to say that it's not a question of being male or female, but rather a question of identification as far as the car rental agencies are concerned. So as the hon. Member for Drumheller said, credit cards provide a very useful function of identification.

Mr. Speaker, the hon. member referred to the costs of credit cards, what it costs the merchant; in other words, what the merchant must pay the issuer of credit cards. He related ranges from 2 to 15 per cent, and I think he may have gone as high 18 per cent. I have never heard of percentages in excess of 5 per cent — there may be.

In doing a bit of research on the subject, the only places I could find that might conceivably charge more than 5 per cent are some body-rub parlors in New York. It seems these parlors accept credit cards from neighboring restaurants. They have some kind of indirect method of using the restaurant's credit card so the true service for which the credit card is being used isn't clear. So there's some indirect routing, and I suppose if there is that kind of shenanigan involved, where basically two administrative charges are being levied against the credit card, then it might rise above 5 per cent. But apart from body-rub parlors and the Cottontail Ranch in Nevada, which apparently also accepts credit cards, I can't think of any situation where there would be problems of administration which would force it above 5 per cent.

I should say that in my experience and in the nature of the industry, I would think there is sufficient competition. From the point of view of public interest, of us being concerned about gouging on the part of credit card issuers for their service, of overcharging for it, I don't see any problem. It's a fairly competitive industry. I can't believe our concern should be based on the fact that there isn't sufficient competition and that the rates aren't as low as they can reasonably be held.

The next point I'd like to deal with is the simplistic approach which has been related to us in arguing or debating in favor of the bill before us. The suggestion that all prices can be posted can surely apply only to the more simple types of merchandise. I'm speaking about the chain stores or possibly restaurants. It certainly wouldn't apply to the business in which a couple of hon. members of the Assembly are engaged, namely the farm implement business. There's no way it would be possible to post a realistic price, given the fact that there could be trade-ins, additions to the equipment, and different models. It would be a

very complex and difficult task to maintain a posted price of any value at all.

The same can be said about any service business, or retail and service business, where the type of service offered depends on what the customer needs. There is just no way that that could be posted realistically. As a merchant — I suppose I can classify myself that at the moment — in a small way, I can assure the hon. member that the problem of providing personal service for a whole variety of situations, which can only be evaluated in terms of the cost of providing the service after inspection, is beyond any possibility of posting a price. A rate price can be posted, but that really isn't very meaningful unless we know how many hours or what quality of hours has to be involved.

Mr. Speaker, it's my view that because of that, the suggestion that it's possible to require 1 or 2 per cent less for cash is just not workable. I grant the hon. member's argument that in a drugstore or supermarket, a store of that nature, it may well be workable. But it is not in many, many forms of service and merchandising which are provided by credit. In this instance I rule out massage parlors and other forms of recreation, culture, and entertainment.

AN HON. MEMBER: And wildlife.

AN HON. MEMBER: How about wildlife?

MR. YOUNG: I'll leave that for the hon. minister to deal with. Mr. Speaker, one of the . . . [interjections] I have tremendous assistance this afternoon.

One of the concerns I would like to advance for the hon. member to consider — and for that matter, all of us — is if we pass a law which would require a discount for cash because it costs a merchant less, should we also pass a law which would require a discount to all customers who buy shoes from Simpsons, Eaton's, the Bay, or Woodward's and don't take them home, try them on, and bring them back? You know, one of the services those stores provide is that you can take a product home, check it out, and if it doesn't fit, if it's the wrong color, if it's a household furnishing and it doesn't fit the decor of the house, under certain circumstances you can bring it back to the store. They accept it and don't charge more. If that's a service they provide and they don't differentiate in price, presumably there should be a cash discount for those who don't incur the extra cost to the store of doing that sort of thing.

Clearly, that's just one illustration of how far we could go and how complex we could make life and law in this province if we were to try to remove all the minor inequities. To be even less extreme, perhaps, in the illustration, suppose I go into Woodward's Westmount or Kinney Shoes, try on three pairs of shoes, and tie up a salesclerk for 15 minutes. That's about the least time it would take for me to try on three pairs of shoes in three different styles and three different widths, et cetera. If I really want to be fussy about it, if the hon. Member for Drumheller goes in and he is lucky — success the first time round, the first pair of shoes fits — should the store be obliged to give him a lower price than it gives me in total equity? Indeed it should charge him less than it charges me. But being realistic, is that possible? How many angry customers would there be?

So to zero in specifically on the point I'm trying to make, I think all manner of cross-subsidization of customers takes place within any single retail or service outlet. I just do not think it is part of the function of this Legislature to try to rule out and legislate out these types of minor differences which are generally accepted, and which by the way are a great convenience to customers.

The one proposal I could accept and that might be useful in this area would be in the case of credit cards: the person using the credit card could pay a monthly charge or some kind of charge to the credit card issuer for the advantages of using the credit card. If they paid the company so the merchant wasn't hit with any discount, I think that would be a fair situation which I could support. Unfortunately, I think it would require a law well beyond provincial law to make that sort of arrangement effective.

But in that situation, the person who chooses to use a credit card would know he was gaining a service which had a dollar tag on it. Then the other persons choosing to use cash would know they weren't subsidizing it. However, in saying that, we would still have the situation where in some cases merchants may use charge accounts and may not assess any extra cost to the consumer, provided the account is paid off within a reasonable amount of time.

So, Mr. Speaker, I have indicated that I cannot support the proposal before us. I could support a bill or a proposal which would require the credit card companies to charge the customers for the value of the service rendered to the credit card holder.

While I'm speaking about credit, Mr. Speaker, just for the hon. members' information I note that in Canada in 1975, our credit outstanding was about \$23.5 billion. So we're talking about a fairly major industry. For many people credit cards provide 30 days of what they regard as relatively free money. I think that's the way they tend to look at it. That means for every man, woman, and child there's about \$2,000 of credit floating around out there. The bankers would suggest that unless you have used your \$2,000 credit and keep it out there, you're really doing a disservice to the economy, especially in times of low commercial activity. When there's unemployment we should all be out increasing our credit line.

More seriously, I think the use and abuse of credit cards is a major factor in some of the domestic problems, the marriage breakdowns, we have. I think anyone familiar with the small claims court and the public claims adjustments would realize that many young couples in particular are able to acquire far too many credit cards, then get themselves into difficulty because the credit card companies only do the book-keeping for their company. They don't do it for everyone else. So a couple can very easily run up a lot of charges without realizing what they're going to have pay back.

[Mr. Speaker in the Chair]

In that line, Mr. Speaker, there is a report of a person in California who has made an avocation out of collecting credit cards. It's his challenge to collect as many as he can get his hands on. He has been able to collect about 700 different credit cards. I think they figured he could run up something over \$1.5

million of expenditure in 30 days if he really went out there and exercised all his credit cards. So you can see it's possible to get the thing right out of hand.

But to come back to the point, Mr. Speaker: that is not the point the hon. member was making, and that is not the point of the legislation. The legislation proposed wouldn't cut down on credit in any respect. The hon. member has advised us of that.

The point of the bill is a very narrow one: simply to be more equitable between credit card holders and persons who pay cash. It's my view that that is too small an issue to be of concern to us. To look for that kind of equity would get us involved in the field of checking for equity in many other aspects of retail service which we could not possibly provide. I am just of the opinion it's an issue we do not need to become involved in at this time or any other time.

MR. BRADLEY: Mr. Speaker, I should like to make a few comments with regard to this bill. I sympathize with the intent of this legislation to give the consumer who pays cash a break over the individual who uses a credit card, due to the fact that merchants who accept a credit card must pay a certain percentage of the total sale to the credit card company for the use of that service. The merchant must cover this charge on credit card purchased goods as part of his overhead. In order to compete, the smaller merchant is almost forced to accept the credit card because of its wide acceptance as a line of credit by the consumer.

Mr. Speaker, I find difficulty in accepting that a legislated cash discount is the correct way to approach this problem. As far as I'm aware there is no regulation preventing a merchant from offering cash discounts if he wishes. So that method of cash discount is open to him.

Let's look at the facts from four points of view: those of the cash customer, credit card customer, merchant, and credit card company. Most of the ones I'm familiar with are associated with the large chartered banks. The cash and credit card customers pay the same price for the goods or service they receive. The credit card holder receives several benefits from the use of his card. It's a very convenient method of credit which is instantly accepted almost anywhere in the world. If you have certain cards, you are pretty well assured that you can walk into any store and receive any service or goods almost anywhere.

Secondly, they assure the credit card user a line of credit — if he has a good credit rating, almost unlimited credit. He has 30 days to pay his credit card account, after which interest is charged. He receives a record of the expenditures he has charged to his credit card, and credit cards serve a very useful purpose in identification if you are travelling outside territories in which you are well known.

To accept major credit cards, the small independent merchant enters into an agreement to pay the credit card company a small percentage of the purchase price of goods or services. In return, the credit card company assures the merchant payment for those goods and services. In these agreements the merchant is not allowed to charge credit card customers extra for permitting them to use a credit card in his store. The merchant knows and recognizes this when he enters into a contract with the credit card company.

The credit card companies — some of which, as I've

mentioned before, are arms of the federal banks — have set up this system. They are the real benefactors. They collect from the merchant for using this system — from 5.75 per cent to 1 per cent of the purchase price, depending on the volume of sales. The smaller the volume, the greater the percentage of sales which goes to the credit card company.

Just to let you know some of the break involved with regard to volume of purchase and the average size of drafts, if a credit card company's holders spend less than \$500 on a monthly basis in a merchant's store, that merchant is paying a rate of 5.75 per cent discounted off the purchase of goods and services. Now I will grant most merchants probably have more than \$500 worth of credit card sales go through their store. That is also dependent on a figure that the average volume of those sales is under \$15.

Now I'll just skip the categories. For an average monthly volume of credit card purchases between \$2,500 to \$4,999, the amount of discount is 4.75 per cent on average drafts under \$15. If they were over \$50 in that category, the merchant would only be paying a 3 per cent discount.

The businesses that really get the break are large chain stores that pool their credit card purchases. If you're in the bracket of having a volume of sales between \$30,000 and \$74,999, on an average draft under \$15 you get 3.75 per cent discounted. If the average size of the sale is \$50 or over, the break is 2 per cent. If you happen to be in the category where you're able to pool, as these national chain stores are, and your volume of purchases by credit card holders is over \$500,000 and the average size of purchase is under \$15, the break is 2 per cent. If the average size of purchases is over \$50 in that volume category of over \$500,000, the discount is 1 per cent. So there are some significant differences between what small merchants and larger chain stores get with regard to the percentage they are charged by these credit card companies.

Also the credit card company charges the card holder interest at 1.5 per cent for accounts past due over 30 days. Through this system the banks have come up with, I would say, a fairly profitable venture. Rather than the merchant giving a cash discount, I believe the credit card holder and the credit card company should bear the cost of this system. The credit card holder receives great benefits from the use of this card, as I've previously stated, without paying a cent for the privilege in most cases. The credit card company also receives the greatest benefit through profits from the use of these cards.

I strongly disagree with the credit card companies charging different rates of discount depending on the volume and size of purchases, because this puts smaller businesses at a competitive disadvantage with larger enterprises — the chain stores and nation-wide companies — with regard to accepting credit cards. Perhaps the solution to this problem should be that small businesses should renegotiate the terms of acceptance of credit cards sponsored by the large banks.

My recommendations are: first, that a flat rate [be] charged by credit card companies to all merchants accepting their cards. We shouldn't have this difference in percentage of sales with regard to volume and average size of draft. I think there should be one

flat rate charged to all merchants for the use of the credit card. Secondly, perhaps the credit card holder should pay a fee for the privilege of using his card. A person who writes a cheque is paying 16 cents for every cheque he writes. Perhaps these credit card companies should charge a credit card holder 16 cents, or an equivalent processing fee, for every purchase he makes. Thirdly, I believe the credit card company itself should bear a higher portion of the cost of operating the credit card system, for they reap the greatest benefits.

In conclusion, Mr. Speaker, I feel that rather than legislation, the market system should be allowed to come to bear to resolve this issue. Consumer groups, merchant associations, and the credit card companies should sit down and resolve the cash discount and credit card anomalies themselves, prior to any legislative solutions which I believe would probably only create further anomalies.

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

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

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, I move we call it 5:30 and the House adjourn until tomorrow at 10 a.m.

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

HON. MEMBERS: Agreed.

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

[The House adjourned at 5:21 p.m.]