

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, March 23, 1977 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. HYNDMAN: Mr. Speaker, at this time I wish to introduce to you and members of the Assembly eight distinguished gentlemen in your gallery who are members of the Consular Corps of the province of Alberta. They are Mr. Kazukiyo Kikuchi, Dean of the Consular Corps, Consul-General of Japan; Mr. Alexander L. Rattray, Jr., Dean of the Consular Corps in Calgary, Consul-General of the United States; Mr. Christian Sell, Consul-General of the Federal Republic of Germany; Mr. Pierre Guerand, Consul of France; Mr. O. S. Franzen, Honorary Consul of Sweden; Mr. Rudolph Zoumer, Honorary Consul of Sweden; Mr. Christian Graefe, Honorary Consul of Finland; and Mr. Garnet Page, Honorary Consular Agent of France, located in Calgary.

We had a briefing for all the members of the Consular Corps this morning with respect to future government policies, Mr. Speaker, which was very useful. I would like to ask these gentlemen to stand at this time and be recognized by the Legislative Assembly.

head: TABLING RETURNS AND REPORTS

MR. FOSTER: Mr. Speaker, I'd like to file copies of the annual report of the Public Utilities Board.

MR. MINIELY: Mr. Speaker, I'd like to table a reply to Motion for a Return No. 230.

MISS HUNLEY: I wish to table a statement concerning the contract with VS Services Limited at Michener Centre, Red Deer, and file with the House two copies of the conditions under which a grant is made to Dr. Earp to undertake a review of the procedures at Alberta Hospital, Edmonton.

head: INTRODUCTION OF SPECIAL GUESTS

MR. FLUKER: Mr. Speaker, I'm delighted to introduce to you, and through you to this Assembly, 59 grade 9 students from the Racette junior high school in St. Paul. They are accompanied by their teacher — a very popular teacher — Mrs. Mary Poirier, parents Mrs. Kotowich and Mrs. Breland, and bus drivers Mrs. Mazapa and Mr. Krawchuk. They are seated in the public gallery, Mr. Speaker, and I would ask this Assembly to recognize them in the right way.

MR. PLANCHE: Mr. Speaker, on behalf of the hon. Member for Calgary Currie, who unfortunately is absent today, I'm pleased to introduce to you, sir, and through you to the members of the Assembly, 41 students from the Shaughnessy junior high vocational school in Calgary Currie who are accompanied by their teachers Mr. Wearmouth, Mr. Malthouse, and Mr. Morgan. They are seated in the members gallery, and I would ask that they stand and be recognized by the House.

head: MINISTERIAL STATEMENTS**Culture**

MR. SCHMID: Mr. Speaker, libraries are one of man's oldest institutions, with a history stretching back to Babylonian times. They have been and still are the major repository of human knowledge and experience. They record the cultural heritage of mankind in all its diversity. Traditionally they have been a source of relaxation and recreation for many, the "people's university" for some and the inspiration for innovation to many others.

The government of Alberta has recognized this important fact and, as announced by the hon. Merv Leitch, is prepared to substantially increase financial, advisory, and other indirect help.

Mr. Speaker, monetary contributions through the regional, city, municipal, and community boards or councils are considered so important that our increase in provincial grants is a matching grant up to a maximum of \$1.50 per capita for municipal, regional, and community libraries. The Calgary and Edmonton public libraries are to receive annual grants of \$1 per capita. Application forms will be sent to the libraries next week and will be paid as soon as the budgetary process of this Assembly provides.

Mr. Speaker, the two large city public libraries are presently in the best position to provide supplementary back-up services for smaller libraries. The Edmonton and Calgary library boards have offered to assume this responsibility, and the provincial government will contribute an additional annual grant of at least \$230,000 to each city's program over and above the \$1 per capita grant.

This additional funding will augment and enrich existing book collections to meet the needs of smaller libraries for specific authors, titles, and subjects. It will also provide a telecommunication linkage with other major libraries throughout the province to expedite the flow of library information for citizens of Alberta and institute a delivery system for books, periodicals, and audio-visual items to and from the cities and smaller centres.

Mr. Speaker, I am pleased to say that regulations applying to this program have already been approved, and are in my opinion a milestone in the development of our Alberta libraries.

head: ORAL QUESTION PERIOD**Coal Exports to Japan**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural

Resources and ask if the government has representatives participating in discussions with Japanese interests that can lead to substantive additions in the export of thermal coal from Alberta to Japan.

MR. GETTY: Mr. Speaker, the hon. Leader of the Opposition said "if the government has representatives". To the best of my knowledge, no.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. Has the government of Alberta given commitments, from the standpoint of leases or other written commitments, which would make it possible for substantive additional exports of thermal coal to Japan? When I say "substantive additional exports", I'm talking in terms of 10- to 15-year contracts.

MR. GETTY: Mr. Speaker, I draw the attention of the hon. Leader of the Opposition to the Alberta coal development policy, which discusses in some detail exports from the province and the approval process necessary before mines can be allowed to develop and therefore production to go to any purchaser. That process would have to be followed with any new supplies going to Japan or anywhere else.

However, one of the proposals that has gone through the coal development policy completely is the proposal by Gregg River. They have obtained approval from the government and the Energy Resources Conservation Board to develop a mine in Alberta. I'm aware of the fact that they are negotiating to sell part of that coal to Japanese interests.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Has the minister met with Mr. Bruce Rankin, Canada's Ambassador to Japan? I raise that question because of comments made by Mr. Rankin with regard to a new strategy [that] may boost coal exports to Japan. In the comments made by Mr. Rankin, it seems that a great deal of reliance is being placed upon exports from Alberta. So that's really why I raise the question.

MR. GETTY: Mr. Speaker, I have not had any discussions with Mr. Rankin. I noticed the comments in the paper as well, the coverage of Mr. Rankin's speech I believe. I can only assume he is making a judgment on his own about this matter, and it may well be he is speculating.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Federal and Intergovernmental Affairs. Has the minister or senior officials of his department discussed this whole area with Mr. Rankin or one of his officials in the last year?

MR. HYNDMAN: Mr. Speaker, some months ago in Calgary I had the opportunity to meet with Mr. Rankin with respect to a number of matters. Although the matter which the honorable gentleman brings up today was not specifically discussed in detail, I don't know to what extent my officials may have had discussions with the federal departments of External Affairs or Industry, Trade and Commerce.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Utilities and Telephones. Is the

minister aware of any commitments that have been made which would make it possible for substantive additional exports of Alberta coal to Japan?

DR. WARRACK: Not at the moment, Mr. Speaker.

MR. GETTY: Mr. Speaker, I just want to clarify a statement I made to the Leader of the Opposition. No commitments have been made for additional amounts of coal to Japan.

Public Lands Division Report

MR. CLARK: Mr. Speaker, I would like to direct the second question to the Associate Minister of Energy and Natural Resources responsible for public lands. Has he received the report which the minister referred to in the House on March 8 which was being prepared by his departmental officials regarding the extent of conflict of interest or problems in the letting of contracts within the lands branch of the minister's responsibility?

MR. SCHMIDT: I have, Mr. Speaker.

MR. CLARK: Mr. Speaker, is the minister in a position to indicate the results of that study, done by his own people internally? Secondly, is the minister prepared to table the study?

MR. SCHMIDT: Mr. Speaker, I am quite happy to report receiving the report and, in its acceptance on behalf of the department, was very happy with the report. The department has been cleared in all directions. The person indicated in the question is not a member of the division. Therefore the public lands division is clear. I have accepted the report and closed the case.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Could the minister indicate who had the responsibility for doing the report?

MR. SCHMIDT: Mr. Speaker, the report I received was from the deputy minister of my department, the public lands division.

MR. CLARK: Mr. Speaker, a further supplementary question to the Attorney General. Are any further charges to be laid against any employees of the land branch or Department of Energy and Natural Resources, flowing from the matter brought to the Attorney General's attention some time ago with regard to a conflict in tendering?

MR. FOSTER: Mr. Speaker, not that I'm aware of at this time. As it turns out I just received at noon today an update criminal briefing document from the criminal justice division touching upon some of these matters. I haven't had a chance to review it, but as of this moment I am not aware of any other charges.

MR. CLARK: Mr. Speaker, is the investigation continuing?

MR. FOSTER: Mr. Speaker, in one instance a charge was outstanding, and I do not think any additional investigation is being pursued in that situation. Since

I haven't got that information readily at hand, I'm not in a position to indicate what other prosecutions there are in the public service at the present time. I just haven't got the information with me. I would not be prepared to say at this time, in any event, whether additional investigations are under way. I would be prepared to say at a later date whether they had been under way and a decision was taken not to proceed with them.

Library Grants

MRS. CHICHAK: Mr. Speaker, my question is directed to the hon. Minister of Government Services and of Culture. In view of the ministerial statement he made today with regard to the current library grant program, I wonder if the minister could clarify whether these funds under the library grant system are in addition to funding provided for libraries by municipal governments to date.

MR. SCHMID: Yes, Mr. Speaker, these funds are definitely in addition to the funds presently provided by the library boards of Alberta.

MRS. CHICHAK: Supplementary, Mr. Speaker. With respect to the news release by the city of Edmonton yesterday of its intent to withdraw some of its support funds from the library program, could the minister advise what effect that action will have on the announced provincial program?

MR. SCHMID: Mr. Speaker, while the city of Edmonton joined the Red Deer libraries to ask the province of Alberta for additional funds for libraries because of the state of affairs of libraries in the province of Alberta, I can state that all the funds from the province of Alberta will have to be used for library services and can't be used for anything else.

MRS. CHICHAK: Mr. Speaker, a further supplementary. Is there a requirement under the regulations that the funds under the provincial grant program are to be used totally for the library program, and that this is in fact to be in addition to such funding already available within the municipalities?

MR. SPEAKER: On the assumption that the regulations are not yet public knowledge, that question would be in order.

MR. SCHMID: Mr. Speaker, while I'm not able to quote the regulation exactly, it would state that where a grant is made and the library receiving the grant does not use all the moneys provided for the purpose for which the grant was made, within 12 months the money would have to be returned to the Provincial Treasurer.

MRS. CHICHAK: Mr. Speaker, if I may pursue a further supplementary on the question raised, have the regulations been passed now and the municipalities been apprized of them?

MR. SCHMID: Mr. Speaker, as I mentioned in my ministerial statement, the regulations were passed today and will be sent to the libraries by next week at the latest.

MR. TAYLOR: Mr. Speaker, supplementary to the hon. minister. Are the grants conditional or unconditional?

MR. SCHMID: Mr. Speaker, of course the grant regulations provide that they would be conditional, one of the conditions being — as I explained before — that the moneys would have to be spent on library funding and no other purpose. Numerous other conditions are of course contained within the grant regulations.

MR. TAYLOR: One further supplementary. Is one of the other conditions that the local authority must provide an equal sum of money?

MR. SCHMID: Yes, Mr. Speaker, one of the conditions is that the local library must provide at least equal, if not more, funding for the libraries in question.

Lamb Processors Co-op

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister indicate the decision of the co-op shareholders of the Innisfail lamb plant in regard to transferring the plant to the government?

MR. MOORE: Yes, Mr. Speaker. The delegates to the lamb producers' co-op, who are representative of the shareholders and the only ones who have a vote, I understand voted 17 to 3 in favor of the proposal I had put forward to them regarding the continued operation of the sheep plant and the assuming of all the assets and liabilities of the co-op by the government of Alberta.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the minister or any members from his department made any arrangements with anyone in regard to a long-term lease on the plant?

MR. MOORE: No, Mr. Speaker, we've only had from about 5:30 last evening until today to do that, so quite naturally we haven't made any arrangements. We've had some discussions with a number of interested parties. It would be my view that it would probably take in the order of two to three months before we'd be in a position to finalize the matter of who might continue the operation, and under what kinds of criteria it might be continued.

MR. MANDEVILLE: One further supplementary question, Mr. Speaker. Would one of the terms of the agreement be that whoever takes over the plant would have to slaughter the lambs in Alberta?

MR. MOORE: I can only say, Mr. Speaker, as I did to the shareholders of the lamb producers co-op yesterday in Innisfail, that it's our objective to ensure that the lamb processing facility stays in place, and that there continues to be a specialty lamb-killing plant in this province to assist our sheep farmers in building their herds and getting fair value for their lambs. I don't know what form the arrangement to meet that objective may take, but that is our objective. We will try as well to ensure that the co-op has a role to play in bringing the product to the plant and perhaps selling the finished product after it leaves the slaughter house.

DR. BUCK: Supplementary question, Mr. Speaker, to the Deputy Premier. When the government did its feasibility study on the Innisfail sheep plant, were any overtures made to the commercial packing plants to set aside an area for specialty sheep slaughtering?

DR. HORNER: Well, perhaps my colleague the Minister of Agriculture can respond. But I can answer in this way: there were direct approaches to the existing processing plants in this province to do a better job on lamb. They refused; in fact said they were losing money on every lamb they slaughtered.

DR. BUCK: Supplementary question to the hon. Deputy Premier. When the Deputy Premier was trying to make these arrangements with the commercial packing plants, was there any discussion about a subsidy for them to do lamb processing?

DR. HORNER: Mr. Speaker, in my view the commercial packing plants in Alberta have made substantial revenues in this province and don't require any subsidy.

DR. BUCK: Mr. Speaker, the taxpayers are going to subsidize it.

Drought — Effect on Cattle

MR. BRADLEY: Mr. Speaker, I would also like to direct my question to the Minister of Agriculture. I have a short preface to the question. There have been reports of severe drought conditions in the western United States. Apparently the drought is having a detrimental effect on the cattle industry there. Ranchers in those areas, faced with the lack of water and an assured supply of forage and feed grains, are faced with prematurely taking their cattle to market.

My question to the minister is: is the Department of Agriculture monitoring the cattle situation in the western United States, particularly the effect of an increased slaughter due to drought conditions, in order to provide possible future market opportunities and trends, and market information to Alberta producers on which they may base marketing decisions?

MR. MOORE: Mr. Speaker, the Department of Agriculture probably has the best monitoring system of any government in Canada in terms of the beef cattle market outlook. We monitor every situation that might have an effect on producers' prices in this province. That includes of course the United States market; the volume and amount of offshore beef being brought into this country; such things as drought conditions that may lead to an abnormal amount of beef coming on to the market; the recent bad weather in eastern Canada and the U.S. during January, which had some effect on the market as well. That information is [the] subject [of] an information bulletin published weekly on Monday by the department staff, and is available to any producer who wishes it.

DR. BUCK: A supplementary question, Mr. Speaker, to the Minister of the Environment. Through the monitoring system the department has in place, can the minister indicate if the recent snowfalls in the foothills and mountains in the southern part of the

province are going to have any effect on filling the reservoirs for irrigation purposes in the south?

MR. RUSSELL: I expect we will be able to at our next report, Mr. Speaker. I get these reports weekly, and I haven't got that one yet.

MR. MANDEVILLE: Mr. Speaker, supplementary question to the Minister of Agriculture. Did the minister have any discussion with the federal Minister of Agriculture in regard to moving cattle from drier areas to areas where there's more feed if the drought continues?

MR. MOORE: No, Mr. Speaker, I've had no discussions in that regard with the federal minister.

Benefits for Handicapped

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health. In view of the concern of many people among the handicapped concerning the administration of social assistance payments to handicapped people, is the government giving any consideration to reconsidering its position on a guaranteed minimum income for the physically and mentally handicapped in Alberta?

MISS HUNLEY: The progress we've made to date, as a result of meeting with members of various handicapped groups, is to ask them to sit down and work with a committee made up not only of officials in my department but from other departments. This was a reaction to a direct request to us that they felt there should be a better assessment of all the facilities available through Education, Transportation, and the many we offer. We're working along that line rather than on the principle of a pension, because when I've met with them and we start discussing how many people they might consider as pensionable, it becomes very difficult to determine the exact numbers. And if you don't know the numbers, of course it's difficult to arrive at what additional funding might be required.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government or the department commissioned either a study or an evaluation of the mincome or, as it's now described, the GAINS program in British Columbia which, as the minister is probably aware, gears a minimum income on the basis of those people who need it, much the same as the principle now for assured income for senior citizens in the province of Alberta? My specific question is: has there been any evaluation or study of the new regulations under the B.C. GAINS program?

MISS HUNLEY: Yes, that's an ongoing matter within the department. We're doing an extensive analysis, as I've said earlier, and we've been considering the GAINS program in British Columbia as well as a program in Ontario.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister, or to the hon. Minister of Hospitals and Medical Care. Is either minister in a position to outline to the Assembly any time frame we

may anticipate for measures that would provide medical appliances to handicapped people not receiving social assistance?

MISS HUNLEY: I think that question could correctly be directed to me, Mr. Speaker. That's one of the things that's part of the package. We're examining the entire area, including the one the hon. member has just inquired about.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the department compiled any statistics as to the cost of extending these benefits to the handicapped? I'm now talking specifically about wheelchairs and appliances for the physically handicapped. Do we have any statistics, any ballpark evaluation of what the cost would be to those not presently receiving social assistance but who would otherwise qualify?

MISS HUNLEY: The last meeting I had was a couple of months ago, I suppose, at which time they told me they were not comfortable with the analysis they had before them. They were continuing to do some work on it and would be making a presentation to me at some subsequent date.

MR. NOTLEY: Mr. Speaker, a final supplementary question, if I may, to the hon. minister. Is it still the policy of the Alberta government to support the resolution passed on June 17, 1975, requesting amendments to the Old Age Security Act which would extend senior citizens' benefits to the handicapped? Does that resolution passed by this Assembly still constitute policy not only of the Assembly but of the Alberta government?

MISS HUNLEY: The resolution the hon. member refers to would be part of the discussion that took place between my officials and officials of the federal government during our review of the social services act in particular. We were aware of the direction of the Assembly, and that would be part of the negotiating or the discussion that took place subsequent to that.

DR. PAPROSKI: Supplementary, Mr. Speaker, to the minister. I wonder if the minister would confirm to the House that one of the difficulties in applying programs to the handicapped rather than the obviously handicapped is that a universal program would have difficulty because the definition of a minimal handicap would be difficult and that the associations themselves have difficulty in that area.

MR. SPEAKER: The hon. member is asking the minister to embark into the area of opinion. Whether a thing is difficult or not is always a matter of opinion. I can't see the question fitting within the ordinary usages of the question period.

DR. PAPROSKI: If I may reframe the question, Mr. Speaker. I wonder if the minister would confirm that the handicap association has difficulty in defining their minimal handicapped level.

MR. SPEAKER: With great respect to the hon. member, possibly he should address his inquiry to the association to see if they're having difficulty.

DR. WALKER: Supplementary to the minister. When a handicapped person who's on social assistance becomes a beneficiary under an estate, what is the policy of the minister as regards reclaiming benefits paid before the estate is paid out to the beneficiary?

MISS HUNLEY: I can't be specific about my answer, Mr. Speaker. I'm not even sure that that relates to my department. Rather, it might relate to the Attorney General's Department under The Family Relief Act. But I would like to discuss it further with the hon. member and see if I clearly understand the intent of his question.

Brucellosis

MR. FLUKER: Mr. Speaker, my question is directed to the Minister of Agriculture. Due to the fact that brucellosis is running rampant in my area of St. Paul, I wonder if the minister has had any communication with the federal government in trying to control this disease. If so, is calfhood vaccination being discussed as maybe the answer to control it once again?

MR. MOORE: Well, Mr. Speaker, both my department and I have had extensive discussions with federal authorities and the federal Minister of Agriculture regarding brucellosis. Basically the situation is that Canada went some years ago to a program of slaughter rather than vaccination, with the feeling that that was the only way the disease can be completely eradicated. Indeed there has been an increase at least in the herds which have been identified with brucellosis, not only in Alberta but elsewhere in Canada, over the course of the last 12 to 18 months.

My department officials are working very closely with the federal health and animals people to try to assist in controlling what may appear in some areas to be an outbreak.

I can only say, Mr. Speaker, that the solution to the problem is a complex one. Certainly the efforts we have made to try to get the compensation which is paid by the government of Canada increased resulted last August in a significant increase. However, the inflationary problems and so on have almost put us back where we were two or three years ago in terms of compensation and how it relates to the actual loss the individual suffers. For example, today the compensation for grade dairy cows is \$500. It's difficult to replace even a good grade dairy cow in any numbers or quantities for \$500. The figures are something more in the order of \$700 to \$800. So we are making continuous efforts to try to upgrade the compensation being paid.

In addition to that, Mr. Speaker, we will be having further discussions relative to whether we should continue a Canada-wide program of slaughtering to try to eradicate the disease, or whether in fact we should revert to mass vaccinations again as was the case in the past. I don't have any fixed point of view on that. It's a debatable subject either way, Mr. Speaker. Throughout the course of perhaps this session I would like to hear the members' views on that matter.

Civil Servant's Political Activity

DR. BUCK: Mr. Speaker, I'd like to address a question to the hon. Premier. I'd like to know if he's had any luck transferring a member of the publicity committee from the staff of the provincial taxpayer on ACCESS to the staff of the provincial Conservative Association of Alberta.

MR. LOUGHEED: Mr. Speaker, I'm delighted to once again discuss in the question period the important event of the Progressive Conservative annual meeting scheduled for the MacDonald Hotel this Friday, Saturday, and Sunday.

Mr. Speaker, I have had an opportunity to peruse the documents tabled by the hon. member yesterday in connection with the circumstances arising from those documents. I had the opportunity this morning at a breakfast meeting of the convention committee to meet and discuss the matter with the young lady involved. She is a temporary clerk-typist in the audio-visual division of the Department of Education. She and I discussed the matter. I think she was unaware until this event occurred yesterday of the sanctions of not becoming involved in political activity, and really any sort of activity of a non-business nature, during the course of her employment. She realizes she should not have done that. I then asked the convention committee and the others involved to review the matter. Late this morning they asked her if she would refrain from taking any further calls with regard to the convention and, if she receives any, to refer them to the other three or four telephone numbers listed in the release.

DR. BUCK: A supplementary question, Mr. Speaker. As of 11 o'clock this morning a government phone was available in the west-end office of ACCESS. Can the Premier indicate if the director at that number also was notified that the office of the honorable gentleman who is serving the taxpayer of Alberta could not be used for political purposes?

MR. LOUGHEED: Mr. Speaker, I presume the reference is to Mr. Chalmers in ACCESS. I checked with Mr. Chalmers before I came into the House, and he's assured me his activity with regard to the convention — and I have some difficulty keeping track of the large number of people involved in the Progressive Conservative party. He advises me he has been doing his work in other than business hours.

DR. BUCK: Mr. Speaker, to the Minister of Federal and Intergovernmental Affairs. Has the minister looked into the problem ACCESS may have with CRTC when its licence comes up for renewal, in that . . . [interjections] No, seriously, Mr. Speaker, one of the problem areas here is that a provincially funded outlet such as this may have problems if there's political influence used in it when it applies for its licence. That is a consideration I'm sure the minister must be thinking about.

MR. HYNDMAN: Mr. Speaker, from my reading of the activities of the CRTC over the last four weeks it appears to me that they will have quite enough on their plate over the course of the next four months without going into something like this.

Telecommunications Act

DR. WEBBER: Mr. Speaker, my question is to the Minister of Utilities and Telephones. Has the minister received a copy of the Telecommunications Act introduced in Parliament yesterday by the federal government?

DR. WARRACK: Mr. Speaker, it arrived in my office through the courtesy of the federal minister late yesterday. It involves what's described as phase 2 communications legislation in the federal House, phase 1 having been passed earlier and come into effect in April 1976.

DR. WEBBER: Supplementary, Mr. Speaker. Is the matter of this act on the agenda next week when we have the federal/provincial communications meeting in Edmonton?

DR. WARRACK: Mr. Speaker, yes it is. All entities involved in that important meeting next week had the hope that this legislation could be introduced in the House of Commons and therefore be part of the discussions next week. I'm hoping that during the course of the day I can get through it, and be able to represent Alberta's positions and concerns, if any, during that meeting next week.

Prisoners' Training — Nordegg

MR. TAYLOR: Mr. Speaker, my question is to the hon. Solicitor General. Are the prisoners at Nordegg given any training in underground mining or pertaining to mining at all?

MR. FARRAN: No, Mr. Speaker, no tunnelling is done. Tunnelling is not one of the activities we encourage in the correctional institutions. [laughter]

MR. TAYLOR: Supplementary to the hon. minister. In view of the shortage of miners and the expanding coal industry in the province, does the hon. minister not think it wise for prisoners to have a chance to have some experience in the bosom of the earth?

MR. FARRAN: Mr. Speaker, the Nordegg project concentrates on outdoor exercise, building character through challenge. The old mine is not being operated, but they are restoring the mine manager's house in the town of Nordegg as an historical relic.

MR. TAYLOR: One further supplementary. Believe me, the best exercise they could get would be down in the bosom of that mine.

PWA Aircraft

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Transportation. It is prompted by public curiosity with regard to the foreign presence in Pacific Western Airlines. I was wondering if the minister has checked for assurance from the management of PWA that none of our Boeing aircraft was attained with the help of any of the 18 consultant firms hired by Boeing and now being investigated by the U.S. Securities and Exchange Commission.

DR. HORNER: Mr. Speaker, obviously I put that question to the chairman of the board. He assures me that Pacific Western Airlines is not on that particular list.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the minister been informed of or investigated the chance that PWA's Boeing aircraft might be flying with some of the bogus parts discovered in several other American airlines using Boeings?

DR. HORNER: Again, Mr. Speaker, the chairman of the board assures me that that particular news story does not apply to aircraft flying for Pacific Western Airlines.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Considering that the PWA Hercules freighter that crashed in Zaire on November 21 went down in an area invaded by mercenaries last week, is the minister satisfied that this airplane was not engaged in flying war materiel into southern Zaire?

DR. HORNER: Mr. Speaker, we haven't received a final report from either the company investigation or the federal Ministry of Transport through an External Affairs investigation relative to that crash. However, the cargo on the Hercules at that particular time was a power plant being flown across Zaire to another destination.

PWA Annual Report

MR. GOGO: Supplementary, Mr. Speaker, to the Minister of Transportation. Could the minister advise when the annual report of Pacific Western Airlines will be available?

DR. HORNER: Mr. Speaker, it's at the printer. I would hope it will be available shortly.

Municipal Tax Sharing

MR. MUSGREAVE: Mr. Speaker, I would like to address my question to the Minister of Municipal Affairs. Could the minister inform the House what response to the proposal for property tax growth sharing prepared by the Provincial-Municipal Finance Council he has received from both urban and rural municipalities throughout the province?

MR. JOHNSTON: Mr. Speaker, some representations have been made to the finance council in the last couple of months. I haven't got a detailed inventory as to the extent and numbers. But I know some are coming, and we encourage others.

MR. MUSGREAVE: A supplementary, Mr. Speaker. Could the minister advise if legislation incorporating the suggested tax sharing would be forthcoming in the fall session if the response is minimal or neutral, particularly from high-growth areas such as Fort McMurray, Red Deer, Calgary, Edmonton, or Lethbridge, to name a few?

MR. SPEAKER: The hon. member's question seems to be clearly hypothetical. I don't know whether or not he can relate it to present facts.

MR. MUSGREAVE: Well, Mr. Speaker, if the response from the people affected by the suggested tax changes is neutral, could he advise if legislation will be forthcoming?

MR. SPEAKER: I'm afraid that's the same hypothetical question.

Recreation Facilities Program

MR. KING: Mr. Speaker, my question is to the hon. Minister of Recreation, Parks and Wildlife. With respect to the major cultural/recreation facility program and the regulations thereunder which require that applications be co-signed by representatives of the municipal government and by the Parks and Recreation Advisory Board, is it the intent of the government by these regulations to preclude initiatives by the municipal government in support of particular projects?

MR. ADAIR: In short, Mr. Speaker, no.

MR. KING: Mr. Speaker, would the minister accept the overriding authority of the municipal council to initiate or support particular projects?

MR. ADAIR: Yes, Mr. Speaker. In essence I think the concern relates to where there may not be one signature on an application, if I take the gist of the question. At this particular time the regulations call for two signatures, and two signatures would in fact have to be there.

MR. KING: Mr. Speaker, supplementary. Is it a correct interpretation of the policy of the government to say the regulation is not intended to allow the advisory board to thwart the municipal council, but rather is intended to ensure there is adequate communication between the municipal council and the advisory board?

MR. ADAIR: Yes, Mr. Speaker.

MR. SPEAKER: The hon. member is really asking a question on a proposition of law. Once a law has been passed or regulations have been issued, they speak for themselves and their interpretation is a matter for the lawyers and the courts.

MR. KING: Mr. Speaker, if I may. I don't wish to phrase the question either in terms of the law or the regulations. I'm asking about the policy of the provincial government with respect to a program announced by a ministerial statement in this House.

MR. ADAIR: Mr. Speaker, I think in response to that particular portion, yes. The intent was to get the recreation boards and municipal authorities to work together and to notify each other as to just what they were in fact planning. It was not an effort to thwart the role of one or the other.

MR. KING: A final supplementary, Mr. Speaker. Could the minister advise what recourse is available to a municipal council which has passed a resolution endorsing a particular proposal application, which resolution has been forwarded to the department without the signature of the chairman of the advisory board?

MR. ADAIR: Mr. Speaker, in essence that particular application is considered not received because of the lack of the signature. I am reviewing what courses we may in fact take. At the present time I can't respond beyond that.

MR. KING: A final supplementary, Mr. Speaker.

AN HON. MEMBER: Oh, oh.

MR. KING: I know I used the word "final" once before, but I'm picking up bad habits from the opposition.

By extension, Mr. Speaker, is it correct to say that the application to which the minister and I are both referring has not been rejected, but at the present time is being held in abeyance?

MR. ADAIR: Yes, Mr. Speaker. In essence it was returned as incomplete, and therefore has not been rejected or accepted.

MRS. CHICHAK: Supplementary, Mr. Speaker. In accordance with the current regulations, could the minister advise whether it would be necessary to make a change in the regulations in order to enable him to implement the policy as announced by the government?

MR. SPEAKER: Whether the regulations are achieving their object surely is a matter of legal opinion. It would seem to me that when we're discussing the content and intent of regulations, we are not covering a subject which is suited to the question period.

MR. GOGO: Supplementary to the hon. minister, Mr. Speaker, notwithstanding the arguments in the previous supplementaries. Based on the number of applications for Project Co-operation, would the minister term it a success?

MR. SPEAKER: We're still in the realm of opinion. I believe the hon. Member for Stony Plain has a supplementary.

MR. PURDY: Yes, Mr. Speaker, supplementary to the minister. Is the minister considering changing regulations so community associations under a regional recreational board can have more direct access to some of these funds instead of the planning authority not allowing them for four or five years down the road?

MR. ADAIR: Mr. Speaker, that's a different question and throws a much different light on the situation, because it relates to another situation that involves an authority other than this particular august body. I think our regulations are very clear as to what we require. One of the things I think we must impress upon the people of Alberta is the fact that in order to get the funds in the major cultural/recreation facility

program, if they meet that, and that's a case of working together — the various service clubs, organizations, recreation boards, regional recreation boards, and municipal authorities — they in fact can use the funds of that particular program.

An application is not considered complete until all the signatures are in place, in relation to the previous question where there was one missing.

In the particular area the hon. member was speaking of, Mr. Speaker, it was a decision by another municipal authority that they would not, in fact, allow certain groups to tap the program to certain amounts each year. That's something we're looking at.

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

MR. PURDY: Supplementary, Mr. Speaker. Did the minister indicate that some consideration might be given to changing the regulations?

MR. ADAIR: Mr. Speaker, I think I did do just that.

MR. SPEAKER: We have time for a short question and a short answer; a question by the hon. Leader of the Opposition.

Student Teaching

MR. CLARK: My question is to the Minister of Advanced Education and Manpower. I'd like to know the status of present negotiations between the minister's department, the Alberta school trustees, and the ATA on extended practicum.

DR. HOHOL: Mr. Speaker, my colleague and I are pleased to give the information. The negotiations are ongoing and serious, but in doing that I don't want to leave any impression other than the fact that we are negotiating seriously and hard. I would not want to leave an impression about any particular conclusions from those negotiations.

MR. CLARK: Mr. Speaker, I might ask one supplementary question to the minister. In light of the minister's answer, no conclusion has been reached, nothing has been finalized for extended practicum next year for university students, thinking in terms of September.

DR. HOHOL: It's somewhat like collective bargaining, Mr. Speaker. Certain propositions are tentatively, or on an interim basis, agreed to pending agreement on other issues. If we get those, fine. If we don't there would be no agreement.

MISS HUNLEY: Mr. Speaker, because I've had clarification of the question he asked me earlier, could I respond to the hon. Member for Macleod?

MR. SPEAKER: May the hon. minister add a supplementary answer?

HON. MEMBERS: Agreed.

Benefits for Handicapped (continued)

MISS HUNLEY: The question as I now understand it

is: do we attempt to recover social assistance when an individual comes into money or becomes self-supporting? The answer is no, we do not attempt to recover. When a person has duly qualified for social assistance, required the help, and then through some good fortune or through becoming self-sufficient, we do not recover the money that has been given to them in the past.

ORDERS OF THE DAY

MR. YURKO: Mr. Speaker, I rise on a point of personal privilege to request a correction in *Hansard*. On Monday night, March 21, 1977, I spoke in this House on the budget debate and made the following statement:

In my estimation the future stability of the present Canadian federation lies not in economics, but rather in the guaranteed survival of this nation's many cultures and two official languages.

Mr. Speaker, the two words "many cultures" instead of being spelled "many" and "cultures", came out as "mini-cultures". I would like to request, Mr. Speaker, that *Hansard* note this correction and change it accordingly.

MR. SPEAKER: I'm sure there'll be no difficulty in having the change made, which is quite understandable when one is listening to a sound track.

head: GOVERNMENT MOTIONS

3. Moved by Mr. Hyndman:

Be it resolved that the Lieutenant Governor in Council do order that The Temporary Anti-Inflation Measures Act shall continue in force until December 31, 1977.

MR. HYNDMAN: Mr. Speaker, I don't believe there's need for me to elaborate upon the background which led to the passage of The Alberta Temporary Anti-Inflation Measures Act in this Assembly. I think members are familiar with this.

A major reason for the implementation of that act was to check the spiralling inflationary psychology in Alberta and in Canada. I think we can fairly say as of today that inflationary psychology is dampening, and the information contained in the document which I tabled in this House on Monday is useful in order to assist in drawing that conclusion.

I think the fear of inflation is dropping somewhat, but I believe it is still present to some degree in Canada and in Alberta. There's no question that it still poses a threat to Alberta, to the country, to us individually, to our children, and particularly to those who are on fixed incomes such as senior citizens.

Mr. Speaker, I suggest it is a fact that in Canada we are spending more than we produce. Canada is now running the largest foreign debt in the western world. We are, in fact, becoming a high-cost country in terms of world terms. It is a fact that there was a real danger that we as a country would rapidly be pricing ourselves out of world markets. Our average wages for manufacturing in Canada are the highest in the world today. It's also a fact that our manufacturing

trade deficit in this country last year was some \$10 billion, and the average wages of Canadians last year were up 14 per cent — more than double the increase in the United States. I think this has very severe implications in terms of our future markets and productivity.

The Governor of the Bank of Canada, Mr. Gerald Bouey, brought down his annual report two days ago. I think his statement is worthy of review. He said "The root of our employment and trade difficulties lies in the persistence of inflationary practices."

I think it can be said, Mr. Speaker, that controls by themselves don't cure inflation. What they can do is provide us with a pause, a breathing space, an opportunity to consider where we're going to enable us to get back on the economic rails.

The conclusion which I think this province would draw with respect to the present situation regarding inflation in Alberta is summarized in the first paragraph of the document I filed in this House on Monday entitled Economic and Inflation Indicators — Background Information.

The inflation rate in Alberta, as approximated by the consumer price indexes for Edmonton and Calgary, has remained above the national average. However, the Alberta rates are declining concurrently with declines in the national Consumer Price Index. Inflation is expected to moderate in Alberta and in Canada during 1977. The provincial rate of inflation will likely continue to be slightly above the national rate because of the higher level of economic activity in this province.

So I believe, Mr. Speaker, that inflation attitudes are changing. The inflationary psychology is retreating. But there's still a risk. There's a risk that this attitude may be rekindled. There's still a risk that there may be an inflation bubble if controls are very suddenly removed — I suppose, depending on how one views it, almost the risk of possibly an inflation explosion again. Certainly I think there's very real risk of that if the controls were lifted in respect of the public service of this province in eight days, which is the date on which the act expires.

So although we as a government are opposed to the concept of permanent controls on the Alberta and Canadian economy — although we are opposed now as we were in 1975 to a three-year controls program to December 1978, which we think would have the very real risk of dampening and stifling the investment and productivity attitude of this province — we do believe, after consideration of all the factors, that a temporary extension to December 31, 1977, a limited stretch-out for nine months of Alberta's participation in the program, is justified, prudent, and reasonable, and in the Alberta public interest at this time.

Mr. Speaker, I think we as a government are concerned with the effect of the program on investment in Alberta. Has it hurt the investment climate in this province? We could be concerned if it did, or if there were indications that this was happening. However, as the hon. Provincial Treasurer indicated in the budget speech, with 8 per cent of the Canadian population we have in Alberta approximately 15 per cent of all the investment in Canada. So I don't think that fear is present at the moment. However, I can assure the House that the government will closely monitor the situation. And if, over the course of the

next nine months, there appears to be a situation where investment and the investment climate in Alberta are being adversely affected by our participation, we would give serious and immediate consideration to dropping out.

Mr. Speaker, inflation is of course a national problem, not purely an Alberta or a provincial problem. In Canada we don't have four provinces fighting inflation with high inflation rates and six provinces without. It's a situation where we have certainly no low-inflation provincial islands in the country. To a very large extent inflation is a national issue requiring a degree of teamwork and working together as Canadians. Alberta has been prepared to do its part in this way. And we're prepared, for the suggested extension time of the act, to keep involved in the national fight to dampen the inflationary psychology. Although we don't necessarily agree with the way controls were put on or, by any means, with all aspects of their administration, we as Albertans do share a concern as to the national interest in combating the remaining inflationary psychology and the fear of inflation.

Mr. Speaker, I think there may have been, among some, a misconception as to the length of Alberta's involvement in the remaining program up to December 31, 1977. I might say that by passing this resolution we are in no way obligating Alberta to be in a program longer than the federal government. This resolution, if passed, simply provides the basis for an agreement containing options, which we would sign with the federal government. If at any time the national guidelines are revoked by the federal cabinet, either wholly or partly, under the terms of the federal legislation and the agreement Alberta's involvement and participation automatically drops as well.

So there is no possibility of Alberta being involved in this federal program longer than the federal government. I want to clear up that misconception. If, for example, the federal government decides to kill or remove the national guidelines in October, when the federal government does that Alberta is automatically out. If they do it in July, the same thing automatically happens in Alberta, and similarly if they do it in April. So by reason of this resolution and the subsequent agreement, we're following a parallel track.

What are the federal plans in the area of decontrol and postcontrol? Well, the fact now is that we have insufficient information as to, I believe, the people of this country. What we need is specifics now. In response to our request to the federal government, we had hoped we would have them by this time. They're needed very, very soon, because the only way groups in this country can plan ahead — be it individuals, labor, business, or governments — is to have some definitive information on what is planned with respect to post-control, the decontrol date, and decontrol mechanisms. I hope the Minister of Finance, Mr. Macdonald, will give that information in as much detail as possible in the March 31 budget, coming up very shortly.

But I can say that we have four indications, from statements that have been made and from our view of the situation, as to the ways the federal government may be leaning or moving at this time, as of this date. First, as to the decontrol date, it appears they are leaning toward a date between October 14 and

December 31 of this year. It is crucial that this province — in fact all governments and individuals in Canada — have advance notice of that date. To have decontrol dropped on the country like an axe, in the same way control was dropped on without any warning on October 14, 1975, would be unacceptable. Advance notice is required and reasonable.

Secondly, the decontrol method — the federal government has listed a number of options. One of them would be a guillotine approach, whereby suddenly at midnight on a given day, all controls would be off. A second option, which I would suggest they are perhaps favoring at this time, is a phasing out option whereby those unions, collective agreements, and companies that came into the anti-inflation program on varied dates would leave and be phased out in the same fashion they came in — a sort of principle of first in, first out; and last in, last out. That appears to be the way they are leaning.

What that would mean, for example, is that a collective agreement signed on December 31, 1975, was of course not subject to controls between October 14, 1975 and December 31, 1975, because the controls did not affect agreements already in place. The way the federal government appears to be leaning would mean that collective agreement would still be in effect, and would expire on December 31, 1977. This is the way I understand the federal government's reasoning.

Indications the federal government has given are that on this phase-out approach, across Canada approximately 50 per cent of all collective agreements and all companies would be out of the program during the period October 14, 1977, to December 31, 1977, assuming that decontrol started on October 14. Eighty per cent of that group would be out by March 31, 1978, according to federal information.

The third area on which we all need information is the postcontrol situation. There have been suggestions by the federal government of some kind of monitoring agency. We don't know what kind of animal this is going to be like. We don't know whether it will take the place of the AIB, whether the Anti-Inflation Board will be placed on a shelf, or whether it will be abolished. We don't know the powers of this monitoring agency, its make-up, or its composition. More information on that is needed soon.

The last item relates to consultation. The federal government has stated that in the postcontrol era they feel a good deal more in the way of consultation between those groups involved, and hopefully between governments, is necessary.

As members will recall, our Premier suggested to the first ministers' conference in June 1976 that with respect to the budgets of the various provinces and the federal government, it would be very useful if they got together annually and decided on or at least discussed some broad parameters, perhaps with respect to percentage budget increases, borrowing overseas. These could be usefully discussed by the 10 premiers and the Prime Minister with a view to having some coherence with respect to the national economic and monetary policies. We still stand by that view.

So we really don't know what the federal government proposes, Mr. Speaker. That is why we intend to put many options in the agreement we sign with

them. We hope for some clues in the March 31 budget. We suspect that all Canadians will be watching the inflation rate over the next six months, perhaps as a hint of what will happen with respect to federal plans.

As to the agreement upon which this extension, and this resolution if passed, will be based, there will be conditions for the protection of Albertans. We want to keep our options open and maintain maximum flexibility for this province.

What are some of the conditions? First, that farm-gate prices are excluded. In our view this is crucial because if livestock prices increase 20 or 25 per cent it is important that the producer has the benefit of that increase in total, and there is not some ceiling put on by the Anti-Inflation Board.

The second exclusion is of course energy prices. We require those to be outside the anti-inflation control program because people in this province should have and must have a fair return for their depleting resources. As Albertans we've made a contribution to the rest of Confederation of something over \$2 billion, being the difference between Canadian price and the world price. I think no other province in this country since 1867 has made that significant a contribution to Confederation. Therefore, while we're prepared to do that and be Canadians in looking at the national viewpoint, there must be increases, not only tracking the international prices but closing the gap with international prices.

Thirdly, we will establish a condition that there must be consultation as to what the federal government plans. No surprises. We want advance notice. We don't want any federal government initiatives, even regulations or policy announcements, simply dropped on the province.

Fourthly, we know there are quite a number of unknowns with regard to all these things. The federal government in this country has demonstrated a number of times that it's fairly unpredictable. Despite any assurances we might have, we realize that you can never tell what might happen one day with decisions made in Ottawa. Therefore we want to plan so we won't be taken by surprise.

Accordingly, if we see over the next nine months — even if it appears to the federal government or central Canada to be simply a small variation in the anti-inflation program — if in our view this small wrinkle adversely affects Alberta, we require as a condition that the government of Alberta can make a decision that we will leave the program on short notice at any date, for any reason, at Alberta's option.

We have had preliminary discussions with the federal government. We don't expect any snags regarding the signing of an agreement before March 31. We think our conditions are fair and reasonable. If the federal government wishes to be difficult — and we haven't had any indication of that so far — that would be their option. I have some doubts whether the federal government would wish to push Alberta out of the national program of anti-inflation. But that would be their decision, not ours. I don't believe the federal government would deliberately wish to force a key province out of the program. As I say, at the moment we have no indications other than co-operation from them. But I'm sure all parties are aware of that situation. By the way, Mr. Speaker, when the agreement is signed and endorsed by or-

ders in council, both federal and provincial, I will table it in the Assembly.

In conclusion, Mr. Speaker, I submit to hon. members that the wise course of action for the Assembly at this time is to support this resolution for a limited temporary extension of the Alberta Temporary Anti-Inflation Measures Act. It will continue for a short time the further dampening of the inflationary psychology in Alberta and Canada, which I suggest is still present. It will continue to foster that shift in attitudes which is necessary to avoid a renewed inflation bubble, a rekindling of that inflation psychology. And it will do all this, providing maximum protection for Alberta, maintaining the choices and freedom of action for our citizens, and doing our part as Canadians in a national effort to strengthen our country's economy in the years ahead.

MR. SPEAKER: Order, please. It would appear there may be some fairly serious difficulty with respect to Motion No. 3. Just as the Assembly is careful and takes steps to safeguard its rights, as do the individual members of the Assembly and the Speaker, so also the rights of the Crown are entitled to the respect which they have traditionally had under our system of self-government.

It would appear to me that possibly the text of the motion might be reconsidered, inasmuch as it purports to be an order to His Honour the Lieutenant Governor in Council. I realize that may possibly arise out of the wording of the statute, but I would respectfully suggest to hon. members that perhaps the resolution might be phrased in the form of a recommendation to His Honour.

MR. HYNDMAN: Mr. Speaker, speaking to the point of order, I think we should continue the debate. I'm sure this matter can be cleared up within the next hour by a small amendment.

MR. R. SPEAKER: Mr. Speaker, proceeding with the debate. On behalf of our members I would agree that that would be a very reasonable approach to deal with the matter and clarify it.

First of all, I'd like to say that as members of the opposition we support the proposal before us. We feel the inflationary psychology which has been before us in the last few months and years has certainly changed to some extent, but at this point in time it has not been totally dealt with. We can recognize that labor unions are gearing up to deal with the problems of wages relative to costs of living. We can recognize that businesses are contemplating action with regard to prices at the present time. The matter has not been settled in the general public discussion that is going on with regard to inflation.

I'm not convinced though that governments have taken actions that are bringing about the control of inflation and really haven't taken action since the announced date of October 13, 1975.

It would seem to me three factors led to the current situation: first of all, excessive growth in the money supply; secondly, deficits at all levels of government, but particularly at the federal level where the federal government has not had budgeting surpluses since 1969; and thirdly, an excess level of government spending as a proportion of spending in our economy.

I feel actions that could have been undertaken cer-

tainly should have been undertaken by the provincial government. First of all, I can recall my remarks in earlier debate when I urged the provincial government to urge the federal government to restrict the growth of money supply in Canada through the Bank of Canada. If we recognize that during the years 1971-75, the growth of money supply averaged around 15 per cent, many economists agree it would be wise to gradually ease the level of growth to a point around 7 per cent. We have not reached that growth rate at the present time, nor have we dealt with that particular problem.

Secondly, as a provincial government we should have made some impression upon them to rectify their deficit-spending habits. We can recognize that the deficits in the federal field are covered by borrowing. Interest rates have risen. Certainly this has led to the continuation of the inflationary situation in Canada at the present time.

I think a third action that should have been taken was to reduce the growth in the budgets of the various governments. We find that 40 per cent of our gross national product is represented by government spending at the present time. This hasn't been dealt with. I feel there are situations such as this that we just haven't dealt with. We feel the government here hasn't dealt with those problems completely. They've indicated in their own budget that they'll bring about a level of restraint. We find the level of restraint is often at the local government level rather than completely at the provincial government level. Really, has that dealt with the question of inflation? On that basis, Mr. Speaker, we feel the proposal before us can be supported so we can deal with the problem during the next few months of 1977.

Along with our concern in that area, I believe we have an equal and greater concern with regard to the rental costs and the rental situation in Alberta. After a few further remarks, I intend to introduce an amendment to the motion before us indicating that we wish to keep rent controls until December 31, 1977. We feel that that type of proposal goes hand in hand with the proposal before us. We feel if wage and price controls are to be kept on for at least the remainder of 1977, it is essential that rent controls be retained as well, in all fairness to the citizens of Alberta. We are not committed to rent controls on any permanent basis, but given present circumstances we strongly advocate keeping them on temporarily. We feel that bringing about an amendment at this time in the context in which the issue of rent controls can be decided is very important.

We can all recognize that the vacancy rate in Edmonton and Calgary, for all practical purposes at the present time, is zero. A good case can be made for keeping rent controls on until this situation changes, regardless of the status of wage and price controls. At any rate most renters, even under the controls, have been faced with increases of 20 per cent over the last 18 months, which is an effective rate of 13 per cent per year. Since this is well above the current rate of inflation, and in fact higher than our inflation rate has ever been, we would like to have some indication of the government's policy with regard to this matter as soon as possible.

At the end of June the current rent control legislation runs out. That means the three-month notice landlords are required to give tenants begins on April

1. Consequently, we would like and expect from government, from the Minister of Consumer and Corporate Affairs, a full statement before that time; otherwise landlords would be fully justified in giving notice of whatever rent increases they like as of April 1, effective July 1. This would leave the government only two alternatives, both undesirable. One would be simply to allow the rent control program to lapse. The other would be to introduce or enact retroactive legislation, something we feel would be very, very questionable at this point in time. We feel strongly that if the government does not make some move before the end of this month, it will be placing both landlords and tenants in a very difficult and uncertain situation.

The major reasons we feel rent controls should be extended have already been referred to in my remarks. I would like to expand on those particular statements. Probably the most important is the local and specific problem facing Calgarians and Edmontonians. Two things should change before rent controls can be removed. First, the government should introduce tenants' right legislation along the lines suggested in the recent report of the Institute of Law Research and Reform. Such legislation is intended to protect and clarify the rights of both tenants and landlords. As pointed out in an editorial in *The Albertan* of February 18:

... the report is thoughtful, well-researched and timely. The Institute has stated the obvious.

Now it is up to the government to act upon it.

In a *Journal* editorial of February 19, we find the comment:

The provincial government will be heading in the right direction by accepting the Institute of Law Research and Reform's advice on upgrading landlord and tenant legislation.

That's the first thing.

The second thing that must change before rent controls are removed is that the rental vacancy rate in both Calgary and Edmonton must approach a reasonable level. Otherwise, the situation is sure to worsen rather than improve. In an article of *The Albertan* of January 11, we find the comment:

... the real key to tenant security is an adequate supply of rental accommodation. With that, tenants automatically are more secure, because they have choices. They have no choices now. It is a seller's market, pockmarked with abuse

We urge at this point in time that government members listen to people across the province who are calling for action on these particular problems. We ask the government to make sure that such action is taken before the rent control period lapses on April 1. It is becoming increasingly clear that we are not getting that type of action. In our questioning in the House, and we've raised the matter over and over again, the minister keeps telling us sometime in April we will receive a decision. We feel that is not the proper time. We've had no explanation of that particular point of view and certainly would like to hear at this point in time. On that basis we felt it was important to bring the matter of rent control before the Legislature at this time so the government could make a decision or advise us why they have to wait until April, why they have to wait until a very inconvenient time to make a decision on this matter.

Most likely, in response to this particular matter, government members will argue that now is not the time to make such a decision. We feel that now is the time this government should make the decision. We also hope that government members do not argue that keeping rent controls would hinder the development of rental accommodation. This has not been the case so far. Building permits for rental units are up. In another year we may logically be able to remove rent controls and, at the same time, wage and price controls.

Mr. Speaker, the end of this month is drawing near. After the end of the month, landlords will be legally justified in giving tenants notice of rent increases. Does the government expect that landlords will restrain themselves from taking advantage of such a situation? Even if tenants are not slapped with massive increases immediately, does this government seriously believe that six months down the road the rents will not be rising significantly and possibly even dramatically?

Mr. Speaker, on that basis I feel I can request support of an amendment to the resolution before us at the present time. After the words "December 31, 1977", I would like to add:

and that the government of Alberta introduce legislation to provide for the extension of The Temporary Rent Regulation Measures Act until December 31, 1977, such legislation to be introduced by March 31, 1977.

MR. NOTLEY: Mr. Speaker, in addressing . . .

MR. SPEAKER: Possibly we'd better deal with this amendment. I haven't seen a copy of it. Then we can determine whether . . .

MR. NOTLEY: I want to speak to the amendment.

MR. SPEAKER: I think we will first have to determine whether it's in order.

Possibly we should consider that amendment in light of a proposal I was going to respectfully make to hon. members concerning the resolution itself. The text appears perhaps not to have gotten sufficient scrutiny in the Speaker's office or by the table staff. The difficulty which I had mentioned a few moments ago, as the hon. Government House Leader concluded his contribution to the debate, could perhaps be resolved by inserting these words, if hon. members would like to look at the text of the resolution:

Be it resolved that the Assembly respectfully recommend that the Lieutenant Governor in Council do order . . .

et cetera. If the Assembly would agree to that change, it could be made. The resolution, I think, would then be in order and the debate of course just as valid as if the resolution had been in order in the first place. The amended text would then of course appear in Votes and Proceedings for today. Does the Assembly agree unanimously that this change might be made in the text of the resolution?

HON. MEMBERS: Agreed.

MR. NOTLEY: Mr. Speaker, where do things stand now on the point of order with respect to the amendment?

MR. SPEAKER: There's some question in my mind. Possibly hon. members would like to consider the amendment. At the present time, the resolution is one that is directed to His Honour the Lieutenant Governor in Council. There may be some question as to whether such a resolution should have tacked onto it a recommendation to the government. I would say also that the amendment might be in some difficulty in that it purports to be an order to the government rather than in the form of a recommendation, which I think would be the ordinary way of phrasing such a resolution.

MR. TAYLOR: Mr. Speaker, could we have a copy of the amendment?

MR. SPEAKER: There are a number of copies around, and I'm sure we can get one for any hon. member who wishes to check it.

MR. HYNDMAN: On the point of order, Mr. Speaker, Section 42(3) of the act, insofar as Resolution No. 3 was drafted by the Legislative Counsel pursuant to the act, says:

This Act expires on March 31, 1977 unless, before that date, the Lieutenant Governor in Council, pursuant to a resolution of the Legislative Assembly, makes an order to the effect that this Act shall continue in force for such additional period of time as may be set out in the resolution.

MR. SPEAKER: Are there any other views among hon. members concerning the point of order?

MR. NOTLEY: Mr. Speaker, with respect perhaps we could follow the same procedure. Is it not possible that this could be changed to accommodate the resolution? Perhaps, with respect to the amendment, we could use the same procedure we just used with respect to the resolution. It would allow us to discuss basically the point behind the amendment. Then there will be appropriate wording before we come to a vote.

MR. CLARK: Mr. Speaker, speaking to the point of order, I would draw to your attention, sir, and to the attention of members of the Assembly, that the amendment was drawn up in accordance with the motion on the Order Paper. When the amendment was drawn up, little did we expect the amendment we just unanimously agreed on. Mr. Speaker, if it's your opinion that some similar change should be made in the amendment, certainly we would welcome your suggestions. But I would point out that we drafted the amendment in keeping with the motion on the Order Paper.

MR. TAYLOR: Mr. Speaker, on the point of order, it appears to me that the amendment is in order in that it does not change the resolution but simply adds a clause. The Lieutenant Governor in Council is the government, so it's that the government of Alberta introduce legislation. If the resolution passes, then of course it is an order to the government. I was wondering if the part that is objectionable is that the Legislature recommends that the government of Al-

berta introduce legislation. That, in my view, would make it an order.

MR. SPEAKER: Would the Assembly and, of course, the mover of the amendment then agree that the amendment might be rephrased to read, "... and that the Assembly recommend that the government of Alberta introduce legislation", et cetera? Do hon. members unanimously agree to that change?

HON. MEMBERS: Agreed.

MR. SPEAKER: Then in both instances it will be so ordered.

MR. NOTLEY: Mr. Speaker, proceeding with the new amendment to the amended motion that we have before us. I intend to get back to the main resolution when this amendment is either passed or rejected, so I don't intend to get into the basic thrust of my comments on the wage and price controls program. But I would make several points in dealing with the question of the amendment.

First of all there's no doubt in my mind that as members of the Assembly we should by now have some indication of what the government proposes to do on rent controls. Bearing in mind the present legislation, which allows three months' notice, if a decision is not made until perhaps the middle of April, as was reported in the press — and it's unfortunate we have to obtain our information from press reports when specific questions have been posed in the House. But in any event, in view of the fact that a decision may not be made until the middle of April, what ...

MR. HARLE: On a point of order, Mr. Speaker. It's too bad the Assembly doesn't stretch beyond the walls of this room, but the hon. member is well aware of the rules of the House and rules in the question period. If he is in the unfortunate position that he happens to be a MLA and not a member of the press gallery, who is able to ask questions that go beyond those raised in the question period, surely that's a matter that can be raised. But to indicate that somehow or other I'm not giving information when he raises that matter in the House, the implication really is that the rules can't give him the information he wants. [interjections]

MR. NOTLEY: Mr. Speaker, is that a point of order?

MR. SPEAKER: As hon. members well know, during the Oral Question Period it is not open to hon. members to debate the nature or lack of answers of hon. ministers, although they can certainly raise points of order on the content of those answers. It would seem to me that, without wanting to create a precedent in that regard, to attack a minister somewhat obliquely in the course of debate because of something he has done during the Oral Question Period might run contrary to the same principle. Perhaps it's a matter that might be dealt with directly by a resolution of some kind. However, as I say, this is without any intention of creating any precedent.

MR. NOTLEY: Mr. Speaker, on the point of order, if I may. It seems to me that first of all, if the minister feels there is some sort of oblique attack on him he

may be a trifle sensitive, and I don't blame him for that. But the debate on a resolution like this is clearly an opportunity for members to express their opinions.

Mr. Speaker, my opinion is simply this. It is unfortunate this information was made available outside the House when in my opinion it could have been made available inside the House ...

AN HON. MEMBER: Where it should have been.

MR. NOTLEY: ... within the constraints of the rules we all recognize.

MR. SPEAKER: With regard to that matter as a point of order, I would have to say the hon. Member for Spirit River-Fairview is completely in order.

MR. NOTLEY: Mr. Speaker, proceeding then with the issue. It seems to me the first concern we have to express is that at this stage we do not have any definitive position by this government on the future of rent controls in Alberta. That's a matter of some concern to renters throughout Alberta at this point in time, Mr. Speaker, because if a decision is not made until the middle of April, what happens after the end of June? What happens on July 1? Are we going to extend that three-month period? Will it be part of the legislation? That's the sort of thing tenants, and for that matter landlords, are asking.

Mr. Speaker, in my view the thrust of this amendment, which is to attempt to get some sort of statement on the future rent controls, is with a good deal of merit, worth supporting. However, I would express several concerns about the amendment.

The first concern is [the] attempt to tie rent controls and the anti-inflation program in one bundle. In my judgment, Mr. Speaker, that is not something that can be done accurately. People have been pushing for rent controls in this province long before there was any suggestion of the anti-inflation program. As a matter of fact one of the leading members of city council, Mr. Hayter, has been proposing one resolution after another on rent controls for the last two or three years.

Now as I see it, the question of rent control relates to the vacancy rate in apartment or rental accommodation in the province of Alberta. If there is a high no-vacancy rate, the argument for rent control is not as strong. But if you have the situation which exists in Edmonton and Calgary — in Calgary where we have less than one per cent no-vacancy, and in the city of Edmonton where the CMHC statistics last November indicated zero no-vacancy rate — then to let rent controls expire as soon as wage and price controls expire would, in my judgment, throw rents into an unbelievable spiral.

The separation must be understood. The argument for rent control is based on whether you have sufficient accommodation to make the market place work. If you don't, it would be just as unwise to remove rent controls on December 31 as it would be on June 30. It may well be we have to continue rent controls for one, two, or three years ...

MR. DONNELLY: No way.

MR. NOTLEY: ... until such time as there is a sufficient no-vacancy rate so the market place can effec-

tively work. In my judgment, Mr. Speaker, there has to be a very clear separation of the two concepts.

But in view of the fact there is widespread concern and that as of the end of this month we are facing a three-month period where people under present legislation passed by this Legislature have the right to protest or make other arrangements, it seems to me it is only reasonable we should have a statement from the government on what they propose to do about the future rent controls, and that it not be delayed until on into the month of April.

For the reason that this resolution is attempting to say let's have a statement on rent controls, I am sympathetic to it. But to the extent that it lumps together two things that in my view have to be handled differently, and on the basis of the facts in both cases, I don't think you can lump rent controls together with the AIB. Maybe the AIB could be thrown out tomorrow and rent controls should continue for another six months, or another year and a half, or whatever the case may be until as I mentioned before, we have a sufficient no-vacancy rate to make the market place work.

But at this stage of the game, until I see some statistics — and even the other day when the question was raised in the Legislature about the no-vacancy rate in the smaller centres, the hon. Minister of Housing and Public Works, I believe it was, indicated that in some centres there was a reasonable no-vacancy rate. Fair ball. I'm not arguing that point. But I also know of other centres, and the minister admitted that too in his statement, where you have a virtual no-vacancy rate or a no-vacancy rate. It would be equally foolish to remove the rent regulation act at this time.

MR. TAYLOR: Mr. Speaker, I would like to speak on the amendment too. I support the amendment, but not for the same reason as the hon. Member for Spirit River-Fairview. I haven't been particularly worried because we haven't had a statement from the government on rent control up to this point. We still have eight days in this month and I've felt confident, rightly or wrongly, the government would be giving a statement in time to fit in to The Landlord and Tenant Act. I still think the government will.

My reason for supporting the amendment is that if we are going to continue the anti-inflationary guides, in my view that's a very strong reason to continue some type of rental control. After all, the person who has a lot of money — whether he has an apartment, a home, or whether he is renting or owning — isn't too worried about whether this is controlled or continued. But the wage earner, and I'm not saying the poor but the wage earner, which is probably half or four-fifths of our population — it may be more — depends on that wage to pay his rent, to look after his food and clothing. If wages are controlled and rent is not, dealing specifically with the amendment, it puts the worker in a very untenable position. He just can't pay increased rent if he can't get increased wages. It's that simple in regard to the matter of rent control. If we're going to control food and clothing prices, then certainly shelter should also come under the same or very similar guidelines.

I would like to mention one other point in regard to rent control. It's been indicated by some hon. members of the Legislature that the problem is largely in

Edmonton and Calgary, and possibly that is so. But the wage earner in smaller places in this province has the same problem as the wage earner in the larger centres in meeting rents. Rent takes a big chunk out of weekly, monthly, biweekly, or bimonthly salary. Many of them just don't know what they'll do if rent goes up at this time. If we're going to continue to control wages, as under the main resolution, in my view we should continue to keep some top on rents in order to be fair to the people we're trying to help the most.

I want to say a word or two on the motion later, but I do support the amendment as introduced.

DR. WALKER: Mr. Speaker, I would like to say on the amendment that I supported The Temporary Rent Regulation Measures Act a year ago only because it was legislation that would self-destruct. This was built into the act. This amendment is trying to keep alive something that should be blowing its head off in another month or two, and for that reason, for the first time in a long time, I agree with the hon. Member for Spirit River-Fairview that these two things should not be tied together. If they're going to be done, keep them separate.

MR. HARLE: Mr. Speaker, I would urge hon. members to defeat the amendment. The government has already announced that in fact the decision will be reached during April and will be announced in the House at that time.

To imply that this should be unduly speeded up to the point of actually having the Assembly recommend to the government that The Temporary Rent Regulation Measures Act be extended is in fact a decision the government itself has not arrived at.

I would submit to hon. members, Mr. Speaker, that a decision in April will be in sufficient time for landlords and tenants to know the legislation, if any is in fact introduced in this House, well before the present Temporary Rent Regulation Measures Act loses its effectiveness on June 30, 1977. I might say that landlords have in fact been giving notices for several weeks now and can give notices up to March 31, which can be effective on July 1, 1977. Many of those notices are already out.

I think what intentions landlords are in fact telegraphing by those notices would be of interest to members. Certainly it is a factor which I have no doubt many members in this Assembly will bear in mind when we come to hear the announcement when the government has reached its decision, if and when legislation is presented in the Assembly.

On those grounds, Mr. Speaker, I would urge hon. members to defeat the amendment: primarily, because the government has not reached a decision on whether to extend that act; secondly, because landlords have already given notices; thirdly, I think it's important if a bill is presented, and an announcement is made, that there be a fair amount of detail included in the announcement and certainly in the bill, which would tell Albertans what is to be done if that legislation is extended.

It would seem to me that a rushed decision by members of this Assembly in a matter of relatively few minutes from the time of introduction of this amendment would not be in the best interests of all Albertans.

DR. BUCK: I would just like to address a word or two to the amendment, Mr. Speaker. After hearing the hon. minister make his address, there are one or two things that bother me. The people of this province really should know exactly what the government is going to do. Surely the minister has been studying the problem long enough that he should at this time be able to give us some direction as to what is going to happen as far as rent regulations go. Mr. Speaker, the amendment had to be placed because we have not had that forthcoming.

Mr. Speaker, we could go on at great lengths about the pros and cons of rent regulation and so on, but I think that's been thrashed out quite adequately. I would like to say to the hon. minister that because there seems to be so much vacillation we just don't seem to know — and the minister cannot indicate to us or the Legislature — what is happening. Landlords are not sure. Tenants are not sure. Surely, Mr. Speaker, the minister of the Crown should be able to give some indication to the people of this province as to what is going on.

So, Mr. Speaker, I urge the members of the Assembly to support the amendment.

[Mr. Speaker declared the motion lost. Several members rose calling for a division. The division bell was rung]

[Three minutes having elapsed, the House divided]

For the motion:

Buck	Mandeville	R. Speaker
Clark	Notley	Taylor

Against the motion:

Adair	Harle	Moore
Appleby	Hohol	Planche
Backus	Horner	Purdy
Batiuk	Horsman	Russell
Bogle	Hunley	Schmidt
Bradley	Hyland	Shaben
Chichak	Hyndman	Stewart
Cookson	Jamison	Stromberg
Crawford	Johnston	Thompson
Diachuk	King	Topolnisky
Doan	Koziak	Trynchy
Donnelly	Kroeger	Walker
Dowling	Kushner	Warrack
Farran	Leitch	Webber
Fluker	Lysons	Wolstenholme
Foster	McCrae	Young
Getty	McCrimmon	Yurko
Gogo	Miller	Zander
Hansen		

Totals:	Ayes - 6	Noes - 55
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MR. NOTLEY: Mr. Speaker, before we proceed with the question on the vote, I'd like to make a few comments on the main resolution itself.

DR. BUCK: Don't leave, guys.

MR. NOTLEY: Mr. Speaker, in looking at the resolution before the Assembly this afternoon, I have a number of questions in my mind. First, who has paid the price for our so-called wage and price control

program in Canada? It seems to me, Mr. Speaker, that really three groups have paid the price. Obviously, working Canadians whose wages have been controlled and whose prices have not been effectively controlled have paid a price.

I think another group we often overlook in examining this question is the people who have been affected in one way or another by various restraint policies. When the announcement was made of our latest fight against inflation, various governments were stampeded into restraint policies which came down heavily on the expansion at least of social service programs. As a consequence, whether it's single-parent mothers who find they have to wait a little longer for day care, or senior citizens who see that improved living conditions are delayed a little longer, or the handicapped who cannot look forward to a guaranteed income because of the restraint program: all these groups — and not just in this province but right across the country, Mr. Speaker — have been affected adversely, I would submit, by our current effort to fight inflation.

Mr. Speaker, when one looks at some of the statistics and data, another group has not been directly affected, but it has been indirectly affected. The farmers of this country are the people primarily responsible for the fact that the so-called wage and price control program can have any credibility at all. When one looks at the facts, in the first year of wage and price controls, food prices were .7 per cent lower than the year before. In other words, during the first year food prices actually declined. If one takes the food prices out of the equation, rather than the 7.5 per cent increase cited by the proponents of wage and price controls, we would have an increase of about 9.4 per cent, Mr. Speaker. Obviously farmers weren't directly affected by wage and price controls because they were exempted. But the fact of the matter is that it is largely due to the sacrifice prices, particularly in the livestock industry, that the present program has any credibility at all. I want to underline that point.

Mr. Speaker, the second question I would put before the Assembly is: have wage and price controls actually been responsible for lowering the rate of inflation? It seems to me we have to look at what has happened in other countries. In 1975 the inflation rate for the United States, Japan, Germany, Italy, and France was 10.5 per cent. The inflation rate in Canada that year was 10.8 per cent. In 1976 the inflation rate for these countries I mentioned declined to 7.5 per cent, as did the inflation rate in Canada. In other words, the decline was virtually the same.

Mr. Speaker, if that is true and this data is accurate, one really has to ask oneself the question: were the wage and price policies adopted by the federal government in the fall of 1975 really responsible for moderating inflation in this country? Because, Mr. Speaker, when the inflation rate has been moderated by about the same average percentage in countries that didn't have wage and price controls, it is very difficult in studying the data to come to any conclusion that wage and price controls have in fact contributed at all to moderating the inflation rate.

The third question I would put before members of the Assembly is: what is the scope of this resolution? I think we have to be very clear in our minds that what we're dealing with provincially is those public

servants employed either directly by the province of Alberta, or by agencies, local governments, school boards, or hospital boards within the province. In no way will this particular resolution have any impact on people employed in the private sector. Because of the provisions of the federal program, we have a situation now where some people in the private sector have their wages controlled and some don't. But we are dealing with the public sector, not the private sector.

That being the case, Mr. Speaker, I think it behooves us to look a little more carefully at just what has happened as far as wages and remuneration in the public sector are concerned. It's my understanding from talking with officials of the Alberta Union of Public Employees that the increase last year in the 12 divisions of the Alberta public service was 7.89 per cent, compared to a 12.9 per cent overall increase in average wages and salaries in the province of Alberta. Mr. Speaker, that's a difference of 5 per cent. And we have to keep in mind that that 12.9 per cent overall average will include a number of people whose wages are not controlled by the federal program at all.

Mr. Speaker, when one looks at data from the last number of years, between 1968 and mid-1975 public service settlements fell 10.8 per cent behind private sector settlements. So we have to bear in mind that, number one, public service settlements historically have lagged behind private sector settlements and, number two, in the last year the settlements for the AUPE have lagged significantly behind the settlements in the private sector. So, Mr. Speaker, in this resolution we are dealing with public servants. We should be very careful, however inadvertently, not to make public servants the scapegoats in fighting inflation.

The next question I would put to members, Mr. Speaker, is: how successful has the AIB been in actually controlling prices? At the time the so-called price control features were developed I said that what we had in Canada among those workers covered were very real wage controls but only hypothetical price controls. The method of monitoring prices in this country under the AIB was clumsy and inefficient. The roll-back provisions were, at best, spasmodically applied. In the case of several insurance companies that had profits beyond the provisions, the AIB didn't even force them to roll back the prices in the current year. They could try to adjust that in the following year.

Mr. Speaker, there has been a very uneven hand in applying wage and price controls in this country. This is the point the labor movement is making, and it's a valid point. They're saying, look, if we're going to be caught in an incomes policy, we want an incomes policy that catches everybody and doesn't apply differing standards. In a few moments I'm going into some of the rather horrendous examples that have been brought to my attention in the way in which our so-called Anti-Inflation Board has operated.

But let's look at some of the prices which are obvious. Shelter prices are away up. When one looks at the MLS listings, between December 1975 and December 1976, home prices in our city of Edmonton have increased by 30.5 per cent. That's far beyond the wage increases in that particular year. We've just seen that in a year and a half, even under the provincial rent control program, if you compound

the percentages we're looking at — as the Member for Little Bow quite properly pointed out — 20 per cent, or 19.9 per cent to be exact. We see the increase in utility prices. Every time one turns around, the Public Utilities Board is reviewing yet another application for increased utility prices.

Profits have increased. Certainly, in fairness, some profits have not gone up. But some have. For example, in the area of land development, between 1975 and 1976 The Cadillac Fairview Corporation Limited, one of the major land development firms in eastern Canada, had an increase in profits of 64.5 per cent. In the first nine months of 1976 Carma Developers Ltd. had a profit increase of 145 per cent, Nu-West Development Corporation Ltd. an increase of 55.1 per cent, and Daon Development Corporation an increase of 30.4 per cent. Marathon Realty Co. Ltd., good old CPR's real estate company, had a modest increase of only 36.9 per cent. Mr. Speaker, one looks at some of the trust companies. City Savings & Trust Company had an increase of 67.1 per cent. When one looks at the utility companies, for the first nine months of 1976 Calgary Power Ltd.'s profits are up 41.6 per cent over the same period in 1975. Canadian Utilities Limited — that corporation euphemistically called Canadian Utilities but actually controlled by IU International Corporation — is up from \$15,479,000 to \$22,201,000, or an increase of 43.4 per cent.

I won't go on, Mr. Speaker, but let's just look at one more example before I finalize my comments with respect to corporate profits. I mentioned that the price of food had gone down. It has. It has gone down because we know what's happened at the farm gate. But let's look at Burns Foods Limited, for example: for nine months of 1976, a profit increase over 1975 of 79.4 per cent. Small wonder then, Mr. Speaker, that quite frankly many people in the trade union movement are saying, look, this isn't working, Mr. Trudeau. You know, Mr. Stanfield talked about wage and price controls being rough justice when they were announced in the fall of 1975. But the justice in this case is a little rougher than many people contemplated even then.

Mr. Speaker, I want to put several other questions before the Assembly before I close. What has been the impact of the program on disadvantaged groups trying to catch up in the wage structure, particularly with reference to working women within the wage force? Well we all know the views of people like Grace Hartman, the national president of CUPE, on the impact on women. We even know the views of June Menzies on the impact this particular program has had on salaries, remuneration, and benefits for women in the wage force. Because we apply strict percentage guidelines, there just hasn't been that opportunity to catch up. There hasn't been that opportunity to move toward more equality.

The other day in the House the Provincial Treasurer got up with a great flourish and talked about the three or four extra civil servants we've hired this year to encourage women to apply for senior civil service posts in the government. That's very laudable. No one would deny the importance of that move. But the fact of the matter is that throughout the economy women who want parity with men find they are caught in the guidelines and, instead of moving toward equality, in fact that desirable goal has been

set back.

Mr. Speaker, I'm sorry I was out for the first few minutes the hon. Government House Leader, the Minister of Federal and Intergovernmental Affairs, spoke. He may have mentioned this particular point. But the other day in the question period I raised the question pertaining to what happens after year two.

Members will recall that when wage and price controls were announced, year one was from February 14, 1975, through February 14, 1976; year two would be the same period of time; and year three would begin on October 14, 1977. The problem this poses for collective bargaining is that members should recall that the basic protection factor, the component of wage and price controls, was 8 per cent for the first year, 6 per cent for the second year, and 4 per cent for the third year. There could be a plus or minus on productivity on top of that.

Now, Mr. Speaker, 8 per cent, 6 per cent, 4 per cent. If we extend this program beyond October 14, 1976, until the end of the year, we are moving two and a half months into year three. We are moving into a year when the basic protection factor offered by the guidelines is only 4 per cent. Now, Mr. Speaker, I can't imagine the luck of the government of Alberta in encouraging anybody who has the right to negotiate in the public sector to sign an agreement if they're going to be caught by this 4 per cent protection factor. Not at all. What I suggest could well happen is that we will see the whole collective bargaining process thrown into chaos for, at the very least, that period of two and a half months, and perhaps even longer.

I suppose one could argue the position taken by the government of Saskatchewan. I think that pulling out of wage and price controls is a move we should make right away. But quite apart from that, if one were going to continue in the program, at least the position taken by the government of Saskatchewan wouldn't get us caught in year three of the program. We'd be out of it by September 30.

In my judgment, Mr. Speaker, getting into year three, where you have that basic 4 per cent, is just not something you can sell to anybody, whether it be CUPE workers in a Lethbridge hospital, teamsters driving schools buses for the Spirit River school division, or people in the Alberta Union of Public Employees doing stenographic work in our offices in the capital city.

Mr. Speaker, another question I think equally important is: how have Albertans been affected by the rollbacks? One of the interesting things that has occurred in collective bargaining as a result of our wage and price controls is a new feature called the rollback. The employer and the employees through their unions sit down and negotiate an agreement. They arrive at a collective agreement. However, along comes the AIB and they decide [whether] that agreement will be accepted and is consistent. You know, the AIB doesn't make these decisions overnight. It's not something where you refer an agreement to Ottawa and the decision comes back the next day. Sometimes it takes some considerable time.

Let me just give you the specific example of the outside workers in Fort McMurray. Mr. Speaker, every member in this House knows if you're going to get people to work in Fort McMurray, you have to pay wages that are quite a bit higher than elsewhere in the province. You're going to have to pay wages

which can at least compete with the wages outside workers could draw in laboring jobs on the Syncrude site. I'm sure most of us would recognize that. Well, what happened? The outside workers negotiated through their union. There was a strike. After three weeks an agreement permitting an 11.95 per cent increase was concluded between the new town of Fort McMurray and CUPE. That agreement was effective January 1, 1976.

Because it was a collective agreement, the town of Fort McMurray in good faith began paying the workers. The AIB didn't get around to ruling on it until the early part of 1977 — more than a year later. In Ottawa they decided in their wisdom that 11.95 per cent was too high even though that was the only way the new town of Fort McMurray could possibly get workers.

DR. WARRACK: Agreed.

MR. NOTLEY: I see that the Minister of Utilities and Telephones says, agreed. That shows he doesn't know the situation in Fort McMurray, and that's not surprising. [Interjections] In any event, Mr. Speaker, the AIB rolled the increase back to 8 per cent. That has meant that each employee who obtained that money during 1976 has to repay \$470 out of his income, approximately \$40 a month during the present year.

People are saying, tsk, tsk. Mr. Speaker, the problem is that people do not continue to work under those circumstances. There is an 81 per cent attrition rate among the outside workers in the new town of Fort McMurray. The people who are most concerned about it are the board members of the new town, who went down to the AIB with the union to make representation because they know perfectly well that if they are going to keep people on jobs they have to pay comparable wages. This is one of the problems caused by the AIB and the fumbling that has worked.

Here's another case: caretakers at Bonnyville earning \$620 negotiated an \$80 per month raise, rolled back to \$50. A woman working for the town of Jasper paying \$360 a month for rent negotiated an 11 per cent increase. She now earns \$630 a month, but that was rolled back to an 8 per cent increase.

Mr. Speaker, there is just no question about it. The way rollbacks have been handled has created chaos in the collective bargaining process.

What about the question of productivity? Throughout this session we have heard comments from various people about the need to increase productivity. This was also in the budget speech and the Speech from the Throne. Mr. Speaker, looking carefully at the statistics from Statistics Canada, one sees that Canadian output per worker in 1970 was 87.2 per cent of U.S. output. In other words, there was about a 13 per cent difference per unit of output. But in 1975 Canadian output had climbed to 95.3 per cent. In other words it had moved up very significantly in that period of time. Looking at the manufacturing industry since 1971, manufacturing profits per unit of output increased 91 per cent, but labor costs increased by only 38 per cent.

Mr. Speaker, to put it in context, I believe this means working people are getting a bum rap when it comes to the blame for inflation. First of all, I don't

believe evidence indicates the AIB has had the slightest impact on inflation, because we've had the same decline in inflation in countries that didn't have wage and price controls. Secondly, I would submit that the major reason the AIB program has even some credibility is the rock-bottom farm gate prices farmers have been receiving.

I certainly do agree with the government on this score: any continued participation in the program should be based on exempting farm gate prices from the clutches of the federal Anti-Inflation Board. But, Mr. Speaker, when one looks at the predictions of the agricultural marketing intelligence group this year — I hope prices will rise, but the indications are not there when one looks at the opinions of the experts. Nevertheless, I concur with exempting agricultural farm gate prices from the controls.

Mr. Speaker, the issue we have to debate today is how in fact we decontrol. There is no doubt in my mind as a result of the meeting yesterday between top corporate leaders, the CLC, and the federal government, that the Ottawa Liberal government will abandon wage and price controls as soon as they can get out and not lose too much political face. I suspect the decontrol process has in it at this stage as much political face saving as serious economic merit.

Mr. Speaker, that being the case, we have to ask ourselves whether we should extend Alberta's participation as it applies to public servants or servants of other levels of government in Alberta when (a) historically their wage settlements have lagged behind the private sector, and (b) in the case of the AUPE, the settlement last year was 5 per cent below settlements in the private sector — and they don't have the right to strike anyway. I really seriously ask members of the Legislature why in heaven's name we should continue in this program under these circumstances? What possible merit is there in continuing in a program that has so little to recommend it, that is creating the kind of problem the new town of Fort McMurray is facing today, that has potential for creating unbelievable chaos in our collective bargaining system, strikes in our public sector when we don't need them? It seems to me, Mr. Speaker, that by extending the program as far as Alberta is concerned, all we're really doing is delaying a difficult decision.

The Minister of Federal and Intergovernmental Affairs is a very persuasive and articulate spokesman for the government, but no one can argue effectively that decontrol will be easy. There are going to be problems. One of the concerns, getting into this confounded program in the first place, is that there will be problems. But I suggest, Mr. Speaker, that all we are really going to do by extending controls is to bottle up demands that will contribute to further labor unrest in the public sector and which will explode to the detriment of all Albertans.

I suggest, Mr. Speaker, that when one carefully evaluates the evidence, it does not back up the contention that the program has worked. I suggest the evidence shows that the administration has been uneven at best. I suggest the evidence shows that many Albertans have been adversely affected; CUPE alone claims to have lost \$663,000 from settlements they had arrived at with public employers in the province of Alberta as a result of the scheme. Across the country we're looking at rollbacks of about \$1 billion.

Mr. Speaker, when this resolution was introduced, I considered the implications of it. When the bill was introduced a year and a half ago, I recall saying that my reason for opposing Alberta's participation in wage and price controls was that we would have wage controls but not effective price controls. I said at the time I didn't think it would work. Looking back at the last year and a half, I don't believe it has worked. As far as I'm concerned, any further continuation in this program by the government of Alberta is counterproductive.

MR. PLANCHE: Mr. Speaker, I wonder if the Member for Spirit River-Fairview would accept a question?

MR. NOTLEY: He would.

MR. PLANCHE: Mr. Speaker, throughout this speech we've heard about percentage increases in the profits of selected major companies. I wonder if the member has any numbers that would indicate the percentage increase in return on investment for those companies over the same term.

MR. NOTLEY: Mr. Speaker, I don't have the statistics. I can obtain them for the hon. member and would be glad to do so.

MR. TAYLOR: Mr. Speaker, I'm not going to delay the House very long, but I do want to make a few comments on the resolution. I definitely support the resolution, even though it has had some shortcomings and certainly has been far from perfect. I think the very fact that it attempts to control inflation makes it a program that should be supported.

The orthodox definition of inflation is: too many dollars chasing too few goods. Accepting that on a broad general principle, when there are too many dollars the price of goods starts to rise. The more the increase in dollars, the more the increase in the price of goods. Consequently the dollar begins to buy fewer and fewer goods. So the dollar erodes, and the erosion of the dollar becomes very serious.

I'm not going further into that basic item, but that forms the basis of what I want to say. If this country had permitted prices to rise until they caught up with the dollars that were going on when this program came into effect, heaven knows what type of conditions we would have today. When people claim the program has failed, I think we should try to see what the picture would have been, had there been no guidelines. We say workers have lost so much money over this period. I wonder what the prices would have done to those wages they might have gained if that had taken place. It's all very well to say that certain workers have lost so many dollars. But to be fair and to analyse the situation carefully, you have to say, what would those dollars have bought today in comparison with the rise in prices because of inflationary trends?

I think the federal government made some very bad errors in introducing the program. I support the introduction of the program, and I have difficulty understanding people who are on wages opposing this program. Thousands of those on wages support the program in spite of the leadership of some of our major unions. That was shown when there was an attempt to garner together the workers of this city to

show their stand against inflation. A relative handful of workers showed up. I think that indicates the workers realize the importance of the guidelines in regard to control of prices and wages.

In setting out the program originally, I think the federal government made a very serious error in leaving off one of the most important items of all; that is, control over interest rates. That was exempted. Almost every business depends on the use of capital, on borrowed money. When that interest rate wasn't controlled, there had to be some leeway to provide for business to continue, otherwise there would have been a wholesale stopping of business. Business has to make some profit to remain in business. If business fails, there's no work. If industry fails, no workmen are required. I say again, I have difficulty following those who say we should have no guidelines on this serious thing, inflation. Had the federal government put the same guidelines on interest rates, insurance premiums — which they later brought under the guidelines — the wages of those who are operating utilities, and the prices of utilities, then I think the anti-inflation program would have been a tremendous success.

In my pre-session meetings in the little hamlet of Wayne, where the people know the value of every dollar and depend on every dollar to make both ends meet and have difficulty making both ends meet, their primary concern when this matter was being discussed during the question period [was,] let's keep the inflationary guidelines on. Don't take them off. Let's include everything so when we get our wages we don't have to meet increased costs, whether they're on power bills or light bills or what have you.

That has been the major complaint I have found among the working people of the province. Their wages have been controlled, but some of the things they had to pay for were not controlled. That caused the difficulties in our homes, and in the pay cheque meeting the costs. Many workers have gone behind in regard to this item.

With reference to the businesses and industries that have gone way beyond the guidelines, surely the Anti-Inflation Board in Ottawa will do some rolling back and properly so. I think we still have to see that. I expect some rollbacks on those who have made exorbitant profit while others have been controlled. Certainly there should be rollbacks, very definite rollbacks, in order to make the program work.

We say, who has paid the price? I say that had there been no program and had the dollar continued to erode, everyone would have paid the price in a reduced dollar that bought less and in wages that were soaring, causing more inflation, rising prices, and eventually creating tragedy, havoc, and chaos in any country. It's happened before where there was no control.

None of us likes controls. But if we have to have controls to provide some sanity in our economic picture, then in my view those controls should be applicable to everything with no exceptions or very, very few exceptions at the very best.

Everyone will lose if inflation continues. Everyone will lose. The aged will lose because those who have saved a few dollars expect those dollars to last them the remainder of their days. They find the value of the dollar going down to 80 and 70 and 65 cents. They find they are running out of money before they

are running out of years. That's a tragedy in itself. The worker who is trying to make both ends meet is going to find that if the prices are not controlled and if his wages don't meet the demand he's going to be affected, either in reduced health or in some other way because he hasn't got the proper money to pay the price for the things he has to have.

We can all cut back. But on the three items of food, clothing, and shelter there's a limit to what you can cut back, and sometimes the limit does not depend on you. We have seen countries where inflation became so rampant that people were willing to sell their security for a loaf of bread or some food, so high did food get compared to what they were able to earn. I can't follow the thinking of anybody who wants Canada to get into a picture like that.

Well it has had some effect. The record will show that it has had some effect in keeping the prices down. It hasn't been completely successful. In my view the fact that it has had some profound effect in keeping inflation from becoming rampant is a good reason to continue it. When we start to decontrol, at that time the wisdom of Solomon will have to be in the hearts and minds of those who are administering the program. It's going to be difficult, and it's going to be difficult with the support of everyone. It's going to be more difficult if some groups continue to carp about the thing instead of trying to help the government whatever government it is, try to decontrol this to a point where the market place can become its own guideline. Where there's proper competition and proper competition without other forces, inflation normally does not take place. If it does, then extraordinary methods have to be used.

So, Mr. Speaker, I support the resolution. I commend the government for continuing it. During this continuation period, undoubtedly the government will be looking carefully at every possible way of decontrolling in order to do the least harm to those who will be hurt the most if inflationary trends continue.

DR. WEBBER: Mr. Speaker, it is indeed a pleasure for me to speak on Government Motion No. 3. I certainly support the motion in that it recommends that there be limited temporary extension of The Temporary Anti-Inflation Measures Act. I too have many reservations about wage and price controls, and I'll outline a few of them.

However, I think that for the benefit of the national interest with regard to combatting the expectations of inflation or the inflationary psychology that exists, we have to continue with this particular act, The Temporary Anti-Inflation Measures Act, if the federal government continues with wage and price controls.

Mr. Speaker, I also believe that my constituents support this motion. In pre-session meetings before the opening of this Legislature, in talking to people in the constituency and, as well, in a small poll that was taken, it was indicated that about 63 per cent of the constituents were in favor of continuing with this particular act, provided that the federal government continued with the wage and price controls. Only 37 per cent thought we should get out right now.

I enjoyed listening to the comments of the other speakers who rose before me. However, I get a little upset when I hear some of the comments from the hon. Member for Spirit River-Fairview.

MR. NOTLEY: I'd be disappointed if you didn't.

DR. WEBBER: He keeps talking about the effect of wage and price controls on the working man or the worker, and attacks the business sector in our society. In the case of wages, they are not high enough, and profits are too high. I just can't imagine what kind of economic system we would have if we didn't have profits in order to help pay wages and salaries to these employees.

I haven't heard him refer to the market place at all. It's entirely a one-sided argument, his opposition to wage and price controls against the effect on the working person.

However, I'm concerned with wage and price controls as well. But I'm concerned with the effect on all Canadians and all Albertans, not just the so-called working person. And sometimes I wonder whether I am one of these working people he refers to, or whether we all are.

One other point is that at no time in his talk did I hear him say anything about the effect of wage and price controls on investment in Canada — whether because of these controls we have lost some of our investment to other countries, particularly the United States.

But anyway, Mr. Speaker, a number of the members have made comments on the effects of wage and price controls. I would like to skip over the effects I was going to refer to and go to how I perceive the mood or the attitude of Canadians as related to the economic climate in Canada.

In spite of having a standard of living that is the envy of much of the world, many Canadians seem increasingly dissatisfied with the national state of affairs and their own personal status. I think part of this frustration is a healthy refusal to tolerate many real problems that exist. The drive to improve oneself, to help those less fortunate, and to seek higher personal standards of living is commendable when it leads to a more creative and productive system. But I think there's also an unhealthy aspect in much of the cynicism and negativism that we find in Canada today. I believe this ugly mood, if I may call it that, is directed primarily toward business, union, and government — all three.

Part of the problem is the demonstrated failure of the federal government in its approaches to, or involvement in, national problems. I think in the process of trying to handle these problems, a mood of dependence on government has increased among the public. This dependence feeds upon itself, creating still more demands for benefits without recognizing that the bills must be paid either directly in taxes or indirectly through accelerated inflation and economic disruption.

I think the proper role of government is to create an environment for sustained and orderly economic growth through its fiscal, monetary, and regulatory policies. There has to be a more widespread recognition among Canadians of the fundamental importance of stable economic growth in the future as the foundation for maximum employment opportunities and lower unemployment rates, and for more moderate rates of inflation which will protect the purchasing power of all Canadians and encourage more capital investment that will provide the permanent and productive jobs that people desire.

How do we achieve this basic goal of stable economic growth? I wish I knew the answers. But let me suggest that first the diversity of problems that exists in this country must be recognized in order to avoid concentrating on any single issue. Inflation, unemployment, declining output, international trade, and investment must be considered simultaneously to create a balanced program for stable economic growth.

Secondly, Mr. Speaker, I think government policies must solve more problems than they create. In other words, government must not overreact to public pressures. There is an important role for government in protecting certain basic public interests. But I think the claim that government can or should control the economy is false. In my view we would be better off if government leaders in Canada would recognize that the real creativity and productivity of Canada depends upon the private sector.

Mr. Speaker, I think the public pressure on government for increased regulation is the mood of a large segment of the public that is disappointed and dissatisfied with Canadian business, especially big business. Consumer surveys indicate that business is weakest in the following areas: first, communicating with the public and their own employees; secondly, being interested in their customers; thirdly, providing value for their prices; dealing with shortages; controlling pollution; and finally, I think most importantly, being honest in what is being said about the products.

Today's expectations of customers — I think especially the younger customers — are high, but no more than our advertising promises have led them to expect. Reasonable or not, these expectations nevertheless establish a minimum level of satisfaction that we must compete to achieve. Mr. Speaker, the business community has an obligation, if only for its own best interests, to persuade the public that the market place rather than the government is almost always a better regulator.

Finally, Mr. Speaker, a word about labor unions. While recognizing the importance of the role of unions, I believe Canadians are becoming more and more upset with their power. They are upset with the disruptions in our economy caused by strikes and excessive wage demands. Fortunately in recent years we have been relatively clear of conflicts in Alberta, compared to, say, Quebec or British Columbia. But in my view a strike is about as irrational a way as man can devise to resolve the conflict between the creation and distribution of wealth. Everybody loses.

I think the strike weapon must become obsolete. But in order to [make] the strike weapon obsolete, I think the issue of power sharing must be joined. That is, the production and distribution of wealth must be viewed as the integral problem it is, and not as two separate problems with labor and management each failing to examine the other side in that totality.

Mr. Speaker, I think history has demonstrated that our personal and political freedoms disappear when our economic freedom disappears, or our free enterprise system disappears. Our economic freedom will disappear, Mr. Speaker, if we relent to excessive public pressure to interfere in the lives of Canadians in order for them to gain security.

In conclusion, Mr. Speaker, I would like to quote a historian named Gibbon, who I think sums up the

situation very well. In his evaluation of ancient Greece, he noted the following:

In the end, more than they wanted freedom, they wanted security. They wanted a comfortable life and they lost it all — security, comfort and freedom. When the Athenians finally wanted not to give to society but for society to give to them, when the freedom they wished for most was freedom from responsibility, then Athens ceased to be free.

Thank you, Mr. Speaker.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Does the Assembly agree with the recommendation of the hon. Government House Leader?

HON. MEMBERS: Agreed.

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

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