

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Tuesday, October 25, 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, in your gallery today are two distinguished visitors from Great Britain, Lord and Lady Redcliffe-Maud. Lord Redcliffe-Maud is perhaps best known for his chairmanship of the Royal Commission on Local Government in England some 10 years ago. He and Lady Redcliffe-Maud are in Canada, touring across the country and assessing government involvement in culture and the arts, an area in which Alberta has of course a fine story to tell.

Lord Redcliffe-Maud served his country as British High Commissioner and as ambassador to a number of countries. He has also served on a number of agencies of the United Nations. He's had an abiding interest in matters relating to the arts for many decades, and presently plays an active and effective part as an independent member of the House of Lords.

I would ask him and Lady Redcliffe-Maud to stand and receive the recognition and welcome of the Alberta Assembly at this time.

head: **PRESENTING PETITIONS**

DR. BUCK: Mr. Speaker, I'd like to present this petition signed by 132 residents of the Cooking Lake area. These residents are registering their opposition to the creation of any restricted development area in their district, as outlined in the Cooking Lake Area Study planning report of April 1977.

head: **INTRODUCTION OF BILLS**

Bill 247
An Act to Amend
The Marketing of
Agricultural Products Act

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill 247, An Act to Amend The Marketing of Agricultural Products Act. Mr. Speaker, very briefly the purpose of Bill 247 is to eliminate any ambiguity in The Marketing of Agricultural Products Act with respect to the right of boards, such as the Alberta Hog Producers' Marketing Board, to withhold products.

[Leave granted; Bill 247 read a first time]

Bill 245
An Act to Amend
The Environment Conservation Act

MR. CLARK: Mr. Speaker, I beg leave to introduce a bill, being Bill 245, An Act to Amend The Environment Conservation Act. The purpose of the bill is to allow the ECA to investigate and call hearings upon its own initiative into any matter pertaining to environmental conservation. I suppose, Mr. Speaker, to put it this way, it would return the ECA to the power it had prior to 1972, when the present government started its systematic destruction.

MR. SPEAKER: I regret that under the circumstances I am unable to ask the Assembly to give the bill first reading until I have an opportunity to consider whether it's in order that that be done, having regard to the fact that we've already given second reading to a bill which covers substantially the same ground.

I note the approval on this bill was dated October 11, and of course the situation at that time was different. So I would respectfully ask the House for leave to postpone this matter until I've had an opportunity to examine the bill.

HON. MEMBERS: Agreed.

head: **TABLING RETURNS AND REPORTS**

DR. HORNER: Mr. Speaker, I'd like to table the annual report of the Alberta Disaster Services Agency.

head: **ORAL QUESTION PERIOD****Hospital Funding**

MR. CLARK: Mr. Speaker, I'd like to direct the first question today to the Provincial Treasurer. The question flows from the meeting of the Alberta heritage savings trust fund committee this morning. Has the government made a policy decision that auxiliary hospital beds will be financed out of the heritage savings trust fund in any way?

MR. LEITCH: Mr. Speaker, if the hon. Leader of the Opposition is talking about a general policy, I'm not aware of any such decision. On the other hand, if he's asking whether there might be some financing of auxiliary hospital beds in projects that are listed in the Alberta heritage savings trust fund, capital projects division, there are.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is it the intention of the government to fund active treatment beds out of the capital portion or any other portion of the heritage savings trust fund?

MR. LEITCH: I think my answer, Mr. Speaker, is substantially the same as to the former question. As I understand it, there are some active treatment beds in the health sciences centre.

MR. CLARK: Mr. Speaker, a further supplementary question to the Provincial Treasurer. Is it the inten-

tion of the government to fund the southern Alberta provincial laboratory, to be located at the Foothills Hospital site in Calgary, out of the heritage savings trust fund?

MR. LEITCH: Mr. Speaker, I have no objection to dealing with these questions during the question period, but the estimates are tabled. They will be dealt with by the Committee of Supply, and it would certainly seem to me that that would be a far more appropriate place to ask the questions, either of myself or the minister responsible for that appropriation.

MR. CLARK: Mr. Speaker, to rephrase the question to the Provincial Treasurer. In light of what the government said about only funding projects out of the heritage savings trust fund that couldn't ordinarily be financed if we didn't have it, and having regard that we do have provincial labs in Alberta, the question is: has the government made a policy decision to finance the southern Alberta provincial lab, which is going to be located at the Foothills site in Calgary, out of the heritage savings trust fund?

MR. SPEAKER: With respect to the hon. Leader of the Opposition, it would seem to me that the rephrasing of the question doesn't really get it around the difficulty of anticipation of debate which is undoubtedly going to take place, or will at least be provided for, when the estimates come up for examination.

MR. CLARK: Mr. Speaker, it's just very obvious the government doesn't want to answer the question. [interjections] Yeah, do it in the estimates. Even last year, we didn't find out what was in the estimates.

AOC Loan

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Business Development and Tourism. The question centres again around the Willowglen situation. Will the minister now confirm that the Willowglen Company, in its application for a loan from the Alberta Opportunity Company, represented itself as holding exclusive rights for Canada, United States, and Mexico to over 100 products in the field of electronics instruments and controls?

MR. DOWLING: They may have done, Mr. Speaker, and good for them. But they did represent themselves as a totally Alberta company having an Alberta product to sell, and as having something unique to offer to the business community of Alberta.

DR. BUCK: Like bankruptcy.

MR. CLARK: And putting other companies out of business.

Mr. Speaker, a supplementary question to the minister. Will the minister confirm that in considering Willowglen's application, the cabinet received advice from a Dr. G. Walker, professor of electrical engineering at the U of A — advice which tended to support Willowglen's claim of such production rights?

MR. DOWLING: Mr. Speaker, I can't recall the name Dr. Walker, but I do recall the name Dr. Wright, who

was asked to examine the potential of the Willowglen Company at one time when Alberta content came into question with regard to a Syncrude project. That's my only recollection of anybody being employed through the university community.

MR. CLARK: Mr. Speaker, does the hon. minister recall a document given to the cabinet by the then Provincial Treasurer, the Hon. Gordon Miniely, with regard to the application for working capital prepared for the Alberta government on behalf of Willowglen?

MR. DOWLING: Most assuredly, as I indicated earlier, the Opportunity Company has the option of granting loans to any entrepreneur, or granting loans to a successful applicant for up to \$500,000. If the amount exceeds that, or there is a principle or a policy involved, that application normally comes before the cabinet committee and then cabinet.

MR. CLARK: The question to the minister was: does the minister recall the document presented to the cabinet by the Hon. Gordon Miniely in support of the application for working capital?

MR. DOWLING: No I can't. But I should add, Mr. Speaker, that I know of no company being put out of business with regard to Willowglen being in operation. You should know that any of the principals involved in that company are private-sector companies and act without any interference, as does the Opportunity Company.

MR. CLARK: Oh, baloney.

MR. SPEAKER: Order please.

Gasoline Retailing

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Business Development and Tourism. It flows from the guidelines recently announced in the province of British Columbia with respect to the retail automotive gasoline trade in that province. Has the government of Alberta had an opportunity to review the guidelines announced by the British Columbia government?

MR. DOWLING: Yes we have, and I'm pleased to say that our department took the initiative some time ago. We did not ignore the MacKenzie report, as did the former government, but did take it under advisement and looked at ways we could deal with the matter of the Automotive Retailers' Association.

We undertook two or three things. One was not to deal with legislation but to guarantee that if severance was an item to be considered, adequate severance would be supplied by the companies. We had a commitment from all the companies that they would meet with their dealers more often and would tell them what was happening in the market place. We had a commitment by the companies to see that if a new outlet were opened up, a lessee would be given an opportunity to operate it. And if a self-service operation were established, that too would be given to the private sector or the lessee to operate.

We have made considerable progress, Mr. Speaker, and I am aware of what the B.C. government is doing,

but you should know that the minister has also indicated that the dealers themselves have a great deal of responsibility in this whole area.

Finally, Mr. Speaker, I'd like to say that we have a meeting coming up with the ARA very soon. I think it's in early November.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Business Development and Tourism. Has the government reviewed the division contained in the B.C. guidelines; that is, that one-third of the volume of gasoline can be sold by the major distributors but two-thirds must be sold through independent retailers? My question is: has the government specifically reviewed that guideline, and would it be the view of the Alberta government that a similar guideline should be set out in this province?

MR. DOWLING: Mr. Speaker, obviously we're aware of that guideline, since it is part of the B.C. presentation to the B.C. dealers. As I say, we're meeting with the Automotive Retailers' Association in early November, I believe, and at that time that matter will be discussed.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. On May 9 of the spring session the minister indicated that there was one holdout with respect to the severance agreement, but that some announcement should be made within 60 days. In view of his undertaking on May 9, is the minister in a position to advise the Assembly whether all companies in the province have agreed to a satisfactory severance arrangement with their dealers?

MR. DOWLING: Mr. Speaker, I don't want to pass on an opinion, but it's my understanding that that now is a fact. However, I would like to check further to make certain that what I've just said is correct.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. In light of the recommendation contained in the B.C. guidelines that prices outside the major metropolitan areas of Vancouver and Victoria should not be substantially higher than prices in the metropolitan areas, is the government of Alberta considering any steps in this province to ensure that the price of gasoline products does not vary substantially, as is presently the case?

MR. DOWLING: Mr. Speaker, any interference with the free-enterprise system obviously has its disadvantages. One of those, I would suspect — and we have examined it in some detail — is that if you attempt to do that across the board, you do some damage to those smaller companies which are trying to get ahead in Alberta.

Nursing Home Construction

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Hospitals and Medical Care. It's further to my questioning yesterday with regard to The Salem Manor Society and a loan for nursing home facilities. I was wondering if the minister could clarify his intent with regard to a loan commitment. Has the minister made a commitment to that society?

MR. MINIELY: Mr. Speaker, no. I checked my records with that and with my staff. I did not promise a loan to Salem Manor.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. In his remarks he also indicated he had requested that progress could proceed with regard to design and some kind of work. I wonder if the minister could confirm that Salem Manor has hired architects or that architectural work is being accomplished, and that land preparation is in progress?

MR. MINIELY: Mr. Speaker, because that has been going on between officials and the administration of Salem Manor, I'd have to check the exact status of that with my officials and report to the House.

MR. R. SPEAKER: Mr. Speaker, to the minister. Is the minister saying he gave no directive to the officials that progress could be made with regard to architectural work?

MR. MINIELY: Mr. Speaker, I don't think I said that at all. I think the hon. Member for Little Bow heard my earlier answer, and it certainly wasn't what he responded.

MR. R. SPEAKER: Mr. Speaker, to clarify the answer the minister has just given, is the minister saying no directives or indication was given to the commission that permission could be given to Salem to go ahead with the preliminary work? Is that correct?

MR. MINIELY: Mr. Speaker, in all projects, whether hospitals or nursing homes, there is ongoing work that historically has been undertaken between officials and the boards or administration of the various institutions where planning is under way. Specifically in answer to the hon. Member for Little Bow, I said I would check the status of the ongoing work between officials of the commission and Salem Manor, and report the exact status to the House.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Is the minister at the present time awaiting a report from a committee — maybe the minister could comment on that — with regard to nursing home funding, particularly in the area of loan funding, before making a final decision with regard to this loan policy?

MR. MINIELY: Mr. Speaker, that matter is before my colleagues and me. As I indicated yesterday, I will report to the House when a final decision is made.

MR. R. SPEAKER: Mr. Speaker, final supplementary to the minister. Could the minister indicate the basis on which he has made a commitment and requested that progress by The Salem Manor Society could proceed on a nursing home program that would be based on this loan, when the loan program at the present time has not been approved by this Assembly or even by the government committee?

MR. MINIELY: Mr. Speaker, I answered that. There has been no commitment from me of a loan to Salem Manor. There has been none.

MR. CLARK: Mr. Speaker, one further question to the minister. Does the minister recall any approval he has given to the Salem Manor people, either to engage an architect or to start work on a possible site?

MR. MINIELY: Mr. Speaker, I don't know whether they're a little hard of hearing. This is fourth time I've said there has been no commitment from me as the minister relative to those matters.

MR. CLARK: Better check your file again, Gordon.

Restricted Development Area

MR. STROMBERG: Mr. Speaker, in light of the petition that was tabled in this Legislature this afternoon, I would like to ask the Minister of the Environment if it is the intention of the government to establish an RDA in the Cooking Lake region?

MR. RUSSELL: Mr. Speaker, absolutely not. The report that was published is very clear, in that anybody who can read can see that. [interjections] Further to that, there was a news release from the department stating that nothing would be done until it was done with the initiative and agreement of the local citizens. I'm rather amazed that some MLAs in this Assembly can't understand those simple facts. [interjections]

DR. BUCK: Tell that to the people in the RDA.

MR. SPEAKER: Order please.

MR. CLARK: It sounds like what you told the people at Red Deer, Dave.

MR. NOTLEY: Yeah, the same thing.

DR. BUCK: You know this government can't be trusted, Mr. Speaker.

Fort Saskatchewan Jail

DR. BUCK: Mr. Speaker, the question I have is to the hon. Solicitor General. [interjection] At least you don't write them for me, Jamison.

Mr. Speaker, my question is to the hon. Solicitor General. I'd like to know if the minister can indicate if his department is considering phasing out the female section of the Fort Saskatchewan Correctional Institution?

MR. FARRAN: Mr. Speaker, the present plan is to concentrate the small number of female inmates at Belmont, where we have an excess capacity at the present time as compared with Fort Saskatchewan.

DR. BUCK: Mr. Speaker, can the minister indicate what discussions have taken place with either the minister or the director of the institution as to the transfer or possible relocation of the female staff working in this section?

MR. FARRAN: Mr. Speaker, I've assured the female correctional officers, and I believe Mr. Downie has as well, that there is absolutely no danger that they

would lose their jobs; that with the slow but definitely pronounced increase in the involvement of females in crime, we foresee an ever-increasing need for female correctional officers. Female correctional officers can perform certain duties without conflict in all correctional institutions, and there is no need at all for them to be apprehensive.

Employment Opportunities

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. Are lines of communication regarding employment in Alberta set up between Alberta and Canada Manpower?

DR. HOHOL: Yes indeed there are, Mr. Speaker, and they're pretty clear and definite.

MR. TAYLOR: A supplementary. Do these lines of communication go to the extent that people from eastern Canada and British Columbia inquiring about work in Alberta are advised by Canada Manpower whether or not there are openings?

DR. HOHOL: That's an ongoing kind of problem and consideration, Mr. Speaker. We have discussed this with the hon. Mr. Cullen, the Minister of Employment and Immigration. He assures me that he and his senior people are doing all they can to make certain that their officials are not sending people to western Canada, to Alberta specifically, for jobs on speculation. We have an office in Toronto from our government department. We keep in close touch with placement agencies, employment agencies, trade unions, management groups, and the government to make certain that the message of the mythology of jobs to be had for everybody and anybody, and a choice of them, is just that, mythology; and that the real facts and information are found out with respect to many facets that affect a person's life before he comes to Alberta.

MR. TAYLOR: One further supplementary. In view of the fact that some workers are coming, and I suppose probably of their own accord — nothing can be done about that — is the minister quite certain that [Canada] Manpower in other provinces is not sending them here? It seems such a waste when they come and find no work, and either have to go on relief or hitch-hike back home. It's a very unfortunate situation.

DR. HOHOL: The hon. member is correct, Mr. Speaker. Instances have been brought to our attention, and we have seen them in advertising, where Canada Manpower counsellors have said that you can't go wrong going to Alberta. As a matter of fact you can go wrong. If that particular skill is not in supply — and that is the case with many of our skills — then it is extremely wrong. When that happens we move on that job — I was going to say "jump on it" or "pounce on it" — immediately.

The hon. member is correct. Those things do happen. The minister in Ottawa is aware and has instructed his people to make certain that doesn't happen. It's a big nation, and some people who work in offices isolated from the centre of government

sometimes do things that are unlike what their ministers or senior people would wish them to do. That is a problem indeed, but we're working on it all the time.

Water Management — Paddle River

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of the Environment. It flows from the workshop concerning Paddle River flow management scheduled in Mayerthorpe, I believe, for November 12. Will any specific steps be taken to ensure that both the pro and con arguments over dam construction are given a proper hearing at this workshop?

MR. RUSSELL: Mr. Speaker, we're certainly taking every move we can, I think, to try to get public input. Just to explain for the hon. members what the structure is, we have a management committee made up of professional people and civil servants whose responsibility it is to design and implement the program. They work directly with a citizens' advisory committee made up of residents of the region. Of course the citizens' advisory committee is sponsoring public meetings and public workshops, so I don't really know how much further we can go insofar as the involvement of the local citizens is concerned.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister confirm that officials of the Department of the Environment are directly involved in the preparation of the information graphics or, in short, the newspaper advertising?

MR. RUSSELL: That I don't know, Mr. Speaker. I could find out, if it's important to the hon. member. The advisory committee may in fact be asking the management committee to use their budget for purposes of advertising. I don't know the answer to that question.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise whether he has any information with respect to the November 12 workshop that would indicate consultants outside of people who live in the area will not be allowed to participate in the workshop? To illustrate the purpose of the question, will the people in the Paddle River Headwaters Protective Association be able to bring in outside consultants to state their case at the workshop, or will it be confined only to Department of the Environment personnel and local people?

MR. RUSSELL: Mr. Speaker, that's the whole point. I think this is a decision of the local citizens' advisory committee. They're running the show, not our department. I know they've asked that department officials be present to explain the government's technical information. I assume if they want other people there, they will ask them.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise whether or not other people will be allowed to be present? Does he have any information on that? Or will in fact only the technical expertise of Department of the Environment people be at this workshop?

MR. RUSSELL: Mr. Speaker, I repeat that that's a decision of the local citizens' advisory committee. They will organize the seminar and invite who they want to participate.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to inform this Assembly whether in fact that is the case: that Department of the Environment personnel will be present, but expert witnesses apart from the department will not be present?

MR. RUSSELL: Mr. Speaker, I'll try a third time. The local citizens' committee is organizing the thing and is asking who they want. They had asked people from the Department of the Environment to be there, and my understanding is that they will be. I don't know who else they're asking. It's their show, not ours.

Did the hon. member get it the third time, I wonder?

AN HON. MEMBER: He's slow.

MR. NOTLEY: Mr. Speaker, in that case let me pursue several other supplementary questions. Can the hon. minister advise the Assembly whether or not the department has uncovered any information in its investigations, surveys, and studies, which would challenge the basic proposition presented by the ECA, I believe it was in 1975, that the costs of a dam for flow management on the Paddle are greater than the benefits?

MR. RUSSELL: I'm not aware of any such information, Mr. Speaker. The plan that has been adopted for implementation by the government, in response to a long-standing discussion of the problem, is well known. The technical management committee and the citizens' advisory committee are attempting to work in the best interests of the entire region. I know there will be these differences among different parts of the region, and the whole purpose of the advisory committee and these seminars is to air these and try to reach a common resolution.

MR. NOTLEY: Supplementary question to the hon. minister. What target date has the government in mind for the completion of the seminars and the evaluation of this public feedback before making a decision on Paddle River flow regulation?

DR. BUCK: After the next election.

MR. RUSSELL: Mr. Speaker, we'll take as long as necessary to deal with the citizens concerned.

DR. BUCK: And then ignore it.

Enoch Reserve

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Federal and Intergovernmental Affairs. Could the minister indicate whether final arrangements have been made with regard to making it possible for the Enoch Band Reserve to become a municipality?

MR. HYNDMAN: Mr. Speaker, no. A number of problems are involved there. Some weeks ago we asked

the federal government to work actively to try to find a solution in order that the very desirable subdivision proposed by the Enoch Band could proceed. However, there are a large number of unusual legal problems, constitutional matters, which relate to the rights and responsibilities of those who might move onto the reserve but not be reserve residents.

However, we have urged the federal government to try to assist in finding a solution. I would very much doubt that the Enoch Band property which relates to the development can come totally and completely within Alberta municipal government laws. That's why some new and unique approach must be devised, and we're certainly anxious to work with the federal government to do that.

MR. R. SPEAKER: A supplementary to the minister for clarification. At the present time has the minister a committee working on a new set of amendments to The Municipal Government Act with regard to a special kind of municipality such as this?

MR. HYNDMAN: Mr. Speaker, we have had an inter-departmental committee assessing the various problems and looking at what amendments might be necessary. We now have to await some indication from the federal government as to an agreed position on the format or kind of unique municipal administration that could be put into effect in that area. As soon as that is agreed upon, I would see that there probably would be amendments to either laws or regulations, maybe more than one, within the province to enable that unique development to proceed. Certainly the government feels the principle is sound, and a good initiative by the Enoch Band.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. What time span does the minister see at the present time with regard to potentially completing this type of arrangement for the band? As I note from touring part of the reserve, the development is ready to be under way.

MR. HYNDMAN: Well, we would like to see the matter regularized as soon as possible, Mr. Speaker, because development is proceeding, and the Enoch Band would like to proceed. I imagine that with the change of ministers in Ottawa, some delay will be occasioned. However, we stand ready with our inter-departmental committee to move as expeditiously as necessary as soon as the relationship vis-a-vis the federal government and the reserve is squared around to try to regularize the situation and allow it to proceed properly.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Would the minister consider requesting the federal minister to come to Alberta and possibly sit down with the chief and the Minister of Federal and Intergovernmental Affairs to discuss this matter and reach a solution as soon as possible?

MR. HYNDMAN: Well, we could do that, Mr. Speaker. I'm not sure whether that route would accomplish the objective most quickly. It may well be that the senior advisers to the federal minister can reach a conclusion in Ottawa in order to expedite the matter as quickly as possible. That's our objective. That's our

goal. So whichever way it can be regularized as quickly as possible, whether it involves meetings at the ministerial or officials level, we will continue to press for them.

Canadian Unity Task Force

MR. CLARK: Mr. Speaker, my question is also to the Minister of Federal and Intergovernmental Affairs. It's with regard to the task force on Canadian unity, which will be in Alberta, I believe, November 16-19. My question to the minister is: is it the intention of the Alberta government to make a presentation to the task force?

MR. HYNDMAN: On an informal basis we will be considering that, Mr. Speaker.

MR. CLARK: Mr. Speaker, supplementary question to the minister. The minister said "on an informal basis" the government will be considering it. Does that mean yes, no, or you haven't decided yet?

MR. HYNDMAN: Mr. Speaker, it means that the presentation will probably be informal and that we're very definitely considering it.

Housing Industry

DR. PAPROSKI: My question is to the Minister of Housing and Public Works regarding housing problems. I wonder if the minister would indicate to the House whether he is, in fact, continuing frequent meetings with the housing industry regarding housing problems and issues, or has the minister recently adopted a more remote posture?

MR. YURKO: Mr. Speaker, my office is always available for consultation with the industry.

MR. CLARK: Just one way it is.

MR. YURKO: I might suggest to the House that my staff documented the number of meetings I've had in the last year.

MR. CLARK: Four hundred.

MR. YURKO: I had 85 with various segments of the industry, 31 with provincial MLAs, 25 with municipal representatives, and three with the federal minister.

DR. PAPROSKI: A supplementary, Mr. Speaker. Regarding those more recent meetings, I wonder if the minister would indicate to the House what important issues were raised and resolved.

MR. YURKO: Mr. Speaker, all aspects involving the supply of housing, the affordability of housing, and in some instances the repair of housing were discussed. Generally, many of the developers of course allude to the fact that there is a department of government that gives some difficulty in regard to the approval process. They all suggest the approval process should be accelerated.

ORDERS OF THE DAY

head: MOTIONS FOR RETURNS

MR. HYNDMAN: Mr. Speaker, I would ask that Motions for Returns on today's Order Paper, being returns nos. 160 to 165 inclusive, stand.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Moved by Dr. Buck:

Be it resolved that the Legislative Assembly urge the government to increase its support of small business by

- (1) introducing in the current session legislation to enact those taxation and incentive measures designed to aid small business proposed in the Basic Objectives and Terms of Reference for Alberta Business Taxation and Incentives, tabled by the Provincial Treasurer in January 1975,
- (2) introducing in the current session legislation which would strengthen the position of independent service station operators in dealing with the major oil companies, and
- (3) establishing purchasing procedures which would ensure a predetermined level of participation by small business in supply to government.

[Adjourned debate April 21: Mr. Ghitter]

MR. GHITTER: Mr. Speaker, I'm happy to enter this debate with respect to the very important motion by the hon. Member for Clover Bar relating to small business in the province of Alberta.

Mr. Speaker, I would like to address my views with respect to two aspects of the motion. For the benefit of members of the Assembly, I would refer to the motion, which talks in terms of a consideration by the government of the Basic Objectives and Terms of Reference for Alberta Business Taxation and Incentives, which was tabled by the Provincial Treasurer in this House in January 1975. Secondly, Mr. Speaker, I wish to deal with the third aspect of the resolution, which refers to "establishing purchasing procedures which would ensure a predetermined level of participation by small business in supply to government".

I think this is a very important resolution, and I think it involves, and should involve, the consideration of the members of this House. But I would also suggest, Mr. Speaker, that probably the business climate, the tenor of the business environment in the province of Alberta, has changed somewhat since January 1975, when the report was tabled in this Legislature by the then Provincial Treasurer, the hon. Mr. Miniely. As a result, Mr. Speaker, it may well be that some of the recommendations contained in that report may no longer be truly applicable to the circumstances and situations we now find ourselves experiencing, considering the great development, the great prosperity I would suppose, that now exists in the province of Alberta.

Mr. Speaker, right at the outset of a debate of this nature, I think it's important to answer the question as to why a government should protect or encourage

the small businessman. Is there in truth an advantage to the citizens, to the government, or to our way of life in policies of government that are designed to protect the small businessman?

Certainly one must decide at the outset who we are talking about when we suggest a small businessman. Various reports and studies suggest that a small businessman employs under 500 employees. In my judgment, that might be a little high. When I think of a small businessman, I think in terms of that very important segment of the business community which is really in the area of under 100 employees, or 20, or even five.

But is it important, Mr. Speaker, to preserve the identity and the ability of a small businessman to carry on and function actively and energetically in our province? I would suggest that indeed it is. I think that what we are experiencing today throughout our country and our world is a movement away from bigness and the centralization of growth within our companies. I don't suggest it is bad to have concentration and growth within companies that are able to have it. But I also suggest that within that growth and concentration of power are a number of factors that are not beneficial to those who work in that environment and, as a result, to those who live in our country.

I would suggest that what happens to those who work for big companies is that they lose a general perspective of the business climate, they lose the personal relationship that is important between businesses, they lose the incentive and the pride of doing things themselves. And as business gets bigger and bigger and bigger, and individuals employed by these larger corporations get involved in the meshing of that big company, I think they lose the initiatives and the personal matters that are so very important. As well, when one looks at the challenges of the '80s and '90s in our province, I think the answer will lie not in the growth and concentration of power within big companies, or for that matter big unions, but in the ability of the small business to provide special expertise of a labor-intensive nature, and not in the answer of big energy gobblers like big corporations that are capital-intensive but in fact work as a counterbalancing negative force in our society.

Mr. Speaker, I think we've seen examples of what happens when you have too much concentration of power in either unions or business. For example, when governments get involved in that aspect, we see too much government. We see situations where a federal government gets into business. A company like PetroCan comes into a community like Calgary and generally offers higher wages and better offices, and starts competing with the private sector. I think that is dangerous. I think it is dangerous for the private sector to perceive that they are in a position of competing with government.

I think it can be seen in many other ways. Although there has been great discussion in this Legislature about the Willowglen matter, and questions coming forward from members of the opposition, Mr. Speaker, I don't know anything about the background of a situation like that. But I think it is difficult, for example, when small electronics companies perceive they are competing with a government agency; when they perceive that in fact they are competing with a government agency within the Al-

berta Energy Company which, in their minds, has something to do with government, and they see that the bigness is getting bigger and that they are being discouraged.

If that happens, Mr. Speaker, I suggest that that is unfortunate, be it just psychological. But if it's psychological, that sometimes is enough to discourage small businesses from being where they should be. Particularly in our province, I think it's important that small businesses can be nurtured and be successful and can grow, and can feel the benefits of success that sometimes can only be felt and achieved by big business.

It seems to me there are many priorities a government can embark upon, and I think the suggestions in the report that was filed in this Legislature are very important. In the introduction to the report, they suggest that one of the key components of the policy is:

... to encourage the growth of small Alberta-controlled, Alberta-resident business and agriculture. Secondly, we intend to encourage diversification of Alberta's industry so that we are not as dependent on production of natural resources. One of the primary means of accomplishing this is to encourage a wider base of industrial expansion within Alberta.

I would submit that this should be done through small business. I would submit that governments should do whatever they can to create additional internal funds to finance the growth of small business and to provide additional sources of capital financing on reasonable terms, so that small businesses can compete and can deal in an area of labor-intensive rather than capital-intensive businesses.

Many of the policies of our government, particularly federally, have in fact worked against small business. The capital cost allowance is a perfect example of a tax incentive that works in favor of big business but is negative to small business. Of course the capital cost allowance encourages business to become capital intensive, and to expend a considerable amount of its funds on depreciable assets. This does not help the small businessman, who is not capital oriented and cannot in fact accumulate sufficient wealth to take advantage of that provision. Matters like unemployment insurance at least encourage a desire not to work instead of encouraging people to work and get involved in labor-intensive industries.

It seems to me that what is really required is an attitude of government to look first to what would be encouraging to the small business sector in the hope that they will thrive and, as a result, this will have the effect of reducing the concentration of power in big business, and hopefully big business and smaller businesses as well can move along and be successful.

Mr. Speaker, I recommend to all members of the House a recent book that I believe was sent out by the Canadian Federation of Independent Business. I believe all members received a copy of this book, and it is definitely worth reading. It's entitled *Small Business: Building a Balanced Economy*. In this book it is suggested that the real option for the future of Canada — and certainly it applies to a province in the growth perspective we're experiencing now — lies in the establishment and creation of small business incentives that should be dealt with.

At the present time a lot of these are out of our control, and many of the recommendations in this book are really not something that can be done on a provincial basis. If we ever obtain or create under our control the ability to tax our corporations, as has been suggested in this House from time to time, and if the province of Alberta ever takes away from the federal government, or works with the federal government in the sense of going into the corporate tax areas, we can certainly, with the vehicle of the corporate taxation incentive approach, do things that will assist small businesses in a very meaningful way.

I think it is obvious that this Basic Objectives and Terms of Reference for Alberta Business Taxation and Incentives booklet was based on the premise that the province of Alberta would have the ability and scope of corporate taxation. In the long run that is probably a very worth-while objective and one that should never be forgotten by this government. Notwithstanding the many difficulties in causing that to happen, it should in fact be something we should aspire to.

I would like to refer to a few of the suggestions and recommendations in this book, because I think the hon. members should consider, if they haven't done so already, some of the suggestions of Dr. Peterson. Dr. Peterson suggested a number of laws that should be passed. The first one he suggests is a law on the establishment and operation of consortia. Small businesses should be advised and assisted financially to form consortia.

I think Dr. Peterson means that if there was a vehicle whereby small businesses could get together and work in a mutual way, so that by the bringing together of a loosely-knit approach they could in fact compete with larger businesses, this may be very beneficial to them. But right now, where they're sitting out independently, they do not have enough clout to tender and to work on some projects they may very well have the expertise to do.

Dr. Peterson suggests, and I think this is very important, a law on government purchasing. A fair proportion of all government purchases should be reserved for small owner-managed firms as is the case in the United States.

I think this is the third portion of the resolution of the hon. Member for Clover Bar, and it's one I certainly endorse. As a matter of policy I think that any provincial or federal government in Canada should be required, by way of law if necessary, to ensure that a fair proportion of their business moves out into the private sector of smaller owner-managed firms. I know that some departments in this government endeavor to do so. I think it could be done more so in an endeavor to maintain the viability of these small businesses that are so much the backbone of the prosperity of our province.

Dr. Peterson suggests that existing tax laws need to be changed so that succession within an owner-managed business is encouraged to ensure long-run continuity of smaller business concerns. I think this Legislature took a very important step in that regard in the spring session, when we amended The Companies Act to allow a company to purchase back its own shares. This, I think, will result in a very important step forward, in that we will be able to maintain succession and ownership, and encourage the continuum which is so vital, so that our tax laws don't penalize those who have shares in companies. They

can sell their shares back to the company in which they developed, and those companies will continue and will not die when someone is no longer alive or it's not financially beneficial to them. That was probably one of the reasons so many smaller companies sold out to bigger companies. We see this evolution of conglomerates and the purchasing-out of small companies when in fact the opposite trend should be happening.

Mr. Speaker, there are a number of other recommendations in this book, and I think it may very well be time for our government to examine and take a look at new approaches within the perspective of 1977 as to what is really required. One area that quickly comes to my mind is the problem that is presently faced by small gas producers in our province. I heartily agree with the position taken by this government whereby we are suggesting that we will not enhance or encourage further export of our gas to the United States unless we receive something back in a different sense than the swap the hon. Premier has talked about.

I think that is a very intelligent and far-reaching policy. But if we're going to continue on that policy, it means that many small gas producers are sitting with all their inventory and all their cash flow in the ground. As a result they find it very difficult to obtain sufficient financing, because there are no markets for their gas, and they may well be waiting two or three years before their gas comes on stream. That will particularly be the case in the event we determine that the swap concept is not accepted by our brothers in the United States, although recent indicators seem to lead us to the conclusion that it may well be.

I think this government should well consider a policy to assist our small gas producers in their short-term cash flow problems. Certainly they have enough assets. Certainly these assets should be utilized by way of securities so that if our chartered banks find there is not enough security to meet the Bay Street requirements within their policies, certainly in our province we can try generate cash flow for our small gas producers.

I think it's very important. I think it's something we should be facing and dealing with now, and I think it is a sign of how quickly changes occur, when one considers that this very well thought out policy manual that came in January 1975 is even somewhat outdated two years later in terms of the rapid development of businesses in the province of Alberta. So it's an ongoing procedure. It's a procedure and a study that must be maintained, and it's a procedure of such importance that I think much more attention must be placed upon it, if we're looking in terms of the diversity and the decentralization we as a government have endeavored to promote.

If it is to be successful, its success will be not on the success of big corporations. The success of a program of this nature shall only come about if our small business enterprises within industry, manufacturing and, yes, even in agriculture, are encouraged to develop and grow with the pride and integrity and spirit of achievement and incentive that can only truly be found in the small businesses everywhere in our province.

I commend the hon. Member for Clover Bar for his resolution. In fact I would be happy to support it had he not muddied the waters with subsection (2), rela-

tive to station operators, which I have a lot of difficulty supporting. Dealing in a contemporary world, I think that section takes away. Often, when one tries to cover the waterfront with an omnibus situation and throws all kinds of things in, the real value of the motion is lost. I totally support the first and third parts of the motion. But I think the second part takes away. So I would just suggest, Mr. Speaker, that if the hon. Member for Clover Bar would remove that portion in some way or other, I would be happy to support it. But I wouldn't want to be the one to amend his motion and take away the glory from having it passed.

Thank you, Mr. Speaker.

DR. WALKER: Mr. Speaker, there's an old song that goes, "I hear the birdies singing their love song from on high". We hear an awful lot of chirping from over on my right here. I'm never quite sure it's a love song or just a dirge of some sort. [interjections]

You know, there's a great deal more to introducing legislation than just putting a motion on the Order Paper, as I have found too. One of the primary objectives of this government is to create a viable, long-term, economic base for industry in the province of Alberta. Now the hon. Member for Clover Bar, in his debate on the subject stated: "In only six years the Lougheed team has become tired and old". When I think of the alternative to growing old, I always feel a lot better about it, though. One of the nice things about ageing is that as we get a little older we become a little more mellow and a little more receptive to other ideas and attitudes, a little less dogmatic, a little less authoritative.

As your government is made up of this type of ageing politician, I don't see any deterioration but rather a more pleasant, maturing government replacing the hyperactive, often over-enthusiastic youthfulness of a few years ago. This isn't the way our hon. members in the opposition are ageing though. No, they're more like monkeys growing old. The higher up the tree they climb, the more they show their less desirable attributes. [interjections]

Mr. Speaker, this government has already taken enormous strides in assisting small business in Alberta. The Department of Business Development and Tourism has established a regional development program with 10 regions, each served by an economic development officer who not only advises and encourages new industry to locate but also activates communities in a self-help type of program that is directed toward existing industry as well as attracting new enterprises. They study each community and encourage small entrepreneurs such as carpenters, electricians, and plumbers to locate in areas where there is a deficiency of these.

The department has also put out a booklet on financing for business in Alberta. Some of the things they encourage are: they provide financial and management assistance to help develop Alberta business; they give priorities to small businesses in small communities; they say the business must be operating for a profit, leaving out all the social, charitable, non-profit things; they lend money to buy land, construct or expand a building, or purchase machinery; guarantee loans, and so on.

The hon. Member for Clover Bar stated that he didn't want to hear a bunch of back-patting and so on

from government members. But I'm going to give him a little anyway. In the field of transportation we have built excellent roads in the small areas, making it possible for smaller enterprises to get their products from the smaller centre to the market.

Since 1974 the Department of Transportation has built and upgraded 43 small airports and four airstrips. We have 16 airports scheduled for construction in 1978, with an annual budget of around \$8 million, thus creating a province-wide network of small airports to assist the business community. We have by far the most aggressive air development policy of any government in Canada or, for that matter, any state in the world. And still the Member for Clover Bar calls us old, tired, and ready for retiring. It doesn't look like a retirement program to me at all.

At one of these little airports just a short time ago, in Oyen — people wondered why we built one there. There's an interesting newsletter from the Oyen Flying Club. On the evening of July 28 there were two planes. An enormous storm blew in, and one small plane going from Red Deer to Moose Jaw was caught in the hail. He happened to see the airport lights at Oyen and, very fortunately, was able to land there and save his life. Half an hour later a charter plane going from Florida to Edmonton was trying to dodge the storms, couldn't make Edmonton, which was socked in anyway, and ultimately saw the lights of our little new airport in Oyen. Six people landed safely there.

These two incidents have been written up to explain the necessity of and the vital part played by Oyen's lighted airstrip and rotating beacon, in helping to maintain "safe flying" in rural Alberta.

That is just one of the many instances that has been very worth while in this airport's program.

In the field of business, research assistance has been offered to such innovative ideas as the recent hoverlift at La Crete, with an involvement of well over half a million dollars by the Department of Transportation. Yet when some of these fail, as we expect them to, people yell foul; you shouldn't lend money to firms without collateral who haven't proven themselves. We're going to fail in many of these. In fact sometimes I don't think there are enough failures. Maybe we're not going far enough.

I'm happy to note that the government's own proposals on tax reductions to smaller corporations met with the approval of the members of the opposition. But instituting them is another matter. It's interesting that in their remarks on Basic Objectives and Terms of Reference for Alberta Business Taxation and Incentives, the Edmonton Chamber of Commerce states that the whole thing is "directed only to small businesses when, in fact, a permanent industrial base would normally include large enterprises." They also say basically the tax savings are "too insignificant for each taxpayer affected to reasonably be regarded as a major consideration in making investment or growth decisions."

Do we resolve the issue by giving incentives to small business to locate in larger centres or, conversely, by giving incentives to larger corporations to locate in smaller centres? Or do we just allow the old supply and demand theory of economics to come into operation and let private enterprise choose their own location, taking into account all the problems of labor, capital, and convenient market arrangements?

Comparing private enterprise with public government — by "public government" I mean open government, the sort of open government the hon. Member for Spirit River-Fairview chirps about. That sort of open government sits up on the fifth floor of this building. It's so open that all you have to do is sit there for a while and you can listen to almost any confidential conversation you want to. The rooms aren't like those of the hon. members of the opposition. They have no top to them, and everything leaks out, including the hot air. In fact it's so leaky up there that sometimes they send people up to fix the leaks before they even happen.

DR. BUCK: That's called state capitalism, John.

DR. WALKER: Yes, that's how Government House South got out, and so on I guess.

Then they have four or five secretaries down there. We've got one poor little secretary trying to work for five private entrepreneurs. We've got an oil man, and we've got . . .

DR. BUCK: Thirty thousand civil servants, John.

DR. WALKER: Yes, but we need a few of them up there on the top floor. You know, they've got all these people to work for — oilmen, salesmen, and doctors that keep writing all sorts of stuff about all sorts of things.

However, the only point in this, if there is a point, is to show that we are supplied with the facilities to produce, and if we don't produce that's not the fault of the facilities. In the same way, government should be supplying the infrastructure, the facilities, the education, loans, research, management consultation services — all these things other than grants or tax incentives — to small business so they can develop on their own initiative other than artificial provisos created by government. In other words, the more this government stays out of industry in a direct way, the better for every business in the province.

In most of the position paper we're talking about, the incentives are directed toward incorporated businesses. Why shouldn't incentives also be directed toward the private businessman?

As regards the second part of the motion, I often wonder what sort of legislation would strengthen independent service stations without completely controlling the whole industry. One of the things that does concern me is the differing price of gasoline in different parts of Alberta. For instance, why does gas cost the same in Calgary and Edmonton when it has to be transported some 200 miles, and yet it costs another 6 or 7 cents to send it down the road to Fort Macleod? It's very, very confusing when you start looking into gas prices. One figure given by Shell Canada states that the federal tax and the sales tax on a gallon of gas is 14.9 cents, and yet an invoice I have from one of the companies in Fort Macleod says that the federal and excise tax is 10 cents. I really don't know what to believe.

The gross profit of some of these smaller service stations amounts to only about \$24 a day, and they have to pay a man out of that. The oil company then says that if a dealer reduces his margin — most of these margins vary anywhere from 3 or 4 cents up to as high as 20 to 25 cents. In Calgary it looks as if the

average markup is about 17 cents a gallon. In my area it's around 13 cents a gallon. The oil companies come along and say, all right, if you reduce that margin to 8 cents we'll sell you the gas a little cheaper. In Claresholm, 28 miles north of Fort Macleod, the retail price is 79.9 instead of the 92.9 in Macleod, yet their invoice price is practically the same. So you find that for every gallon they sell, there's an under-the-counter cutback of 6.5 cents paid by the company on a special agreement with them.

The hon. Member for Lesser Slave Lake has a resolution to the same effect as this, suggesting that oil companies adopt a uniform cost for oil transportation costs in the province. Then the consumer can compare the price of gas in one area of the province with that in another area. I'll be supporting that resolution when it comes up for debate, even though there are a lot of problems and this will create new problems in the free market place.

I believe part (3) of the resolution also has some merit. For instance, when a civil servant is being transported to the boondocks, or whatever we like to call it — and I'm glad to be one of those from the boondocks — they could easily use a chartered aircraft in some of these areas and charter it from one of the local firms instead of using the King Air or the Queen Air. Alberta Housing Corporation has a policy of trying to buy locally. Then we look at some of the things the federal government does. For instance, a recent ad for bids to supply meat to Air Canada read "oceanic beef". They wanted a bid on oceanic beef; not Alberta beef, Montana beef, or anything else. This is a government-owned airline supporting Canadian industry. If we are going to have some political unity in Canada, surely to goodness we can reasonably suggest that our companies at least buy Canadian.

I don't know how far we can go by suggesting that Alberta should just support provincial enterprises to the exclusion of others. I think it would be frowned on very much by most people if we used our rather large surpluses to the exclusion of other provinces.

In general I support this motion. I don't quite know what to do about some of the aspects of it. It certainly requires more study. I believe the gasoline prices are being studied and watched. The trouble with that is that they're watching only the big cities. Why is gas \$1.05 in Jasper when Claresholm is 79 cents a gallon and roughly the same distance from the large centre. We don't want to destroy private enterprise. If somebody wants to make a little more on it, I think they should have the right to do so. But we have to have some means of comparison for different areas.

Thank you very much, Mr. Speaker.

MR. JOHNSTON: Mr. Speaker, I wanted to take a few minutes to add some of my comments to the very important resolution which has been presented to us by the hon. Member for Clover Bar and which, at a time in Canada's economic trends today, is particularly significant when you review the implications of tax adjustments or tax abatements or tax cancellations as spelled out in part (1). I also wanted to comment on the apparent attitude expressed by the hon. member in point (3) and, Mr. Speaker, I hope I can add something to this debate.

First of all, the situation now in Canada, and a very brief economic backdrop, is perhaps one of uncertain-

ty by the private sector, wherein the attitude toward investment, which is a very substantial portion of our gross national product and our gross domestic product of the province, is generally one of uncertainty, one of a lack of investment attitude or confidence in the market place right now by the private sector. This has perhaps been compounded by the decision of governments across Canada, led by the federal government, to enter wage and price agreements. I'm sure the direct attitude of the private sector is wary and unsure of the direction of the federal government as it pursues its investment decisions couched in that background. It was fortunate that the federal government, under the new Minister of Finance, did add some certainty as to their attitude. I think that might assist the private sector.

There's no question, however, Mr. Speaker, that the small entrepreneur, the small corporation in the province of Alberta, adds much to the vitality of our economic society. I'm not altogether sure, as other members have indicated before in the debate and today, how you can specifically describe the small entrepreneur or the small corporation, but I think the current tax structures and some of the recommendations other members have made might well add some certainty to that measurement.

However, they're faced with the always difficult struggle of financing internal and external sources of funds. To me, those are the two key things that corporations must deal with. Within their own range of opportunities, I think they have a list which might move from funds protected by depreciation, funds provided by the shareholders, and of course funds provided by externals. The external financing, I think, as the hon. Member for Macleod mentioned, has been assisted by this government in the sense that we have provided mechanisms and institutions which assist the financing under the leadership of other ministers, and certainly under the current Minister of Business Development and Tourism through the Alberta Opportunity Company.

However, to a great extent the real pool of a corporation, to minimize the cost of financing, must be the funds generated internally. Those funds are protected by various forms of depreciation write-offs, which really are non-cash requirements but which provide for the protection of that working capital to assist the corporation to pursue real capital formation activities, whether that's building of a plant, the purchase of machinery, or the increase in inventories to meet an expected demand situation. That source of funds is of real importance to the corporation. I think it's the government's responsibility to see it's protected and to see that the private entrepreneur has an opportunity to use that source of funds for other investment activities.

Currently, the calculation of taxation in the province by a small corporation can best be described as complex. Since the adjustments to the Tax Act in, I think, 1972, by the federal government, we've introduced a wide range of complexities. Initial working papers, or white papers, by the then minister, Mr. Benson, suggested that small corporations perhaps do not need to receive any kind of exemption. They tended to exhibit an attitude of hardness and coldness to the small corporation and thought they would assess a uniform rate of taxation across all corporations, not giving any preference to the smaller

corporation but treating it like and pooling it with the large entities. On reconsideration, they found they had some difficulty selling that to small entrepreneurs across Canada. They then retracted that position. However, there is an interesting statistic perhaps which, as I recall, showed that the amount of tax actually paid by the small corporation is not really a dramatic amount of dollars for any government, either provincial or federal, but it is important to the small entrepreneur; the point being that as a source of funds for the entrepreneur or the small corporation, it's important, but to the operations of a government in terms of the aggregate pool of dollars, it really is not that significant.

As well, the current tax structure provides that double taxation must really occur in a corporation; that is, the tax, once it flows through to the shareholder, is taxed in the hands of the shareholder, and that dividend income is therefore taxed, by some analysis, at a double rate. As well, the corporation is required to keep track of something called the cumulative deduction account, which provides for a preferred rate of taxation on the first \$500,000 of a company's income.

All this adds to the complexities that a small business must face in this very difficult world. It seems that the theme of the current federal taxation is to treat all small corporations, although they were single proprietorships or partnerships, and provide for a flow-through of funds; that is, they encourage the funds to flow out of the corporation and into the hands of the shareholder. I think this is perhaps the wrong attitude. The attitude of government should be to encourage the build-up of funds in the corporation, to encourage the corporation to reinvest that money in the business in assets, either inventories or real capital formation items. But that is not the attitude of that federal government legislation under which we operate. And as I say, there is certainly an attitude in evidence of double taxation in the case of that flow-through to the individual shareholder.

Mr. Speaker, in looking at the projections of the total estimated collection in the provinces from corporations through 1977-78, as a result of the new negotiations led by our Provincial Treasurer, we find that in the province of Alberta our tax rate on corporations compares favorably to other provinces across Canada. In fact, we are probably at the low end at 1.1 per cent, with a high being experienced in Newfoundland, and perhaps 13 per cent in Manitoba. It's interesting, though, that in the province of Alberta about \$248 million worth of corporation taxes will be collected in 1977-78. This is second only to B.C., which will collect about \$291 million worth of corporate tax. If the assumption is fair that the majority of that tax is collected by the large corporations — that is, those that pay 50 per cent anyway — it would seem to me that a provincial direction or provincial policy, as set out in the blue book or the Alberta Business Taxation and Incentives, as presented by the hon. Mr. Minielly, would really satisfy the criteria of preserving that amount of money and not really interrupt the flow of funds to the provinces.

I want also, Mr. Speaker, in reviewing this analysis, to indicate to the Assembly that in the case of taxation collected by the province of Alberta specifically, we expect to collect in the order of \$600 million in personal income tax. Of course this is substantially

more than the amount of corporation tax collected. It's also interesting to note that the provinces in Canada will receive about \$15.7 billion flow-back from the federal government, either for direct assistance or for taxes collected on behalf of the province. On the equalization side, the provinces of Alberta, B.C., and Ontario do not receive any net flow on equalization, but all other provinces do benefit from the flow from those provinces back to the major support provinces including Quebec, which is predicted to receive about \$1.26 billion.

Mr. Speaker, we recognize that certain policies are necessary to protect and provide for a source of funds for small corporations. We recognize further that incentives have to be given to the small business sector because they are the ones in this economy of ours that have experienced difficulties, that have given leadership to the private sector, and that have provided job opportunities to many Albertans.

Business Development, as I indicated, has provided a substantial amount of assistance through location information, providing profiles on certain cities and towns in the province to allow a fair evaluation of investment decisions. But I think some direct policies are required, Mr. Speaker, and that is why I tend to agree with the outline presented in 1971 by the then Provincial Treasurer. But there are ranges of that, I suppose, Mr. Speaker. We could perhaps look at a total tax holiday for a small corporation. This would perhaps be the extreme. I think this would be the strongest incentive and would certainly spark a flurry of activity as other corporations and other private sector people attempted to reorganize their affairs to create an investment in the province of Alberta and to create, perhaps, a residence for their corporation in the province of Alberta. I think this would generate a substantial amount of economic activity for our province. And as you know, through that economic activity goes our real growth in this province.

Mr. Speaker, we could perhaps make some major adjustments to create a less complex system. With the federal government we could simplify the system by which taxes are now assessed and collected. We could recognize the problems of small business in dealing with this information requirement, which costs them funds and which exerts a great deal of responsibility on them. For example, as the hon. Member for Calgary Buffalo outlined, the capital gains is one of those which exerts an unjust or perhaps excessive requirement as it confiscates some capital of some corporations through a passing over of the shares of the company upon death.

Mr. Speaker, I also wanted to talk briefly about the other part of the resolution, which suggests the province legislate an arrangement between small dealers and the oligopoly. Mr. Speaker, in dealing with the small entrepreneurs, the small, independent service stations, there have been some major new policy directions developed by the minister. I would just take the time to outline those to the House. The minister has attempted very directly to improve communications with dealers so dealers can be aware of what is going on in the market place, and the plans the respective oil companies have with respect to gas prices, new marketing trends, and how they might want to deal with the individual companies. Secondly, there's been an introduction of a severance arrangement between major dealers and small entre-

preneurs. This ensures there is fair treatment when a large company closes out a small entrepreneur through a consolidation process. Thirdly, there's been overt activity by Business Development and Tourism to ensure a fair balance between salaried operations — that is, operations that the large corporations run by direct salaries — and the lessee operations, to ensure that lessee operations at least have an opportunity to maintain their position in a very complex and very competitive market place.

We know, Mr. Speaker, there have been some strong results from the minister's requests and leadership in this area. We find at least four of the majors have undertaken improved communication patterns — new, improved ways in which they can convey policies, programs, and market changes back and forth to their dealers. Regarding severance, all companies, with the exception of two, have introduced generous forms of private severance to dealers whose stations are closed during a lease period. Finally, all major companies have adopted a policy to maximize lessee operations and, wherever possible, are converting direct salary operations to the lessee method.

Mr. Speaker, in dealing specifically with the recommendation — I think I've been referring to (3), I meant to refer to (2) — that legislation strengthen the position, I generally cannot concur that legislation should be the medium by which arrangements between contract individuals are effected. I think it has to take place on a co-operative basis. There has to be government leadership and government assistance, but I certainly would not support the view that we legislate that kind of interaction.

Mr. Speaker, I appreciated the few minutes to summarize my views with respect to corporation taxation. I think there is a strong area for research. With the kinds of research taking place in other sectors, I would encourage that we go into more data collection with respect to taxation and perhaps establish some model-building so we understand the impact of the theories expressed.

Thank you.

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

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

HON. MEMBERS: Agreed.

2. Moved by Mr. Wolstenholme:

Be it resolved that the Legislative Assembly urge the government to consider a policy that will enable adult adoptees to communicate with their biological relations, provided there be adequate protection for parties to adoption who do not wish to carry out such communication.

MR. WOLSTENHOLME: Mr. Speaker, this motion is prompted by inquiries about our process of adoption, especially in the area of confidentiality. At the present time, a party to adoption wishing to contact his biological relations has a difficult time getting information. Alberta, as well as other provinces, makes sure that adoption records are securely sealed. When they grow up, some adoptees feel this is a violation of

their rights.

I'd like to give a few statistics on the adoption methods in Alberta. There are two types of adoption: ward adoption and private adoption. In ward adoption, the child is surrendered to the province, or the province has taken custody of the child. The Crown then places the child in an approved home. Eighty-five to 90 per cent of the children involved in this form of adoption are infants.

The other form of adoption is private adoption. In this type, children are adopted through divorce and marriage. A couple with children split up and the parent with custody of the children remarries. The new spouse can then adopt these children, providing their other biological parent agrees. This form of adoption usually involves older children.

Ward adoption has greatly decreased since 1970, for a number of reasons. Single parents, especially mothers, are now keeping their children. This is socially accepted. There is an increased number of abortions, and an increased knowledge and use of contraception. For those now seeking ward adoption, the effect of these factors is disappointing. There is a waiting period of 11 months to one year, due to the shortage of acceptable children in Alberta. At the present time, 470 approved homes are waiting to receive a child by ward adoption.

This trend for information by adoptees on their biological relations is definitely greatly increasing. The number of such requests has skyrocketed from a couple a year, several years ago, to three or four a day now. This can be traced to two reasons. First, publicity has encouraged adoptees to seek information on their biological relations. Previously, when an adoptee gained such information, it has been a newsworthy story. When other adoptees read the story, they find they are not in such a unique position, and that such information is somehow and somewhere available. Generally their curiosity is aroused and they pursue the matter. Secondly, a generation gap exists. In the past, and in older families that have adopted, the adoptee was often not told he was adopted. For some reason, such as inability to have children, parents may feel ashamed of their situation or wish to avoid the issue by covering up the fact that the child was adopted.

Today, however, and in younger families, a rare situation exists. When mature enough, children are often told they are adopted. In some cases they are even encouraged by their adopted parents, out of curiosity, to gain information on their biological relations. But in most cases, probably, the child will seek out such information on his own curiosity. It may be added that when a family receives a child by ward adoption, they do receive some knowledge of the child's biological parents, mostly the mother, but this information is extremely sparse.

Adoption records have been retained by the child welfare branch since 1923, when approximately 50 adoptions were granted in Alberta. Nine hundred children were adopted in 1961, and by 1964 the number reached 1,224. The number of adoptions peaked in 1972, when 2,181 orders were granted. The trend in recent years has been fewer children becoming available for adoption. In 1975 only 727 adoption orders were granted by the department for children to be placed in homes.

Some common conclusions of research reports I

have are that the needs for adoptees to contact their biological parents are legitimate, and should be resolved rather than resisted or denied. That's a matter of opinion of course. The agencies involved in adoptions must react to the request of adoptees, as avoidance can only increase the risk of harm to those involved.

Now, a little history about what other agencies in other countries do. Upon demand, Scotland provides the adult adoptee with a copy of his original birth registration, which identifies the biological mother. England recently passed a similar law. In the United States there has been an increasing trend to release identifying information to adult adoptees. Practices vary a great deal from agency to agency, and in some cases the practice of giving out information is without legal sanction. Agencies tend to argue that if they do not get involved as a mediator, individuals will act on their own without recognizing some of the potentially harmful risks involved. A majority of the agencies that release identifying information do so with the consent of the biological parent and the adoptee.

In Canada the provincial child welfare acts are very similar with respect to the administration of adoptions. In all jurisdictions the court may open a sealed adoption order. In some provinces the director of child welfare also has the authority. Within the past few years, some agencies in Canada have started to share identifying information with adoptees on a case-by-case basis. This practice tends to be limited, and lacks a uniform and consistent approach.

The issue of sealed records in adoptions gained public attention in British Columbia in 1974, when the family and children's law commission reviewed a proposal to release identifying information when the adult adoptee and the biological mother consented. During public hearings on this subject, adoptive parents adamantly expressed their disapproval of the proposed registry, as they tended to view it as a very threatening proposal. The commission did not recommend the formulation of a registry, due to the opposition expressed by adoptive parents.

Saskatchewan recently prepared a proposed policy statement for the release of adoptees' information. They require that the identifying information be given to the adult adoptee upon the consent of the natural mother, and to the natural mother upon consent of the adoptee. The adopting parent may be given information on the biological mother with the consent of the mother. The Saskatchewan proposal presumes that an individual's right to privacy supercedes another's right to disclosure.

Ontario recently appointed a committee on record disclosure to adoptees, which held public meetings throughout the province. The committee's report, dated June 22, 1976, recommends that identifying information on adoptions be disclosed. Future adoptions in Ontario would be completed as they are now. However, the biological parents and the adoptive parents would be advised at the time of the adoption that issues of contact and/or sharing of identifying information may arise in the future.

Some of the problems that arise are that some mothers may wonder, on the anniversary birthday of their child, where the child is and how it is. They keep on wondering and wondering. In many cases the mother feels that she is not the producer of merchandise to be sold, but at the time of adoption

was only thinking of the baby's welfare and of her own well-being. It can also be a very traumatic experience for either the adoptee or biological relation when confronted by the other. Quite often it is also not a very comforting experience for the parents who have adopted the child.

To the best of my knowledge there are two main organizations which help adoptions: Parent Finders and Adoptees Anonymous. They both say they will respect the wishes of natural parents, birth relatives, who do not want to be contacted.

I had one mother come to me with her concern. Through erroneous information she understood that this motion was an act, to be passed at this fall session. Her concern was for her 12-year-old adopted daughter, who that day had to be punished. If the child knew who her biological mother was, her likely childlike reaction would have been to say, my real mother wouldn't be that mean to me.

In many cases the named fathers of a child are not aware they are the father of a child, usually because the mother terminates the relationship without mentioning her pregnancy. The biological mother is usually a young unmarried woman who, for a number of reasons, decides to put a child up for adoption. If the woman has subsequently married, there could be an embarrassing situation of an adoptee contacting the biological mother. There is also the fear of some adoptive parents that they may be rejected by their adopted child in favor of the biological parents.

I have tried to outline the problems and to understand the feelings of those who desire to find out about their parents or children. One thing I would not favor would be retroactive legislation to break the confidentiality of past adoption agreements. Section 60 of The Child Welfare Act states:

For all purposes an adopted child becomes upon adoption the child of the adopting parent and the adopting parent becomes the parent of the child as if the child had been born to that parent in lawful wedlock.

It continues:

For all purposes an adopted child ceases . . . to be the child of his existing parents . . .

Thank you, Mr. Speaker.

MR. LITTLE: Mr. Speaker, I congratulate the hon. Member for Highwood for bringing this most important issue before the Legislature. The motion before us today is fraught with immense human implications. We are dealing with human lives and experiences, the outcome of which at all times could be dangerous. The hon. Member for Highwood has covered the statistics and ground rules pretty completely. I would like to bring just one other feature to the attention of the members before we discuss it.

To protect the position of adoptive parents, adoption procedures have elaborate precautions. For example, the child's original birth certificate is replaced with one in the name of the adoptive parents. All records of the adoption are sealed, and cannot be opened without the permission either of the court or of the director of child welfare.

These two areas give me a little concern that there is a slight opening. My own position is that I would like to see them remain confidential. Because of these situations, any decisions we make in this regard in this Legislature must take into account all

possible consequences for parties involved in an adoption.

It is not a simple issue by any stretch of the imagination. It requires that all aspects be examined with forethought and exactitude. The following are a number of the concerns I have. First of all, we have what is called the adoption triad. The adoption triad concerns the adoptee, the biological parents, and the adoptive parent or parents. I would like to add a fourth to this proposition; that is, the government or the state. I've asked a number of persons involved in this area — social workers, social agencies. It is their opinion that at least three of this group should be consulted at all times before any decision is made; that is, of course the adoptee when he or she is of adult age, the biological parents, and by all means the adoptive parents.

I would also like to suggest that at all times when an application is made — should we decide to change any regulations so applications are accepted — professional counselling be given to these persons before they make the decision, because I don't think many of them realize the immense implications of what is going to take place.

The hon. Member for Highwood stated that there is quite a trend in the United States today to release this information. From what I read, this is quite correct. I can tell you of an instance where they did release information. There was a case just a year ago, in the state of Arizona. It concerned a woman in her sixties who, in her early years, had given birth to a boy and a girl. She'd been a prostitute in the streets of western cities for a number of years, became a derelict, and in her old age was looking for a place of security, somebody to look after her. She went to the courts, and they released the names and addresses of these two children. The daughter was married to a young professional in Phoenix, had three children, was very successful, and had made a new life for herself. She had no connection with this woman who turned up. The son, on the faculty of one of the universities in southern California, had carved out a wonderful career for himself. Now these two children wanted no part of this woman. They had no connection with her; the bonding that had taken place had taken place many years previously between those children and the adoptive parents.

That is the point I'm making. Number one, all parties concerned should be consulted and counselling should take place. Incidentally, the media did a lousy job in this case. They roundly criticized the children for not giving a home to this mother, who was allegedly deserted. Who did the deserting? She did the deserting. She abandoned them when they were babies. As I say, it has potential for unbelievable human trauma, and we must approach it with a great deal of care.

The hon. Member for Highwood has covered quite well the reasons for adoptees wishing to contact biological parents. Once again, I think we must have a board or a counsellor. This is why I say we need at least four rather than a triad. If we go this route, we need a board or a referee situation to decide the merits of the case, to determine whether the permit should be granted. I don't think mere curiosity is a sufficient reason.

I would suggest there is another reason the report did not cover, and that is monetary gain. I'm sure

there aren't too many of the members present here, who had committed some indiscretion in their teens, who would like some character to walk into their office some afternoon and say, hey daddy, I'm here, look after me now.

AN HON. MEMBER: Speak for yourself.

MR. LITTLE: As I say, these traumatic situations can occur on both sides of the coin.

As I understand, current requests are up to 25 per month, four out of five of them from females. Before we consider this for one moment, I think a great deal more study is required. As the hon. member suggested, the biological parents could be required to register, as in the B.C. experiment. But once again, we must set up some sort of counselling, some sort of refereeing situation.

The parent who has made a mistake in the past may be frightened at the prospect of meeting this child, and with very good reason. I can see many situations, such as the American situation I described a few moments ago, where the appearance of the unwanted mother or child could disrupt the whole family fabric.

If such a practice were to be initiated, careful practice and planning would have to take place in regard to this monitoring agency which I suggest. If we have such an agency, how far should it go to secure the identity and the location of the biological parents or of the child? If we do open up this one more intrusion into privacy, do we open the whole Pandora's box of secure information in the possession of the department or other social agencies today? I would hope not. As the hon. member said a moment ago, an individual's right to privacy in most cases supercedes another's right to disclosure.

The point I wish to make this afternoon is that we must have the assent of all parties concerned, that it must be considered with a great deal of care by very professional people, and that in all cases counselling should be given to those who are contemplating this act to make sure they are not acting irrationally or irresponsibly. But my last caution is that we don't move away from our present position, which is the preservation of privacy, the preservation of the confidentiality of these records, without a great deal of care and consideration.

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

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

HON. MEMBERS: Agreed.

DR. BUCK: Mr. Speaker, on a point of order. Are we setting a new precedent, or are we just adjourning these debates at any given moment — if there are other people who like to speak, or there is other information? I'd just like to know if it's becoming common practice that we just adjourn these debates if we want possibly not to vote on them, or if we have to have a valid reason, or just what is the procedure?

MR. SPEAKER: It's not a question of procedure; it's a question of the wish of the House. If the Assembly

wishes to stop debating one topic and go to another, there is absolutely nothing in any standing order or precedent I know of that can make it otherwise.

DR. BUCK: Mr. Speaker, pursuing the point of order. When the hon. Member for — the hon. member Mr. Bradley adjourned the debate . . .

MR. SPEAKER: Might I just interject there with great respect. Something that has been causing me some concern during these fall sittings is the increasing tendency to use members' names. We have a *Hansard*. Our *Hansard* is read, no doubt, in many places. I would hope that when they read *Hansard*, they will find proper parliamentary practices followed in that *Hansard*. The ministers all have portfolios, except some who can be identified otherwise, and the members all have constituencies. It's in those capacities that they are here in the House, and not under their personal names.

DR. BUCK: Mr. Speaker, possibly you noticed I did hesitate trying to remember the hon. member's constituency. I was not doing that with any intention of not using the member's constituency. I'll have a look at what the constituency is . . .

SOME HON. MEMBERS: Cypress.

DR. BUCK: Pincher Creek-Crowsnest. But, Mr. Speaker, the point that does concern me is if, for instance, either the opposition or the government did not want a vote to take place, the mechanism would be simply to adjourn the debate. If other speakers want to take part in that debate, Mr. Speaker, I'm saying they are losing their privilege of continuing that debate. I'd just like a ruling on that point.

MR. SPEAKER: The hon. member's intention to continue the debate could perhaps have been achieved if he had indicated his intention to speak and had been recognized by the Chair. I was not aware of any other member trying to get the floor at the time the motion for adjournment was moved.

MR. TAYLOR: Mr. Speaker, on the point of order, before any member is given permission to adjourn the debate the motion is put, and if we object that would be the time to object.

3. Moved by Mr. Donnelly:

Be it resolved that the government give consideration to exemption from universal workers' compensation coverage pursuant to regulations under The Workers' Compensation Act, based upon

- (a) representations received from industries or associations establishing low risk or satisfactory alternative coverage,
- (b) individual applications where both employer and employees join in an application for exemption.

[Adjourned debate April 26: Dr. Buck]

DR. BUCK: Mr. Speaker, just for the enlightenment of the hon. members, if they want to go back to *Hansard*, they will find out the reason I adjourned the debate is that I ran out of time. So then maybe they can quit their 'yukky yukies'. The reason, Mr. Speaker, I was

making the point is a valid concern, that this could be a procedure where you would, in effect, cut off the debate so there would be no vote. The hon. Deputy Premier's getting a little exercise there again — glad to see he's here. Not that I'm inferring he's not always here — he is, because somebody has to look after the front seat there.

But, Mr. Speaker, in speaking on the motion before us, I have one or two concerns that bothered me when we were discussing some of the agricultural aspects of the Workers' Compensation Board applying to these areas. I think the main thrust most members were making, especially members representing rural areas, is that some of the people under contract and some of the people engaged in agricultural pursuits did not want to be placed under compulsion that they have to take part in The Workers' Compensation Act and be covered by workers' compensation.

Mr. Speaker, there are many, many areas we know people should be covered, and so where there are high-risk areas, certainly there should be compensation. The area or the many areas that concerned me were some of those in which we had almost an omnibus coverage by the act. Since that time the minister is proposing to take many of these sections out of the act. I would just like to quote some of the regulations in the press release that said:

The government has decided to relax some proposed new requirements for workers' compensation to be applied to low-risk industries.

Labour Minister Neil Crawford announced today that a number of industries previously scheduled to come under compulsory workers' compensation on January 1, 1978, will not be required to be covered. The industries involved are ones which have traditionally not been considered to be dangerous and include a large number of clerical and similar occupations. Mr. Crawford said the government had received numerous suggestions over the past several months from employers in low-risk industries asking that the government not expand compulsory coverage at this time.

Government members of the Legislature received many letters and calls arguing that for small business administrative costs of joining the program could be out of proportion to the potential benefit. Over 150 types of industries from accounting and actuarial services to wax galleries and writing services were involved in the policy review.

At the same time, the government has decided to continue the present exemptions for farming and academic teaching.

Now, Mr. Speaker, this is the section that bothers me because I was under the impression, false or otherwise, that these areas were the ones causing us the most concern. It seems they're exempt, but as far as I can tell they're still included. If we get around to closing the debate or something, maybe the government members can inform us exactly what the situation is.

Continuing, Mr. Speaker, with the press release:

Continuing review of these exemptions and further discussions with representatives of the farming and teaching communities will be carried out to aid the government in any future adjustments of these programs. A concentrated effort

to strengthen the farm safety program has already been instituted on a co-operative basis between the Departments of Labour and Agriculture.

And there is just one other little section.

The government and the Workers' Compensation Board also propose an increased emphasis on voluntary as opposed to compulsory participation in all areas where coverage is not required by regulation.

So, Mr. Speaker, that is the release, and some of the areas that were of concern will be removed by regulation. At the same time that the minister has this three-page list, when we look at some of the areas that will be removed there are some areas I think possibly that the minister should reconsider and leave in the act. I guess we've maybe tried to throw the baby out with the bath water in some of these areas. It says curling rinks — now you don't know if that applies to the participants or to the people working in those areas. The same thing with golf courses. Does that apply to the people participating or to the people working on the courses? Because if it applies to the people who are working in either of those two recreational activities, many people get hurt working on these types of programs. So I would like to say, Mr. Speaker, that the minister should possibly reassess this. The same thing with ice-skating rinks. I presume it applies to the people who are caretakers in these facilities. So there certainly seems to be a large amount of confusion with what we're deleting and adding. I see massage services will be removed. Well I guess the massage services are possibly going to be helping people with back problems, maybe front problems, but there are some areas of concern.

So, Mr. Speaker, I would like to say that many people have indicated to me — and I suppose all politicians say if one or two people approach you, that's many people — there are professions which would like to have their employees covered by workers' compensation. I would like to say that has certainly been a move in the right direction, so if you want coverage, coverage would be available. But I know how the government mechanism works, in that a member of the bureaucracy drafting this type of regulation says to the minister, you know, unless we get broad universal coverage, the plan won't work and it won't pay for itself. I guess you can't really knock the bureaucracy for that because that seems to be the way the system works.

So, Mr. Speaker, basically, I would like to say I welcome the opportunity for people who wish to have coverage to be able to receive that coverage. But for groups that feel they do not want to be compulsorily dictated into joining the program, I think they should have a fair amount of latitude — that these people do not have to be covered. So, Mr. Speaker, I would just like to close by asking that possibly some of the government members or the minister, or anybody in a position of responsibility, indicate to us exactly if the agricultural sector is included or excluded.

Thank you, Mr. Speaker.

MR. MUSGREAVE: Mr. Speaker, I'd just like to make a few comments on this motion. I think I'd have to agree with the hon. Member for Clover Bar that we should examine the situation with regard to agricultural workers. But I also think we should examine the

situation with regard to any workers in an industry that may be hazardous. I would hope we wouldn't just delete those industries from which we may have heard, from a very vocal employer or group of employers who felt this was an infringement on their operation and is going to add to their cost, because I think it should concern all of us that those industries in which we find workers employed who could be subjected to hazardous or dangerous conditions should certainly be covered.

The other comment I would like to make is I have had, as the hon. Member for Clover Bar suggested, some correspondence. I have not had many; I've had one from an insurance agent. He wrote a very strong letter on behalf of the insurance industry. I had to listen with more than the usual care, because first of all he was a constituent, and secondly he was the treasurer of our organization. So obviously I had to pay careful attention to him. He was concerned about the fact that the insurance people were being covered, and he launched into a great debate about it being a bureaucratic engagement, smacking more of communist Russia's methods of government than a free society, et cetera. I haven't heard from him since I wrote back and advised him that he's not going to be covered as a result of the amending order in council.

Mr. Speaker, I do feel that perhaps there should be some consideration for some of the smaller industries such as that, where there is some element of hazard, if representation is received from either the industries or the association of workers. I think the government should take careful consideration of those industries where it is obvious that both the employers and employees agree there should be exemption. Therefore, Mr. Speaker, I would urge the members of the House to support this motion.

MR. TESOLIN: Mr. Speaker, first of all I would like to say that I am most pleased that this responsible government has put into force part (a) of this motion. This indicates how responsive this government is to representations made by our constituents.

DR. BUCK: Only when they want to, Ron.

MR. TESOLIN: It truly is action by this government reflecting the thinking of Albertans.

Furthermore, Mr. Speaker, I agree with the very appropriate part (b) of the resolution presented by the hon. Member for Calgary Millican. I have had considerable representations asking this government to exempt those individual applications where both employer and employees join in an application for exemption. It would seem to me therefore, Mr. Speaker, that this is something wanted by Albertans. If we do not allow this exemption for those situations in which both sides agree, we will be causing many small businesses an unreasonable burden. My constituency has many small businesses, and it is my hope that many more will develop.

Mr. Speaker, the main principle involved is the freedom of choice to participate in or be covered by Workers' Compensation Board benefits. The individual and the industry should have some choice in the issue of going on the plan or not, especially, as I stated before, in the small businesses. However, freedom of choice is fine, but it must be within the context of ensuring that workers are adequately pro-

tected. Thus a way out of the paradox might be found by stipulating freedom of choice if the matter does exist for low-risk industries, provided they seek adequate coverage from private insurance companies. This would not only give a freedom of choice with regard to workers' compensation but would also allow workers and employers a wider variety in the type of protection they seek and receive, as the private insurance companies would no doubt market a wide variety of plans.

Mr. Speaker, the Workers' Compensation Board is entirely funded by the private sector via employer contributions. Although the program is created and regulated by statute, some freedom of choice has to be present, and some opportunity must be present for private insurance companies to participate in the program.

Two comments, Mr. Speaker, before I conclude. First of all there has always been voluntary coverage. Also it is now true that farmers can get in and out as often as they want. They may get in in March, they may opt out in June, and back again in July. Much has been said about this motion, thus a lengthy discussion on my part is really not necessary. I agree with the positive, supportive remarks. Thus I am prepared to support the views expressed by the mover of this motion, and of those who spoke positively to this resolution.

With that, Mr. Speaker, I shall not delay this august body any longer. Thank you.

MR. PLANCHE: Mr. Speaker, I'd like to say a few words in debating this resolution by the Member for Calgary Millican. I think it's a good resolution, and I'm glad the government saw fit to adopt most of it.

Mr. Speaker, one of the things relevant to this particular problem that concerns me is that people operating trucks in the state of Montana who have the authority to travel into Alberta are being assessed for the period of time their driver is in Alberta. This is very often an overlap for the assessment for an equivalent type of insurance assessed them in Montana. While I was researching this problem I found out it's also true that if a trucker or a transportation firm in Manitoba, for instance, has authority to operate in Alberta, at the first of the year the amount of time that trucker will spend in Alberta, Saskatchewan, British Columbia, and so on is assessed on a prorated basis. That fee is payable to the Alberta government for Workers' Compensation based on that proration. I presume this is applicable to planes, buses, and whatever else is travelling through our province.

I'm wondering, Mr. Speaker, if the members or the minister involved wouldn't find it useful to check the cost to the people who have to go through all these arithmetic gymnastics and form filling-out versus the benefits. I'm wondering also what kind of civil service the province has to oversee this kind of fund-raising. I think it may be useful; if we were to review that, we might find that in fact we should collect workers' compensation from people who only reside in the province or area from which their service comes. Surely in this nation we don't need any more impediments to interprovincial trade than we already have.

Having said those things, I'd like to commend the Member for Calgary Millican again. I intend to vote

for this motion.

Thank you.

MR. DONNELLY: Mr. Speaker, as mover of the motion, may I be allowed a remark?

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

HON. MEMBERS: Agreed.

MR. DONNELLY: I'll be very brief. I just want to give the Member for — and like you, I can't remember where he's from — Clover Bar an answer to his question in regard to the golf course situation. I'd like to let him know that if he looks at the act it's called The Workers' Compensation Act, and not the entertainment compensation act.

Thank you.

[Motion carried]

4. Moved by Dr. Webber:

Be it resolved that the Legislature give consideration to the province-wide sharing among municipalities of 50 per cent of the growth in commercial and industrial assessment.

[Adjourned debate May 3: Mr. Cookson]

MR. COOKSON: I'd like to assure the Member for Clover Bar the reason that was adjourned also was that we ran out of time.

DR. BUCK: I wouldn't have accused you of any ulterior motives, Jack.

MR. COOKSON: Mr. Speaker, I took the opportunity to scan briefly the comments made with regard to this very important resolution presented by the Member for Calgary Bow with regard to sharing commercial and industrial taxation. I would like to compliment the Member for Calgary Bow on his research and presentation.

I'm not sure, though, whether the editorials and comments in the local Calgary papers were that complimentary, which leads me to believe that perhaps someone at the municipal government level in Calgary felt that somehow or other their tax revenue was threatened by this kind of presentation. I would like to say that if any adjustments are made by the government in this area, there will be some municipalities that lose in this case and some that win. But overall, in my interpretation of the . . . which is a very complex kind of thing to study, I think that perhaps the whole province stands to gain by certainly reviewing our present system of tax-sharing and, if necessary, implementing some of the recommendations put forth by the Provincial-Municipal Finance Council that met with the cabinet committee on November 24, 1976.

Mr. Speaker, I'm of the opinion that our present government, which took the initiative as far back as '67 — although they weren't in government, but certainly in '71 — to encourage decentralization and orderly growth throughout the province has perhaps contributed somewhat to some of the inequities that someone feels we have at the present time.

It's a fact that residential, commercial, and industrial assessments do not always occur in municipalities a third to a third to a third. Decentralization of some of our major industrial developments, the development in the tar sands, a further development in that area, the development of the petrochemical industry, the decentralization of that program which certainly affects my constituency in a personal manner, and the large-scale developments bordering on the cities — I suppose in particular the area around the city of Edmonton — this kind of distribution of industrial growth, if it's evenly done in such a way that each municipality shares a third, we may not have a problem in that respect. But that doesn't occur. We have for example, [from] my observation, fairly large municipalities that have very little or no commercial and practically no industrial assessment base whatsoever. Going on the assumption, which I think is a reasonable one, certainly talking to municipal people, they feel, in addition to residential, they need commercial and certainly industrial assessment in order to grow in a balanced way. Our government has been committed to decentralization and to orderly growth throughout the province, and in this respect I think it's reasonable and fair that we review what is happening across the province and hopefully balance out assessment.

The province has, through its grant system, tried to even out differences. I just want to draw to the attention of the Legislature, without boring you too much with figures, the picture that was presented to the cabinet committee on this study. On page 23 of this document the research committee pointed out some inequities that exist in assessment and taxation. For example, I'll just take one figure of actual assessment per capita across the province in 1975 to indicate to you that there are some major assessment inequities in the different groups of municipalities. In 1975 the actual assessment in dollars per capita in the cities lumped together was \$3,651; in the towns, \$2,034; in the villages, \$1,790; in the MDs it went back up to \$3,204; in the counties, \$3,976. If you average these out, they amounted to \$3,178 per capita actual average assessment. So you see there are some discrepancies there that actually exist on the basis of their study. That was in 1975, and these figures change from year to year.

To further substantiate the case for differences in assessment, I thought I might draw to your attention the facts as they found them for 1975 in terms of assistance programs through the Department of Municipal Affairs. Since the province has recognized that there are differences in these different groups of municipalities, and also differences within the municipalities themselves, they have attempted — and this government has been responsible for much of this — to provide assistance programs that would even out the anomalies in the different areas. In the study the group made — and incidentally they've done this, Mr. Speaker, the province and the government, by means of the revenue they have derived from different sources. Many people I talk to just don't understand where the funding comes from for the kind of funds that go back through the municipalities.

I'd just like to mention, of course, that something like 70 per cent of our oil and gas revenue from sales of exports and revenue and royalties goes into the general revenue of the province, and that in turn is

prorated back through various forms to the municipalities. In addition, the province acquires revenue from the liquor tax which is quite substantial; unfortunately it's quite a substantial amount of revenue. They also derive revenue from the school foundation program which again places assessment on the different assessment groupings in the province. They derive revenue from income tax, which we all pay if we're in the bracket. There's also a form of licensing for vehicles, and so on. All that revenue comes in and is in turn prorated back amongst the municipalities.

After the province has done this, the study shows, for example, that in 1975 the province did the following things: they paid out property tax assistance of which we're all aware, both on residential and farm tax; the province and this government initiated the home-owner refund; they initiated municipal assistance grants which are conditional and non-conditional; they issued interest stabilization grants and senior citizen renter grants. These groupings cover pretty well the major grants that flowed back to the municipalities. That 1975 study showed: on a per capita basis the province through this system paid \$72 back to the cities; to the towns, \$66; to the villages, \$76; to the counties, \$98; to the municipal districts, \$114; to the improvement districts, \$67; and to the special areas, \$155. However, this doesn't include all the other programs the province has initiated, again through revenue, to even out the imbalances between residential, commercial, and industrial assessment bases.

Without taking too much of the Assembly's time, I would like to commend our ministers and our government for some of these programs that have helped rural Alberta. These are in addition to the per capita payments that have been made. For example, the waterworks program has been of major interest to my own constituency. I'm thinking in particular of a small municipality that couldn't possibly have initiated a water and sewer program without this program through Environment and Municipal Affairs.

There are special school grants for smaller schools with low enrolments. We have again tended to even out the anomalies in areas where there is a low per capita and assessment base. The rural gas distribution program, including power assistance, has again helped to even out these differences. The funds that go out through Agriculture — which we should talk a great deal about this week because of its importance to the economy of the province and will continue to be — help to even out these differences. The Alberta Opportunity Company, and the way it funds, helps to encourage industrial, commercial, and so on in some areas outside the major urban centres. In addition, Mr. Speaker, the program that this province initiated, and which has been of great help to my constituency, is decentralization of government services.

What I'm saying to the Assembly is this: we can talk somewhere down the road — I think the Member for Drayton Valley suggested 2000, and someone suggested that might be a little too early — about initiating sharing of industrial and commercial assessment. This government, and probably the former government to a degree, has tried to even out inequities across the province by the way in which the various departments set up their expenditures. I don't think anyone can argue that we're suddenly going to be confronted with a whole new situation

when we talk about the sharing of industrial and commercial tax base. I think the people who wrote the editorials, and concerns in Calgary, would have to recognize and accept that this is already done to a very large degree through the different departments.

I know the Minister of Transportation can stretch that road budget to the most unbelievable degree. I don't know how he does it. But the member comes up with a little bit of a contingency — that was a common term used by the old government. They called it natural resources roads or contingency roads, which were specially built for special services. I think we've dropped that term, but the minister's still able to come up with funding. I know our constituency, and certainly the municipality involved in this case, was very appreciative of the assistance we received.

All I'm saying in conclusion is one word of concern. I want to see pretty clearly in black and white — so I can understand it, by the way — just what we're going to be talking about when we're talking about industrial and commercial tax sharing. I'm particularly concerned, because in the county of Lacombe we have the world-size petrochemical industry which, for the members' edification, is something like 20 per cent completed. All the underground structure is completed and they're working on the above-ground structure. It has taken a year and a half to two years just to do the underground structure of this massive development. I think it's going to require something like 1,600 workers to do the balance of the structure in the forthcoming months. It's going to be a major source of revenue for our area. I'm sure, Mr. Speaker, it couldn't have come about without some kind of persuasion. Even though the province hasn't put any money into it, there had to be some kind of persuasion. We talked to some of our people down there and they said, it's sure a beautiful place. Maybe that's the reason they located there. I don't know.

At the present time we're in the process of constructing a half-million dollar bridge across the Red Deer River to service this area. It comes in from the constituency of the Member for Innisfail. We're all kind of proud of that development. We're looking forward to the day when we'll be able to cut the ribbon. I don't know whether they do that with these large-scale projects, but I hope I'll be around to participate in the ceremony. Incidentally, they have been a tremendous group of people to work with. Anytime the municipal government's had a conflict they've gone to these people, and they've been tremendously co-operative. I'm proud of that.

The county of Lacombe has said many, many times that if you're talking about tax sharing — and they're quite generous in their thoughts — be careful you don't forget that it costs a tremendous amount of money initially to provide the roads and the other kinds of services to get a plant of this size on stream. It's not all gravy. Therefore they would be very hesitant to put on record just what they would be prepared to accept in terms of tax sharing. But having said that, I'm sure they're prepared to listen to any kind of reasonable presentation on behalf of the government.

Of course we looked on with some concern when the county of Strathcona became a major industrial complex. We know they have derived considerable benefit. Maybe it's time, Mr. Speaker, to have another

look at this tax sharing. If there are these inequities, and if we can't balance them out by means of the programs we initiate across the province, I suggest we have another hard look at it, and perhaps come in with some formula we can all assess, speak to, and perhaps initiate in the Legislature.

MR. TAYLOR: Mr. Speaker, I want to say just a few words on the resolution. I favor it very much. The resolution isn't asking that any municipality give up anything they have now, or until such a program comes into effect. I think that's an important item to notice. It's 50 per cent of the growth, only 50 per cent. I feel that is a reasonable figure, because if growth is going to take place in the province it's going to do so because of a climate created largely by the programs and administration of the provincial government. I want to emphasize that, because if a provincial government takes a stand, as one Saskatchewan government did, it can drive growth out of the province entirely. The people will not come and invest their money.

For people to invest their money there has to be confidence, confidence that they're going to have a fair deal, that they're going to be able to get a fair return from that investment, and that the word profit isn't a sinful word. Free enterprise is built on profit. If there's no profit, a farmer can't stay in business, a store can't stay in business, no commercial operation can stay in business. If there's no investment, there are no jobs. It's all based on that word confidence. Confidence is built by the programs and policies of the provincial government within a province. More than 50 per cent is built on the climate created by a provincial government within a province.

When you look at the other end, there are some municipalities that will have tremendous growth, because they happen to have a lot of natural resources within their boundaries. I expect the Drumheller valley will have tremendous growth in the next few years. Coal is coming back into its own. At one time we had 21 coal mines operating in the Drumheller valley. I look forward to the day when we'll have 20 or so coal mines operating in the Drumheller valley once again, bringing out coal. Where there's no coal, there's no possibility of that development; and where there is coal, there has to be some confidence in those who will invest their money, because it takes a lot of money to develop a coal mine. Coal must then compete with various other types of fuels.

Some places are strategically located, and consequently have growth. Some places are located so they have dormitory growth, and can never expect to have any natural resource development.

I ask the hon. members: why should one part of the province that has no natural resources be denied a share of the development, simply because it doesn't have the resources within its boundaries? Again, where there are two or three adjacent municipalities, if they're going to start bidding and offering concessions in taxation and otherwise, to the business to come in, as some provinces have done, then those concessions are being offered at the expense of the people of that municipality. This has happened time and time again.

The main point I want to make, however, is that development in a province depends largely on the

climate created by the provincial government, plus the attitude of people within the municipalities. If that is so, why shouldn't all the people represented by the provincial government have some share in the growth that results from that good climate, which attracts capital from various parts of Canada, the world, and our own province? I believe that is a sound proposition, that all the people of the province should have a share of the growth development within a province. It would stop bickering among municipalities. Sometimes there is a logical place for a manufacturing plant, and if the other municipalities knew they were going to secure a fair share of 50 per cent of the growth, they wouldn't be struggling to try to get the plant or business within their boundaries where it logically should not be placed. It would help the environmental factors, because the best possible environmental impact could be had on the area in which the plant was located.

There is just no end to the benefits that would result to the people of Alberta if they could work out a plan whereby 50 per cent of the growth remains in the municipality where the growth is taking place. That's a pretty reasonable share to look after the costs involved, the extra policing, et cetera. Then 50 per cent would go into a fund from which all municipalities of Alberta would benefit. It would be one of the best regional equalization programs possible. If the Canadian government had a program something like this, it would do away with many of the inequities in the present equalization program sponsored by the Canadian government throughout our country.

I believe in equalization programs. I don't think any of us can accept the situation where some fellow Canadians are going hungry while we have more food on the table than we can eat. I don't think any of us can accept the proposition that we are warm while fellow Canadians are cold. There's a brotherhood among Canadians, irrespective of race and color and where they live. We are our brother's keeper, even beyond the boundaries of Canada, but charity begins at home. That's our first responsibility.

I would like to see this matter given consideration. I would like to see the motion passed by this Legislature, in order that the government could do even more than they're doing now to work out an equitable program with the municipalities, the people of the province, and the MLAs, under which 50 per cent, or X per cent, of the growth in industry and commercial assessment would be distributed to all the people of the province on a satisfactory basis. I strongly support the resolution.

MR. SHABEN: Mr. Speaker, I too would like to add my congratulations to the hon. Member for Calgary Bow for introducing this excellent resolution. The debate in the spring and again this afternoon has been worth while and helpful. In listening to the debate, I do have a couple of questions that haven't been clearly resolved. One of them relates to the definition of growth, whether growth means new industrial and commercial development, or would it result from re-assessment of existing businesses? That would be a question to be determined.

Another question that occurs to me is that in the resolution the hon. member refers to province-wide sharing among municipalities. As a matter of fact, in northern Alberta a great deal of the province is made

up of improvement districts, which are not municipalities. Properties and developments in those areas are taxed as well. This, of course, would have to be a consideration and probably an extension of the interpretation of the motion.

I can see where this would be very useful as it applies to my own constituency, in that near one of the communities in my constituency is an industrial park. Twelve miles distant is a community that provides all the services and amenities for the people who work in that industrial park. It's a very difficult thing for the jurisdiction, the bedroom community, to supply the services and amenities for industrial complexes and that sort of development from the taxation base from residential and commercial property. So in that aspect, it would be a most useful development to allow new commercial and industrial growth assessment to be shared throughout the province.

With the direction the provincial government is going in urging decentralization and the development of industries away from the heavily populated areas, it would in fact help Edmonton and Calgary — which are concerned about growth and taxes, as we all are — that they wouldn't be denied taxation as a result of growth within the province.

So Mr. Speaker, in making these few comments, I feel I can support this resolution. I would also urge that the government give favorable consideration to this item.

DR. WEBBER: Mr. Speaker, could I conclude debate on this motion?

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

HON. MEMBERS: Agreed.

DR. WEBBER: Thank you, Mr. Speaker.

First of all I would like to thank hon. members for their contributions to the debate on this motion, not only those who spoke today but all who made their contributions last spring, in the month of March. I pointed out at that time that this was a proposal of the Provincial-Municipal Finance Council. As the hon. Member for Lacombe mentioned, there was considerable reaction on the part of a local newspaper in Calgary, and I would say that it probably reacted rather hastily to the motion. At least that's my view. That's its prerogative. I thought it obvious the editorial writer really hadn't studied to any great extent the debate that took place here last spring. It was confused that it was a motion of mine, not necessarily a Provincial-Municipal Finance Council motion, and I indicated at that time they were one and the same thing.

Earlier today I read the remarks the hon. Leader of the Opposition made last spring. He directed most of his comments to the more general concept of revenue sharing, but did indicate he was prepared to give growth sharing a try. Likewise the Member for Little Bow, who spoke on it last spring, indicated his support.

From the debate that took place, I think it is evident there are wide variations not only in the taxable assessment base but also in the make-up of that assessment base. I think the hon. Member for Lacombe pointed that out well today, as did the hon.

Member for St. Albert last spring. He indicated that in his city 94 per cent of the tax assessment base was residential, only 6 per cent was commercial, and that the city of St. Albert was certainly trying to go after an industrial base.

If I might, Mr. Speaker, I'd like to review briefly the four main points of the proposal and, in doing so, maybe answer at least one of the questions of the Member for Lesser Slave Lake.

The first point was that a base year would be established. Secondly, municipalities would calculate their annual growth in their commercial and industrial assessment. Fifty per cent of that assessment growth would go into a province-wide pool. The municipalities would retain their assessment up to that base year, plus 50 per cent of any assessment growth. So as the Member for Drumheller pointed out today, no municipalities would be losing in this particular proposal. It would be a share of the growth.

Mr. Speaker, I don't think it's thought this motion is a solution to the financial problems of municipalities, nor is it intended as a new revenue source as such, but as a rational and fair distribution of future assessment growth in Alberta.

We have had some reaction since the motion last spring. The Alberta Association of Municipal Districts and Counties sent a letter, dated September 14, to hon. members. Part of that letter was related to tax growth sharing. They in principle indicated they could support a tax growth sharing proposal provided it encompassed all areas of the province. I think this is the point the hon. Member for Lesser Slave Lake was making: not just municipalities as such, but all areas of the province. They indicated they thought it should include commercial/industrial property as well as power, pipe, and rail. However, prior to a decision by their association, they said that they thought there were a number of questions which should be answered. They listed two of them: one being what exemptions are being considered and two, what formula will be used for the distribution of the portion of the tax being shared.

During the spring session some hon. members had some concerns about the 50 per cent sharing aspect of it — concern about the exact figure of 50 per cent. I think the Provincial-Municipal Finance Council pointed out that that was a figure they had come up with; they thought it was the fairest figure. However, certainly they'd like to listen to other suggestions.

Also, Mr. Speaker, The Alberta Chamber of Commerce indicated in one of their 1977-78 proposals that they would like to see some kind of tax-sharing plan. They indicate that a major portion of urban and

rural municipalities consists of primarily residential dwellings with a low percentage of industrial and commercial development. A minor number of municipalities have a vast majority of the industry and commerce located within their boundaries. They went on, Mr. Speaker, to make the recommendation that the Alberta government be asked to establish a provincial tax-sharing plan related to industry and commerce in order that all — and they capitalized "all" — municipalities in Alberta will share in a portion of the benefits of industrial and commercial taxation.

The third response, Mr. Speaker, came from the city of Calgary. They were careful to point out that their particular statement was preliminary, and not a final declaration on whether the plan should be implemented. Their preliminary reaction, I would say, was not optimistic, but at the same time not adverse to further investigation of the problems they see inherent in the particular proposal of the Provincial-Municipal Finance Council. They also urge the development of a more comprehensive formula to take into account a number of other factors, such as demographic and economic. They would like to see consideration of other alternatives as well.

In conclusion, Mr. Speaker, I think it's important that our government give consideration to this motion and act before the inequities that exist become worse. We have had tremendous economic growth in Alberta, and we have more growth coming. I think if we wait too long we will see some of these inequities become worse.

Mr. Speaker, I think the principle of the proposal is important. The details, I think, need to be worked out and considered further. So I'll simply say, Mr. Speaker, that I would urge hon. members to support the motion.

[Motion carried]

DR. HORNER: Mr. Speaker, I move we call it 5:30, and that the House do now adjourn until tomorrow afternoon at 2:30 o'clock.

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

HON. MEMBERS: Agreed.

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

[The House adjourned at 5:25 p.m.]