

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, March 17, 1978 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 16

**The Cultural Development
Amendment Act, 1978**

MRS. CHICHAK: Mr. Speaker, I beg leave to introduce Bill No. 16, The Cultural Development Amendment Act, 1978. The major amendment is to create two foundations to give greater ease and ability to carry out the spirit and intent of cultural development programming in Alberta.

The creation of the foundation to be entitled the Alberta Cultural Heritage Foundation will enable further support and encourage the presence of our rich cultural heritage through contributions from individuals, groups, and government. In order to provide further incentives to the excellent work being done by our volunteers, the Alberta Foundation for the Performing Arts will permit the performing arts to stimulate programs in a co-operative programming.

Thank you, Mr. Speaker.

[Leave granted; Bill 16 read a first time]

MR. HYNDMAN: Mr. Speaker, I move that Bill No. 16, The Cultural Development Amendment Act, 1978, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. DOWLING: Mr. Speaker, I have the honor to table the annual report of the Department of Business Development and Tourism for the year 1976-77, as required by statute. Copies of the report will be made available to all hon. members.

MR. SCHMID: Mr. Speaker, I would like to table the report of Alberta Government Services for the year 1976-77.

MR. YURKO: Mr. Speaker, I beg leave to table with the Legislative Assembly the annual report of the Department of Housing and Public Works for the year 1976-77.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. NOTLEY: Mr. Speaker, I'm delighted to be able to

introduce to you, and through you to Members of the Legislative Assembly, eight students from three schools in the Peace River country: Savanna high school, the Holy Cross separate school in Grande Prairie, and St. Marie separate school in Spirit River. They are seated in the public gallery, accompanied by one of the teachers Mr. Mike Dorval, and driver Cliff Mitchell.

Mr. Speaker, these students are on their way to Calgary to represent the Peace River country in the provincial speech finals. I'm sure that in welcoming them, the members will also wish them the best of luck. I'd ask them to rise and receive the welcome of the House.

MR. KROEGER: Mr. Speaker, I was most pleasantly surprised to look at my desk and see a sheet that says I have 25 grade 9 students from Consort in the members gallery. I said pleasantly surprised, and I'd like to welcome them. I invite them to stand and receive the welcome of the House as well.

MR. KING: Mr. Speaker, it's a pleasure for me to have the opportunity to introduce to you this morning, and through you to the members of the Assembly, a number of grade 12 students from Concordia College, located in the constituency of Edmonton Highlands. They are accompanied by their teacher Mr. Willie. They are seated in the members gallery. I would ask them to stand to be recognized by the House.

MR. GETTY: Mr. Speaker, I'd like to introduce two schools today, the Richard Second grade 5 class and the St. Martin grade 5 class. They are in the public gallery. I might mention that the St. Martin school has students who are in the constituency of my seatmate the hon. Mr. Crawford, as well. I'd ask them to rise and be recognized by the House.

head: **ORAL QUESTION PERIOD**

Oil Sands Development

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural Resources. The question really deals with Japanese investment in the development of Alberta's energy resources. The minister will recall not long ago an announcement from Japan indicating that some Japanese firms were very interested in being a part of development in the tar sands. Has the government of Alberta had any discussions recently with the Japanese government on the possibility of Japanese participation in large-scale oil sands development?

MR. GETTY: No, Mr. Speaker.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has the minister or the government had discussions with representatives of Japanese firms that, in fact, are interested in investing in future oil sands developments in the province?

MR. GETTY: Not recently, Mr. Speaker. From time to time I hear announcements about development of the oil sands from Ottawa, from Japan, from Europe. I

would think the ones that will really count will be when we announce them here.

MR. CLARK: Mr. Speaker, it's also my hope that the decisions will be made here in Alberta, and that's why I raised the question today. It's my understanding that PetroCan has said to this particular organization, you have to have a decision whether or not you're in by the end of March. It would seem to me if PetroCan were in that kind of situation, hopefully there'd been some discussions with Alberta prior to the federal government getting to that stage.

So my question to the minister is: at what stage are negotiations between Alberta and PetroCan with regard to either PetroCan, or PetroCan and a consortium, going ahead on tar sands developments?

MR. GETTY: Mr. Speaker, I haven't had any discussions with PetroCan.

Court Structure

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Acting Attorney General, who would be the Minister of Federal and Intergovernmental Affairs. It deals with the part of the Speech from the Throne concerning the amalgamation of the courts. My colleague the Member for Little Bow had planned yesterday to ask a question of the Attorney General, but in the absence of both of them today, I would direct the question to the Acting Attorney General.

Earlier, the Attorney General had indicated he was prepared to make documents available to all members, in light of the concern expressed by a number of senior judicial officials in the province over the proposed amalgamation. My question to the acting minister is really twofold. Will the legislation be introduced early? Secondly, is it the government's intention to put this legislation through at this spring session?

MR. HYNDMAN: Mr. Speaker, I believe the hon. Attorney General will be back in the House on Monday. So I'll take the question as notice, bring it to his attention later today, and suggest that if he can reply to it on Monday for the hon. leader, that would be appropriate.

St. Patrick's Day

DR. WALKER: Mr. Speaker, before I ask my question, may I take this opportunity to wish all members of the Assembly a very happy St. Patrick's Day. I was going to say, from the time they marched into the House this morning till they all stagger home tonight. I even notice our little green lights are a little greener today.

My question, Mr. Speaker, is to the hon. Solicitor General. Is it the written policy of the Alberta Liquor Control Board, which reports to the minister, to allow green beer to be sold in a certain tavern in Calgary?

MR. FARRAN: I'd like to begin by saying, Mr. Speaker, that there has been a serious mistake. I have the button of the hon. Member for MacLeod here. My father in his yore didn't wear any orange sash at Enniskillen and the Boyne; he wore a green sash, and this orange button should be on the other side of the House. [laughter]

Mr. Speaker, I must tell you that the situation in the Shamrock Hotel in Calgary has been sorted out by the very efficient general manager of the Alberta Liquor Control Board, who himself comes from the old sod.

AN HON. MEMBER: Does his mother know that?

MR. FARRAN: This is what happened. We had a lawyer — a very, very promising young man, except that he needed guidance — in the Alberta Liquor Control Board who found a clause in The Liquor Control Act that said it was an offence to adulterate beer. Of course the Shamrock Hotel — which was built in the memory, and the shadow indeed, of Senator Patrick Burns, a famous Albertan — has served green beer on St. Patrick's Day for many years. Here this lawyer says it's adulterization.

Well, this very excellent general manager said, look, you've got it wrong. It's not adulterization; it's nothing to do with the Ten Commandments at all. [laughter] It's beautification, not adulteration. And this beautification is continuing in this particular hotel today in Calgary.

DR. WALKER: Supplementary, Mr. Speaker. Will the hon. Solicitor General also allow the board the same latitude for orange coloration of beer for the benefit of those Unionists still resident in the city?

MR. FARRAN: Mr. Speaker, that would be a crime against humanity, and definitely contrary to the act. [laughter]

Liquor Permits

MR. KUSHNER: Mr. Speaker, I also wish to direct my question to the Solicitor General. I wonder if the general in fact can inform this Assembly . . . I know many celebrations are taking place in various communities celebrating St. Patrick's Day, but in my constituency the community of Renfrew has applied for a special permit. The advertisement [is] as follows, and I wonder if that problem has been corrected: St. Patrick's Dance, Friday, 17 March, 1978, 9 p.m. Music by the Spooners. Come one, come all.

I wonder, what problem does that encounter with the Liquor Control Board to cancel their activity?

MR. FARRAN: Mr. Speaker, this is again a problem with the very excellent young lawyers we have in the department. In this, I must explain to the hon. member that under the terms of The Liquor Control Act, you can get a special permit for an occasional social function by a club and have a reasonable number of guests.

I hear the problem in Renfrew is that it wasn't just a simple advertisement, it was a big, flashing-light sign — in green of course — advertising a St. Patrick's Day dance: come one, come all. The problem here is that although most people in Renfrew are Irish on March 17 and can probably be legitimate guests of the community association, if all Calgarians who want to be or are Irish went to this particular function, it would be more than the community hall in Renfrew could hold.

So the permit has not been lifted: the dance goes on, and I believe it will be a very successful event. But the little line on the bottom — "come one, come

all" — which would infer that it was a liquor licence to run an operation for the whole of Calgary, even though it's very much in tune with the western spirit of being a good neighbor and with the Irish spirit of good will on this day, has been removed by mutual consent because of this interpretation of the act. But I believe, hope, and expect that all good Irishmen will be guests of members of the Renfrew Community Association tonight.

MR. KUSHNER: A supplementary question to the minister, since I'm not quite clear what the department is reading into it. I'm not quite clear. They haven't actually been advertising any brand of liquor or beer or whatever it may be. Now what's the problem with "come one, come all"? It's been the practice throughout the community, throughout Calgary, throughout Alberta. I think we are sort of nit-picking, and it begins to bother me. I wonder if that situation can be corrected.

MR. FARRAN: I can understand the hon. member's point, but I have to explain what I presume was the intent behind the act. This is simply the situation.

Back in the early '20s, Alberta had total prohibition. It decided that that was not worth it. The reasons were that it wanted moderation in the consumption of alcohol. So it moved out of the prohibition era into a licensing and control: that anybody selling liquor has to have a licence, and the licensing is given only to people who conform to very high standards of quality and control.

Now of course they had the dilemma of the special permit, not for the permanent club but for the people who are going into community halls and running dances and that sort of thing. If they were consistently allowed to sell liquor generally by the special permit route, the whole licensing operation would be a farce. Instead they say, well, we'll give special permits for weddings, banquets, dances, community organizations, and so on, for a reasonable number of guests. In addition, the act does allow a special events permit which allows any community once a year to put on a overall show which they might call 'whooper-upper days', stampede, and so on. This is done throughout the province. I believe that is the intent of the act, Mr. Speaker.

Coal Sales

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of Energy and Natural Resources. Is Ontario Hydro buying any quantity of Alberta coal at this time?

MR. GETTY: Mr. Speaker, they've entered into a contract. I'm not sure whether any has actually been delivered yet.

MR. TAYLOR: Supplementary to the hon. minister. Is the minister still insisting on a mix of Alberta coals?

MR. GETTY: Yes, Mr. Speaker. We had negotiated, I guess is the right word, with Ontario Hydro that they not take just high-grade coal from our province, but also coal of a little lesser quality that would also allow mines in other parts of the province to supply Ontario

Hydro's needs, then blend them so that we would have both supplies of coal going to Ontario.

MR. PURDY: A supplementary question, Mr. Speaker, to the Minister of Energy and Natural Resources. Has the minister had any representation from the federal government or the U.S. government to try to ship Canadian and Alberta coal to the United States for coal burning there, to try to alleviate the power shortage?

MR. GETTY: No, Mr. Speaker.

Crown Grazing Leases

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Associate Minister of Energy and Natural Resources. Could the minister indicate what progress has been made with the assessment currently being undertaken by his department with regard to Crown grazing leases?

MR. SCHMIDT: Mr. Speaker, that review is still ongoing, and we have arrived at no decision yet.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister indicate whether the government is giving serious consideration to letting Crown grazing leases on a 20-year basis?

MR. SCHMIDT: Mr. Speaker, the policy as it existed prior to last year was a 20-year base for Crown grazing leases and, pending the review, new leases that were renewed last year were done on a 10-year base. At the completion of the review — which we hope should be reasonably shortly — in regard to the term of lease, if it's the decision that it should return to 20, that would be done at that time.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Does the minister have a date or time period when the review will be completed?

MR. SCHMIDT: Mr. Speaker, it's rather difficult to set an exact time period. Information is still being gathered, and of course submissions are still being made by those in the province who are utilizing Crown land to that extent.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Could the minister indicate the policy of the government with regard to selling Crown grazing leases and agricultural leases?

MR. SCHMIDT: At the present time, Mr. Speaker, land that has a physical capability of cultivation and is situated in an area whereby the sale of that land would enhance the economic viability of a community. Crown land that would be in a block sufficient to enhance that economic viability would be made available to those scattered parcels throughout the province that have that cultivation capability. If it means that with the purchase of that land the individual could have a viable economic unit, the posting would go ahead and the individual would have the opportunity for purchase. Land basically that has a grazing capability is done mainly by lease.

Red Deer River Dam

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of the Environment. With respect to the seepage studies on the Red Deer River Dam, can the minister report on the public meetings conducted by the consultants following the publication of the studies?

MR. RUSSELL: Yes, Mr. Speaker. This relates to an item raised by the hon. Leader of the Opposition during the fall session last year. Two public meetings were held in Spruce View dealing with the seepage studies referred to yesterday in the debate on the dam. Those were well advertised and well attended. As a matter of fact, on December 9 I sent a memo to the office of the hon. Leader of the Opposition alerting him that this information would be available. Somehow the impression was left yesterday that hon. members had questions relating to the reports which they would like to have asked, and I know they wouldn't have wanted to mislead the House into believing there wasn't ample opportunity for those questions to have been asked.

MR. BRADLEY: A supplementary question to the hon. minister. Does the government intend to have further meetings regarding the seepage study?

MR. RUSSELL: Mr. Speaker, we offered to hold as many meetings as were necessary, and had one scheduled for today in this building. It was cancelled at the request of the dam site 6 protective association.

DR. WALKER: A supplementary to the minister, Mr. Speaker. Is it not true that seepage occurs with all dams and with all effluent systems that come from them?

MR. SPEAKER: With great respect to the hon. member, I think he's asking a question which might be answered by some geological research.

School Property — Recreational Use

MR. GHITTER: Mr. Speaker, in keeping with the color theme of today, I would like to ask a few ministers some questions relating to the serious problem of the diminishment of open green spaces in urban core communities in our province.

First I would like to ask the Minister of Housing and Public Works whether or not arrangements have been entered into between his department and the city of Calgary relative to the return of the Bankview school site to the city of Calgary so it might be utilized for park and recreational purposes.

MR. YURKO: Mr. Speaker, as a result of the fact that the matter was brought to my attention by the member asking the question, I have reviewed the matter with the Alberta Housing Corporation and have reached a suggested compromise to the community and to the city. That was to divide the site in such a manner that we could in fact accommodate a much smaller number of senior citizens' self-contained apartments and still retain in the area a considerable amount of green space. This proposal

was worked out in the Alberta Housing Corporation, and I believe was submitted to the city of Calgary. My understanding is that the city of Calgary has in fact accepted or is considering seriously the proposal that has been put before it by the Alberta Housing Corporation.

MR. GHITTER: A supplementary, Mr. Speaker, to the Minister of Education. I'm wondering if the Minister of Education intends to take any steps to ensure that badly needed open space in our urban core communities presently occupied by schools which are becoming out of use — to ensure that these lands, which have been public lands for many years, will be maintained as public lands, so our cities will not use badly needed recreational space in their high density areas of population. I'm wondering if the minister has any attitudes as to steps his department will take in this regard.

MR. KOZIAK: Mr. Speaker, the school boards involved have of course all the rights and responsibilities as owners of properties of this nature. Our role as a provincial government is merely to ensure that if there is disposition of capital, the funds be used for a capital purpose in the future. That has been the extent of our role to date.

In this particular case, there is growing interest in the routes that should be taken. In the future, with respect to those schools presently owned by school jurisdictions but no longer useful for instructional purposes because of the changing nature of the areas, children having moved on to other areas of the city . . . The Woods Gordon study addresses itself partially to this particularly important area. As I mentioned during the question period yesterday, the task force is presently receiving reactions to that study and will be in a position to consider this and other aspects of that study once the task force has reported to me.

MR. GHITTER: A supplementary, Mr. Speaker. Would the hon. minister take under advisement the concept that local school boards should be required to sell the land back to the city of Calgary for parks and recreational purposes at original value and not market value?

MR. KOZIAK: Mr. Speaker, that's a consideration that of course can be taken. It must be understood that in some cases the lands acquired by school jurisdictions for school purposes were not acquired through dedication, but by school jurisdictions going out on the open market and purchasing those lands. One must of course take into account an element of fairness as to the ability of school boards to receive an appropriate value on disposition of those lands.

The recently passed Planning Act does deal with those circumstances where lands are received through dedication, and circumstances there of course would be different.

MR. GHITTER: Supplementary, Mr. Speaker. The hon. Minister of Municipal Affairs has been very docile in the last couple of weeks. Maybe he can help me and advise me as to whether or not there's anything he can do to assist the dilemma of urban core communities that are losing their open space for

housing. Maybe his act can assist us, and I wonder if he has any steps that could be taken.

MR. JOHNSTON: Mr. Speaker, that's a very broad range, and I could certainly highlight some of the programs that the government has taken in the city of Calgary specifically. But on a more . . .

MR. GHITTER: On a point of order to the hon. minister, Mr. Speaker. I really don't want propaganda from his department. I would like him just to isolate on the specific issue of my concern. He can save the rest for the Speech from the Throne or some other place, or maybe over a coffee.

MR. JOHNSTON: Well, Mr. Speaker, I'm sure the hon. Member for Calgary Buffalo was here in 1974 when this government committed a substantial amount of money to the Fish Creek capital park, intentionally to provide . . .

MR. SPEAKER: Order please. It would appear that I must come to the assistance of the hon. Member for Calgary Buffalo.

MR. GHITTER: On a point of order, Mr. Speaker, possibly the hon. minister has never been in an urban core community in Calgary, but in Calgary Buffalo there are eight schools where there is a very serious problem. I wonder if he could direct his thoughts to Calgary Buffalo . . . [interjections] Well, the front bench is very dramatic this morning, very vocal, Mr. Speaker. But would the hon. minister please direct his attention to my original question.

MR. JOHNSTON: Mr. Speaker, I do in a very important way recognize the point the hon. Member for Calgary Buffalo is making: that the life style in major urban centres across the province is changing from one of accommodation through high density development or apartment living, as the hon. Minister of Housing has so successfully pointed out, both by his speeches and by his programs.

Therefore major consideration has to be given to the kinds of open spaces provided in these core centres. We have done, I think, in several areas some very important program changes to effect those. As the hon. Minister of Education has pointed out, the new Planning Act does provide for joint ownership of the land, recognizing that school land is generally put together with parkland in an overall package, so the joint use of that facility can be entertained by all residents of an area.

Secondly, as the the hon. minister did point out, the disposition of that land does go back to the municipality should there be no further need for that land by the school. I think growing concern is expressed particularly in core areas when you get into the redevelopment of downtown areas, and to that end the new Planning Act does follow with a requisition or a redevelopment levy to ensure that redevelopment does pay for needed parks and schools in a downtown core area.

MR. GHITTER: A final supplementary, Mr. Speaker. I wonder if the hon. Minister of Recreation, Parks and Wildlife would gather his Minister of Education and Minister of Municipal Affairs together to look into this

problem to see if something can be done to ensure that open space is maintained in our urban core communities?

I'm sorry, Mr. Speaker, I didn't get the answer.

MR. ADAIR: Mr. Speaker, I'm listening, and I agree.

MR. PLANCHE: If I may, Mr. Speaker, one final supplementary on that subject. While that committee is still together, I wonder if they could find some way perhaps to drop the cost of gymnasiums for community use from \$44 an hour to something reasonable.

Hog Industry

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. It flows from announced changes in the method of bidding for hogs — advance bidding, which I think will be helpful. Has the minister had an opportunity to assess the rather dramatic drop of \$6 a hundredweight between Tuesday and Wednesday of this week?

MR. MOORE: Mr. Speaker, yes. But a great number of factors may affect the price of hogs in Alberta or any other point in Canada on any given day. So I'm not in a position in question period to speculate on the reasons the market price of hogs may have dropped during that period of time, any more than I would have been in a position to do the same some three or four weeks ago when the price of hogs rose something like \$10 in the space of two days.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. Can the minister advise the Assembly what safeguards have been built into the new advance bidding system to prevent collusion by the buyers?

MR. MOORE: Mr. Speaker, the Alberta Hog Producers' Marketing Board itself, which is composed of individuals elected by and representing hog producers in this province, spent considerable time developing a new marketing technique which they believe has the necessary safeguards to ensure that the producer gets a fair return for his hogs and that there is competitive bidding among those who are purchasing hogs. The only way one can be sure the new system will operate in that manner is to put it into place and try it for some length of time. I'm advised by the board that as time goes on they expect to make a number of refinements to that system: computerization of the process of selling, and so on.

So all one can do, Mr. Speaker, is hope the officials of the Hog Producers' Marketing Board and the board of directors, in their efforts to ensure that a competitive system is in place, have done as good a job as possible. We will have to await the outcome of that new selling system and refine it as we go along.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Has the government assessed the conclusions of the Fredeen report that four firms control 74 per cent of total sales in Alberta, and the conclusion in that report that this is one of the two major reasons for low producer pork prices in the province?

MR. MOORE: Mr. Speaker, members recall that I commissioned Dr. Hu Harries and Associates to do a study on hog pricing in Alberta last August. That study was completed and tabled in this House in November.

Concurrently with that a further report, which the hon. member refers to as the Fredeen report, was released. I have read the report and studied it, as have my department officials. I find it lacking in a great number of areas in terms of its conclusions and, frankly, cannot agree with many of the comments in it. I think part of the reason for that is that the individual who wrote the report does not in fact have a great deal of understanding of the entire marketing system, but rather is an individual who has a lot of knowledge of the hog production side.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Has the government given any consideration, or have discussions been held with officials of the Hog Producers' Marketing Board, concerning the suggestions that have come up at some of the district meetings that the board should consider going into a joint venture with one of the independent packing plants?

MR. MOORE: Mr. Speaker, I have had a number of discussions with the Hog Producers' Marketing Board with respect to the board's suggestion that the board itself should get involved in developing and operating a packing plant in Alberta. On every occasion that I have discussed that matter with the board, if it has raised the matter of financial or other assistance from this government to go into a packing house operation of its own, I have flatly rejected the idea.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Would the government's position be the same with respect to a joint venture?

MR. MOORE: Mr. Speaker, I have not been approached by the hog board or anyone else with respect to a joint venture. First of all, one has to understand that the simple ownership or operation of a killing plant does not, in itself, in any way guarantee that the market will react any differently than it does today. If there are problems with respect to marketing of hogs in Canada, I suggest the major problem does not lie in the physical operations of the killing plant.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. In view of the very large amount of pork that is coming into this market from the United States, what assessment has the government undertaken of the difference in tariff? I believe the difference in tariff from the United States on beef compared to pork is 3 cents for beef and 0.5 cent for pork. The view of the chairman of the hog marketing board is that that very low tariff allows a lot of U.S. pork to come in and depress Alberta prices.

My question, Mr. Speaker, to the minister is: what specific assessment has been made of that tariff situation in pork relative to beef?

MR. MOORE: Mr. Speaker, there are two major differences between the tariffs levied by the United States and Canada on beef as opposed to pork. The

situation with regard to beef is that tariffs are levied on certain portion cuts of beef at 10 per cent *ad valorem* duty, which can run as high as 30 cents per pound, while the Canadian equivalent tariff is only 3 cents per pound. So our concern with respect to the tariffs and the quotas on beef and cattle is with regard to obtaining equality of treatment that's afforded our producers as opposed to what we afford producers of beef in the United States.

On the other hand, Mr. Speaker, pork is entirely different in that we presently have equal tariffs between Canada and the United States. In other words, we can move portion cuts of hogs or sides of hogs into the U.S. market at the same levy of duty as occurs when the U.S. producers are moving their product into our market.

Now we think it's important, Mr. Speaker, that we maintain a relatively free and open border between us and the United States with respect to movement of most of our food products, certainly with respect to meat products. The U.S. market, in our view, is growing rapidly, particularly the Pacific northwest. We view the long-term future of agricultural production in Alberta and western Canada as one that will benefit from gaining access to that Pacific northwest U.S. market, and it would hardly be appropriate to demand putting tariffs in place that are higher than those that exist in moving our product into the U.S. at this time.

MR. COOKSON: Perhaps I could ask the minister a supplementary, Mr. Speaker. From the knowledge his department might have, could the minister indicate whether hog production in Alberta is dropping or whether, in fact, Alberta is maintaining the production necessary for consumption within Alberta?

MR. MOORE: Mr. Speaker, very briefly, there is no doubt that hog production in 1978 will increase over 1977. Several indicators lead us to that conclusion, probably the most important being the level of lending from the Farm Credit Corporation and the Alberta Agricultural Development Corporation over the last calendar year. I am advised that the two agencies I speak of provided for new farmers and for expanding farmers some \$10 million into the development of new hog operations during 1977. So there is no question that those numbers will increase.

I might add that one of the major factors of increasing hog numbers in Alberta is the low feed grain prices being received by producers and their desire to add value to that feed grain by producing hogs.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. In light of the \$10 million that will be available through ADC and FCC, is it the government's expectation that that will enable the production of hogs in this province to get back to where it was some four years ago?

MR. MOORE: Mr. Speaker, I would expect that the amount of funds which might go into new or expanded hog operations during 1978 will probably be equal to or may exceed the figure I mentioned for 1977. I think what we look forward to is a slow and steady increase in hog numbers.

In discussions with the Hog Producers' Marketing Board, the Alberta swine association, the packing

plants, and others, indeed we have come to the conclusion that we should try to gear our program so that we have something in the order of a 10 to 15 per cent increase in hog production each year, and that within perhaps three to four years we may get up to 1.6 million to 1.7 million hogs, which basically is what we feel would be required to service the Alberta market area, which of course includes the province of British Columbia. So we're not anxious to have a sudden boom in hog production, but a positive and real increase that we think will be maintained even in periods of higher grain prices.

MR. CLARK: Mr. Speaker, I might just ask one further question of the minister. Has the ballpark figure of \$10 million indicated by the minister been arrived at in consultation with the Alberta hog marketing board? In other words, is it the best judgment of the Alberta hog marketing board and the government that \$10 million of additional funds at this time to expand an industry that has been retracting over the past three or four years is a reasonable objective for this year? Is that the best assessment of both the government and the hog marketing board?

MR. MOORE: Well first of all, Mr. Speaker, one must understand that the amount of dollars going into the development of the hog industry from those two corporations, the federal Farm Credit Corporation and ADC, are not the only dollars being used to increase hog production. I have some difficulty in keeping statistics with respect to the funds utilized through our chartered bank system, and I expect they are fairly extensive as well.

I should say as well, Mr. Speaker, that we don't set a target by discussions with the Hog Producers' Marketing Board, of \$10 million going from those two corporations. Rather I make the statement that we expect that to occur in 1978 as a result of the inquiries our loans officers throughout the province are receiving, the inquiries being received by Farm Credit Corporation, and in addition, the number of visitations to district agriculturists' offices and our swine specialists by people who are interested in either expanding their operation or getting into the hog industry in a new way.

So the move to increase hog production and to spend those additional dollars is not coming about as a result of government pressure, but as a producer desire to move into hog production.

MR. CLARK: Mr. Speaker, just one last question to the minister. Mr. Minister, are the department and the officials of the department able to make that kind of judgment in simply the first three months of 1978?

MR. MOORE: Mr. Speaker, I believe I was fair in indicating the kind of trend we had in 1977, and only said in my earlier comments that after three months into 1978, yes, I believe it's appropriate to suggest that we are looking at an increase in production in 1978 in terms of new investment in the hog industry similar to what we've seen in 1977. It could well be, Mr. Speaker, that for some reason or other I'm wrong, but if the hon. member does ask for opinions, there are occasions when I'm pleased to give one.

MR. NOTLEY: In fact, then, the period of reaching self-sufficiency, if you like — 1.6 million hogs — for the Alberta and B.C. market, is a forecast at this stage rather than a specific target decided by the government.

MR. MOORE: Mr. Speaker, it's not a specific target. However, I do believe we should have, as a target, programs in place and desires by our producers to fill at least our market area. In the meantime, of course, we're shipping hogs in a pretty extensive way into the Japanese market and other markets as well. I guess one can say yes, our target is to ensure that we can increase our production to fill the market area we're able to serve.

MR. TAYLOR: Supplementary to the hon. minister. Is machinery in place that as our production increases, the imports from the U.S.A. will decrease? Putting it another way, are the pork and bacon produced in Alberta equal in every respect to the pork and bacon imported from the U.S.A.?

MR. MOORE: Mr. Speaker, it's far superior. In fact, as the hon. member knows, Canadian bacon takes precedence in terms of price in practically any world market. As to whether or not a mechanism is in place to reduce the imports of U.S. pork into Canada if we're in a position of self-sufficiency here: the answer is no, there isn't. Basically, we have a North American pork market. Of course, factors such as price and supply/demand situations influence whether or not U.S. pork would move into Canada. But there are no quotas of the nature which exist with respect to movement of beef or cattle between our two countries, or between Canada and the oceanic countries. That simply doesn't exist with respect to the movement of pork products.

Calgary Civic Workers' Strike

MR. LITTLE: Thank you, Mr. Speaker. Might I address my question to the hon. Minister of Labour. Is the minister in a position to advise the Legislature concerning the present status of negotiations between the city of Calgary and its outside workers in the present labor dispute? Further, does he foresee an early end to that strike?

MR. CRAWFORD: Mr. Speaker, a question of that type is very difficult to try to deal with in question period. As I've pointed out on other occasions in the House, sometimes what is said here can have an effect upon the negotiations themselves. In addition, the answer would of course have to be speculative, the only way I could begin to respond to the hon. member.

However, I would like to assure him that the government is certainly very concerned over the fact that the services in the city of Calgary are interrupted for what is a lengthening period, now two weeks. In the hope that the parties will find common ground to work together toward a settlement, the mediation services are available to them.

MR. LITTLE: Supplementary to the minister. Does the minister perceive the withdrawal of some of the essential services, such as services of sanitary and

cemetery workers, as a threat to public health in the city of Calgary?

MR. SPEAKER: Order please. We've gone quite far in this question period in getting opinions on a number of matters, but perhaps there should be a limit to that.

Water Supply — Airdrie

MR. KIDD: Thank you, Mr. Speaker. My question is to the hon. Minister of Housing and Public Works. Can the minister confirm that the water line from the Bow River to Airdrie was designed to provide water to Airdrie, and not to new developments between Airdrie and the Bow River?

MR. YURKO: Mr. Speaker, that was primarily the intent of the agreement signed in bringing that water line from the Bow River up to Airdrie. However, I would have to check the details of the agreement itself to answer the question more specifically and explicitly.

MR. SPEAKER: The hon. Solicitor General wishes to supplement an answer.

St. Patrick's Day (continued)

MR. FARRAN: Mr. Speaker, I've had time to reconsider my response to the hon. Member for Macleod, and I've come to the conclusion that it might be considered discrimination. So I would like to say this, Your Honour: if the hon. member would take back his button, I think it would be held that to color beer orange on July 12 would not be adulterization.

In conclusion, I'd like to say, praise God for both colors of it.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

6. Moved by Mr. Hyndman:
Be it resolved that Standing Order No. 5 be suspended in order that the Assembly may sit at 8 p.m. on Friday, March 17.

[Motion carried]

head: CONSIDERATION OF HIS HONOUR THE LIEUTENANT-GOVERNOR'S SPEECH

Moved by Mr. Gogo:

That an humble address be presented to His Honour the Honourable the Lieutenant-Governor of Alberta as follows:

To His Honour the Honourable Ralph G. Steinhauer,
Lieutenant-Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate March 13: Mr. Hyland]

MR. HYLAND: Thank you, Mr. Speaker. I don't know if now is a good time to start after the exchange between the hon. Solicitor General and my seatmate, the Member for Macleod. That's kind of a tough act to follow.

Mr. Speaker, the first field I'd like to talk about in my reply to the throne speech is hospitals and medicare. I was very pleased the other day when I asked the minister if the Medicine Hat Hospital would be removed from the holding pattern, and he indicated it would be as of the end of the month. This is a just reward to an administration and a board who worked very hard to cut down their expenses in these times of inflation.

I might illustrate that, Mr. Speaker, in that the provincial payment per admission in the Medicine Hat Hospital is approximately \$125 less than any comparable hospital operation in the province. They've done this, maintaining the same degree of nursing and health care as any other hospital. It was done with the board, with the administration, and with the co-operation and assistance of the medical staff.

Mr. Speaker, I had an opportunity to tour the lab of this hospital. I thought my office upstairs was small, but I would guess that in an area about that size, there are two or three people working plus considerable equipment. One of the main plans of the expansion of the hospital is to improve and extend the lab facilities. Once you look at the amount of space they have, you can readily understand why they are very anxious that this come off planning and get to construction as soon as possible.

I might say a few words, Mr. Speaker, about the nursing home wing to the Bow Island hospital, that I had the pleasure of opening this past summer. It has almost had its first year of complete operation and is a great asset to the community.

The addition to the Pleasant View Lodge is progressing quite well through the Department of Housing and Public Works. I toured it a couple of weeks ago. It is a 15-room addition to the main floor. The lay of the land allows six self-contained units in the basement. None of these units will be any more than two feet under the ground. It is a very nice, well laid out building. I'm sure it will be a great asset to the community, and I'm sure the senior citizens will enjoy it very much.

Now, Mr. Speaker, if I may turn to a field that I feel more at ease in, that of agriculture, I would like to look at some figures the hon. Member for Spirit River-Fairview talked about in his speech. It was true when he said these figures from the outlook conference, or whatever it was called — that Saskatchewan farmers did earn more money than Alberta farmers. But he didn't say that that particular year was a year of good grain prices; that part he just happened to forget to mention, and the percentage of Alberta's farm income that comes from cattle. That was indeed a bad year for the cattleman.

It's interesting to note that he holds these figures up as an example. But if you look a little further in these figures, one of the reasons Saskatchewan farmers received more income is that they paid considerably less for labor. It's a strange kind of argument for the leader of a party of that kind to be putting forth, that to attain higher income for farmers

you should cut down on labor. The farmers may agree, but I find it rather strange that this gentleman pushes this sort of idea.

Another condition in that figure, Mr. Speaker, is that he said input costs of Alberta farmers were higher. If you take fertilizer, for example, I believe you could find figures that would suggest Alberta farmers use almost twice as much fertilizer as do those in Saskatchewan, probably a good reason being the extensive use of fertilizer in the irrigated area.

It's interesting. I had a researcher do some research for me. I find that the information she gave me was that the figure for the operating gas for a farm in Saskatchewan is approximately 10 cents per gallon higher than in Alberta. The odd thing, though, is that if you ask Alberta Agriculture they can give you these figures. The Saskatchewan agriculture department doesn't keep this kind of figure. The person contacted said these would be ballpark figures and that they had no way of knowing what the figures were. I don't blame them for not keeping track of figures, if they are like that. If I couldn't hold up my argument any better than that, I wouldn't want to have perfect track of the figures either.

Talking about irrigation, the people in my constituency are awaiting the conclusion of the Oldman River study committee. It will have a great effect on that area, no matter what the conclusion. It affects other constituencies, but it also affects mine a great deal because of the extra studies that have been cranked into this one. It will end up being a study on all the water and the availability of water for an entire area.

Mr. Speaker, the hon. Member for Macleod spoke a little about the sugar beet situation. He does have a tough situation in Picture Butte. But whatever the sugar company does has a very important bearing on my constituency too, because a great deal of sugar beets that supply the factory that is left come from my area. Any change in the sugar situation would have a very considerable effect on the area.

Mr. Speaker, any of us involved in irrigation know we can grow almost anything, the condition being that we have to find a market. One of the things we can grow very successfully is soft white wheat. A group of soft white wheat growers have formed an association that is trying to promote the sale of this wheat. It is hoped that through the assistance of the governments and the wheat boards we will be able to find additional markets for this product. It is a very good yielder, and it helps out in the cash flow of the farmer.

Mr. Speaker, I'd like to get on to the Department of Transportation. I must commend the Minister of Transportation. A short while ago we had a fair storm in our part of the country. It blew for about a week steady, from Friday to Friday. It seemed like it hit almost all of the county of Forty Mile, a little bit of the MD at Taber, and some of ID 1, but not a large area. When it hit the county of Forty Mile it seemed to hit the whole county, and some of the roads were blocked for quite a while.

The county made numerous attempts to open up the roads with the equipment they had, with the graders and such, but the snow was so hard that at that stage of the game, Mr. Speaker, they were trying to doze some of the banks off the roads, and a D7 Cat could go up on top of the bank without falling through. So you can imagine how hard-packed the

snow was.

The county council had a meeting, came to see me, and asked if the provincial government could give them any assistance. I must commend the minister. I phoned him on a Sunday at about 10:30. At 3 o'clock in the afternoon three gentlemen were in Medicine Hat with full power to do what had to be done to get the roads opened, with permission to get what equipment was necessary, get it in there, and get the job done. After a short meeting with a councillor and the supervisor for the county, they decided what equipment should be asked for. The equipment was lined up that evening, and by between 8 and 10 o'clock the following morning equipment was arriving in Foremost.

Mr. Speaker, regardless of what one might say, that has got to be performance. That has got to be a department that is willing to get something done. I must thank those involved who came down from Edmonton, and the regional engineer who stayed around for a few days longer to make sure everything was working and make sure we got the job done.

Mr. Speaker, if I didn't say something about Highway 3 every time I speak on the throne speech . . . [interjections] Mr. Speaker, maybe the member will have to get ready. I don't know what I can say after this year, because it's almost totally completed. I'm just waiting for the final coat on a few miles.

I'd like to make a few comments on education. I must thank you, Mr. Speaker, for making available all the scrolls for school students. I presented some of them. I got to some of the schools, but I had trouble with others because of the weather. It was a very interesting exercise to go and talk to these young people and ask them questions about government. I think the one thing it proved was that we do need Alberta content in schools, because many of them didn't know too much about the province and hadn't studied it in their social studies yet.

It was apparent that they knew a considerable amount about the federal situation — the federal government, the federal ministers, and such — because of the live TV coverage of their, I suppose you could call it, behavior in the House.

Almost all of them knew who the Premier was. Very few of them knew who their Minister of Education was. Very few of them knew who the Lieutenant-Governor was. So I think, Mr. Speaker, this says something for Alberta content in our schools.

I met with the county of Forty Mile school committee, and one of many things they said was that they backed the government stand on getting back to the basics. But they were somewhat concerned that we don't carry it too far, have the pendulum swing too far, and have a terrible backlash from it.

In closing I'd like to congratulate you, Mr. Speaker, on the way you run this House. I see you shaking your head, but I had the opportunity to watch the operation of the Saskatchewan House this winter. I sat in for a day in Regina. Mr. Speaker, even though you have days like yesterday, when you probably can pull out your hair, that was quiet in comparison to the quiet part of the operation in the Saskatchewan Legislature. So I must commend you.

I must commend the hon. members for Lethbridge West and Calgary Glenmore for their speeches in moving and seconding the throne speech. And I must

commend almost all other members for their contributions toward the throne speech. I would like to note that when I adjourned debate I said I thought I might look forward to the speech of the hon. Member for Clover Bar. He assured me that he would be speaking following me. But, Mr. Speaker, it looks like it might be a little difficult, because I'm almost finished and he doesn't seem to be around here today.

Mr. Speaker, with that I'd like to adjourn the debate. Sorry, I'd like to finish.

MR. BOGLE: Mr. Speaker, it's an honor and a privilege to stand in my place today to make a few brief remarks on the Speech from the Throne.

I would like to begin by extending, as many other members have, my best wishes to His Honour the Lieutenant-Governor for continued health and prosperity in the year to come, and to you, Mr. Speaker, on a job very well done in the way the affairs of this House are conducted and the decorum which is displayed.

Mr. Speaker, I would like very briefly to touch upon several areas as they pertain to my responsibilities in the area of Native Affairs. I'd like to give a brief general overview and then specifically look at a couple of areas — those being housing, native employment, and economic development — and then conclude.

Mr. Speaker, generally speaking the native people in Alberta are divided into two general categories, the treaty Indians and the Metis. The treaty Indian people comprise about 34,000, and are located on 42 reservations across the province. Approximately 20 per cent do not live on the reserves. They are living off reserve: some in isolated areas in northern Alberta, some in the metropolitan centres.

On the other hand, the Metis population is primarily located in northern Alberta. It's difficult to give an exact figure as to the number of Metis people, because no records are kept on that. It's estimated that approximately 50,000 Albertans are Metis or of mixed origin, being partly Indian and partly Scottish, English, French, or German. They are located on eight Metis settlements in northern Alberta, as well as in many of the communities primarily in the northern part of the province.

Mr. Speaker, last year concluded the two-year commemoration program for treaty Indians, in which we commemorated the signings of Treaty No. 6 and Treaty No. 7. In my opinion those years brought about a renewed awareness by the treaty Indian people of their heritage, their being, and their treaties. I would like to pay special tribute to Dianne Craig, who assisted in co-ordinating the activities, primarily at the time of the Prince's visit to Alberta.

I would now like to look very briefly at the area of land claims. In my opinion this is something that has disturbed most Albertans. There is a lack of understanding as to what the problem really is. There is confusion between an aboriginal claim and a land entitlement. It's my understanding, Mr. Speaker, that if no treaty has been signed in a geographic region there may in fact be an aboriginal right. However, as the entire province of Alberta has been covered, primarily by treaties 6, 7, and 8, and to a much lesser extent by treaties 10 and 11, there are no aboriginal rights.* In other words, when we hear about claims based on aboriginal right, that may be in some part of

the nation where there is not a treaty area. It is not, in my opinion, in Alberta.

Mr. Speaker, what we are concerned about is unfulfilled land entitlements; in other words, treaty Indians who are part of an area where a treaty was signed and whose forefathers may have been missed in the signing of the treaties. At the moment we can identify four groups in northern Alberta as having a legitimate claim. We've had various discussions over the past year, and the province has come down upon a formula based on 128 acres per band member or, looking at an average family of five, one square mile per family of five. That would be consistent with the provisions of treaties 6, 7, and 8.

The land to be provided would not include mines and minerals. With the modern technology and assistance that can be provided to the bands in locating their reserves in areas where mineral deposits or other subsurface resources may lie, we would make every attempt that the band would be able to select the best possible land. Jobs would develop from that as the resource was being developed, but mines and minerals belong to all Albertans.

Mr. Speaker, one area I will not dwell on today is the extension of services to treaty Indians. It was mentioned in the Speech from the Throne, and I intend to have more to say about that further on in this session.

Moving on to the specific area of housing, Mr. Speaker, I want to share with members of this Assembly some statistics and feelings I have on this important matter. It's a subject we've received much criticism for by various members of the news media, some native leaders, and some members of the Assembly. But I'd like to set the facts straight. I believe no province has done more for its native residents in terms of providing housing than the province of Alberta.

I'd like to refer to four specific programs that were developed in this province. They are solely Alberta programs and are working well. There's a fifth program, Mr. Speaker, a federal/provincial program that was not developed here but in Ottawa. We're saddled with the responsibility of trying to administer it, and we are having problems with that program.

Mr. Speaker, programs that fall under the general category of rural home assistance programs — I'm now looking at the isolated communities log housing program as an example, a program which is designed to meet the needs of families living in isolated areas where conventional housing would not be practical or affordable. We're looking at some of those areas of the province where people don't want to be saddled with a \$40,000 mortgage. They don't want a conventional home; they're happy with their traditional housing. They've approached the government and said, you help us with the kinds of materials we can't get in these areas, and we'll build our own houses. Through the Department of Housing and Public Works, we've developed a program to meet that need. Currently, 28 units are going up in various isolated communities in northern Alberta.

In addition to that, the rural repair program offers materials and assistance to low-income families. Again, the idea is to assist families to upgrade their own homes: to insulate the walls, provide storm windows, and the like.

There's the Metis settlement housing program,

*See page 340, right column, paragraph 5

where we've transferred from the Metis betterment branch of the Department of Social Services and Community Health, through the Department of Housing and Public Works, to the Metis settlements, the responsibility of planning their own homes. The settlements are going ahead, Mr. Speaker. The eight settlements have 26 units under construction at present.

We have the little-known transitional housing program, headed by Mike Cardinal — he's located in Slave Lake — a program primarily to help native people who are moving from isolated communities into centres like Slave Lake, Grande Prairie, and Fort McMurray; to help with some of the basics we and some of our officials take for granted: to show the housewife how to run a vacuum cleaner, because where she came from not only did she not have a vacuum cleaner but she may not have had electricity — some of the very basics.

Not to forget, Mr. Speaker, the emergency trailer program, a program designed to cut red tape, get directly to the problem, and respond to the need, not two or four months down the road, but now, when there's an emergency, whether a family is forced out of their home because of a fire or health or safety standards — a program to provide assistance at the earliest opportunity.

Trailers don't float into communities. We're criticized because the trailer is not in place the day after the fire or the day after the family has been requested to move from their home. Other things come into play. One of them is a source of power, whether or not there has been power at the previous site. At times some negotiation has to take place with the family to try to get them to relocate several miles, to a location where there may be other homes and where they're close to a source of power. The department can't work miracles, nor can we as a government. But we can and will continue to respond to that very basic need.

Mr. Speaker, I'd like to look very briefly at the infamous rural and native housing program, the program I referred to as being a federal/provincial program which was developed in Ottawa, not in Alberta, and which we've been saddled with the responsibility of administering, a program that has strait jackets on the Department of Housing and Public Works. As an example, the minister of Housing and Public Works has been working long and hard to get the ceiling lifted, so that homes can be put in communities of more than 2,500 population. That was one of the impositions on the program by our colleagues in Ottawa. But the program is moving ahead despite some of the objections and restrictions placed in its way by various people.

Mr. Speaker, the last program I'd like to touch on is not truly a native housing program or a rural program. It's an area where native people are plugging into existing programs offered to all Albertans. I'm looking at the senior citizen home improvement program, SCHIP, one of the most successful programs initiated by our Minister of Housing and Public Works, where he's providing to senior citizens funds up to \$1,000 so they can improve their own homes. To date, 550 people from reservations, from the Metis settlements, from the isolated communities, and from off isolated community areas have applied for these funds: a very successful program in total.

Finally, the senior citizen self-contained housing units: I'm not sure how many people are aware that there is one such program being developed in Gunn, the Ota Wigetak project. The MLA for Stony Plain has applauded, and he has a right to. He has a right to take some credit, because he's worked long and hard with the Metis people in Gunn to bring about this project, where we will have 33 self-contained units. Those units are now under construction. It will be a proud and happy day for the MLA for Stony Plain when he's present at the opening of those facilities.

So in the area of housing, Mr. Speaker, this province needs take a back seat to no one. As I've indicated, in this area we've done as much or more than any other province.

Mr. Speaker, turning to native employment and economic development, I'd like to review with you and members of this Assembly some of the progress that's been made during the past year, and some of the thrusts we envisage in the next year.

First, Mr. Speaker, I'd like to look to the private sector, because that's the area this government has consistently looked to. I'd like to look briefly at the role that has been played in the Syncrude project between Canadian Bechtel, Syncrude, the laborers' union, and Mr. Jack Dyck in particular. I'm sorry the hon. Member for Spirit River-Fairview isn't in his seat so he could hear how management and labor very often can, and do, work together. Do not forget Native Outreach, the catalyst of the operation, the group that brought it together, where a high of 10 to 11 per cent of the total Canadian Bechtel work force on the Syncrude site was of native origin. Ten to 11 per cent: a feat that has not been matched by any other project in this nation.

Currently Syncrude is training native people to be part of the permanent staff. I understand there are about 125 such employees on the payroll today, which accounts for approximately 6 per cent of their total work force at the present time.

Mr. Speaker, in the Speech from the Throne there was reference to provincial support for Native Outreach. Very briefly, I would like to share with you and members of this Assembly the important contribution being made by Native Outreach. In particular I would like to recognize Ralph Bouvette, the president of Native Outreach. This organization is attempting to use the experiences and the expertise that have been developed through the Canadian Bechtel/Syncrude experience in other projects with other companies. They are having a great amount of success.

In the past we as a government have had a hands-off policy on Native Outreach. Their funds have come solely from the federal government. A conscientious decision was made approximately eight months ago, Mr. Speaker, that we as a province should be assisting Native Outreach; not hindering, not putting any roadblocks in their way, but assisting them to carry out the very important work they're doing. We are now in the process of entering into an 18-month contract with Native Outreach, so they can carry on their very important responsibilities.

There are a couple of other ventures I would like to look at. One is on the Paddle Prairie Metis settlement. Hon. members may have read in the papers during the past number of months about an agreement which was reached between oil companies and

the Metis Settlement Council, to provide native manpower and native-owned equipment to be used wherever possible in the company's activities on the settlement: a breakthrough, Mr. Speaker, not by us but by the Metis people and by the companies; not hindered by government, but helped.

I'd like to look at Goodfish Lake Indian reserve, where a contract was reached by the band council, under their chief Samuel Bull, and Syncrude; a contract to cover five years and worth approximately \$1.8 million, whereby the reserve will provide the dry-cleaning and laundry facilities for the Syncrude plant. Mr. Speaker, this in itself will provide employment to between 14 and 20 native ladies on the Goodfish Lake reserve.

Mr. Speaker, one more project I'd like to bring briefly to the attention of hon. members is the Alberta Native People's Credit Union. A little over a year ago, the hon. Minister of Consumer and Corporate Affairs and I attended the official grand opening meeting of the Alberta Native People's Credit Union. At that time a motion was presented and passed by those assembled that the credit union should be limited to native people and to native businesses. There was an internal desire to succeed on their own, not to turn to non-native groups or to government, but to do it themselves.

They've encountered some difficulties, Mr. Speaker, and it's not because they're native. It's because anyone who has any appreciation for a credit union knows that in developing a credit union from the basement up today, there are a great many difficulties. You have difficulty because in order to provide the financial services most people want, you need a base capital of somewhere between \$250,000 and \$400,000.

In addition to that, the officials of the credit union have had some difficulty in operating. They're trying to provide the services to their members. Their assets at the present time are slightly under \$60,000, if my figures are accurate. They do not have a full-time employee to run their credit union. They don't even have a part-time employee. The members of the board are doing it themselves. They're going in after hours, after they finish their normal workdays, and spending time. But they lack something, Mr. Speaker. They lack the expertise. They lacked the basic knowledge that's needed to run a credit union.

Some assistance was provided through the credit union examiners, and they soon became aware that to really help this group it would mean considerably more time than they felt they could afford from their work. So two members of our public service, two credit union examiners, Glen Malcolm and Ray Zotschan, have volunteered and are now working nine evenings over the next two months. They are spending approximately four hours per evening working with the board, developing the expertise with that board, so they can make their credit union a success.

Mr. Speaker, one other issue I wish to touch on in the area of economic development is something often referred to as special ARDA, the special Agricultural and Rural Development Agreement, which would be a sub-agreement of the Alberta North Agreement. Special ARDA, as developed by our counterparts in Ottawa and imposed upon our neighboring provinces of Manitoba and Saskatchewan, has, in my opinion, been a disaster. It's been a disaster because we've

had a large amount of money funnelled into native companies from the top, and once the money stopped flowing in the companies failed. That's been the law of companies all across North America, whether they be native or non-native. If there's a large amount of capital injected by a government or a government agency, once those funds are cut off the venture fails. In Alberta we've said no, we're not going to take the package prepared by the bureaucrats in Ottawa, we're not going to have something rammed down our throats. Yes, we want special ARDA. But we want it on our terms. We're going to continue to work for special ARDA, but it will be a special ARDA that's developed for Albertans by Albertans.

In conclusion, Mr. Speaker, I'd like to pose a question to hon. members of the Assembly: basically what can and should government do for its citizens? In particular I'm concerned about our native citizens. As I see it, we ensure that our citizens are provided with the basics: shelter, food, and clothing. I look to the record of this government, and I say it's second to none in Canada in providing those things to all Albertans, including our native Albertans.

Under the heading of food, I think of a program initiated by the Department of Social Services and Community Health, called the hot lunch program, where a noon meal is provided in schools in many of the isolated northern communities. That noon meal has not only increased attendance in the schools, but has allowed some of the kids to get their minds on something other than an empty stomach, and their marks have gone up and their whole outlook has improved.

In education, Mr. Speaker, the Minister of Education has been working for some time, in particular with the MLA for Lesser Slave Lake, on something called project north. It was mentioned in the Speech from the Throne. The minister will have more to say about it. It's an exciting new program; in my estimation, something that's going to open new doors for our northern and native residents.

We've another project I'd like to mention briefly. It's called Project Morningstar, and was primarily developed by the Department of Advanced Education and Manpower. It operates out of the Blue Quill School at St. Paul, with the co-operation of the ATA, school boards, the University of Alberta, and the federal Department of Indian Affairs. If you think getting all those groups together was easy, it wasn't. We managed to get agreement from all parties concerned for a two-year training program for native teachers and those people who wish to teach in native areas. The idea is to attempt to get more native teachers in the schools so we can cut down on the number of native people, the young boys and girls, who are leaving school in grades 7, 8, and 9. They're leaving school at those ages in numbers that prevent them from getting the kinds of jobs they need and the kind of training they need for further work. By helping to cut down those numbers — and it's happening, it's turning around. It won't happen entirely this year, or next, or five years from now, but it's happening. Twenty-one students have completed their two-year course at Project Morningstar, and 40 students are enrolled at the present time.

In our universities and colleges, although the numbers are still small, there are today more treaty Indians and Metis than ever before. About a month

ago I remember reading an article in the *Lethbridge Herald* where there are now approximately 82 students of native ancestry at the University of Lethbridge and Lethbridge Community College. In its desire to assist and make opportunities available for our native citizens, this government is trying to open doors. We're doing it by ensuring the universities and colleges are aware of the needs and concerns of their students. A report was commissioned by the Senate of the University of Alberta on that very subject, and I'm in the process of reviewing that now.

I look to Keyano College in Fort McMurray, Mr. Speaker, where the hon. Member for Lac La Biche-McMurray has worked long and hard with the Board of Governors of that college. In recognition of the kind of input the college has had with native people in that part of the province, Native Outreach has given a special citation to Keyano College for their work.

In job opportunities, I look at some of the work that's been done not only in the private sector but in our own government. Mr. Speaker, when we look at the record, we find there are a tremendous number of openings for native people in our own public service. If we look at one department of government — and because of the time involved we've examined only one department closely, the Department of Social Services and Community Health — approximately 335 employees of that department are of native origin. That represents approximately 4 per cent of the total number of public servants in the department.

Self-worth, pride, and a feeling of accomplishment: those are the things I believe anyone needs in order to be a productive member of society, and to be contributing:

It seems to have become for the first time in its history a community with a sense of hope, the beginning of a feeling of pride.

Last year the *Journal* wrote about a number of Metis families in Janvier who lived in tiny, broken shacks with their children or grandchildren. They didn't have the strength or the money to improve their dwellings.

Every one of these families now lives in a modern two- or three-bedroom trailer provided under the emergency housing program funded by the provincial government. Rents are scaled on ability to pay. . . . People got a little help, and now they see they can help themselves.

This, Mr. Speaker, was taken from an article in the *Edmonton Journal* last Saturday, March 11, entitled *New spirit overtakes Janvier*. Yes, Janvier, a community that had been riddled with problems, but a community that is turning around. It's turning internally because the people there want it to turn around. And we'll continue to do our part as a government, not to direct them, but to assist them as we will all other native people.

Thank you.

MR. BRADLEY: Mr. Speaker, it is indeed a great honor and privilege to rise in this House today to participate in the Speech from the Throne debate, particularly on St. Patrick's Day.

I'd like to note that the leprechauns got into action a little bit earlier this week. I'd booked a passage on Wardair's St. Patrick's Day special flight from Edmonton to Fort Macleod later this evening, and the leprechauns got into the work a little bit earlier this week.

On Monday morning they created such a snowstorm in Fort Macleod that the hon. Member for Macleod wasn't able to get his plane off the ground. So the St. Patrick's Day special flight to Macleod has been cancelled.

MR. DIACHUK: You must have done something wrong.

MR. BRADLEY: It makes one wonder how close the hon. Member for Macleod is to the green.

I'd like to congratulate the hon. Member for Lethbridge West and the hon. Member for Calgary Glenmore on their excellent participation in the Speech from the Throne, in moving and seconding it. I'd like to congratulate you, Mr. Speaker, for the fine way you have handled debate in this House. I also have experienced the Saskatchewan Legislature and congratulate you on the decorum in this House. I'd also like to congratulate His Honour the Lieutenant-Governor for the fine way he read the Speech from the Throne, and wish him continuing good health throughout the next year.

In my remarks today I'd first like to mention some of the initiatives in the Speech from the Throne, and then concentrate on some matters of concern to constituents of mine and review some of the activities in my constituency.

There were several initiatives in the Speech from the Throne which I would like to applaud. I particularly applaud the hon. Minister of Social Services and Community Health for her attention to these matters. The tremendous initiatives in developing a home care program and a day care program show this government does have a heart, that we are considering the needs of a number of Albertans. The reduction of health care premiums, which will a benefit significant number of Albertans, must also be applauded.

In the area of Utilities and Telephones: the announcement by the minister that the Alberta natural gas price protection plan would be extended for a further two years, thus sheltering Albertans from 75 per cent of the increase on natural gas over the next two years. I also note from the Speech from the Throne that under the Workers' Compensation Board pensions and benefits are going to be reviewed, and this will significantly benefit a number of Albertans who deserve it. The programs I've mentioned truly show that this government does care about the underprivileged and needy in this province. It shows they are a priority of this government.

I'd also like to mention an area in which the government has done a number of important things. I think it's important that we look at contracting services, that we don't concentrate in-house a number of things the government does within the government. I'd like to congratulate again the Minister of Social Services and Community Health for the contracting of services at ASH/Deerhome in Red Deer. This has resulted in significant savings to the taxpayer in the province of Alberta. In that same area, it was interesting to note in the Speech from the Throne that 82 per cent of government printing is contracted out, and that in the area of computers over \$750,000 of contracts were let to the private sector. I think this is an important area for the government to continue to work in, in terms of contracting out to the private sector those services which can be.

I would also like to congratulate the Premier and the Minister of Agriculture for pursuing the initiatives which they have, to maintain and improve the position of Alberta farmers. I think they've done a tremendous job in that area, particularly in showing that agriculture is and will continue to be the primary industry in Alberta. I think the initiatives taken by both the hon. Premier and Minister of Agriculture are certainly commendable.

I'd now like to turn to some areas in my constituency. For a long time the first priority I have had is in the area of hospitals and medical care, particularly the development and construction of a new hospital at Pincher Creek. With the lifting of the holding pattern, I hope we will be proceeding to construction of a new hospital at Pincher Creek at the earliest opportunity. I would like to thank the hospital board in Pincher Creek and the citizens in that area for the patience and understanding they have shown during the holding pattern. I think they do understand the significant benefits to costs and health care in Alberta which will result from this holding pattern.

In the Speech from the Throne there was mention that a brood stocking station would be constructed in the Crowsnest Pass area to improve the sport fishing capability in the province. I believe this initiative will be welcomed by everyone in the fishing community in Alberta, but particularly it will be applauded in my constituency. Over my term of office I've met a number of Fish & Game associations, and they have suggested that the Crowsnest Pass area would be an ideal location for such a facility. I applaud this initiative in the Speech from the Throne.

Another area in the Speech from the Throne which has been mentioned, which I think has potential in the constituency of Pincher Creek-Crowsnest and southern Alberta generally, is the development of solar and wind research, as announced by the Minister of Business Development and Tourism. I would like him or the government to consider the location of a solar and wind research institute in southern Alberta. I make that suggestion for two reasons. One is that southern Alberta is exposed to more hours of sunlight than probably anywhere in Canada, and in terms of solar research that has to be an asset.

With regard to wind, I know all hon. members are familiar with the amount of wind that flows through southern Alberta. Particularly I'd like to mention that in the last five years in the Crowsnest Pass there have been 20 occasions on which wind has exceeded 110 miles per hour, and the average daily wind flow-through in the Crowsnest Pass averages between 19 and 25 miles per hour. I have looked at statistics with regard to when wind power has the best potential, and I've been advised that when wind exceeds an average daily basis of 15 miles per hour, wind power is a feasible alternate energy source.

So I would like the department and the government to consider the establishment of a solar and wind research institute and suggest, of course, a location of southern Alberta. My preference, of course, would be within the constituency of Pincher Creek-Crowsnest.

I, like the hon. Member for Cypress, am unable to rise in this House without mentioning Highway 3. I'd like to commend the hon. Minister of Transportation and Deputy Premier for the highway construction which is taking place in the constituency of Pincher

Creek-Crowsnest right now, particularly with regard to the very difficult area around Crowsnest Lake. Major rock-blasting work is being done there, and the highway has had to be closed on occasion. But the citizens down there are very sympathetic to the project, because it will be a major improvement.

In the area of senior citizen housing, a new 65-bed senior citizens' lodge is going to tender in the Crowsnest Pass. This will benefit a number of senior citizens in the area. Also we are constructing two self-contained senior citizen housing unit projects in the constituency, one in Bellevue and the other in Pincher Creek.

I'd like to comment on the Environment Council of Alberta hearings on forestry operations, which I believe concluded yesterday. I spent the earlier two days of this week in Lethbridge and Coleman listening attentively to the briefs presented by concerned public and industry. I think a number of very diverse opinions were expressed, and a number of people took the opportunity to express their feelings and views on the eastern slopes policy at the same time. I'm looking forward to the report and recommendations of the Environment Council of Alberta on that very important topic of forestry operations in the eastern slopes.

I'd now like to turn my attention for a moment to the question of coal and its impact on my constituency. At present there is a slowdown in coal mining activity in Alberta, British Columbia, and throughout the world, due to slumping coal markets which have occurred because of the decline of steel production in Japan. Basically I am speaking about the metallurgical coal market. I believe coal has a strong future, but there is this short period in which there has been a slump.

Part of the problem we experience in the coal industry in Alberta is the freight component of the cost of marketing our coal. I'd just like to comment on that for a minute, because it really is creating a market disadvantage for our coal industry. It costs between \$12 and \$14 a ton to ship coal from the Crowsnest Pass to the port of Vancouver, and in terms of world markets that's significant. In the thermal coal market, to get coal to Ontario — which is our main market for the higher BTU coal — it costs somewhere between \$20 and \$24 a ton to get that coal to the Lakehead. It's just a significant drawback.

But I was really amazed the other day to find out there was a possible market for the higher BTU content thermal coal of the Crowsnest Pass and Medicine Hat area. Apparently they are looking at a project using tar sands, and they need a high-energy heat content to manufacture this process. I'm not exactly sure what the process is. They were looking at natural gas, but the province suggested they look at using coal as an alternative. Upon research, the cost of moving coal from the Crowsnest Pass to Medicine Hat was \$10 a ton. It's just incredible that it would cost \$10 a ton to move that coal from the Crowsnest Pass to Medicine Hat, when it's \$12 to \$14 a ton to move it to Vancouver and \$20 to \$24 to move it to the Lakehead. I really think the province has to continue its initiative with regard to reviewing this whole matter of freight rates, particularly as regards coal.

I'd like to mention two areas with regard to coal mining and its impact on the Crowsnest Pass, and

some initiatives the province may consider to establish the coal industry there with a strong and viable future. Kaiser Resources, which operates on the B.C. side of the boundary, has suggested they would like to see B.C. Hydro construct a thermal electric generating plant using waste coal which they presently have to reclaim. I would like to suggest that perhaps the government of Alberta and the power industry in Alberta consider a joint project in that area, because certainly there are waste coals from mines on both the Alberta and B.C. sides that could be used in such a project. I think it would be very worth-while exploring that.

The second idea I'd like to convey is that I know a lot of research is being done out of the energy resources research fund with regard to coal. The question has been raised as to the location of such a coal research centre. I'd like to suggest that the Crowsnest Pass area be given serious consideration for that research centre. Because of the varieties of coal there and the different types of mining techniques, it could be explored that this would be a worth-while area for us to pursue.

Mr. Speaker, in conclusion I'd like to discuss the question of water resource management on the Oldman River. I had intended yesterday to participate in the debate on the question of public hearings on the Red Deer, and I was going to rise after the hon. Member for Medicine Hat-Redcliff had spoken. But I thought if I had risen at that point and asked to adjourn the debate, the hon. Leader of the Opposition and his colleagues may have walked out because it would have delayed the vote they sought. So I'm going to make my comments this morning.

There's been an extensive process with regard to the question of having public hearings and public input on the flow regulation of the Oldman River. I'd like to stress that no decision has been made yet. Although some individuals like to convey that that decision has been made with regard to damming the Oldman, no such decision has been made.

In the summer of 1976, the preliminary study on flow regulation was released. This is an extensive public document — seven volumes, 8 to 9 inches thick — all the information the Department of the Environment had accumulated on water and resource management in southern Alberta. This was released to the public, and they were asked to comment on the study and its contents. There was extensive public discussion of it. After the responses the department received, it was decided to set up a public citizen committee to set the terms of reference for a phase two study.

I'd also like to mention that at the time there were requests from my constituency that an extension be given to the public response portion of the study, and that extension was granted. So out of the public response to phase one studies, this water management study committee was set up, consisting of six people from the public at large and three persons from government — two from the Department of the Environment and one from the Department of Agriculture. This concept of setting up a public committee to set terms of reference is certainly a radical departure in terms of how we go about getting input and arriving at decisions. I think it's been an excellent process.

Two citizens from my constituency were originally

appointed on this water management study committee, Hilton Pharis of Lundbreck and Ron Buchanan of Cowley. Unfortunately, due to personal reasons Ron found he had to retire from the committee. But I think this committee is doing an excellent job in terms of managing the study, and its report and recommendations are going to point the direction in which we should be going in regard to water management in southern Alberta.

Recently, constituents of mine who would be affected by a proposed Three Rivers Dam have requested payments for interviews with consultants and payments for access to their land. Now, these same individuals came to me and expressed concern that these studies be conducted, that they be thorough and exhaustive. I can only suggest that I think it would be in the best interests of having complete, exhaustive, and thorough studies that all citizens and landowners in the area co-operate with the consultants so we can have this very thorough review. Also a question has been raised that perhaps some of the consultants suggested they didn't have enough time to complete some of their studies. The water management study committee has granted them an extension so they may thoroughly investigate the areas they were asked to.

Once the study committee has brought forward its report and recommendations, that will be the subject of an Environment Council of Alberta hearing in the fall, and the government is looking toward making a decision later on this year. The government can make a decision only after we've had an opportunity to consider the vast amount of information that has been accumulated, and the recommendations and advice of a number of different bodies.

But I'd like really to dispel the impression some are promoting that the government has already prejudged the situation, that we've made a decision with regard to building a dam on a specific site on the Oldman, because we haven't done that. The decision could be a number of different things. Right now the water management study committee is studying three on-stream sites: the Three Rivers site, the site at Brocket, and a site at Fort Macleod. They're also studying very thoroughly four off-stream storage possibilities: Mud Lake, Keho, Forty Mile Coulee, and Chin Coulee.

It's regrettable that certain individuals have been trying to create the impression that a decision has been made. The Social Credit candidate from Innisfail was down in my constituency discussing the question of damming. I can only say that perhaps he was promoting a dam at the Three Rivers site. I'd just like to say we have not and will not make a decision on water management on the Oldman until the public participation process has been completed, the ECA hearings have been concluded, and recommendations have been forwarded to the government.

Several individuals in my constituency have suggested to me that enough studies have been conducted. Studies have been conducted on this particular project since the '60s and suggestions on it go back to the '20s sometime. They have said this process has been very agonizing for them, that it has split the community. And these are people who live in an area that would be flooded if the Three Rivers dam was built. They say a decision should be made now.

I've had to resist that suggestion. At Cowley last

fall during the cabinet tour, I can recall that a very concerned mother raised the question: if you decide to build the dam and it floods out my farm and my home, I want to know the reasons. And, Mr. Speaker, after this whole public participation process and the ECA hearings have been concluded, and the decision is made, I want to be able to sit down and talk with that particular individual over the kitchen table, and be able to respond to the question in the same sincere manner in which the question was asked.

In conclusion, Mr. Speaker, I would hope the land-owners in that area would co-operate so the studies will be exhaustive and conclusive and will answer the question why, if a decision is made to build the dam on the Oldman River. In conclusion, I can only say I agree with the hon. Member for Bow Valley that we should take the question of water management out of politics.

MRS. CHICHAK: Mr. Speaker, they say beware all those who are not under the protection of the shamrock on St. Patrick's Day. Although I was not under the protection of the shamrock, I thought the little bit of green I'm wearing would suffice. However, my first attempt this morning in conveying a message to you with respect to the introduction of a bill didn't stand me in very good stead. I hope my remarks at this time will do better.

Mr. Speaker, I'm grateful for the opportunity once again to participate in the throne speech; to reflect on how the contents of the Lieutenant-Governor's message of March 2 affect the constituency of Edmonton Norwood, which I've been granted the privilege to represent. This morning my remarks, I believe, will be brief, as I intend to speak more fully on behalf of the constituents of Edmonton Norwood in the budget debate.

May I begin first by congratulating those of my colleagues who have spoken before me for the very valuable contributions they have made, and you, Mr. Speaker, for your wit, your patience, your good judgment, and excellent guidance of this House in maintaining a decorum second to none in the nation.

Mr. Speaker, it is prudent, from time to time, to review where we have been at some particular point and how we have progressed.

When I was first elected in 1971, the situation in the constituency of Edmonton Norwood was, I would say, rather barren in the way of people services, programs, and facilities. To begin with, the schools were in dire need of restoration, upgrading, expansion. They were in dire need of educational programs. The early childhood educational program brought many preschool children into a learning environment who in the normal course of events, if deprived of this early attention, would have found difficulty maintaining progress usually experienced at the regular commencement age.

One senior citizen lodge was in a condemned condition, and eventually evacuated and closed down in 1974. Community halls, if they were existent, for the most part required upgrading or expansion. The general state of a great many homes was an extreme need of repair or replacement.

One of the few bright spots in my constituency was, and still is, the Glenrose School Hospital, Norwood Auxiliary Hospital, and Dr. Angus McGugan Nursing Home complex. The children with learning

disabilities and certain physical disabilities suffered from a lack of programs due to the absence of financial support on the level which only the provincial government could offer. What day care facilities were available were not adequate to fill the need. If they could accommodate the need, many families could not afford the service as their income levels did not permit them this luxury. Parks and recreational areas were at a premium.

However, Mr. Speaker, in a few short years all this has been changing. Edmonton Norwood has been getting a facelifting. Let me start first with respect to the one-time grants of the community hall improvement program, the continuing major cultural/recreational grant program, and the project co-operation program — what this has done in the community. Since 1971 almost every community hall has either been improved or expanded, or a new hall constructed, the community raising an appropriate portion of the cost and the provincial government providing its proportional share. The community demonstrated its willingness, interest, and support for upgrading a quality of life it too was entitled to.

I will be pleased to be opening one such community centre on April 1, that being the Delton community centre, a new hall just constructed. I know this centre means a great deal to the citizens in the area. Community halls such as Elmwood, Eastwood, Alberta Avenue, Westwood have made tremendous improvements with assistance grants.

For senior citizens, the Buchanan Manor with some 23 self-contained units opened two years ago. It is a delight to the senior citizens who are now resident there. I'm pleased to say that a 50-unit Norwood Golden Manor complex is presently under construction and is anxiously being awaited for occupancy this year. Hopefully, another complex in the Alberta Avenue area will receive approval for next year.

The \$1,000 senior citizen home improvement program has been a real help to many senior citizens in Norwood who prefer to continue living in their own homes. Many have taken advantage of this program, and I hope many more who can qualify will. I know many have taken advantage, because they have come to me for assistance in completing their applications and to clarify and explain to them more clearly what the program allows them to do.

The conditions of the schools have been vastly improved: from lighting, expansion of classrooms, recreational facilities for indoor programs. Many special learning disability programs have been put in place as well, and are helping those children in need.

Mr. Speaker, my constituency is made up of a cosmopolitan society. Many families are single-parent families, many on low incomes, many do not have the required skills to maintain and hold their jobs, and require special social assistance. Many new families have come into the constituency from foreign countries and need the time in which to adjust to our Canadian way of life. All these programs are helping them and their children.

A NIP program approved in an area of Norwood in 1975-76 is progressing very well, I'm pleased to report. Home-owners are improving their properties. Playgrounds are being established and developed. A recreational centre is being constructed. Children no longer have to use the streets as a playground. Streets are being paved and street lighting is being

improved. More day care facilities are being established.

Another area under NIP that has been approved in 1977 and is currently in its development stage is the Alberta Avenue/Eastwood communities. The citizens are well on their way to developing the kinds of programs needed to improve the quality of the communities.

Some of the parents of severely handicapped children no longer have to commute to Red Deer or elsewhere to spend time with their children who have to be institutionalized. I'm pleased we have been able to accommodate them in the constituency in a home under the Cormack plan.

Mr. Speaker, some of the above remarks would indicate that a significant percentage of citizens in my constituency are in the lower income level. It is in this respect that I feel the Lieutenant-Governor's message has such a tremendous impact for the support and interest of my citizens. The message is truly a people message.

Health care premiums, subsidies being provided as announced will leave many more needed dollars in the pockets of those who are on low incomes, while at the same time they will be provided with an increased level of health care.

With respect to the expansion of housing programs, our extensive and increasing support in housing has perhaps been a dream come true for many new home-owners who otherwise were living in a never-never world of home ownership. The continued removal of education tax from property taxation has been very much welcomed by home-owners in my constituency.

Mr. Speaker, I would, however, like to relate briefly to two other very significant announcements from amongst the many contained in the message. I would like to refer to the two major programs: home care and day care. The prime objectives of the home care program are to alleviate the strain on existing institutional facilities to provide home care facilities to the ill in the comfort and familiar surroundings of their own homes — long acknowledged to be the best atmosphere to induce speedy recovery — and to encourage the families of those afflicted and in need of such care to take more interest in the provision of such services for their loved ones. An additional aim of this program is to provide a much-needed intermediate function between the home and the institutions for those who are presently too ill to remain at home without care but not really ill enough for long-term treatment in an institution.

Mr. Speaker, I have many such senior citizens and handicapped in my constituency. I constantly receive calls for assistance to have parents or grandparents placed in an institution because the atmosphere or facilities at home are just not of the nature that can accommodate the kind of care some of these family members require.

With respect to the day care announcement, I'm extremely happy to say that this program is one that has been requested time and time again and now is being made available. The many families, single-parent families, and those who have other difficulties will now be able to cope with their domestic environment where there are problems. It will enable [them] to do many other things.

I'm pleased that the program is designed to allow

flexibility for variants to be determined by the operators and the parents, so the facility would cater to the real needs of the children and the parents; that there will be flexibility to allow existing day care centres with both the time and assistance required to meet the new program regulations without imposing undue hardships upon them, and at the same time not cause an escalation in rates so those parents who are presently able to afford the full cost of day care service would continue to do so.

I'm also pleased that the program allows for parents on social assistance who, under the subsidization aspect of the program, will be able to have their children put into the facility of their choice rather than a facility selected for them. I think this will enable both those privately operated day care facilities to plan their programming and service more to the needs of those citizens whom they service.

Mr. Speaker, I would like to cover many other aspects of the message from the Lieutenant-Governor, but I will conclude my remarks at this point and cover the more significant aspects in the debate following the budget.

Mr. Speaker, I thank you for the opportunity to have put forward to you some of the issues and the situation as it is in the constituency of Edmonton Norwood.

Thank you.

MR. FARRAN: Mr. Speaker, I'd first like to thank the hon. Member for Stony Plain for yielding his place to me.

His Honour the Lieutenant-Governor has been kind enough to read his address from the throne and, as an elected representative from Calgary North Hill, I'd like to express our appreciation for the fact that the Queen's chosen spokesman should be a member of the true founding race whose roots in this country go back eons in time, thousands of years into history. Through all these ages the sun has shone, the rivers have flowed, the trees have grown on the foothills, the grass has grown green on the plains, and living creatures have called this home.

Since I first arrived in Alberta as a young man, some 30 years — just over a quarter of a century ago — I've felt a sense of destiny, a consciousness that we're all playing a part in an unfolding history, writing one more chapter in a long book that began in the distant shadows of time. And it will go on, page by page, into the eternal future.

When I think of oil and gas and coal, I think of the sedimentary deposits I've seen in the Rocky Mountains close to where I live, laid out layer by layer like a sandwich cake. And I feel that is just proof of the endless chain that goes back to the days of the dinosaurs and the inland seas, long, long before mankind himself came here.

I remember the advice given to me by my father-in-law, himself an immigrant who arrived at the turn of the century. He said, son, never lose faith in Canada. It was advice to remember in times of stress. For this great land with its enormous treasures, natural resources, water power, and people cannot suffer for long under such short-term annoyances as a temporary economic ill wind. Those aggravations in the context of history will be no more significant than a snow flurry on a spring day. No setbacks can be mortal to a country so basically strong as Canada.

When I think of these things I remember how it was that the railway brought the immigrants in their colonist cars to this particular part of Canada. I remember that it was the Irish, with a little help from the Chinese, who built that railroad. Sure the English put up the money, the Americans were the engineers, but even there there was a fellow called Shaughnessy between the two of them to keep them honest. But it was the Irish who contributed the sweat to building that railroad. It was the Irish who drove the spikes.

The government has a proud record in preserving our culture and our history — our heritage. My friend the hon. Member for Edmonton Avonmore is a recent immigrant like me. And I think he's been an excellent choice as the Minister of Culture. One of the historic sites he's preserved is a little church in Midnapore, Calgary, called St. Patrick's Church. It can hold less than 50 people. And I want to tell you — just to divert a little bit — a little story about our history and that church. I want to tell you why it was chosen as a historic site.

Now the Irishmen who built the CPR with the sweat of their hands ate a lot of meat and they drank a lot of beer.

MR. KING: Was it green?

MR. FARRAN: The man who supplied the meat was another Irishman called Patrick Burns. I don't know what he'd say about the goals of education today, because he could neither read nor write, although he was pretty good at adding up. I don't know what Senator Burns would have become had he been able to read or write. He might have got a job in the liquor store.

MR. COOKSON: Could have been a lawyer.

MR. GHITTER: A journalist.

MR. FARRAN: In a way he was a social worker, even though he was a captain of industry, a rancher, a builder of big packing plants, and a supplier of meat to the CPR. He met a little French-Canadian priest called Father Lacombe, who was in the social service game long before governments got into it. Father Lacombe wanted some land on which to build a home for the poor, the aged, and needy children. He also wanted to build a little church there. Well, he talked Patrick Burns into giving him the land. Then he went over to Austria, of all places, and talked the Emperor of the Austro-Hungarian Empire into giving him the money to build it. That was quite an accomplishment for a little French-Canadian Metis, part Ojibway Indian, in the early days in Canada.

So they built the home which is there today as the Lacombe Home, and is now being repaired by prisoners from Spy Hill jail as one of the projects of the minister responsible for Culture in maintaining our historic sites. Right next door to this little church was a similar church, which is even older, called St. Paul's Anglican Church. Believe it or not, this was built with a bounty from good Queen Anne. Each year since the day Pat Burns donated the land for St. Patrick's Church, he and his successors have painted those two little churches side by side. They've been holy twins ever since. I think St. Patrick watches over

them both, even over St. Paul with his bald head.

Just think of the colorful diversity in that story. Just think of how that evokes the cultural mosaic of which this part of Canada, in fact all Canada, is composed. It underlines the importance of the portfolio of my friend the Member for Edmonton Avonmore. Think of the people who were involved: the Irish, the Chinese, the French, the Indians — because Father Lacombe was part Ojibway Indian — the English, St. Paul's Anglican, and even the Austro-Hungarian Empire — the Austrians and the Hungarians. That all took place around the turn of the century.

I look back and think how good Canada has been to me, a little immigrant like my friend from Edmonton Avonmore. I think how proud I was when I first came here to realize that this country had no invidious class distinctions, as they have in so many other lands. It had to be broad-minded when it was prepared to elect a little immigrant like me to high office. That wouldn't have happened everywhere, believe you me. I remember how I applauded that this was a land where people were prepared to work — and if they were prepared to work they could succeed — where there was an admiration for people who overcame difficulties by struggle, where there was a recognition of the virtue of making it the hard way, whether by ownership of a little house, a farm, or the raising of a decent family. People here look back with pride to having survived the simultaneous world depression and cyclic drought which hit this part of the world harder than anywhere else.

In Calgary, my own city, there was for instance a pride as we built a modern metropolis, as we grew from the days when it was just a town of 100,000 people, 80,000 people in 1941. When I showed up after the war as a belated war bridegroom, it was only around 100,000. We only had three-storey buildings, and they were a rarity. Now we've come to a city of half a million people where the skyscrapers contain superb restaurants, stores, and modern amenities of every kind.

I think back with pride, not to the transitory reputation I acquired as a soldier in the war by not being quick to take orders but to do things that worked out in the end, to my start in a land where I was unknown and began from scratch like everyone else. I remember my days on a Springbank dairy farm, hauling hay bales with a team and sled in the face of a north wind and a cold winter. I recall our days, my wife and I, living in a basement suite, making our way around the furnace when we went to bed, working for \$40 a week as a city reporter on the *Calgary Herald* writing obituaries, struggling as an underpaid editor of the *Hereford Digest*, and then to my long association with the people of North Hill, whom I now represent. It's to those humble origins that I look back with pride, as do most Albertans to their humble origins.

A Speech from the Throne such as this is just a chapter in this ongoing story I'm relating. It sets out the things to come in the coming year, but none of them can be taken out of context with the things that have already happened. The Lougheed team itself began with humble origins, in which we can take justifiable pride as Albertans. I suppose it's a little incongruous that I would quote the Prime Minister of the nation, but I believe the universe is unfolding as it should.

My wife recently set me to cleaning out some of the

junk from the basement. We have a move of our dwelling pending. I'm a bit of a pack rat and she likes to keep things clean. So in this junk that's been accumulated over the years I pulled out old city council agendas. Memories flooded in from my 10 years as an alderman and six years as a hospital trustee. To my delight, I came across an old agenda from 1964 which told the story of how Mr. Eric Musgreave of those days, now the Member for Calgary McKnight, sparked the turning of the North Hill coulee, as it was known in those days, into beautiful Confederation Park.

I turned out papers recalling when ATCO moved into the old air force hangars at Lincoln Park. Their father, old Mr. Southern, who worked in the Calgary fire department, had only just started the U-haul trailers around service stations, and they were very, very small in those days. That was when it looked as though there was going to be a great economic disaster in Calgary because the Canadian Pacific Airlines maintenance base had moved from the city to British Columbia.

I told the story of when we built the public library, the Glenmore causeway, the Crowchild Trail, and the planetarium. Then I came across a file of Len Werry, which had somehow got mixed in with my papers. It contained references to the Lougheed club, before the Premier and the original six were elected. Between the lines I could picture those early days and all the determination, planning, and foresight that went into the cracking of the Social Credit facade that had lasted here for 35 years. I recall my own disappointment when I couldn't join them, because I was beaten for the nomination by a guy called Henry Beaumont.

Then I recalled 1971, when at the third attempt I was elected to office with the now government, at last as an official member of the Lougheed team. I recall the document on which our new adventure began, a document called *New Directions for Albertans*. It was in the nature of a manifesto, and it still has relevance today even though action has been taken on most of its contents. Our proudest boast is that we're a province of doers, and that is our inheritance from history.

I must confess that it annoys me when I read papers from academics claiming that small business is no longer relevant. They often say that. It is a very, very common remark. I heard it only two days ago. It just cannot be. They insinuate that Canadians are not temperamentally suited to being entrepreneurs, that the principles of capitalism can no longer work here. And that is utter nonsense. If Canada is suffering today from the overconcentration of power in too few hands, in the hands of big unions, big government if you like, and big corporations, it has nothing to do with the attitudes of the people, especially here in Alberta.

It was not us who concentrated financial powers in the hands of a few chartered banks, in the hands of a small clique which runs the Toronto stock exchange or in the hands of a couple of railroads. Those sort of people tend to think that because most of their lives they've usually worked for a government service directly or indirectly, that's the only way. But all people cannot work for government. Someone has to develop the basic wealth, the momentum, through tax-producing, job-providing industry. That means

profits and the formation of small pools of capital.

Let's look back at what has been achieved in this province over the past 72 years. First, our forebears settled a land where the climate was not exactly easy, where there was no welfare state, no government grants, and only very distant markets. Within this century — that's not too long ago — they carved farms out of the empty land, and agriculture still continues to be our base economy on that foundation. Albertans are more than self-sufficient in food when exports are balanced against consumption. In fact their per capita production of food is probably among the greatest, if not the greatest, in the world.

From the log cabins — poplar trees rooted out — the sod huts and one-room schools of the homesteaders, in two generations we have become the jewel of Canada. We've become a modern industrial state right here in Alberta. We have one of the highest standards of living in the world. We have schools like palaces; hospitals which are more modern, more plentiful than anywhere else; universal health schemes; modern apartment blocks; skyscraper office buildings; swimming pools; stadia; ice rinks; theatres; auditoria; beautiful parks everywhere; the best road system in the world; restaurants and hotels unmatched anywhere: all that. Just 70 years ago we were talking about sod huts, pulling out poplar trees by hand, picking roots, picking stones.

We have everything that can be imagined in material wealth: more cars than we have adults, 1.3 million motor vehicles, incredible shopping centres, supermarkets and department stores, television sets, washers and dryers, fridges, micro-ovens, stereos, electric blankets, power mowers, power saws, skidoos, everything you can think of. Everyone has holidays. Many travel. They tell me to travel to Hawaii.

Around the beginning of the year the press thought they'd pull a fast one. They would stop every cabinet minister who had a red face or a tan and ask them where they went for their holidays. They stopped the first 10, and nine of them had been to Hawaii. They stopped me, wanted to know where I got my tan. I told them I got it in the backyard in Calgary.

Above all, here in Alberta we have the people — more than 68 per cent of all adults in the work force. Think of that. That's an incredible figure. Despite an economic strength envied by our neighbors, we have the lowest unemployment rates in the nation. Four to 5 per cent in a country with a long, hard winter like ours is virtual full employment.

I think of the progress that has taken place since I became a member of this House seven years ago. Then the government of the day was concerned that the oil bonanza might be over. They froze municipal grants; they held all the education and hospital budget increases to no more than 6 per cent for three years; they stopped building senior citizen facilities. There really was cause for concern. I can understand why they did it. The revenue from the sale of oil leases was declining so fast, and the royalties weren't rising to take their place. They were really facing a serious financial crisis.

Cash reserves were down to only \$20 million when we took office in 1971. Do you remember that? People disputed the figure, so we got an independent firm of accountants to check it, and it was audited — \$20 million. That's all there was. Well this government took positive steps. It adjusted royalty ceilings

long before the world energy crisis became apparent. We had hearings in this House, a long complicated exercise, but we got away from this business of a fixed ceiling of 16 per cent. We put the house in order. Now we have more than \$3 billion in reserves against depletion of natural resources, and we've got Alberta moving again. From \$20 million to more than \$3 billion.

That was one of the first steps. Now we can boast that we have the lowest taxes in Canada. We did this without increasing taxes. We reduced taxes: no death duties, no sales tax, the lowest income tax, the lowest fuel prices, the lowest property tax. That was one of the first steps, to cut taxes to allow a dynamic people freedom to grow economically with a minimum tax burden on their shoulders.

In the Alberta property tax reduction plan, on which I did a little bit of work, we removed basic education costs from residential property and relieved local government of the most onerous costs of all, the costs of hospitals, local health and welfare.

Then we proceeded to make credit available to the sources of our strength, to the farmers through the Agricultural Development Board, and to small business through the Alberta Opportunity Company. People criticized the Alberta Opportunity Company. Do you know what it's done mainly? It's got those calcified central Canadian chartered banks in the game here in Alberta. They're competing now in a risk [inaudible]. I'm delighted when I hear people say, well, RoyNat are putting out more risk loans than the Alberta Opportunity Company. Well who got them started? It was the mere threat of the Alberta Opportunity Company being there that drew their attention to the need.

We moved to help the less advantaged of our society, the handicapped, the mentally ill, and those on pensions and fixed incomes. We accepted the Blair report, which recommended treatment of the mentally ill in active hospitals. We moved very dramatically to assist the senior citizens. We built lodges, self-contained suites, and we assumed all their medical costs without premium. Streets were paved. The first time in the history of Alberta, the main streets in towns were paved. The program is continuing this year, mentioned in the Speech from the Throne.

Sewage and water was supplied in small towns, which began to revive again. Many have been on the point of obliteration. Do you know that there was a long list of towns that were going to die in this province, and it was an official government list? There were just a few that they called growth centres; you could almost count them on the fingers of your two hands. Now those towns are healthy and lusty babies, even to the point of crying about growing pains. Do you know that babies do cry about growing pains sometimes?

With government assistance for half the cost, recreation facilities were built everywhere. And for the first time, provincial parks were built in the big cities, in the two metropolitan areas.

While the rest of Canada labored under the weight of a heavy federal bureaucracy, we let our private enterprise run free. Certain pressures were applied in certain vital places in order to jerk us into action again. The WEOC drew attention to the inequities in freight rates, and we fortunately saved for Alberta, at the eleventh hour, the vital airlines of the north by

the purchase of PWA. We directed AGT into the rental of many computers, and we now have, for small business, the best business communication system in Canada.

We cut out call-by-call long distance charges in a 30-mile radius of every centre. We brought natural gas to the reach of family farms. We stopped the practice of shipping out jobs with the exported natural gas by extracting a valuable ethane to form the basis of a petrochemical industry. And although it has faltered and teetered on the brink of collapse at one time because it was hit by world inflation, we saved and successfully inspired the huge Syncrude plant in the oil sands.

In every sphere, we have been brave, innovative, fighting unfair trade practices, bringing more fairness into Workers' Compensation and labor laws, pioneering the fight against the abuse of alcohol, providing for the poor to work off their fines. We've done all these things.

This Speech from the Throne, Mr. Speaker, was billed in advance as a routine, dull, stand-pat program. In the event it confounds all those prophets of gloom and doom, it contains policies which would be the envy of Canadians from coast to coast. It brings home care, helping old people who want to stay in their own homes as long as possible to help themselves. That's a conservative social program because it builds on the desire of individuals to remain independent, and emphasizes the volunteer principle. It recognizes women in the work force, the plight of single parent families, because it introduces extensive day care with a conservative philosophy, where the help goes to those who need it, and it follows the pupil rather than the teacher.

Medicare premiums have been reduced for those with minimum incomes, and we've bravely faced up to this issue of justice in the distribution of property on marriage breakdown, remembering that the principle has to be fair to everyone. Not just the man and the woman, but the man, the woman and the child — that's a family unit which some of the activists often forget.

I feel confident that this government, with its steady hand on the wheel, will continue to guide Alberta on a straight and well-planned course. Regardless of the rough seas around us, we'll make the most of our opportunities in this blessed province, and we'll build as we are building, moving steadily forward in an expanding economy with a great people.

Thank you, Mr. Speaker. [applause]

MR. SPEAKER: The fascinatingly interesting and scintillating speech of the hon. minister, and I say that sincerely, blinded the eye of the Chair to both the clock and *Standing Orders*. But if it's a precedent, I hope all members will agree it's a good one.

Having heard the motion for the address in reply to the speech of His Honour the Honourable the Lieutenant-Governor, would all those in favor of the motion please say aye.

[Motion carried]

head: **GOVERNMENT MOTIONS**
(*reversion*)

MR. LOUGHEED: Mr. Speaker, I'm honored to move that the address in reply to the Speech from the Throne be engrossed and presented to His Honour the Honourable the Lieutenant-Governor by such members of the Assembly as are members of the Executive Council.

[Motion carried]

[The House recessed at 12:55 p.m. and resumed at 8 p.m.]

MR. LEITCH: Mr. Speaker, I have received certain messages from His Honour the Lieutenant-Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: His Honour the Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1978, and recommends the same to the Legislative Assembly.

His Honour the Lieutenant-Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1979, and recommends the same to the Legislative Assembly.

Please be seated.

MR. LEITCH: Mr. Speaker, I request leave to table a copy of the Estimates of Expenditure and move that the messages of His Honour the Lieutenant-Governor, the Estimates, and all matters connected therewith be referred to the Committee of Supply.

[Motion carried]

MR. LEITCH: Mr. Speaker, I move that this Assembly approve in general the fiscal policies of the government.

head: **BUDGET ADDRESS**

MR. LEITCH: Mr. Speaker, the budget which I have the pleasure of presenting tonight is part of the continuing evolution of our government's long-term financial plan. The essence of any long-term plan is a set of goals and objectives. Our objectives are clear:

- to provide a high level of government services to the people of Alberta in keeping with our present and future capacity to do so;
- to distribute equitably the benefits from our non-renewable resources between present and future generations;
- to ensure that the operations of the government sector complement, rather than detract from, the initiatives of the private sector which maintains our growing and vibrant economy; and
- to maintain the strong financial position of the

government.

I think it is important to realize, Mr. Speaker, that the existence of a long-term plan does not embody a year by year detailed plan fixed in advance. We must be prepared to adapt to changing economic circumstances and to accept our responsibility to co-operate with other governments in achieving the best possible economic future in all parts of Canada. Finally, not all the long-term goals can or should bear equal emphasis in a given year.

The 1978 budget reflects a number of these factors. We have, over the past several years, while significantly reducing the tax burden on Albertans, achieved a level of government services which ranks among the highest, if not the highest, in Canada. As a result we were to implement firm expenditure guidelines over the past two years which did not jeopardize these levels of service. The guidelines were necessary for a number of reasons:

- to emphasize that expenditure increases which were necessary between 1971 and 1975 to bring government services in Alberta to an appropriate level were neither planned nor financially feasible for the longer term,
- to ensure that the government sector did not begin to impede on the private sector's ability to expand, and
- to take a leading role in combating the then prevailing inflation psychology.

As I announced on December 12, 1977, no explicit expenditure guideline had been adopted for 1978-79. As will be evident in my later remarks, this does not mean unrestrained growth in budgetary expenditures. Indeed, in many areas expenditure increases have been held below those approved last year. This reflects the need to restrict the rate of growth of provincial expenditures in order that the private sector in Alberta has sufficient room to continue to take the initiatives which will ensure our future economic prosperity.

Our success in holding expenditure increases down over the past two years, however, enables us to increase expenditures in selective areas where growth or cost pressures have been particularly acute. In addition, we are in a position to assist the economy to adjust to the completion of the Syncrude project by accelerating necessary public capital projects. Finally, I will be announcing this evening certain tax measures which will enable all Albertans to enjoy today additional benefits from our strong financial position and will have a direct impact on reducing the effects of inflation.

Mr. Speaker, before outlining the details of this budget, I would like to outline the economic circumstances as we see them at this time.

Overview of the Economy

A review of international economic prospects indicates that little change in the growth rate is expected for the western industrialized nations in 1978. Of the major western economic powers — Japan, Germany, and the United States — it would appear that only the latter has been able to produce what may be termed a sustained economic expansion. As well, given the weak to modest performance of the other major industrialized countries, it appears doubtful that real economic growth will be much higher in 1978 than it

was in 1977 unless further stimulus is provided. Inflation rates continue to vary across the spectrum of OECD countries, and indications are that performances of individual countries are not expected to change appreciably in 1978. With prospects lacking for strong growth in 1978, no significant inroads into the current world rates of unemployment can be expected.

In many respects the Canadian experience has paralleled that of the economic community of which it is a member. Some relative improvement is foreseen for 1978. While in 1977 the growth rate in the Canadian economy was well below the average in an international context, it is anticipated that real growth of 4 to 5 per cent will be achieved in 1978, which is higher than the anticipated average growth for other industrialized nations. Unfortunately, this expected improvement in overall growth is unlikely to permit any improvement in the unemployment rate because of the anticipated growth in the labor force.

On a positive note, it is expected that inflation, currently reflecting price increases for imported goods due to the recent depreciation of the Canadian dollar, will moderate.

Two main demand components are expected to lead to modest economic expansion in 1978. Exports should show above average growth as a result of the lower value for the Canadian dollar. Consumer expenditures should also be relatively strong, provided the expected reduction in inflation is realized and current high saving rates moderate. Government expenditures, because of the need for continued government restraint, will not contribute in any major way to recovery.

One of the primary areas of concern, and one of the chief reasons why only modest growth in the Canadian economy is expected in 1978, is the investment outlook. The consensus of forecast opinion is for less than 3 per cent real investment growth in 1978. With continuing low rates of capacity utilization and generally poor performance of corporate profits over the past three years, significant increases in investment expenditure from the business sector are not likely to materialize.

Inextricably linked with the investment potential of our country is a concern over Canada's cost competitiveness vis-a-vis our trading partners in general and the United States in particular. A recent study has shown that, over a large number of industries, Canada has moved beyond wage parity with the United States after accounting for exchange rate movements, yet our productivity is less than 80 per cent of the productivity of our major trading partner. That productivity gap has been narrowing since the 1940s but it has not kept pace with the rapid rise in Canadian wage levels. Canada's lower productivity and higher wage levels are the major causes of our current economic difficulties.

A graphic and disturbing picture is provided in Chart 1, which accompanies the text of this address. For the period 1973 to 1975, negotiated wage settlements in Canada provided increases which, over the life of the contracts, were approximately double those negotiated in the United States. Indeed, in mid-1975 the Canadian increases were almost two and one-half times those negotiated in the United States. Subsequent to the introduction of the anti-inflation program, much more modest settlements have

emerged. Relative to the United States, however, even under mandatory controls our wage settlements exceeded theirs. The result is that by September 1977, average hourly wages in Canada were higher than those in the United States by 16.4 per cent in mining, 12.6 per cent in manufacturing, and 22 per cent in the construction industry.

Canada's balance of payments provides a good example of the problems we are creating with unrealistic demands on the economic system. Our balance of payments in 1976 was in deficit by \$4.2 billion. Within this total we had a \$5.8 billion deficit in services — interest payments, travel expenditures, and the like — while on merchandise trade we managed a \$1.1 billion surplus. While one might be inclined to take some satisfaction from the surplus on merchandise trade, it is in fact precisely in this area where our potential problems can be observed most clearly. For if we look at a breakdown of this number, we find that it is composed of a \$10.2 billion deficit in manufactured goods and other end products, as compared to a \$3.6 billion deficit in 1971, offset by an \$11.3 billion surplus on raw material and partially processed resources. In other words, Mr. Speaker, Canada is competitive primarily only in those areas where we have resources which are not found in sufficient quantity elsewhere to satisfy demand.

The international reaction to our competitive situation was brought home with some force during 1976 and 1977 with the depreciation of the Canadian dollar by more than 10 per cent in relation to the American dollar.

The crux of the issue is jobs — continued jobs for those now in the labor force and new jobs for those entering the labor force in the years to come. Certain industries are already experiencing significant layoffs, and others have avoided doing so only through policy measures which have reserved a portion of the domestic market for them. Such protectionist measures are neither desirable nor feasible for the longer term or in broader application.

There are two potential outcomes to the situation we now face. If we continue to increase wages and prices at rates which are out of line with our productivity and our trading partners' performances, then Canada will continue to experience poor employment prospects and a depreciating currency, in short a reduced average standard of living. The alternative, to restrain our collective demands on the system, may be difficult to accomplish but it is imperative if the Canadian economy is to grow and prosper.

Mr. Speaker, Alberta took a leading role at the recently concluded first ministers' conference on the economy in proposing new directions for the Canadian economy. The Premier focussed on the need for a new attitude in Canada toward the private sector, a renewed appreciation of the role of the risk taker and the necessary rewards that must accompany risk taking. Alberta stated the position that we must aim to reduce the share of total output consumed by government, to constrain public sector wage settlements to levels that the private sector can afford, to reduce unnecessary government regulation, and to provide incentives for viable economic enterprises rather than permanently subsidizing marginal activities. In addition, Alberta stressed the need for action to reduce Canada's dependence on imported crude oil and in general to build on our natural strengths.

These Alberta positions were adopted as part of the joint communique at the close of the conference. Should appropriate action be forthcoming from other governments in Canada, following up on the common position taken at the conference, we believe that the necessary climate of business confidence will be created which will provide a healthy recovery and a brighter longer term future for the Canadian economy.

Alberta Economy

To date Alberta has been able to avoid, to a large extent, the economic problems facing the rest of the country. This above average performance is expected to continue through 1978 at a pace comparable to that experienced in 1977.

At the root of this sustained growth have been the continued high levels of investment which Alberta has attained over the past several years. At present, investment in Alberta accounts for about 17 per cent of the Canadian total which compares favorably with our 8 per cent share of population. It is clear that good investment opportunities, coupled with the favorable investment climate in the province, have been effective in maintaining Alberta's economic vitality.

In contrast to the Canadian forecast, in which investment is anticipated to be weak in 1978, investment in Alberta is expected once again to be a major contributor to real economic growth. Despite the completion of the Syncrude project, it would appear a dramatic slowdown in investment in 1978 should not occur. This evaluation is based on the fact that for most of the large petrochemical projects, 1978 will be the peak construction year. Further, the value of issued commercial and industrial building permits has risen dramatically in recent months. This important indicator of investment, as well as construction activity, implies that what we may be witnessing is a rescheduling of a number of smaller projects which were delayed because of the demands upon the economy of larger projects such as Syncrude. In addition, measures I will be announcing tonight should help ensure a strong investment performance for 1978.

An important aspect of investment in Alberta is drilling activity. Recent government auctions of leases and licences in 1977 have netted revenues well over three times the previous annual high. This interest indicates strongly that accelerated drilling activity in 1978 can be expected. The initiatives taken by this government under the Alberta petroleum exploration plan have contributed in no small measure to this activity.

The high level of business activity has led to a condition of rapid job creation in Alberta with employment growing by 4.5 per cent in 1977, as [37,000] new jobs were created in Alberta during the year. At the same time, labor force growth was 4.9 per cent reflecting the high levels of in-migration. Alberta is still experiencing, as well as the highest labor force participation rate in the country. Even with this rapidly expanding labor force, in 1977 Alberta, at 4.4 per cent, had the lowest unemployment rate in Canada.

The generally buoyant business and labor conditions have been translated into higher incomes for

Albertans. Average weekly wages and salaries in 1977 were 10.5 per cent above the level recorded in 1976 in Alberta, still in advance of the registered Canadian increase of 9.5 per cent for the same period. While it is pleasant to be able to report that Albertans are benefiting from the strong performance of the provincial economy in this way, I would caution that the comments made earlier about the Canadian competitive situation apply equally to Alberta. We are in a period of adjusting the economic structure of the province to reduce our reliance on the sale of unprocessed resources. As new entrants in many of the markets we hope to penetrate, our cost competitiveness will be critical in determining success or failure.

The generally good performance in 1977 was common to most sectors of the economy. The agricultural sector, however, experienced some difficulties. Over the past two to three years, farmers have been faced with weak or declining world prices for their output while at the same time input costs have been rising. Some improvement in prices for agricultural products was evident throughout 1977, however, and I will be announcing later in this address a major policy move to reduce farm input costs.

Mr. Speaker, agriculture is viewed by this government as a most important sector of the Alberta economy, both now and for the long-term future. At the recent first ministers' conference, which I alluded to earlier, the Premier led the discussion on agricultural policy. At the conclusion of the conference, first ministers recognized the need for an improved transportation system, a grain marketing strategy for Canada, increased upgrading and processing of agricultural products in Canada, the expansion of access to international markets for Canadian agricultural products, and the importance of expanded agricultural research. These positions were proposed by Alberta and accepted by other first ministers. Our government will be actively pursuing these objectives in the months ahead to ensure that the agricultural sector in Alberta can contribute in a substantial way to the economic future of Alberta and Canada.

In 1978, Alberta should again experience among the lowest rates of unemployment in Canada, well below the national average.

In brief, the outlook for Alberta in 1978 is for continued strong growth. This growth should be sustained across the broadening base of the Alberta economy and will be led by the large petrochemical projects currently under way, increased drilling activity, and an increased number of smaller capital projects. Once again Alberta is expected to outperform the other provinces in all major economic indicators.

Tax Measures

Mr. Speaker, a detailed description of our revenue sources follows. But first, I would like to refer to the tax action to be taken this year.

Each budget cycle is characterized by a review of our own source revenue structure. Alberta is in the unique and enviable position of having the financial flexibility to reduce taxes, to adjust the distribution of the tax burden among our residents, or to alter the mix of taxes. This flexibility can be attributed to two sources: the important contribution of non-renewable resource revenue to our financial position and the successful efforts of this government to restrain

expenditures.

Mr. Speaker, the per capita disposable income in Alberta in 1976 stood at \$5,611, slightly more than double its 1971 level. The net result of the following taxation proposals, some of which I am presenting for the first time, will be to increase further the discretionary income of Alberta taxpayers by an estimated \$124 million, or roughly \$65 per capita, in 1978-79 and, in so doing, to significantly ease the tax load on lower income Albertans.

Health Care Insurance Premiums

This government has consistently held the view that health care insurance premiums should reflect, in a reasonable way, the level and growth of basic health care costs. For these reasons, premiums are to increase by 8.5 per cent effective July 1 this year. Mr. Speaker, I would like to note that this increase is significantly less than the 11.3 per cent and the 10.2 per cent increases in 1976 and 1977 respectively. The growth rate this year is only indicative of the forecast growth in the basic health care deficit of premium paying registrants; to completely offset the deficit would have required a considerably greater premium increase. Effective July 1, 1978, the premium rates will be \$91.80 for single persons, and \$183.60 for families.

However, as in the past, we recognize that premiums are a substantial cost for lower income taxpayers. We have recently announced in the Legislature that we are significantly expanding the coverage of our premium subsidy program at an incremental cost of roughly \$9 million in the 1978-79 fiscal year. As noted by the Minister of Hospitals and Medical Care, approximately 168,000 Albertans will benefit. This expansion will ensure for most taxpayers that no premiums will be payable by those who do not pay income tax. For example, a family of four with a taxable income under \$3,000, which corresponds roughly to an earned income of \$9,200, will be exempt from premiums. Moreover, the taxable income range over which partial subsidization is available has been raised and expanded. A family with a taxable income between \$3,000 and \$4,000 will benefit from a reduced premium of \$93.60. Parallel adjustments will also be made for single premium registrants.

Selective Rate Reduction

In the context of reducing the tax burden for lower income persons, Mr. Speaker, it is worth noting that we moved last fall to enrich our selective rate reduction on personal income tax to meet the federal initiative for this 1978 taxation year. That enrichment, at a cost of \$3.5 million, will safeguard our policy that no Alberta income tax is payable where there is no federal income tax payable.

The Property Tax Reduction Program

The property tax reduction program, which is delivered as an expenditure program by Alberta Municipal Affairs, was initiated in 1973. You may recall, Mr. Speaker, that this program was implemented in conjunction with the removal of the education foundation levy on all residential property. Effective retroactively

to January 1, 1978, the benefits of this program are to be increased, primarily for Alberta senior citizens, in order to protect those on relatively low or fixed incomes from the pressure of increasing property taxes and other basic living costs. This enrichment essentially will remove supplementary school property taxes, as well as the foundation levy, from senior citizen, owner-occupied residences. At an estimated incremental cost of \$13 million in 1978-79, the grants delivered under this program are to increase as follows:

- (1) the minimum education tax refund for senior citizen home-owners is increased from \$200 to \$400 and is extended to all senior citizens regardless of their income level;
- (2) the renter assistance grant, to which all senior citizens in rental accommodation are entitled, is increased from \$150 per annum to \$250; and
- (3) the minimum home-owner tax refund, which was \$100 in 1977, will be \$200 in 1978. Those living in small, older homes will be the principal beneficiaries of this change.

Mr. Speaker, the effect of these measures will be to shield senior citizens from the impact of probable increases in property taxes and utility rates. Further details respecting these changes will be included in a detailed statement to the Legislature by the Minister of Municipal Affairs.

Fuel Oil Tax

At this time, Mr. Speaker, I am pleased to announce a measure that will benefit all Albertans. Effective midnight March 31, 1978, we will eliminate the fuel oil tax on virtually all gasoline and diesel fuel purchased in Alberta. Fuel used in railway locomotives and aircraft will continue to be subject to a 3 cent per gallon tax. By removing the fuel oil tax, today's Albertans can further share in a tangible and immediate way in the current income provided by our resource wealth. The estimated 1978-79 budgetary cost of eliminating the tax, currently 10 cents per gallon on gasoline and 12 cents per gallon on diesel, is \$95 million. You may recall, Mr. Speaker, that the gasoline tax was reduced to 10 cents from 15 cents per gallon in 1974. It had been increased to 15 cents from 12 cents per gallon by the then government in 1968. Albertans, already in the enviable position of having no sales tax, will now have the double advantage of no sales tax or gasoline tax, truly a unique and fortunate position in Canada.

Farm Fuel Distribution Allowance

Finally, Mr. Speaker, in view of the decline in real net farm income, we are substantially increasing the farm fuel distribution allowance by 50 per cent, from 8 cents per gallon to 12 cents per gallon. As you are aware, this allowance is payable to farmers on fuel used in their farm operations. I estimate the reduction in fuel costs which will result from this measure to be roughly \$164 per farmer, at a 1978-79 budgetary cost of \$9 million. This will bring the total 1978-79 program cost to \$27 million. Significantly, Mr. Speaker, we are the only province providing benefits of this type or magnitude to farmers.

The following table, which compares 1978 taxes

paid by a representative family of four earning \$17,000 a year in Alberta with a similar family in other provinces, dramatically illustrates the additional discretionary income available to Albertans. Moreover, Albertans pay substantially lower utility costs and municipal taxes than do most other Canadians.

Mr. Speaker, I am sure all of us will agree that there is a continuing need for Albertans and this government to review the appropriate allocation of non-renewable resource revenue between people living in Alberta today and those who will be living here in the future. As all of us are aware, 70 per cent of the revenues from those resources are being spent for the direct benefit of today's Albertans, with the remaining 30 per cent going to the Alberta heritage savings trust fund. In view of the very favorable taxation levels in Alberta, the current high level of government services, and the significant budgetary surpluses forecast for 1977-78 and 1978-79, there may be a need for further evaluation of the appropriateness of that allocation.

While there will undoubtedly continue to be pressures to further reduce taxes, this government holds the view, which we believe is supported by most Albertans, that today's Alberta residents should make a reasonable contribution, through taxes and other levies, to the cost of providing government goods and services. Only in this way can we allocate some of the revenues from the sale of non-renewable resources for future generations. Moreover, taxes provide a tangible indication of the costs of government goods and services. This conditions our expectations and helps to maintain overall government expenditures at a level that present and future Albertans can afford.

Revenues

Total revenues for 1978-79 are estimated at a record \$4,557.6 million, an increase of 9.2 per cent over the 1977-78 forecast of \$4,173.2 million. It should be noted, Mr. Speaker, that in addition to incorporating the tax measures just outlined, this estimate also incorporates a change which, effective January 1, 1978, transfers revenues received under the public utilities corporation income tax from general revenue to a special fund.

As has been the case in recent years, non-renewable resource revenues will continue to form the largest single budgetary revenue source for the province. Based on known prices, this source will contribute an estimated \$2,440.9 million or approximately 53.6 per cent of total revenues. This share does not include the estimated \$1,046.1 million allocation to be transferred to the Alberta heritage savings trust fund.

Total tax revenues are estimated at \$1,050.5 million or 23 per cent of total revenue. Personal income tax revenues are estimated at \$630.1 million, an increase of 10.8 per cent over the 1977-78 forecast of \$568.8 million. It is significant to note that this increase is entirely attributable to economic growth, as no increases in personal income tax rates have been introduced. In fact, certain income groups will enjoy reductions in their personal income taxes. Corporate tax revenues, on a net basis, are expected to be \$281.6 million, up 23.8 per cent from 1977-78 forecast. This rate of increase is more than double

the anticipated growth rate for total revenues. Other tax revenues are expected to show growth consistent with current economic conditions.

Payments from the government of Canada are estimated at \$544.6 million, virtually unchanged from the 1977-78 forecast of \$542.9 million. It is anticipated that the share of total revenue provided by federal transfers will drop to 11.9 per cent in 1978-79, as compared to 13 per cent in the 1977-78 forecast. As was noted last year, this represents a desirable trend in that as the relative importance of federal transfers declines, greater flexibility is available in determining the province's overall revenue level as well as its composition. Before leaving the subject of revenue received from the government of Canada, I would like to point out, Mr. Speaker, that revenues from the federal tax on public utility corporations no longer appear in general revenue. Instead, those revenues will now be allocated directly to the same special fund as provincial revenues received from the public utilities corporation tax.

All other revenue sources will account for an estimated \$521.6 million, approximately 11 per cent of total revenue. The increase of \$91.4 million over the 1977-78 forecast of \$430.2 million is largely attributable to increased interest earnings. As a result of the surpluses expected in 1977-78 and 1978-79, it is anticipated that interest earnings will be \$124 million in 1978-79, almost double the 1977-78 forecast of \$69 million.

The composition of total revenue as estimated for the 1978-79 fiscal year is presented in the following table. Corresponding data is also shown for the 1977-78 forecast. Details of the revenue estimates are provided in the supplementary information in Appendix A.

Expenditure Programs

Mr. Speaker, the 1978-79 Estimates of Expenditure were formulated on the recognition that population growth and inflationary pressures affect different programs in different ways. Even though continued restraint in the growth of operating expenditures is to be our basic policy objective for 1978-79, the government has identified two major priority areas which must receive special recognition during the coming year. Firstly, it is essential that our expenditure programs be responsive to changes in Alberta's socio-economic conditions, and even though our general prosperity will continue, not all Albertans are able to fully enjoy its benefits. Recognizing this, Mr. Speaker, we have provided for several new and expanded programs which will primarily aid low-income Albertans.

Our second priority is in the area of public sector capital works. In order to ensure a high level of construction activity in the province in 1978-79, we have provided for a significant increase in our capital spending. I will be dealing with this aspect in greater detail in the capital programs section.

Based on these priorities, and with an explicit policy of limiting public sector compensation increases on average across different salary levels to 6 to 7 per cent, we are pleased to present 1978-79 Estimates of Expenditure totalling \$3,789.1 million. The estimates include \$3,777.8 million dollars to be voted by the Legislative Assembly and \$11.3 million in statutory

expenditures. The 1977-78 comparable estimates totalling \$3,315.4 million reflect the following adjustments to the 1977-78 estimates tabled March 11, 1977:

- (a) elimination of \$35 million for the utility tax rebate program, which will be a non-budgetary item in the 1978-79 fiscal year; and,
- (b) an addition of \$21.3 million for statutory expenditures, which reflects a change in accounting of the net additional requirement for revolving funds and compromises and write-offs.

The comparable estimates do not include the 1977-78 supplementary estimate of \$130 million for Alberta Education, a one-time allocation to the school foundation program fund which does not need to be carried forward into the 1978-79 or subsequent years.

The 1978-79 estimates to be voted provide for operating expenditures of \$3,214.4 million, an increase of 12.2 per cent over the comparable 1977-78 operating estimates of \$2,863.7 million. The 1978-79 capital estimates total \$563.4 million, an increase of 30.9 per cent over the comparable 1977-78 estimates of \$430.4 million, and reflect the government's priority in this area for the coming year.

It should be noted, Mr. Speaker, that the 12.2 per cent increase in the 1978-79 operating budget represents a greater degree of restraint than was exercised in the 1977-78 operating estimates, which increased 14 per cent over the previous year's estimates. Of the 12.2 per cent increase, over four-fifths is required to accommodate anticipated inflationary increases and the increased demand on provincial services by our growing population, which last year increased by 3.4 per cent compared with a population growth of 1.3 per cent of all of Canada. The remainder is to provide for a number of innovative programs as well as significant increases in the quality of service in existing programs.

When combined, the operating and capital portions of the 1978-79 estimates to be voted represent an increase of 14.7 per cent over the comparable 1977-78 estimates.

Provision for 951 additional permanent full-time employees has been made in the 1978-79 estimates, an increase of 3.4 per cent over the 1977-78 establishment, representing a growth which is comparable to our population increase. Approximately two-thirds of this increase is for social, educational, and law enforcement programs which are very labor-intensive and must be responsive to Alberta's growing population.

1978-79 Provincial Operating Budget

I would now like to highlight some of our government's major program priorities for the 1978-79 fiscal year.

Social Allowance and Social Services

Mr. Speaker, our government's continued priority on ensuring an adequate standard of living for Albertans who are in need of financial support is reflected in an additional provision of \$32 million for social assistance. This represents an increase of 20 per cent over the 1977-78 estimates. Apart from approximately \$21 million required to maintain the purchas-

ing power of those persons on assistance, \$11 million is to accommodate increases in case loads.

This upward trend in expenditures highlights some of the socio-economic problems faced by our government. On the one hand, inflationary pressures necessitate our providing additional funds for persons in need and, on the other hand, misconceptions regarding job opportunities in Alberta have given rise to rather substantial increases in social allowance case loads.

Though Alberta has a low percentage of its population on social allowance in comparison with other provinces in Canada, we are concerned about the difficulties of single-parent families on assistance, which represents 41 per cent of those receiving social allowance. In many instances they have been burdened with responsibilities which inhibit their ability to participate in the work force. For this reason, and also to meet other needs, we are pleased to confirm the announcement that an additional \$6 million has been provided for an expansion in day care, including a program of support for parents in need. This represents a rather significant increase in government expenditure over the 1977-78 estimates and demonstrates our commitment to provide opportunities for persons now on social allowance to become employed, and to encourage those with marginal income to remain in the work force.

Mr. Speaker, the budget also provides funding for several important new and expanded social programs, including:

- (1) \$3 million allocated for the development of a province-wide co-ordinated home care program in the coming year and rising to an annual allocation of \$14 million by 1981-82. As announced by my colleague, the Minister of Social Services and Community Health, this program will allow Albertans to receive needed health and home support services while they continue to live in their permanent residences in the community.
- (2) increased financial support totalling \$500,000 to local health units in order to expand our commitment to those persons with speech and hearing problems. This increased spending will primarily benefit rural Albertans since such funds will be allocated to local health units responsible for services in rural areas of the province.
- (3) \$772,000 to provide sheltered accommodation and day activities for persons with mental problems discharged from hospital. This expenditure reflects our concern respecting the social needs of persons with mental problems who require a semi-protective environment to assist them in adapting to community life.
- (4) \$890,000 for new and expanded preventive social service programs at the municipal level, including services for senior citizens, communities, families, and volunteer groups.

Basic Education

The provincial contribution to the school foundation program fund provides for an approximate 8 per cent increase for the per pupil instructional grants.

Overall, the total financial assistance to schools provided through direct provincial grants to school

boards plus school foundation program fund grants to school boards will be \$671.4 million, an increase of \$63.2 million over the comparable 1977-78 forecast, adjusted to exclude the \$130 million one-time payment, to bring provincial financial support into phase with the school fiscal year. This growth in the budget includes \$9.5 million to provide for retroactive adjusting payments to school boards for January to March in respect of 1978 financial assistance rates. Excluding the budget increase for retroactive adjusting payments, the actual increase in financial assistance to schools for all education programs will be 8.8 per cent over the comparable 1977-78 spending forecasts.

Total direct provincial financial assistance to schools will be \$583.7 million, an increase of \$35.4 million or 6.5 per cent over the comparable 1977-78 forecast. This increase reflects a projected decline of 2,600 students in total primary and secondary school enrolments for the 1978-79 budget year, as well as a significant growth in the total tax levy directed to education spending from the receipts of the SFPF commercial and industrial property education tax. This growth in receipts reflects the positive results of the province's economic diversification and has allowed a consequential reduction in the growth of direct provincial assistance to schools.

The budget also provides funding for several new and expanded education programs to further improve the overall quality of education in Alberta. They include:

- (a) an increase of \$191,000 for curriculum development for the learning handicapped and instructional materials to further assist visually impaired students,
- (b) an increase of \$300,000 to expand and improve Alberta's French language education program,
- (c) an additional \$350,000 for the Education North project for community based development of curriculum programs more suited to the unique needs of students in northern communities,
- (d) an increase of \$263,000 in grants to private schools to increase assistance from 50 per cent to 55 per cent of the SFPF rates,
- (e) an increased budget provision for early childhood services to accommodate enrolment increases and a maintenance of parity with elementary school per pupil assistance rates,
- (f) budget provision to allow for the establishment of 120 additional teaching positions for special education classes. The Minister of Education will set forth the details of this significant thrust in a statement to the Legislature.

Cultural Assistance

In line with our government's encouragement and active support of our culture and the arts, the budget provides \$2.5 million for direct financial support to the performing arts. This is an increase of \$910,000 or 56.6 per cent over the 1977-78 estimates and ensures that government assistance will keep pace with the tremendous growth of public interest and patronage for the performing arts in our province.

The budget also provides \$2.8 million for assistance to libraries to continue the provincial support of \$1 per capita for libraries in Edmonton and Calgary

and \$1.50 per capita for other libraries. This budget is an increase of \$233,000 or 9.1 per cent over the 1977-78 estimates and represents an increase of over 500 per cent in the last two years.

Assistance to Municipalities

This budget provides \$62.6 million, an increase of 9.6 per cent over the 1977-78 base, for unconditional assistance grants to municipalities in recognition of the needs of local governments. We also recognize that several municipalities are experiencing financial difficulty in coping with unprecedented growth and therefore have included \$1.5 million for special assistance to "growth centres". This demonstrates that our government is continuing its efforts to assist local governments in the provision of essential services.

The budget also provides \$11.5 million or an increase of 26.4 per cent over the 1977-78 estimates of \$9.1 million to continue the municipal debenture interest rebate program initiated in 1974. Under this program certain debenture borrowings from the Alberta Municipal Financing Corporation, and advances under The New Towns Act and on municipal land loans, are subsidized by rebating to municipalities interest charges in excess of 8 per cent. Since the inception of this program in 1974, our government has rebated nearly \$16 million to municipalities.

Agriculture

In recognition of the vital role played by the agricultural sector of Alberta's economy, this budget reflects the government's commitment to the farmer and the livestock producer in the form of continued support through the provision of \$18.7 million for production, marketing, and rural development grants.

Mr. Speaker, this support is supplemented by the five-year, \$10 million "Farming for the Future" program funded through the capital projects division, Alberta heritage savings trust fund, announced last fall. This research program is aimed at improving our production and processing of grains, forage, and livestock.

These measures are in addition to the very significant impact of the tax measures previously referred to which will reduce farm input costs.

Natural Gas Price Protection Plan

This government's continuing priority to ensure that Albertans pay less per thousand cubic feet of natural gas than people anywhere else in Canada is evidenced by the provision of additional funding in 1978-79 and the continuation of the policy whereby natural gas price increases are shared by the province and the consumer on a 75/25 basis respectively. A total of \$110 million is being proposed for the natural gas price protection plan in this budget. This is the equivalent of 6.5 points of personal income tax.

The Environment

Mr. Speaker, in recognition of the environmental concerns raised in the House last spring regarding soil erosion control in northwestern Alberta, this budget provides \$473,000 and additional manpower

to commence implementing a number of recommendations put forward to and adopted by the Legislature.

Public Safety and the Administration of Justice

This year we have committed ourselves to the further implementation of the improvements to the justice system in Alberta recommended by the Kirby Board of Review. Funding has been provided for the development of an improved system of dealing with traffic violations, and in the near future we will see improvements to the juvenile justice system in Alberta.

In the area of corrections, provision has been made for the expansion of facilities such as forestry camps to promote rehabilitation of inmates. The emphasis is to train individuals to become self-reliant and employable, thereby reducing the number of chronic offenders.

This government, in recognition of the importance of safety with respect to the operation of school buses in Alberta, will be implementing a public awareness safety program in conjunction with an increased school bus inspection program.

As a result of the increased volume of investment activity taking place in Alberta, reflecting the strong position of our economy, this budget provides for a significant increase in manpower and funding for the monitoring of investment activities in the province through the Alberta Securities Commission.

1978-79 Capital Construction Program

Mr. Speaker, during the past three years, the Alberta economy has remained buoyant despite national and international economic problems. The level of activity in the construction industry has contributed in a significant way to the maintenance of our position as the strongest economy in Canada. Estimates for 1977 indicate that the total value of construction was a record \$5.9 billion in current dollars; however, the industry will be hard pressed to maintain existing levels of activity during 1978-79, particularly in view of the completion of several major construction projects including Syncrude. Consistent with our program priorities, we are proposing a large increase of 30.9 per cent in provincial capital construction and in provincial support to local authorities for capital facilities to offset a probable downturn in the construction industry during the 1978-79 fiscal year. In addition, we feel that it is appropriate to begin construction now on necessary provincial capital projects in the expectation that many of them will be completed before construction begins on major projects such as the northern pipeline in the early 1980s.

Mr. Speaker, I would now like to highlight some of the major thrusts in terms of capital expenditures proposed for the 1978-79 fiscal year.

Housing

Adequate housing at affordable prices is a matter of prime importance to this government. Our housing program seeks to stimulate an increase in the supply of housing units, to improve the affordability of housing, and to encourage home ownership and pride in home ownership by promoting the repair and renovation of existing homes. Mr. Speaker, I would like to

review the progress our government has made in achieving these objectives. My colleague the Minister of Housing recently announced that the number of housing units commenced annually since 1975 has increased by 54 per cent, the highest in Canada. In 1976 and 1977, the number of housing starts in Alberta exceeded 38,000 — despite our smaller population — the third highest among the provinces in Canada. The level of accommodation for all Albertans is only 3.1 persons per dwelling, which indicates that by almost any standard the people of Alberta are among the best housed citizens in the nation if not in the world. Mr. Speaker, these are but a few of the many indicators of the performance of our government in the housing area. Through the auspices of the Alberta Housing Corporation, the Alberta Home Mortgage Corporation, the Department of Housing, and with the co-operation of all levels of government, special low-interest lending programs have been devised which encourage home ownership and help to provide increased rental accommodation at affordable prices. Our inventive policies of financial assistance in the form of grants and subsidies benefit many Albertans, particularly low and average wage earners, senior citizens, persons on fixed incomes, and citizens in remote areas and rural Alberta. The record speaks for itself.

Mr. Speaker, we are pleased to announce this evening a new program of financial assistance to the physically handicapped, the home adaptation program. This program will provide a grant of up to \$1,000 to handicapped individuals or their families whose total income is \$19,500 per annum or less. The Minister of Housing will outline the parameters of the program in the Legislature shortly.

This budget provides \$7 million to continue the highly successful senior citizens home improvement program. This program, initiated during 1976-77, provided a \$1,000 grant to senior citizens earning \$6,000 per annum or less to renovate or improve their homes. The program was extended during the 1977-78 fiscal year to include senior citizens earning \$9,000 per annum or less. We are pleased to report that to date our government has committed approximately \$32.5 million to over 32,000 senior citizens in Alberta. The result is a significant upgrading of our housing stock throughout the province.

The Alberta Housing Corporation has commitment authority for up to \$185.5 million for approximately 3,180 housing units. This program includes:

- (a) \$45 million for 1,000 public housing units which provide rental accommodation to low-income Albertans. These housing projects are administered by local housing authorities and operating deficits are shared by the three levels of government.
- (b) \$58.8 million for 1,548 units of senior citizens self-contained housing. These housing projects are sponsored by non-profit societies, foundations, or municipalities, and provide apartment style accommodation in which senior citizens can prepare their own meals and manage their own housekeeping.

Mr. Speaker, many of our efforts are directed at improving housing for citizens outside the metropolitan centres. I would like to summarize some of the programs for low-income citizens residing in rural and remote areas of the province:

- (1) Transitional Housing is a program to assist families in acquiring housing when it is necessary to relocate to improve one's job opportunities. It is proposed to expand this program, in conjunction with the Department of Advanced Education and Manpower, to provide 52 units in the 1978-79 fiscal year.
- (2) The rural repair program provides financial assistance to Metis families in Alberta for home repairs. The 1978-79 budget provides \$90,000 for this program.
- (3) The emergency trailer program provides housing to needy families with inadequate housing or no accommodation resulting from losses through no fault of their own. This budget provides \$2 million in funds for 100 housing units.
- (4) The Metis colony and the isolated community housing programs are self-help programs which provide assistance to enable Metis residing in the eight Metis colonies and seven isolated communities in northern Alberta to produce housing appropriate to their needs. The budget provides \$850,000 for these programs.
- (5) This budget provides \$15 million for the supply of housing units under the rural and native housing program. This program provides low-income families living in rural or remote areas with modest housing and involves citizens in planning of the housing to be produced.

Our ability to complete these programs depends upon the co-operation of local governments and involved organizations to give speedy approval. The provision of funds is not a provincial commitment to complete.

Mr. Speaker, I am pleased to report that during the past three years we have delivered or commenced a total of 595 housing units to citizens in rural and remote areas of the province.

The Alberta Home Mortgage Corporation's 1978-79 capital budget provides \$292 million for mortgage lending programs to be directed at 7,750 housing units, 750 mobile-home pads, and the development of 2,500 residential lots. The corporation administers a number of mortgage lending programs designed to enable residents in the low and average income brackets to own their own homes or to encourage the construction of rental accommodation to be marketed at reasonable [rents].

To encourage home ownership, the 1978-79 budget provides a total of \$141 million dollars for 3,600 units to be utilized for mortgage lending programs. Mr. Speaker, the above includes \$88 million for our direct lending program, which is unique in Canada in that no other province offers a lending program of this magnitude. We are also proposing to provide \$50 million for 1,300 housing units under the starter home ownership program, and \$3 million for 100 units under the farm home lending program.

In the area of rental accommodation, the success of the modest apartment program is reflected by the continuing increase in multiple-family dwelling units. This is a program that provides funds to builders for the construction of small apartment buildings primarily in smaller centres. The 1978-79 budget will be increased by 25 per cent to \$30 million for 1,250 apartment units. The core housing incentive program will be expanded to \$70 million for 2,250 rental units,

and \$10 million will be made available for nursing home construction.

Mr. Speaker, we believe our record clearly demonstrates our concern for fulfilling our objectives. There is not a provincial government in Canada even close to Alberta in funding commitments to housing.

Postsecondary Education Facilities

Total capital development proposed in this budget for universities, colleges, and provincial educational institutions will reach \$65.5 million for 1978-79, an 87.7 per cent increase over the comparable estimates of [\$34.9] million in 1977-78.

Major new facilities will be started in the coming year at many postsecondary institutions. The Minister of Advanced Education and Manpower will shortly announce to the Legislature the projects to be supported by this very substantial program.

Transportation

In recognition of the increasing demand being placed on local governments for the provision of transportation services, we are proposing significant increases in financial assistance as well as the introduction of new programs to ease the burden of local governments in this area. The 1978-79 budget provides:

- \$4 million, an increase of 167 per cent, for grants to towns and villages for the improvements of streets and roads. Mr. Speaker, this program will provide additional assistance to smaller rural centres experiencing rapid growth which reflects our priority for promoting the economies of centres outside the major metropolitan areas;
- \$16.5 million for grants to counties and municipal districts, representing an increase of 22 per cent which includes provision for a new \$2 million program for the development and upgrading of industrial roads and a new \$1 million program for the development of park access roads; and
- \$15 million for the urban throughway program, to provide capital grants to the cities of Edmonton and Calgary for the continuation of construction of major thoroughfares. This represents a \$5 million increase over last year's budget. Mr. Speaker, it should be pointed out that in addition to the \$10 million budgeted for this program during 1977-78, this government has provided an additional \$15 million in supplementary funding during 1977-78, bringing the total funds available for this program to \$40 million for the two-year period ending March 1979.

Mr. Speaker, this government recognizes that in order to accommodate our expanding provincial economy, it is necessary to have in place a first-rate transportation network. In response to the current high level of activity and in anticipation of expanded economic activity in the future, this budget provides for significant development of the province's transportation system.

I would now like to outline some major thrusts in our provincial capital construction program:

- \$96.1 million, representing a 26 per cent

- increase over the comparable 1977-78 estimates, for the construction of primary highways;
- \$41.6 million, representing a 38 per cent increase, for the construction of secondary highways;
- \$7.4 million, representing a 15 per cent increase, for the construction of roads in isolated communities and improvement districts; and
- \$7.9 million for the construction of airports, including \$6.6 million, representing an increase of 39 per cent for the development of community owned airports.

Programs for Rural Albertans

This government's commitment to improving the quality of life in rural Alberta is reflected in this budget through provision of:

- \$4.4 million for the municipal waterworks assistance and municipal sewage treatment assistance programs, a 40 per cent increase. In 1978-79, it is estimated that an additional 101 communities will be assisted, bringing the total number of communities that have participated in these programs since 1972 to 213.
- This budget also contains \$24.5 million for the continuation of the capital grant assistance program to rural gas co-operatives. Since the inception of this program in 1974, approximately \$84 million has been provided by this government to gas co-operatives for the construction of gas distribution systems for nearly 45,000 new rural users, over 175,000 rural Albertans.
- In addition, Mr. Speaker, \$1 million has been provided for the continuation of a capital grant reconstruction program to rural electrical associations. Grant funds are available up to 75 per cent of the cost of rebuilding REA electrical systems which are experiencing safety or continuity of service problems. The program's objective is to ensure that rural Albertans have access to a safe source of electrical power.

Hospital Construction

With the creation of the Department of Hospitals and Medical Care, significant improvements in the planning and cost control processes for the construction of hospital facilities will be implemented.

In keeping with the government's priority on construction activity to be undertaken in the province during 1978-79, hospital and nursing home projects with total end costs of over \$500 million will be under construction this year. Of this amount, \$91 million of the 1978-79 construction expenditure will be funded through the Alberta Municipal Financing Corporation. This represents an increase of 112 per cent over the 1977-78 forecast construction expenditure of \$43 million. Also, \$68.6 million has been appropriated from the Alberta heritage savings trust fund for 1978-79 for other major provincial medical facilities. Thus the total proposed capital expenditure for 1978-79 on hospital and nursing home construction is \$159.6 million.

Hospital facilities outside Edmonton and Calgary

currently under construction include Fort McMurray, Red Deer, Hinton, Brooks, and Peace River.

On a program basis, Mr. Speaker, we will continue the priority we have given to extended care needs in rural Alberta.

Our total rural hospital replacement and renovation program, including extended care, will average approximately 150 beds per annum over the next three years. This compares with approximately 65 beds per annum during the five-year period ending in 1969.

Tenders on hospital construction have been more competitive in the last several months. With the expiry of the holding pattern on hospital construction on March 31, 1978, several additional health care projects will advance to construction stage during the coming fiscal year, consistent with departmental planning procedures. Each project must of course meet satisfactory functional and cost parameters.

Mr. Speaker, while substantial funds are being allocated for renovation and replacement of many hospitals in Alberta, hospital construction programs in the future should not be based solely on bed counts but rather, in keeping with modern health care treatment concepts, larger portions of our capital funding should be directed to the development or expansion of outpatient, day care, and emergency services in hospitals.

At a time when other provinces in Canada are, with minor exceptions, at a standstill in approved additional hospital construction, this represents the most ambitious program in Alberta's history.

Nursing Home Construction

To further improve senior citizens' accommodation throughout the province, the Alberta Home Mortgage Corporation, in conjunction with the Department of Hospitals and Medical Care, will be for the first time making available \$10 million in loans to voluntary, non-profit organizations for construction of 400 additional nursing home bed units. This program will make financing available to several organizations which could not previously obtain funds, and will ensure a high level of nursing home care.

Environment

Mr. Speaker, \$4.3 million has been provided in this budget to commence implementation of a water management program in the Red Deer River basin. These funds are for land purchases and engineering of the dam, and for flood erosion control works along the river system. The overall program will continue through to 1984 and will bring substantial benefits to the Red Deer River basin, assuring the long-range stability and growth of this part of Alberta.

Provincial Buildings

Continuing the government policy of decentralization of services to the people of the province, the program of construction of provincial buildings will be extended for the 1978-79 fiscal year.

These buildings will provide the office and other special use accommodation required by the various departments and agencies to deliver services to the public. Budgetary provisions are made for continuation or completion of projects at 12 locations where

construction is already under way. Construction is expected to commence on new buildings at 14 other locations, while a program of renovation work, including two major projects in Edmonton, will also be undertaken.

Mr. Speaker, a total of 29 provincial buildings have been completed or commenced since 1971. This represents initiation of twice as many provincial buildings over the past six years than during the 12 years prior to 1971.

Cultural/Recreational Facilities

The 10-year, \$200 million major cultural/recreational facility development program is proceeding, with impressive participation by municipalities. To date, 105 recreation boards have taken advantage of the program by initiating more than 440 capital facility projects. We are providing \$23 million for this program in 1978-79. The result is provision of recreational and cultural facilities across the province unequalled for Canadians in other parts of the nation.

Other Provincial Facilities

Provincial Courts

In accordance with the recommendations of the Kirby Board of Review, this program is continuing. Provincial courts in 30 communities will be under planning or construction at a cost of \$12.1 million. All of these courts will have improved facilities for the public, court staff, and the judiciary.

Correctional Facilities

Correctional Institute, Lethbridge: this new facility will replace the outdated existing facility and will provide accommodation for 300 inmates. Planning will proceed in 1978 and construction will commence in 1979. Total cost will be \$17.3 million.

Community Corrections Centre, St. Paul: an existing building will be renovated to provide accommodation for 80 inmates and staff. This corrections centre will relieve centralized facilities elsewhere. Construction will commence in the summer of 1978 and be concluded in spring 1979 at a cost of \$2.5 million.

Environmental Laboratory and Research Centre, Vegreville

Construction will continue on this project in the coming year at a cost of \$10.6 million. Occupancy is expected in late 1979. This facility, when complete, will provide Albertans with environmental protection research and planning facilities second to none in Canada. To this end, the building has many flexible features, enabling rapid change of scientific projects without construction involvements. Provision has also been made for the environmental treatment of waste, and most of the water used will be recycled.

Ukrainian Heritage Village (Near Elk Island Park)

The development of this project will continue over the next three years at a cost of \$2.8 million. It is intended to preserve historical resources which show the culture and way of life of those early Ukrainian pioneers who contributed in great measure to the development of Alberta.

New Forestry Headquarters, Slave Lake

This project involves the moving of the forestry facilities from what has become a residential area in Slave Lake to a more suitable and functional location adjoining the airport. Cost will be \$4.4 million, and construction will start in October 1978 and be completed in the winter of 1979.

Fire Training School, Vermilion

This facility will provide improved and up-to-date fire training for fire-fighting personnel throughout the province. It is intended to provide facilities in which real-life situations such as oil fires can be created. This will provide exposure and experience in fire control and safety. Construction will commence in September 1978 at a total cost of \$1.8 million.

Brood Stock Station, Allison Creek

This station, near Coleman, will provide trout eggs of various species for the rearing of fry and fingerlings to stock and restock many lakes and rivers in Alberta. It will eliminate Alberta's dependence on supply from the United States, which is limited and at times unacceptable. Total cost of the stations is \$3.4 million.

Overall Financial Plan

Mr. Speaker, the financial position of the province resulting from this budget is presented in the accompanying table. Following from my remarks on the expenditure programs, the new category of statutory appropriations is incorporated under the budgetary account. This change, as well as another minor presentation change, impacts the non-budgetary net requirements shown in the table. These changes are explained in the Financial Appendix.

Before commenting on the 1978-79 financial plan, I would like to mention that the increase in revenues now forecast for 1977-78, as compared to the original budget estimate, is due mainly to the unanticipated increase in revenues from bonuses and sales of Crown leases. Due to the increased exploration activity, stimulated in part by the Alberta petroleum exploration plan, unprecedented bids are now being received for Crown leases. In fact, based on preliminary data, the current forecast is that bonuses and sale of Crown leases will yield \$750 million in 1977-78, as compared to the original budget estimate of \$180 million. The budgetary surplus for 1977-78 is now expected to be \$691 million, whereas the original estimate, on a comparable accounting basis, was \$227 million.

Non-budgetary requirements originally estimated at \$272 million, again on a comparable accounting basis, have now been substantially reduced due to investment undertaken by the Alberta heritage savings trust fund. Of the original total, \$233 million represented requirements of the Alberta Housing Corporation and the Alberta Home Mortgage Corporation, and these will now be met by the heritage fund.

The forecast increase in revenues to be allocated to the Alberta heritage savings trust fund in 1977-78 is due to increased non-renewable natural resource revenues, primarily in the form of increased receipts from bonuses and sales of Crown leases.

For the 1978-79 fiscal year, Mr. Speaker, I estimate the budgetary surplus to be \$769 million. This estim-

ate is based on known prices for non-renewable resources. Non-budgetary financing requirements are estimated at \$71 million. Combining the budgetary and non-budgetary accounts, the total general revenue fund shows an estimated cash surplus of \$698 million.

Mr. Speaker, I estimate that during 1978-79 the Alberta heritage savings trust fund will increase in value by \$1,341 million. Of this amount, \$1,046 million is attributable to an allocation of 30 per cent of total non-renewable resource revenues to the fund, while the remainder is attributable to income earned by the fund.

At the present time, \$242 million in commitments have been made by the fund for 1978-79. Of this total, \$192 million represents investments approved by the Legislature for the capital projects division. The remaining \$50 million are Syncrude related investments under the Alberta investment division.

While the amount available for investment in the heritage fund plus the cash surplus in the general revenue fund is substantial, the province's major agencies have significant financing needs. Alberta Housing Corporation, Alberta Home Mortgage Corporation, Alberta Municipal Financing Corporation, and Alberta Government Telephones in aggregate will require about \$800 million in the next fiscal year. Details of this financing are as yet undetermined, but sufficient internal funds are available to satisfy this requirement should we decide to meet their financial needs in that way.

It is abundantly evident, Mr. Speaker, that from a financial viewpoint, the province of Alberta is in an enviable position. Its residents enjoy the lowest tax burden in the entire nation and, at the same time, one of the highest levels of government services. Not only this but, due largely to the magnitude of non-renewable resource revenues currently being received, the province is also able to show a substantial budgetary surplus and, of course, maintain the unique Alberta heritage savings trust fund. In spite of this obvious prosperity, I none the less think it appropriate to inject a cautionary note concerning the management of the province's finances.

As has been repeatedly emphasized, much of the province's current prosperity is attributable to revenues received from non-renewable natural resources. Although it is anticipated that this prosperity will continue into the 1980s, it is imperative that we not lose sight of the fact that these revenues will begin to diminish in this period. The impact of this occurrence will depend largely on what financial strategy is followed now.

Responsible financial planning therefore dictates that current plans be formulated with an awareness of what might occur in the future. Discretion must be exerted to avoid expanding operating expenditure programs beyond the province's ultimate capacity to sustain them. As such, surpluses like the ones anticipated for 1977-78 and 1978-79 should not be viewed as an indication that expenditures should be expanded merely because the funds are available. Similarly, the size of the Alberta heritage savings trust fund will establish it as an increasingly attractive source of funds for various investment proposals. However, the size of the Alberta heritage savings trust fund must not become a reason for implementing investments that would not be considered on their

own merits.

We must constantly remind ourselves that our financial circumstances today are not dissimilar to that of a person who sells a farm or a home and lives well off the proceeds today, ignoring the need to find tomorrow a replacement income. Under careful financial management, Mr. Speaker, the non-renewable resource revenues received during the next few years will pave the way for a smooth transition into that period when these revenues are diminishing. By avoiding excessive spending it will be possible for the citizens of Alberta to enjoy in the 1980s and 1990s a high level of government services without imposing crushing tax burdens.

Summary and Highlights

Mr. Speaker, this budget:

- (1) eliminates the fuel oil and gasoline tax on all but limited specialized uses, providing a \$95 million benefit to Albertans in 1978-79;
- (2) increases the farm fuel distribution allowance to 12 cents per gallon, thereby providing an average benefit of \$164 per farmer at an additional cost of \$9 million in 1978-79;
- (3) significantly expands the coverage of our medical premium subsidy program, providing an additional \$9 million benefit to lower income Albertans;
- (4) provides an additional benefit of \$13 million, primarily to senior citizens and those with lower incomes, through the property tax reduction program;

Mr. Speaker, these four measures are roughly equivalent to a 10 per cent reduction in all taxes levied by the province in 1978-79.

- (5) increases capital expenditures by 31 per cent over comparable 1977-78 estimates, reflecting our view that necessary provincial expenditures ought to be accelerated during the interval between major private sector projects now nearing completion and those that are expected to begin in the early 1980s;
- (6) increases the operating budget by about 2 per cent over what would be needed to meet inflation and population growth to maintain existing levels of service, thereby confirming our view of the need for continued restraint in the rate of expenditure increases in the operating budget; and
- (7) most importantly, increases expenditures in the social program areas by 17.7 per cent, reflecting the concern of Albertans for the needs of those among us who require assistance because of personal handicaps or economic circumstances over which they have little control.

Mr. Speaker, I believe that this budget strikes an admirable balance between providing for the future and distributing today the benefits of our current prosperity. [applause]

MR. CLARK: Mr. Speaker, with that enthusiasm, I beg leave to adjourn the debate.

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

HON. MEMBERS: Agreed.

[At 9:43 p.m., on motion, the House adjourned to
Monday at 2:30 p.m.]

