

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Monday, March 20, 1978 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. HYLAND: Mr. Speaker, today I'd like to introduce Mr. Eric Berntson, Member for Souris-Cannington in the Saskatchewan Legislature. I would ask him to rise and receive the welcome of this House.

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

MR. COOKSON: Mr. Speaker, as chairman it's a pleasure today to table the various select committees: the Standing Committee on the Office of the Auditor General; the Standing Committee on Privileges and Elections, Standing Orders, and Printing; the Standing Committee on The Alberta Heritage Savings Trust Fund Act; the Standing Committee on Law and Regulations; the Standing Committee on Private Bills; the Standing Committee on Public Accounts; and the Standing Committee on Public Affairs. Included in the tabling are the chairmen who will represent the various committees.

head: **INTRODUCTION OF BILLS**

MR. FOSTER: In the absence of notice, may I have leave of the Assembly in order that the Provincial Treasurer may introduce a bill?

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

Bill 23
The Fuel Oil
Administration Act

MR. LEITCH: Mr. Speaker, I request leave to introduce a bill, being The Fuel Oil Administration Act. The purpose of this bill is to provide the appropriate legislation to implement the reduction in the fuel oil tax and the increase in the farm fuel transportation allowance referred to in the budget speech last Friday.

[Leave granted; Bill 23 read a first time]

Bill 3
The Appropriation
(Interim Supply) Act, 1978

MR. LEITCH: Mr. Speaker, I beg leave to introduce Bill No. 3, The Appropriation (Interim Supply) Act, 1978.

This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly. The purpose of the bill is to provide interim supply.

[Leave granted; Bill 3 read a first time]

Bill 4
The Alberta Municipal Financing
Corporation Amendment Act, 1978

MR. LEITCH: Mr. Speaker, I request leave to introduce a bill, being The Alberta Municipal Financing Corporation Amendment Act, 1978. The purpose of this bill is to increase the total amount that the corporation may borrow.

[Leave granted; Bill 4 read a first time]

Bill 237
An Act to Amend The
Individual's Rights Protection
Act (No. 3)

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill 237, An Act to Amend the Individual's Rights Protection Act. Bill 237 is based on recommendations made in 1976 by the Alberta Human Rights Commission for various changes in the act which would improve the enforcement procedures and expand the area of conciliation by the Human Rights Commission.

[Leave granted; Bill 237 read a first time]

Bill 205
An Act to Amend
The Juvenile Court Act

MR. KUSHNER: Mr. Speaker, I request leave to introduce Bill 205, being An Act to Amend The Juvenile Court Act. The purpose of this bill is to provide that a person who has suffered personal injury or property damage as a result of an offense by a juvenile shall be advised of the name and address of the juvenile convicted and the sentence imposed on him.

[Leave granted; Bill 205 read a first time]

Bill 233
An Act to Amend
The Credit and Loan Agreements Act

MR. MANDEVILLE: Mr. Speaker, I beg leave to introduce Bill 233, An Act to Amend The Credit and Loan Agreements Act. This bill would require tax discounters to return at least 90 per cent of a customer's tax rebate.

[Leave granted; Bill 233 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. HARLE: Mr. Speaker, I want to file with the Legislature Library the annual report of the superintendent of insurance and real estate for business

transacted in 1976, and a report of R.J. Hansen Associates Limited respecting a consumer relations information system.

MR. YURKO: Mr. Speaker, I beg leave to file with the Assembly the annual report of the Alberta Housing Corporation. Secondly, I beg leave to file with the Assembly Vote 4, being the Alberta Housing and Public Works capital construction budget. I might also say that this particular document is being distributed to each member of the Assembly.

DR. HORNER: Mr. Speaker, I'd like to file the annual report of Alberta Transportation.

DR. HOHOL: Mr. Speaker, I should like to table the annual report of the Department of Advanced Education and Manpower, 1976-77.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. MINIELY: Mr. Speaker, it is my pleasure to introduce to you, and through you to the members of this Assembly, 40 students from Alberta Vocational Centre in the constituency of Edmonton Centre. They are accompanied by their teacher Marg Belyea. They are seated in the public gallery, Mr. Speaker, and I would ask that they stand and be acknowledged by the Assembly.

MR. GETTY: Mr. Speaker, I'd like to introduce a group of some 28 students from the Louis St. Laurent grade 9 class. They are accompanied by their teacher Mrs. Bonar. They're in the members gallery. I would ask them to rise and be recognized by the House.

MRS. CHICHAK: Mr. Speaker, I would like to present to you and to the Assembly some 26 students, primarily from the Pentecostal religious following, who are in attendance at the Covenant [Community] Training Centre in my constituency. They are accompanied by their curriculum consultant and teacher, Mr. Stonhouse. They're in the public gallery. I'd like them to rise and be welcomed by the Assembly.

MR. ASHTON: Mr. Speaker, it's my privilege to introduce a group of students from St. Joan school in my constituency. They are seated in the members gallery, and I'll ask them to stand and be recognized by the Assembly.

head: **MINISTERIAL STATEMENTS**

Department of Agriculture

MR. MOORE: Mr. Speaker, on Friday, March 17, the Provincial Treasurer announced in his Budget Address an increase in the farm fuel transportation allowance from 8 cents to 12 cents per gallon. This program was introduced on May 1, 1974, to ensure that Alberta farmers would have the lowest farm fuel input costs of any farmers in Canada.

The original allowance of 5 cents per gallon is sufficient today to cover transportation costs from the major refineries to most communities in Alberta. The 3 cent increase to 8 cents per gallon, which occurred

in September 1975, is still sufficient to cover average transportation costs from the oil company bulk station to the farmer's yard. This further increase from 8 cents to 12 cents per gallon will apply to purple diesel fuel and purple gasoline, and will result in a direct reduction in the cost of fuels.

Mr. Speaker, diesel fuel and gasoline are among the most significant cash input costs farmers face today. In fact, Alberta farmers annually consume in excess of 225 million gallons of fuel valued at \$120 million. This change will thus result in a very substantial saving to the agricultural industry.

Mr. Speaker, consideration has been given to the manner in which this 12 cent allowance will be provided. The federal government levies a 10 cent per gallon excise tax on gasoline, which is refundable on application by farmers and commercial users. This system, while having the advantage of selective control over the use of such fuel, has a number of disadvantages for our citizens: additional government employees are required for administration, individuals are required to maintain receipts and to submit application for refund, and of course the major disadvantage is the additional operating capital required by the individual.

For these reasons, Mr. Speaker, we have opted to have the transportation allowance of 12 cents per gallon deducted at the time of purchase, with no requirement of a rebate application. Farmers will, of course, still be required to demonstrate their eligibility for this allowance.

In addition to this saving of 12 cents per gallon on farm fuels, farmers will, of course, benefit from the removal of the 10 cent per gallon tax on gasoline used in their automobiles. Farmers and other rural residents will also be affected by considerable savings in property taxes. Rural municipalities and school boards will see decreased operating costs in road repairs, maintenance, and school bus transportation as a result of the removal of the 10 cent tax on gasoline and the 12 cent per gallon tax on clear diesel.

Mr. Speaker, we have again asked the federal government to deduct the federal excise tax at the time of purchase, in order that our farmers may have additional operating revenue. On average, Mr. Speaker, Alberta farmers' fuel costs will be more than 13 cents per gallon lower than any other province in Canada. This additional expenditure of \$9 million will as well continue to ensure that Alberta farmers have the lowest farm input costs of any farmers in Canada.

head: **ORAL QUESTION PERIOD**

Calgary Civic Workers' Strike

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Premier. It has to do with the civic workers' strike in Calgary and a meeting held with the Premier and the mayor of Calgary on Friday last. Has the Premier become actively involved in the negotiations? Did the Premier indicate to the chief magistrate of the city of Calgary that in fact the city should stay with the 6 per cent guideline the province has laid out for municipalities?

MR. LOUGHEED: No, Mr. Speaker, I have not met with the mayor of the city of Calgary. I discussed the matter on the telephone with him and advised him that we feel very strongly about the provincial guidelines of 6 per cent to 7 per cent, but quite obviously it is within the jurisdiction of the city of Calgary what settlement they reach.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. In light of the length of time that has now gone on, and certainly some of the very real problems that are being caused for citizens in Calgary, is it the intention of the Premier to have the Minister of Labour become personally involved in the negotiations in Calgary?

MR. LOUGHEED: Mr. Speaker, I'd be happy to refer the question to the hon. Minister of Labour. But I do believe the general view of the citizens of the province on these matters is a recognition of the very important nature of having restraint on the collective bargaining side within the provincial guidelines. But perhaps in terms of the nature of the question, there should be a response by the Minister of Labour.

MR. CRAWFORD: Mr. Speaker, in effect I assured the House, I believe it was Thursday or Friday last week, that senior staff of the Department of Labour are certainly available and very close to the situation in order to help with any conciliation or mediation that might be required. That is the case at the present time.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. The question was: is it the intention of the Minister of Labour to become personally involved in the negotiations in Calgary, given the stage of the negotiations at this time?

MR. CRAWFORD: No, it is not, Mr. Speaker.

MR. CLARK: Mr. Speaker, just one last supplementary question on this issue to the Premier, dealing again with the discussions the Premier had with the mayor of Calgary. Very specifically, did the Premier indicate to the mayor of Calgary that the city would have the support of the provincial government if in fact the city hung in at the 6 per cent guideline that the province has suggested to municipalities?

MR. LOUGHEED: Mr. Speaker, I have great difficulty understanding why the hon. Leader of the Opposition would venture into questions of this nature, but I'm delighted to respond. At the time the guidelines were announced, we met not just the mayor of Calgary but a number of representatives of the various agencies affected by the guidelines — which involved the urban municipalities, the rural municipalities, the Alberta School Trustees' Association, the health units, and the Hospital Association — with a general view to having their support for what are provincial guidelines. Quite obviously, the effect of going above the 6 per cent to 7 per cent guideline is different in each of these cases. Quite obviously, the difference with regard to a municipal government such as Calgary would bear upon the property tax payer within that community.

But I think it's important collectively, within this

province in the post anti-inflation period of time, that every effort be made by legislators and by those responsible to have restraint in public sector settlements. We certainly hope [for], and will do our best to support, settlements that come within the provincial 6 per cent to 7 per cent guideline. It is very important to the future of the province.

Wage Increases — Public Sector

MR. CLARK: Mr. Speaker, a further supplementary question to the Premier in light of that answer. Has the Premier had discussions with officials from the urban and rural municipal associations of the province, school boards, and hospital boards regarding the concern of those responsible officials of having difficulty getting their employees to live with those kinds of guidelines, and the realization by some of those officials that in fact they face pretty massive strikes across this province? So my question to the government is: what kind of contingency plan or back-up does the government have to help these local officials who, I believe, to date are trying to live with the kind of guidelines the province has outlined?

MR. LOUGHEED: Mr. Speaker, I'm just amazed that the Leader of the Opposition takes issue with these provincial guidelines. [interjections] And it's obvious that he does. It is obvious that he does.

Mr. Speaker, the position clearly is that we are now not within an umbrella of anti-inflation. What we have are guidelines we have established, which we will work with in our negotiations in terms of the Provincial Treasurer at the provincial employee level. It is crucial to the economy of this province and to the economy of Canada that we have guidelines in this area and that every effort be made to live with them. The general public of this province, I am convinced, support these guidelines, Mr. Speaker.

We recognize they will be difficult to maintain. We've had some very good progress to date in a number of different areas. Each of the various groups involved with regard to the collective bargaining process will have their difficulty. We would hope they would be settled. But we do not intend to be other than firm in the need to have restraint in public sector settlements in this province, and we would hope the Leader of the Opposition would have some awareness of the necessity to have that restraint in this province today.

MR. CLARK: Mr. Speaker, I can appreciate the touchiness of the Premier. And the Premier knows very well that he has the support of members on this side of the House as far as the guidelines are concerned, or we wouldn't have followed the example of holding our own salaries to 6 per cent.

Mr. Speaker, the question to the Premier is: what kind of contingency plan does this government have to back up local municipalities and officials who have to face the problem on the day to day level? What kind of back-up, what kind of contingency plan does this province have? That's the issue.

MR. LOUGHEED: Mr. Speaker, the naivete of the question is extreme. When one has a contingency plan publicly declared, one starts with the presump-

tion that the basic guidelines are not going to succeed. We're confident that overall they will.

MR. CLARK: Mr. Speaker, then a supplementary question to the Premier. Is that the only assistance this government is prepared to give municipalities and local officials dealing with their own employees? Is that the only assistance, the only back-up this province is prepared to give them?

MR. LOUGHEED: Mr. Speaker, we've made it abundantly clear. Perhaps the Leader of the Opposition and his group have a different approach. Our position is quite clear: we have guidelines; we've established them. We made a decision not to stay within the federal anti-inflation program or to have our own compulsory provincial requirements. We made the decision to leave it on the basis of guidelines. Each of the various groups will do their best under different circumstances to try to meet those guidelines. But they are guidelines. The various groups involved in municipal government, at the school trustee level, and at the hospitals are well aware of that. Certainly the support and encouragement we have received from them far exceed what we get from the Leader of the Opposition today.

MR. SPEAKER: A final supplementary by the hon. Leader of the Opposition, followed by a supplementary by the hon. Member for Spirit River-Fairview.

MR. CLARK: Mr. Speaker, in the Premier's rather gentle frame of mind this afternoon, would the Premier be prepared to give a commitment to the Assembly that his ministers — the Minister of Municipal Affairs, the Minister of Hospitals and Medical Care, the Minister of Labour, and the Minister of Education — would be prepared to become actively involved in the negotiations if the negotiations get to that stage, so that they have that kind of help? [interjections] Is the Premier prepared to give that kind of assurance?

MR. LOUGHEED: Mr. Speaker, I would presume the Leader of the Opposition respects local autonomy and recognizes the ridiculousness of that question.

MR. NOTLEY: Mr. Speaker, I would like to direct this question to either the hon. Premier or the hon. Provincial Treasurer, in light of the 6 to 7 per cent guidelines announced several months ago by the government. My question is: has the government assessed the various forecasts for the costs of living which range all the way from about 6 per cent to 9 per cent, with an average considerably above 6 per cent; and is it the position of the Alberta government that provincial employees and public sector employees should, in fact, accept salary and wage increases under the cost of living?

MR. LEITCH: Mr. Speaker, the hon. Member for Spirit River-Fairview implies in his question that the wage increases can and should go hand in hand with cost of living increases. I'd simply point out to him that that has not been the case, and refer briefly to the wage increases of a few years back: they ran far, far ahead of the increases in the cost of living. It was reasonable that they do so, Mr. Speaker, because at

that time the Canadian economy was healthy, functioning pretty well. But when the Canadian economy is in as serious a position as it now is, the opposite has to be true.

So I'd suggest, Mr. Speaker, to the hon. member that to leave the impression that wage increases must or should keep pace with cost of living increases is just to ignore the economic facts of life in this nation.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Do I take it, in light of the information from The Conference Board in Canada indicating a much higher increase than 6 to 7 per cent this year, that it is the position of the Alberta government that in order to fight inflation public sector employees should accept less than the cost of living? Is that the official position of the Alberta government?

MR. LEITCH: Mr. Speaker, I don't know what report of The Conference Board the hon. member is referring to. My memory is that a recent report of The Conference Board indicates that during the fiscal period we're talking about inflation is anticipated to be in the 6.5 per cent range. I should also call to the hon. member's attention that if a wage increase which occurs on, say, April 1, 1978, is equivalent to the cost of living increase in the following 12-month period, then in fact wage levels have moved ahead of the cost of living increase; because that's an average over the whole year, whereas the wage increase would be effective for the whole 12-month period.

Gasoline and Propane Prices

MR. CLARK: Mr. Speaker, let me direct the second question to the Provincial Treasurer. It deals with that portion of the speech on Friday night dealing with the removal of the 10 cent tax on gasoline. I commend the Treasurer for following the good advice he received on several occasions previously. However, the question basically is this: what steps has the government taken, or what plans does the government have, to ensure that the 10 cent tax does end up in the hands of consumers?

MR. LEITCH: Mr. Speaker, I think that question would be more appropriately directed to my colleague the Minister of Consumer and Corporate Affairs.

MR. HARLE: Mr. Speaker, when this government reduced the tax 5 cents some years ago, it was passed on to the consumers. We believe that will occur again this time. Over the next few weeks we will be monitoring the price of gasoline in this province at various locations to see whether or not that happens this time.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Mr. Minister, would you indicate to the Assembly what form that monitoring is taking; and, in fact, will it be present in both urban and rural Alberta?

MR. HARLE: Mr. Speaker, I don't want to get into details of how it might be done. However, I can assure the hon. member and Leader of the Opposition that the monitoring will occur throughout Alberta.

MR. CLARK: Mr. Speaker, supplementary to the minister. Will the monitoring system — whatever it is — be in place as of April 1? Can the minister give us that assurance?

MR. HARLE: Mr. Speaker, there's already some monitoring going on.

MR. CLARK: Mr. Speaker, that wasn't the question. The question is: will the monitoring procedure to determine whether this 10 cent reduction in gas gets to the Alberta consumer be in place on April 1?

MR. HARLE: As I tried to indicate, Mr. Speaker, we've already instituted some monitoring. That will be continued, and it's already in place.

MR. NOTLEY: A supplementary question to the hon. minister. Has the minister obtained any surveys or statistics as to the impact of the last 5 cent reduction, as to whether that saving was passed on to consumers throughout the province, particularly in those areas where there was no market or price competition at the gas pump level?

MR. HARLE: Mr. Speaker, quite obviously I would have to go back to the various surveys we did at the time of the reduction of the 5 cent gasoline tax. I could look into it and respond on another occasion.

MR. R. SPEAKER: Mr. Speaker, a supplementary question on the topic to the Minister of Agriculture. I wonder if the minister could indicate the consideration that had taken place with regard to propane relative to the farm fuel transportation allowance. The minister indicated prior to the budget he was considering that.

MR. MOORE: Mr. Speaker, the answer is the same as it was last week, and that is that after the deregulation of the producer price of propane the government will be monitoring the price increases, if any. Based on that information, we will be considering whether any rebate would be applied to the purchase of propane and, if so, the appropriate mechanism to provide that rebate.

DR. PAPROSKI: Mr. Speaker, a supplementary on the same topic, if I may, to the Minister of Transportation. I wonder if the minister would indicate to the House if he has information to indicate the savings to municipalities *per se* as a result of the removal of the gasoline tax announced in the budget.

DR. HORNER: Mr. Speaker, I can only give an approximation, but it's our information that the removal of the gasoline and diesel taxes will allow municipalities, and indeed my own department, to stabilize the cost of hauling gravel to a very substantial extent. Those savings, of course, will mean more can be done.

MR. TAYLOR: A supplementary to the hon. Minister of Agriculture. Has the department made or is it making a study of the relative costs of a farmer who uses gasoline for his farm operations and a farmer who uses propane?

MR. MOORE: Mr. Speaker, no, I'm not aware that any specific studies have been done recently in that regard. However, I would check in our department to see if there is any possibility that that information might be available.

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

MR. GOGO: Mr. Speaker, a supplementary to the Minister of Transportation. Would the 10 cent a gallon reduction in the tax be applicable to the hundreds of thousands of gallons used by the rural areas of Alberta that bus school children?

DR. HORNER: Yes, Mr. Speaker, the reduction will apply to the school divisions throughout Alberta. My understanding from my colleague the Minister of Education is that that will amount to something in the neighbourhood of \$500,000 additional savings to those school divisions.

PWA Operations

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Deputy Premier and Minister of Transportation. It concerns the current dispute between members of the Canadian Air Line Employees' Association and PWA. Is the minister able to advise the Assembly whether PWA has made a proposal to contract out the jobs of a number of the company employees who are members of the Canadian Air Line Employees' Association?

DR. HORNER: Mr. Speaker, surely that's a management prerogative and not one in which I would be involved. The chairman of the board will and does report to me as to the nature of the situation, but it's surely something the government doesn't get involved in.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Deputy Premier. Have any discussions been held on this matter between the chairman of the board and the responsible minister?

DR. HORNER: No, Mr. Speaker, that's a management directive. As outlined in the amount of profit they've made this year, the management of Pacific Western Airlines have done a very admirable job over the past year, and I'd like to leave that particular management in their hands.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Deputy Premier. Have discussions taken place between the Deputy Premier and the chairman of the board, or any of the board members of PWA, with respect to the complaints of some of the pilots about the cutback in the Convair crews and the bumping of pilots that I gather is taking place, or many of the pilots fear is taking place, as a consequence of that decision?

DR. HORNER: Again, Mr. Speaker, surely the internal management of that air line has to be left to people who are competent in the management of air lines. The same answer applies.

MR. NOTLEY: Mr. Speaker, very, specifically to the hon. Deputy Premier: has there been any discussion between the chairman or any members of the board and the minister responsible, pertaining to this question of the bumping of pilots?

DR. HORNER: It's a management decision, Mr. Speaker, and there has been no discussion between the chairman of the board and me.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Has there been any discussion between the chairman or management officials of the board and the Minister of Transportation with respect to the use by Panarctic of an Alaska Airlines Hercules and the impact that that decision may have on whether PWA should acquire another Hercules plane?

DR. HORNER: Again, that's a management decision, Mr. Speaker. Whether or not they acquire an additional Hercules will depend on the activity that they foresee, and I hope are aggressively pursuing, relative to the northern supply situation. My understanding is that that particular Electra is negotiated through Pacific Western.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Deputy Premier. In view of the strike vote taken by members of the association, what discussions have taken place between officials of the management and the board of directors and the minister with respect to contingency plans should the strike occur?

DR. HORNER: Well, Mr. Speaker, I think that it would be appropriate again to point out to the hon. gentleman that we are trying very hard to have the air line operate in a completely commercial way. As I've said earlier, they're a very competent board of directors. I would expect that if a contingency plan is required, they'll have one.

Trade Negotiations

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier, in the absence of the Minister of Federal and Intergovernmental Affairs. I wonder if the material with regard to the Geneva negotiations, particularly that from the United States, has arrived in Alberta yet.

MR. LOUGHEED: Mr. Speaker, if it has arrived in Alberta it hasn't reached my desk yet. But I'll take the matter as notice; I believe the hon. Government House Leader and Minister of Federal and Intergovernmental Affairs will be in his place tomorrow and will be able to respond to the hon. member.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier. Has the government representation on the federal negotiating committee? My understanding is that personnel from Alberta are monitoring the discussions going on in Geneva. Would the Premier confirm either . . .

MR. LOUGHEED: Mr. Speaker, I can only partially confirm or respond to that question. I believe the

Minister of Federal and Intergovernmental Affairs is better informed. There's an overall monitoring, but as you know, we have not been successful in convincing the federal government to have representatives of the provinces as official observers at these negotiations. So we receive the information second hand as the negotiations proceed. I really think I can't say more. I'll take notice of the two questions and have the hon. minister be in a position to respond to the member tomorrow.

Home Mortgages

MR. MANDEVILLE: Thank you, Mr. Speaker. My question is to the hon. Minister of Housing and Public Works. There has been a recent prediction that there's a substantial increase in mortgage foreclosures for homeowners. Could the minister indicate whether Alberta home corporation has been foreclosing on mortgages recently?

MR. YURKO: Mr. Speaker, the Alberta Home Mortgage Corporation does have a very small list of people who haven't made payments on their mortgages during the last month or so, but it's very small indeed, and it's a running one that has been with us for some time. But we can detect no increase in this area at this time. I don't believe we have foreclosed on any mortgages in the last several months.

MR. MANDEVILLE: Supplementary question, Mr. Speaker. In light of the answer to this question, could the minister indicate whether he has given any consideration to abolishing the home mortgage fee, which now has built up a fund of over \$2 million?

MR. YURKO: Mr. Speaker, the mortgage insurance fee charged by the Alberta Home Mortgage Corporation is a one-time fee charged at the time the mortgage is approved. It's 1.5 per cent of the total mortgage. As a result, a fund in this regard is accumulating within the Home Mortgage Corporation, and it's somewhat higher than \$2 million at this time. This is intended to cover losses with respect to mortgage arrears or foreclosures. But as I indicated, our loss rate is extremely low, if even existent, at this time.

At the appropriate time, the board of directors of the Home Mortgage Corporation will consider whether or not it should lower its mortgage fee to the 1 per cent, approximately, charged by NHA. But this is not yet timely, because the fund is not yet considered that large.

Winter Games

MR. JAMISON: Mr. Speaker, I'd like to direct a question to the Minister of Recreation, Parks and Wildlife. My question arises from the very successful Winter Games held earlier this month in the city of Medicine Hat, where a number of municipalities were represented to look over the games.

My question to the minister is: are submissions from municipalities presently arriving on your desk to have the games held in their centre in 1979? If so, how many, and when would the sites of the 1979 games be known?

MR. ADAIR: Mr. Speaker, the applications or submissions by the various communities in the province of Alberta will be going to the Alberta Games Council office, not to mine. I believe the deadline is March 31, and my understanding is there are a number.

Beef Imports

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. Is the government of Alberta making or has it made recommendations to the federal government regarding some limitation on the importation of oceanic beef?

MR. MOORE: Mr. Speaker, I believe I made some comments on that matter in question period last week. The answer is yes, for a number of years. Over the last three years at least we've made specific representations in a variety of ways to the government of Canada regarding the limitation of import of offshore beef into Canada. We also made representations to the standing Senate committee which was studying that problem.

Mr. Speaker, the results of our efforts and of other efforts by our farm organizations, the Alberta Cattle Commission, Unifarm, and others, was a limitation on the amount of offshore beef which might come into Canada, which was placed, I believe, in December 1976 by way of the federal Export and Import Permits Act.

Mr. Speaker, it was our view, based partly on information we received from our farm organizations as well, that the limitations in place in 1978 are sufficient. We don't believe they will have a detrimental effect on prices received by Alberta farmers. Mr. Speaker, that needs the brief explanation that the competition from offshore beef is largely hamburger trade, which doesn't have a great effect of our fat cattle prices, but in fact does have some considerable effect on our cow prices.

For some three years we were in a herd reduction phase when we had no protection from offshore beef. We now have our herds sufficiently reduced that we hope and believe, Mr. Speaker, that in 1978 we will see only a normal sale of cows, and thus the change from what might have been a very detrimental situation, and was in fact over the last three years, to one today where we're reasonably satisfied with the level for 1978.

That doesn't suggest, Mr. Speaker, that we still aren't anxious to see a long-term resolution to this problem by way of a meat import law, similar to the United States', that will be triggered automatically and not simply at the whim of the federal government.

School Construction — Calgary

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister Without Portfolio responsible for Calgary Affairs. I wonder if the minister will inform this Assembly if he had any discussions with the Calgary Board of Education with reference to constructing a vocational school, either high school or junior high, in east Calgary?

MR. McCRAE: Yes, Mr. Speaker, I've had representations from the Board of Education in Calgary, asking

for a meeting with the hon. Minister of Education, me, and some of the MLAs for the area. I've also had representations on this question from the Member for Calgary McCall, the Member for Calgary Millican, and indeed the Member for Calgary Mountain View.

MR. KUSHNER: A supplementary question, Mr. Speaker, to the minister. Has the minister concluded in any way or formed a date of a meeting to solve that problem?

MR. McCRAE: No, Mr. Speaker. We are trying to arrange a mutually agreeable date at this time.

Brucellosis

MR. COOKSON: Mr. Speaker, I'd like to ask a question of the Minister of Agriculture. I wonder if the minister could give the Assembly some brief report on the relative problem in the province of Alberta at the present time with regard to brucellosis, commonly known as Bang's disease, to indicate whether in fact it is under control or perhaps out of control.

MR. MOORE: Mr. Speaker, I'd be pleased to do that. I don't believe I have sufficient information to be able to do that briefly today, except to say that I know the number of herds under quarantine in Alberta in January 1978 was in the order of half those under quarantine in January 1977. The reduction was from something over 60 herds to something over 30 herds.

It is our view, based on discussions I've had directly with the head of the animal health branch of the federal Department of Agriculture, that with the progress we are making it is possible that during the course of 1978 we could be declared a brucellosis-free area for purposes of export of animals from this province.

MR. COOKSON: A supplementary, Mr. Speaker. Recent information I have indicates that brucellosis may be on the upswing in the province, and I wonder if the minister would undertake to update his information. Mr. Speaker, to the minister: I presume the federal government continually monitors and advises the province as to the relative problem with regard to brucellosis, and therefore I would think that you would be posted immediately in case of outbreak.

MR. MOORE: Mr. Speaker, I can say two things initially. The hon. member's information about an increase in the incidence of brucellosis is not correct. In fact, the matter is quite different in that there's been a substantial decrease over the last year. I can say additionally that the situation with regard to the federal government monitoring and advising the province is a little backwards, in that a lot of monitoring by staff of the Department of Agriculture in this province is going on, and a lot of advice is going to the federal government on how to deal with the problem. That's a result of some of the success we've had. But I'd be pleased to provide an accurate and up-to-date report for the hon. member as soon as possible.

MR. COOKSON: Mr. Speaker, it's not my wish to harass the minister, and he's very able to take care of himself, but I would like to know whether it's stand-

ard procedure to dispose of herds that have acquired this particularly serious disease; whether that's standard procedure or whether the procedure may be simply to eradicate by slaughtering — whether there is any relationship between the two.

MR. MOORE: Mr. Speaker, the standard procedure with respect to the contracting of brucellosis in a herd does vary to some extent, depending on the level of the disease found in the herd. For example, if there were only one or two reactors in a very large herd, it might be that the federal health of animals branch would only have those animals isolated and perhaps slaughtered, and then the herd would be tested again at least two times before it could be declared brucellosis-free. In other words, Mr. Speaker, some judgment goes into the matter with respect to whether or not an entire herd is slaughtered. It depends on the level of incidence of reactors when the testing occurs.

Parolees' Halfway Houses

DR. PAPROSKI: Thank you, Mr. Speaker. I wonder if the Solicitor General would indicate to the House whether it's the policy of this government to allow the so-called Seventh Step Society to go into the communities and in advance indicate that they will be receiving funding from the Solicitor General's Department if they set up a home for parolees — recognizing the good work they may be doing.

MR. FARRAN: Mr. Speaker, the Seventh Step Society is one of 22 community organizations with which my department does business on a fee-for-service basis. They run halfway houses, and have to have very strict house rules. If the department feels the discipline in any particular halfway house for parolees is not up to scratch, we cease to use their services. But it would be inaccurate to say that any of these associations applying for development permits in local areas have the support of the Solicitor General's Department. If they succeed in building such a facility and conform to our rules, we are prepared to use them on a fee-for-service basis, just as the federal government does.

DR. PAPROSKI: Supplementary, Mr. Speaker. I wonder if the minister would indicate to the House whether he is establishing documented guidelines regarding the method of setting up these homes in communities in order that communities will not be upset and, also in those guidelines, indicating the type of parolee who may utilize that type of home.

MR. FARRAN: No, Mr. Speaker. I know the case the hon. member is referring to, and I can only draw his attention to the application by the Seventh Step association to establish a similar facility in Calgary. I took the attitude that it was entirely an affair between the organization and the local government and that we were not in any way spearheading any application from a provincial level.

DR. PAPROSKI: A supplementary, Mr. Speaker. I wonder if the minister would indicate whether it's true that homes such as this can be set up in any community anywhere in the province.

MR. FARRAN: Mr. Speaker, I just have to reiterate that that is a question of zoning and the reaction of local property owners and, in the ultimate, a decision by the local authority.

DR. PAPROSKI: One final supplementary, Mr. Speaker. Would the minister indicate to the House whether he would give us assurance that he will review the matter, with the objective of establishing clear guidelines so there won't be any misunderstanding between the good work they're doing versus the communities?

MR. FARRAN: Finally, the only assurance I can give is that I won't interfere, that it's a question between the association and the local authority.

Laycraft Inquiry

MR. GHITTER: Mr. Speaker, on April 22 the hon. Attorney General advised this House, in announcing the appointment of the Laycraft Inquiry, that "The ordinary civil or criminal process in these unusual circumstances does not, however, permit the public to be informed." I would inquire of the hon. Attorney General what unusual circumstances he was referring to at that time.

MR. FOSTER: Mr. Speaker, unless some counsel, or indeed commission counsel, can identify any additional witnesses, the Laycraft commission today effectively came to a close; that is to say, with respect to the calling of witnesses. Mr. Justice Laycraft said this morning that he would hear argument on a number of subjects — and I expect that may take a number of days — following which, of course, a report will be prepared and presented to the Lieutenant Governor in Council. Once I have received that report, I would be quite prepared to comment on almost any matter raised by any member of the Assembly, publicly or privately, within the limits of certain discretion that I'd have to deal with when I see the report. I don't think I should now respond on what I meant in a certain press release, et cetera, in setting up the Laycraft Inquiry, but I'd be happy to do so later.

MR. GHITTER: Mr. Speaker, I'm aware of the fact that the hon. Attorney General or any minister is not compelled to answer questions in this House. On a point of order, however, if the hon. Attorney General appears before the Laycraft Inquiry as a witness, I would think this Legislature should be abreast of what is occurring, and questions of this nature should be permissible and responded to by the Attorney General.

MR. FOSTER: Well, Mr. Speaker, it wasn't my decision to be called before the inquiry. It was the decision of the commissioner, a decision which of course I'm happy to comply with, in the sense that I would never dream of not going, even though I may have the legal capacity of not appearing.

Having said that, however, I don't think the question period is the time for me to answer questions concerning my examination before the Laycraft Inquiry. I don't want to suggest that this House is a lesser forum than the Laycraft Inquiry; it is a different

forum. The purposes of the Laycraft Inquiry and the question period are not identical. If there are questions in the minds of the members with respect to the Laycraft matter generally, or indeed my conduct or my reasons for doing or not doing things, I'm happy to comment on that. But I don't think now is the time.

MR. GHITTER: A final supplementary, Mr. Speaker. May I ask the hon. Attorney General if it is then the position of the government that no questions relating to the Laycraft Inquiry will be responded to by the government until the report by Mr. Justice Laycraft is out?

MR. FOSTER: Mr. Speaker, I don't think that is quite accurate. There are some questions with respect to the Laycraft Inquiry that I have answered in the Assembly and outside. So there are some matters touching upon Laycraft that I surely can, will, and have dealt with. But I think the reasons for calling the inquiry, what I thought was important or not important, or the like, are matters which should be reviewed in light of Mr. Justice Laycraft's report when it arrives.

ORDERS OF THE DAY

MR. CLARK: Mr. Speaker, I'm rising on a point of order with respect to a letter tabled in this Assembly last Thursday by the hon. Deputy Premier.

Mr. Speaker, it's the right of members of this Assembly to present almost any document they wish, where appropriate, to support them in their appropriate evidence or argument. Accordingly the Deputy Premier, consistent with his rather specious arguments at that time, introduced a letter which, on the most cursory examination, had some errors in fact, along with other areas I could comment on. However, I should get to the point I want to raise; that is, the letter was unsigned.

I refer you, Mr. Speaker, to Beauchesne's parliamentary *Rules and Forms*. Rule 158(3) states: "An unsigned letter should not be read in the House." Letters were both read into the record and tabled as documents in the Assembly.

I'm surprised and disappointed, Mr. Speaker, that the Deputy Premier would have used an unsigned document. That is clearly in contravention of the accepted rules of this Assembly. If such evidence was used as the basis for the government's contention that "A great majority of the people in central Alberta appreciate and support the dam at Site 6", to quote the hon. minister himself, then one must question the quality of the government's decision-making process. Doesn't the government have better evidence to support its decision on the Site 6?

SOME HON. MEMBERS: Order, order.

MR. CLARK: So, Mr. Speaker, I raise the point of order in order to enhance the quality of debate in the House and to ensure that what is said and tabled in the House is supported by evidence.

DR. HORNER: Well, Mr. Speaker, that's the most nonsensical point of order I've ever heard in 20 years

in the Legislature. All he's doing is trying to make an additional argument after he had ample opportunity to make his argument. The letter in question was not only sent to a number of us in this Legislature, but also appeared in a number of the newspapers in central Alberta. I don't see any point of order whatsoever in the hon. leader's contention.

MR. SPEAKER: The narrow point is whether or not the letter was signed. I would assume that that should be obvious from the letter as tabled. I haven't seen it.

MR. CLARK: Mr. Speaker, then is it your intention to check into the matter? Are we now establishing a new form of tabling information in the House, that letters don't have to be signed; we can just wheel in information from wherever it may be? Mr. Speaker, if those are the kinds of rules we're now to have in this Assembly, despite what *Beauchesne* says on the matter, then let's have those rules for both sides of the House and not just raise them when members on this side of the House raise the point.

MR. KING: Mr. Speaker, speaking to the point of order, *Beauchesne* is *Beauchesne*, not the *Bible*. The hon. member is referring to an annotation in *Beauchesne* which is simply a statement of a precedent established in another House at another time. He is not making reference to any of the standing orders of this Assembly, let alone to the standing orders of the House of Commons. I read 158(3), which says: "An unsigned letter should not be read in the House". It doesn't say that it must not be read in the House.

I would argue, Mr. Speaker, that as is the case with many other annotations in *Beauchesne*, if an hon. member should read into the record something that is unsigned, he must simply accept responsibility for the credibility of the arguments contained therein.

I don't think this is a legitimate point of order, Mr. Speaker, first of all because of the ambiguity of the annotation; secondly, because it is an annotation with no regard whatsoever for the standing orders of this House.

MR. CLARK: Can I ask then, Mr. Speaker: will you indicate to the members of the Assembly, with regard to the tabling of information in the future, is it now acceptable in this Assembly to virtually table unsigned letters, documents with very, very flimsy background?

MR. NOTLEY: Mr. Speaker, rising to participate in this point of order, I think the comments the hon. Member for Edmonton Highlands made are very interesting. He's probably quite correct in terms of his assessment that a member should not read an unsigned letter, but the member must take responsibility for what is contained in that letter. Well, Mr. Speaker, I think that point probably should be driven home; that the hon. Deputy Premier should have to take responsibility for the absolute nonsense and misleading garbage contained in the letter that was read last Thursday. [interjections] It was a completely outrageous statement, where the farmers west of Innisfail were referred to as a mob. I find that extremely offensive.

So, Mr. Speaker, as far as I'm concerned I think the

Deputy Premier has to take responsibility for that kind of letter.

AN HON. MEMBER: Don't lose your composure.

DR. HORNER: Mr. Speaker, obviously we've disposed of this matter already, on Thursday last, but I know the hon. Member for Spirit River-Fairview can't take a good debate except when he's giving it out.

DR. WALKER: Mr. Speaker, on the point of order, it's my understanding that the tabling was specifically requested by the hon. Leader of the Opposition.

MR. SPEAKER: That really wouldn't assist us, because I believe the tabling was requested after the letter had been read. I'll certainly look into the matter. One of the things of course that we have to keep in mind is that our *Standing Orders* appear to distinguish between a tabling and a filing.

MR. KING: Point of order, Mr. Speaker. The hon. Leader of the Opposition, in raising his point of order, used the term "specious" with respect to arguments that were made in the House last Thursday afternoon by the hon. Deputy Premier. I would suggest, having the *Oxford Dictionary* in front of me, that "specious" is an unparliamentary term and should be withdrawn by the hon. member.

SOME HON. MEMBERS: Agreed.

MR. TAYLOR: Mr. Speaker, on the point of order, I wonder if it's comparable to the filing of information last year by the hon. Leader of the Opposition in connection with the heritage trust fund committee, when he tabled information that was not even brought up with the committee.

MR. CLARK: Why didn't you raise it then? [interjections]

MR. SPEAKER: Order please. I don't think we're going to further the consideration of the situation by searching in past history for other examples which may or may not have been in order. I'm not aware that the word "specious" is unparliamentary. I think it's quite in keeping with the rather unsolicited flattery which has passed back and forth across the floor. [laughter]

head: GOVERNMENT MOTIONS

9. Moved by Mr. Leitch:

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

[Adjourned debate March 17: Mr. Clark]

MR. CLARK: Mr. Speaker, in rising to lead off the debate on the budget brought down last Friday evening by the Provincial Treasurer, might I say at the outset that it will come as no surprise to members of the Assembly that it's not my intention to spend a great deal of time this afternoon telling the Provincial Treasurer about some of the good things that are in his budget. If past performance in this House is any

indicator, I think the Provincial Treasurer will not be at all short of any backslapping that may be needed as far as the budget speech is concerned.

Mr. Speaker, I'm going to address my remarks this afternoon primarily to what I refer to as the overall financial situation as far as the province is concerned, and some alternatives that I think the Treasurer should have looked at. Secondly, I'm going to make some comments with regard to some particular aspects of various departments.

Thirdly, I want to ask the Assembly to consider for a moment or two the idea of Alberta giving some rather unique leadership to the rest of Canada and perhaps to the rest of this continent. The area I want to speak about, and I think it's an important area, is that in this Assembly we repeatedly hear the comment: Alberta is spending more in this area than any other program, be it universities, hospitals, education, civil service, or whatever. Very often in the budget speech itself, the point was made that we're spending more in this or that area than we ever have in the past. Fair ball.

But when we are a province that has in excess of \$6 billion in surplus funds between the heritage savings trust fund and the accumulated surplus of the province, it seems to me we should give some serious thought to developing some kind of criteria to use to look at the quality of service available to us. That's the third area I want to talk about.

Mr. Speaker, members of this Assembly may find it a bit jolting that the first billion-dollar budget in Alberta was brought down by the hon. Anders Aalborg, the Provincial Treasurer in 1970. The budget expenditures for that year, though, didn't reach \$1 billion. Alberta and this Legislature had its first true billion-dollar expenditure year in 1970-71. From that stage we have come to a situation this year where we are looking at a budget not too distant from \$4 billion, also a surplus which, according to the Provincial Treasurer's own estimates, is in the vicinity of three-quarters of a billion dollars.

When one takes into consideration the fact that the projections in the budget make no provision for increased revenues from oil and gas as a result of a price increase in August and again in January — a nine-month price increase — I think it's fair to say that, given the immediate past, we could be looking at a billion-dollar surplus as far as Alberta is concerned this year. Mr. Speaker, that is in addition to putting over \$1 billion into the heritage savings trust fund. So this year we in this province are in the fortunate, enviable position of putting well in excess of \$1 billion into the heritage savings trust fund, and are likely to have close to \$1 billion in surplus to boot. That is a most enviable situation.

Mr. Speaker, the hon. Provincial Treasurer has stated some basic realities of the Alberta economy. They are: firstly, that we are in an enviable position, receiving enormous revenues from our resources — agreed; secondly, that these revenues will not continue forever — agreed; thirdly, that we ought to be careful not to use these revenues in such a way as to increase the fiscal burden on future generations, for instance by launching ill-conceived programs which will lead to large tax loads in the longer term.

Mr. Speaker, I believe this is an understandable statement as far as the Treasurer is concerned, and a responsible attitude toward fiscal planning for Alberta. However, I would argue that the strategy the

Provincial Treasurer has outlined doesn't really meet the early criteria of his speech. Frankly, I am alarmed at the 37 per cent increase in capital expenditures. My concern is that this will bring along the very problem which earlier in his speech the Treasurer sought to avoid: excessive commitments to continuing expenses beyond the construction phase. It's easy to say that such capital expenditure is just an interim measure to coincide with a slack period in private sector construction. But beyond their construction these buildings will need maintenance, servicing and, most importantly, I presume they'll need to be filled with public servants whose numbers expand. Certainly the cost of running those operations will expand considerably.

Mr. Speaker, for a few moments let's consider an alternative to such a plan. One comes to mind which I would suggest to members is an alternative economic strategy which moves us away from our overdependence upon non-renewable resource revenues and the boom and bust cycle of resource-related construction. The present government has often paid lip-service to the idea of a more diversified economy in the province. But as far as a real strategy is concerned, the present budget shows nothing to implement that oft-repeated government plan of more diversification in our economy. Even given the present situation, I believe that such accelerated public investment in capital construction is unwise. I suggest that in the consideration of its budget the government has isolated itself from the budgets of Alberta municipalities and the budgets of individual Alberta citizens.

Mr. Speaker, this isolation of vision is illustrated in the remark by the Provincial Treasurer that Albertans have the lowest provincial tax of any province in Canada. That's true. Why shouldn't we have the lowest tax of any people in Canada? But to understand the meaning and the impact of that, let's place it in the context of Albertans' total cost of living.

Then we're reminded of two further truths: first, that our municipalities have the highest per capita debt of any municipalities in Canada, and that urban municipalities have among the highest cost of shelter of any place in Canada. Whether buying or renting accommodation, the person who's trying to buy the house or the condominium, or who is paying the rent, still has to live with the fact of the highest costs. And rural Albertans are facing the highest agricultural input costs and the lowest share of provincial income in Alberta's agricultural history.

Mr. Speaker, when we look at the full truth, the financial state of the province is very uneven. The provincial government is rich, but municipal governments and ordinary Alberta people, both rural and urban, face considerable financial difficulties.

Mr. Speaker, I've criticized the strategy of overinvesting provincial revenues and capital expenditures, as it will compound our financial problems in the future. I propose that some sort of alternative which would alleviate financial difficulties immediately and in the future by relieving some of the debt burden on our municipalities is an approach we should look at.

However, before I look at that I would like to deal with this question of surpluses for just a moment. According to the Treasurer, the accumulated surpluses of the general revenue fund will, on the basis of present estimates, amount to something under \$2.2

billion by March '79. That's \$2.2 billion in addition to the amount in the heritage savings trust fund. I make the point again that the estimated \$698 million surplus for this year does not take into consideration the revenue the province will receive when the price of oil goes up \$1 a barrel in July and \$1 a barrel again next January.

The Provincial Treasurer, speculating on the use of these surpluses, cautions against undue expansion on expenditure programs, expresses a decision to retain the present revenue base, and suggests we may need to look at further evolution of the appropriateness of increasing the heritage savings trust fund from 30 per cent of the resource revenue to a larger amount. These surpluses are in addition to our heritage fund, which brings the new fiscal year, when it will be in excess of some \$4 billion.

Mr. Speaker, the first of, I think, four suggestions I want to make this afternoon is basically this: I call upon this government to share its resource income with the municipalities. I've done that before, and I know the Minister of Municipal Affairs sometime later on this year, June or July, is going to have a package to present to his colleagues. With the attitude of the Premier today in question period, about that time we may be discussing that particular proposal out on the hustings.

But, Mr. Speaker, once again this government has a responsibility to start to share some of its revenues with the municipalities. Very immediately, the Provincial Treasurer and this government should take a large portion of the anticipated \$2 billion in surpluses, perhaps as high as 50 per cent, and make it available to municipalities so they could retire a portion of their municipal debt. That would have a very, very beneficial effect upon the situation of municipalities. It also would have a very beneficial effect upon the taxpayers of this province.

How we can justify sitting in this Assembly with \$6 billion between the heritage fund and the accumulated surpluses and at the very same time have the highest rate of municipal debt of any province in Canada is impossible to conceive, unless one sits in this Assembly and knows the government's attitude toward municipal governments.

If this government were to allocate \$1 billion of the \$2 billion surplus toward retirement of municipal debts, that wouldn't leave this Assembly penniless. We'd still have in excess of \$5 billion between the heritage savings trust fund and the accumulated surpluses. By applying this money to debt and debts of municipalities, rather than some of the new construction programs, the government would reduce rather than increase the financial obligations passed on to Albertans not only for the present but also for the future. That's the first proposal I'd like to make.

Mr. Speaker, I'd like to move on now to the capital aspect of the budget. The Provincial Treasurer says in the figures, some 31 per cent increase in the capital projects. The best figuring we could do in the course of the weekend comes very close to 37 per cent, when we look at the heritage savings trust fund capital portions and the budget. And one has to look at the two of them as a total, as an aggregate; you can't look at them in isolation. As I say, my calculations indicate some 37 per cent.

But the rationale for this large increase in the capital works program is rather surprising. On page 9

of the budget speech, and I want to read this into the record, the Provincial Treasurer states that 1978 will be a strong year for the private sector.

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 [a larger project] . . . such as Syncrude.

That's on page 9 of the budget which, I think it's fair to summarize, says that despite the fact that Syncrude is winding down, there's going to be a great amount of activity in '78.

However, Mr. Speaker, on page 21 of the budget the Provincial Treasurer says:

. . . 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 programme priorities, we are proposing a large increase of 30.9% 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.

Now I would assume that the Treasurer wrote page 9 on the same day he wrote page [21].

DR. BUCK: That's being progressive and conservative.

MR. CLARK: My colleague from Clover Bar makes the comment, that's like being progressive and conservative. I think he was progressive on page 9 and very conservative on page 21.

If the real reason for the major increase in the capital portion of the budget is to try to bolster the economy in Alberta between the winding down of Syncrude and the start of the pipeline and other projects, why not say so? Why not be open, above-board, frank, and say so? Then let's look at these projects on the basis of how many jobs they are going to provide, rather than tell us on page 9 that things are going along very well and there's going to be no downturn, then on page 21 come along and give us this lame explanation and say, it's in light of this, in light of the Syncrude project concluding, that we're going ahead with a 30 per cent increase in capital works projects. From the Provincial Treasurer's own statements, the need for an expanded capital program in '78-79 seems to be in considerable doubt. And I'm being extremely charitable when I say "in considerable doubt".

Mr. Speaker, just before I talk about the effects of those programs, let me say this: my colleagues and I would have supported this government if it had come to the Assembly and said in the budget, we expect a

downturn in '78-79 and, rather than move along with a tremendous capital works program, we're proposing to this Assembly that we dramatically slash personal and corporate income tax in this province.

DR. BUCK: That's next year.

MR. CLARK: We'd have been quite prepared to support that kind of approach, Mr. Speaker, because that kind of approach would have been putting trust in the private sector, saying to the private sector, look, we want you to take this incentive, this initiative, and reinvest here in Alberta. This would have been and could have been a real shot in the arm to small business in this province. If the Provincial Treasurer had been consistent with what he said on page 5 of the speech:

Our objectives are clear . . . 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 . . .

If the Treasurer had wanted to say, look, we're going to cut corporate income tax to small business in Alberta, we're going to reduce income tax to Albertans below, let's say, \$10,000, those would have been positive proposals that we on this side of the House could have been very enthused about. But rather than go that route, rather than putting their confidence in the private sector, they've chosen to go ahead with a 37 per cent capital works project which, as we all know very well, has implications down the road.

So some of the questions that have to be asked: how many additional jobs, spread over what period, is this 37 per cent capital works project going to produce? What impact will it have on the unemployment picture in Alberta? Can we expect six months from now to find the unemployment picture in Alberta cut down to half? What will be the final cost of these projects? How many civil servants will we be adding? What are the anticipated operating costs? Mr. Speaker, one of the things we should start to do when a major project comes before this Assembly is look at the project from the standpoint not just of the amount of money needed for that year, but also look at the total capital cost and the anticipated operating cost. That way we'd get a far, far wiser and far broader idea of what really is involved in the discussion.

Mr. Speaker, I'm sure the real reason the government has gone ahead with a 37 per cent capital works project this year isn't that the economy is turning down or that it's turning up. They're preparing for an election, whether the election is this year or next.

DR. BUCK: You wouldn't accuse them of that.

MR. CLARK: That's really what the government is doing.

DR. BUCK: Not this government. [interjections]

MR. CLARK: To try to hide it and suggest they are doing this only because Syncrude's finishing and the pipeline isn't going just yet is really stretching the credibility of even this present administration.

Mr. Speaker, before my friends on the government side of the House pat themselves too much on the back with regard to the various tax measures — and there are some good tax measures in the budget, I'll give the government credit there. But when you've got a budget of almost \$4 billion — and, at the end of this year, \$6 billion — to play with, it should result in some positive moves. I think a fact very few Albertans recognize is that despite the removal of the gasoline tax, which we support and commend the government for — and they took our advice. We started to give it in '74. They've been rather slow learners, Mr. Speaker, but they've come along. We give the government credit there.

But, Mr. Speaker, with this budget this government, with \$6 billion in the heritage savings trust fund and surplus at the end of this year, is going to dig deeper into the pockets of Albertans to the tune of \$44.5 million this year, \$44.5 million more than last year. So when we talk about tax reduction across the province, and so on, let's not kid ourselves. When you look at the total figures, we're not talking about tax reduction. At the end of the fiscal year this budget will deal with, if the Treasurer's estimates are accurate, Albertans are going to have paid, in direct tax, \$44.5 million more than they paid this year, during a period of time when they have \$6 billion in the heritage fund and accumulated surpluses.

As I indicated earlier, the proposal my colleagues and I would favor is a reduction to lower income groups as far as personal income tax is concerned. We could start, Mr. Speaker, with all those people who are on or below the poverty line. While precise figures as to income tax calculations for low-income groups are difficult to get, it's obvious from figures that to extend complete income tax relief to those people with poverty line incomes would have no particular impact on provincial finances, and would provide additional funds to needy groups, which in turn would provide an economic stimulant through consumer spending. Such a tax cut — which is well within the capacity of the province — in addition to helping people in low-income groups would, if extended to Alberta-based business, have a very, very positive effect upon preparing this province for the day our non-renewable resources aren't there.

Mr. Speaker, moving on and looking at some particular government departments, my remarks in some areas are going to be very short. The brevity of those remarks on some departments should not indicate to the members that, come the estimates, we won't be spending considerable time in those areas. Traditionally the first department that comes up in estimates is Agriculture, and I'm sure the agricultural estimates will take some time again this year. I know my colleague Mr. Mandeville will be actively involved in those estimates.

Once again when we look at this budget and the impact it has on rural Alberta — and we got the re-announcement today by the minister about the changes in the farm fuel transportation program, and the budget says \$164 — I think this government is going to have real difficulty convincing farmers that that \$164 is going to enable farmers to come to grips with their farm input costs. I had some difficulty over the weekend convincing my own constituents that that was going to be of much assistance to them.

And I should hasten to add, I didn't raise the matter either.

MR. COOKSON: You've got to try a little harder.

MR. CLARK: The hon. Member for Lacombe says we should try harder. Yes, we'll try harder to explain to the farmers of the province just what's involved in this budget for them, and what isn't involved in this budget also.

Mr. Speaker, I'd like to make a very brief comment with regard to the area of Social Services and Community Health. I think this department typifies the problem we have of simply adding on, and adding on, and adding on. The government estimates that \$170 million will be spent on social assistance for single-parent families, the physically and mentally handicapped, unemployed employables, and other special groups. Yet there's no undertaking to intensify measures to enable these groups to obtain meaningful employment and to leave social assistance. Here again it looks like we're continuing the approach of applying the band-aid and not doing that much as far as the preventive side is concerned. If you look at the figures and projections from the department, the \$170 million pledged for social assistance doesn't look like it will be enough to meet the increased demands. According to the Department of Social Services' quarterly review, between '70-71 and '75-76 the caseload of social assistance increased by 47 per cent, with yearly increases ranging from 7 to 8 per cent.

Look at another area of that department's responsibility. The government has proposed a 14 per cent increase in funding for transient men in the cities of Edmonton and Calgary. The budget calls for a 14 per cent increase here, 14 per cent on top of what we're doing now — another area where we are simply adding on with no indication of basically trying to come to grips with the problems of more transient people coming to Alberta and what we're going to do about it. The problem isn't going to go away. Yes, we could continue, we could add 14 per cent this year and 16 per cent next year. But this gets into the question of the quality of service. When are we going to have a serious look in that particular area?

I want to commend the government for its actions in day care and home care. After complimenting the government, though, I have some concerns from the standpoint of day care. My concern would basically be that the report of the task force stated that improved facilities and greater accessibility to day care would require a level of support three times the current preventive social services day care allocations. One of my colleagues at the back sits back and says, spend, spend, spend. Mr. Speaker, it's that kind of narrow, inward-looking tunnel vision that causes this government the problem. It won't spend an extra million or two million dollars here to save some money down the road, but it does go and refurbish Government House South in Calgary for some \$4 million.

The Minister Without Portfolio responsible for Calgary Affairs bangs his desk, but the point is that here's a government which isn't prepared to give the kind of commitment in day care that appears to really be needed. Some aspects of their announcement were good, Mr. Speaker, and I told the minister that

in the House. But on the other side we're not going to meet the demands now on the waiting lists, let alone come to grips with some of the problems in the future.

Then, Mr. Speaker, and I'm sure an hon. member will say spend, spend again, but in passing I draw the members' attention to the Alberta Liquor Control Board — profits of \$121 million this year, yet an amount equal only to 7.4 per cent of this profit is being provided to the Alcoholism and Drug Abuse Commission. At the same time, expenditures for education and information services related to alcoholism have been cut back some 2.6 per cent.

Now, Mr. Speaker, I'd like to move on to the area of hospitals and health care. This is going to be a very active area during the session, but right now can I simply say this in reply to the throne speech: hospitals and medicare is the best example of the hypocrisy of the present government. The budget speech claims the spending for hospital construction will be increased by 112 per cent over last year. But I submit that that comparison, with the freeze situation, has no validity whatsoever. I further submit that had construction begun on many of the proposed projects when the commitments were first made several years ago, at the previous cost of labor and materials, the long-range cost of these projects would be far less than the levels the minister is now talking about. The only thing in the budget speech, as far as hospitals are concerned, is that the freeze is going to come off. When one looks at the minister's estimates a bit more, though, you'll find there are going to be 30 additional civil servants in that department. That's the first legacy we have as a result of the hon. Minister of Hospitals and Medical Care.

MR. R. SPEAKER: The first one we're going to get rid of.

MR. CLARK: That's his first major initiative.

MR. NOTLEY: That was Jackson Willis' advice.

MR. CLARK: That likely was the advice of some people we should have done without, or should never have got involved with initially, let alone still have hanging on. But, Mr. Speaker, that's the very immediate legacy hospital boards have. Hospitals had a convention in town last week. It would have been very instructive for members of the government to have sat in that convention and to adopt the attitude of hospital boards across the province as to what's happening in the whole field of health care.

Mr. Speaker, there is the 8.5 per cent increase in health care premiums. I say to the Treasurer, what is the government's basic guideline? What's his underlying philosophy as far as the increase of the 8.5 per cent in premiums is concerned? If the government is saying, we're going to make premiums a certain portion of the cost of health care, that's one thing. Let's get these positions on the table and debate them. On the other hand, Mr. Speaker, if it's simply a matter of keeping the tax to get the money, we don't need the money at this time. If the government is going to say, look, a certain percentage of the cost of medicare in Alberta is going to come in premiums, then let's spell out the policy and discuss it. And that approach has some merit, if that's really what we're looking at.

Mr. Speaker, with regard to the Department of Education, where you brush aside much of the information in the budget speech, the real bottom line is that there is a 6.5 per cent increase as far as education is concerned during a time when the public and the business community have, I think, been less than impressed about some of the results of our education system. The only initiative really in the speech is a 23 per cent increase as far as departmental support services are concerned. I say to members without any qualms at all that a 6.5 per cent increase as far as education is concerned is not going to enable school boards across the province to keep up. Now if we don't want school boards to keep up, or if we systematically want them to cut programs, this is the way to do it.

You see, this is part of the government's strange attitude: a very rich, powerful, centralized provincial government letting local school boards, in this case, or municipal boards or hospital boards, as I've indicated earlier, take the flak of the grass roots. But let's be very clear about it: in voting for this budget — 6.5 per cent increase as far as education is concerned and a 23 per cent increase in departmental support staff — school boards out there are going to have larger classes, they are going to be able to offer fewer programs. If this is what the government wants, then this is basically what they are going to get in this area. But tell the people. Don't leave local school trustees to be the people on the firing line who have to take the flak. It must be a singularly uninspiring responsibility to be a hospital trustee or school board trustee under this kind of situation.

With regard to Advanced Education and Manpower, suffice for me to say this: apparently there is going to be a 50.4 per cent increase as far as capital construction is concerned. While that's going on, and with the figures we have right here, we're still going to have our quota as far as agriculture and forestry are concerned at the U of A; we're still going to have our quota of engineers at the U of A. Any way you cut it, this Legislature has to take some of the responsibility for a quota on young Albertans going into agriculture and forestry, two of our renewable resources. This Legislature has to take the responsibility as far as the quota in the area of engineers is concerned. There is just no getting away from that.

Mr. Speaker, I suppose if there's one group, though, in the budget speech that was the most forgotten, it would have to be our native people. These are the individuals who have a longer historical stake in our heritage than any of us, and I see precious little in the budget for them. There's nothing to assist as far as economic development for our natives is concerned. The only mention of assistance to them is included in the area of housing.

As far as housing programs for our native people are concerned, we already know that the rural and native housing program up to now has been bordering on disaster. The minister can go to Falher, or to Faust and McLennan, if he wants to go to two places to start to look. The reference to the rural repair program, providing assistance for Metis families, \$90,000: that's a cruel joke. Two million dollars for the emergency trailer program is another sad commentary on the government's performance for assistance to native people. Even the provision of 100 additional trailers this year will only accommodate

between 60 and 70 per cent of the families already on the waiting list, let alone any more who come along during the year.

Mr. Speaker, may I now quote from what I would regard to be an absolutely astonishing qualifier, which appears at the end of the Provincial Treasurer's statement with regard to budgeting on housing. It is a statement obviously designed to absolve the government of all blame if the housing programs don't work. The Treasurer's statement is:

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

That's absolutely incredible. The government is simply saying that if the housing programs for natives, low-income earners, and senior citizens are successful, we'll take the credit for it; if they fail, we'll blame local governments and local organizations. And that is after what this government has done to the Alberta Native Development Corporation. That's an incredible statement. In its typical fashion, this government will cut ribbons but won't deal with any of the problems. That's the commitment in the area of native housing.

I am pleased the Minister of Housing is in the House. This government's record in the area of native housing is . . .

MR. NOTLEY: Pretty weak.

MR. CLARK: . . . the worst it's ever been. That is this government's record as far as support to native housing is concerned. [interjections] Mr. Speaker, when we go back and compare the commitments of this government, what they've said and what they've done in that area, that statement bears saying again. It's the worst it's ever been.

Mr. Speaker, then there's that area where it talks about a 19 per cent decrease in support to native organizations; yet at the very same time the minister's native secretariat is going up by 12 per cent, supplies and services in the minister's area are going to go up some 21 per cent. But grants to native organizations . . . You know, from time to time in this Assembly we hear a great deal about volunteers. But grants to native organizations will decrease by 31 per cent. That's this government's effort to help in the area of native people.

Moving along very quickly, Mr. Speaker, I simply want to make this point with regard to housing: in a number of its housing programs, the government should not be too quick to pat itself on the back. The \$1,000 grant to senior citizens is good for those senior citizens for whom \$1,000 will enable them to come to grips with a situation in their own homes. But let's not be so callous as to think that deals with all the problems senior citizens have with home accommodations. It's a step in the right direction. Fair ball. The \$90,000 allocated for improvement of Metis housing is really a token effort.

Mr. Speaker, we have to look at this whole question of housing more from the standpoint of a co-operative venture between the local municipalities, the people affected, the government, and the industry. We can continue to go around — and I'm amazed: people from the housing industry tell me what they think is

wrong; the minister in the House tells me what he thinks is wrong; and the people who are trying to buy homes try to tell us what they think is wrong. It would be great sometime to get them all in the same room at the same time.

DR. BUCK: The minister knows all, though.

MR. CLARK: Yes, on occasion the minister has given the impression that he knows all. But I wish the minister would refresh his mind in the area of the resolution brought in in 1975 by our colleague the member from Brooks. He talked about using some of the money this province has to get the main trunk utilities to the edges of developable land. And the minister of the time — there was some indication the House would do that.

DR. BUCK: Maybe next year.

MR. CLARK: Well, maybe next year. But next year is getting just one year further along for an awful lot of people who want to acquire their own home. I go back to the hon. Minister of Housing and Public Works and say, dust off the proposal. It has a lot of merit — the idea of lending money to our municipalities, or doing it yourself if you want the credit for it. But get the main trunk utilities out to the edge of developable land in a number of areas in our major cities, so there is some real competition when it comes to lots.

We're not asking you to give the whole heritage savings trust fund away. Lend it at a low interest rate. Lend it also to Alberta families who want to acquire their first home. And not at 9, 10, and 11 per cent. Get it down so housing can become affordable in this province.

In my judgment three things have to be done very quickly. Get the main trunk utilities out to the edge of developable land in a number of areas of our cities, so there is some real competition, and do that in co-operation with the municipalities. Secondly, get interest rates down as far as housing is concerned, so that an important part of the heritage in Alberta does become affordable housing. It may be greater to have \$4 billion in the heritage savings trust fund than \$2 billion in surpluses. But we've got the highest rate of participation by women in the work force of any province in Canada. One of the reasons, Mr. Speaker, is that both husband and wife have to work so they can realize at some time down the road the possibility of even being able to dream about owning a home. That's not a very good part of the heritage as I see it.

Once again, and I've already mentioned the situation as far as municipal affairs are concerned: municipalities are the poor cousins in this province. We have a fantastically rich provincial government, and municipalities that are having really difficult circumstances. I think it's a 9.6 per cent increase this year, according to the Treasurer. But when you look at the figures, it gets much closer to 4 per cent.

I'd be remiss if I didn't say officially to the Treasurer, we're pleased the 10 cent tax on gasoline has been removed.

DR. BUCK: Atta boy, Merv. Just keep listening to me, buddy; we'll get you re-elected.

MR. CLARK: It took him some time to appreciate the significance of your advice, but it is a concrete indication of some progress as far as the hon. Member for Clover Bar is concerned.

Mr. Speaker, in conclusion, the budget speech states on page 16, paragraph 5, "The remainder" — i.e. approximately one-fifth of the increase of 12.5 per cent in the operating budget — "is to provide for a number of innovative programmes as well as significant increases in the quality of service in existing programmes".

This statement poses the question: how does the government measure the quality of service in any program, and how does the government determine that real value has been received from dollars expended? It's a matter of opinion — departmental officials, agencies involved, the public.

Mr. Speaker, the Treasurer has acknowledged that efficient government today requires that public spending be tied to specific social objectives. I agree with that and would go one step further. Such objectives should be spelled out for each program, and the government has moved some distance in that direction. The design of each program should include some measure for evaluation, so this Assembly and the people of Alberta could be advised beforehand just what the government hopes to accomplish. And we could also be advised on an annual basis whether in fact these original objectives have been achieved.

Mr. Speaker, we're really talking about the need for some quality of social indicators, some measuring device for the success or lack of success we're having as far as social programs are concerned, so we don't get ourselves into the position the Member for Calgary Buffalo raised the other day about the university. It was a valid point. He said, very often we just add dollars and dollars on top of other dollars.

Mr. Speaker, now is the time for Alberta to give some leadership to the rest of Canada in taking some imaginative steps to try to come to grips with this question of the quality of service. How do we develop some indicators? How do we establish some kind of mechanism that looks at the matter of society's indicators?

Mr. Speaker, in Canada today we have the Economic Council of Canada, The Conference Board, the C.D. Howe Institute, the Fraser Institute, Canada West Foundation: all excellent organizations, and more could be added to the list. These organizations are involved primarily in the area of economic indicators, and I think they provide a real service to government, the business community, and Canadians at large. We may not always agree with what they say, but they are a help in looking at the economic health of the country.

Mr. Speaker, I propose that the government seriously consider a joint venture between the private sector and the government to establish a foundation which would enable us to start to come to grips with the question of quality of care. Are we getting value for money spent? What about the real question of the quality of social indicators? My suggestion is based on a number of discussions I've had with people in the private sector and in the university community. My feeling is that there are those in the private sector who'd be prepared to become involved in this kind of venture. It would seem to me that in Alberta we might use the experience of the Glenbow-Alberta

Institute, where a private family, in this case the Harvie interest in Calgary, put some \$5 million into a fund. That was matched by the province putting \$5 million in the fund in the 1960s. I think it has been used in a very appropriate manner since.

What I'm suggesting, Mr. Speaker, is that between government, industry, and the business community, we could establish a foundation which would address itself to this question of quality of social indicators. It should be set up in such a manner that once established it could not be interfered with. Logically, the government should have some people on the board of directors, so should the other contributors, so should the public at large. But such an organization, like the Canada West Foundation, the C.D. Howe Institute, and other groups, would have sufficient independence that they could call it as they see it as to the kind of progress we're making in social areas in this country.

Mr. Speaker, that's an area where this government, by taking just a very, very small portion of money, heritage fund or otherwise, could set the wheels in motion not only to give some real leadership here in Alberta but to give some real leadership to the rest of Canada, in an area that I think many of our people in this province feel doesn't get the kind of attention it sometimes should.

Thank you, Mr. Speaker.

MR. McCRAE: Mr. Speaker, I find it a great pleasure to participate in this budget speech today. I think the budget in this very fortunate province, in this very fortunate country, is something we all can, are, and should be proud of.

Mr. Speaker, one wonders, looking at a budget like this, when he contrasts it to the other provinces, where he might begin. I think what I would like to do firstly is congratulate the Provincial Treasurer on his stewardship of our resources during this past term of office, and also, Mr. Speaker, to congratulate the government generally on its management of our economy. Mr. Speaker, the happy state of affairs we see here in Alberta doesn't just happen. It takes planning, it takes stewardship, on occasion it takes courage.

Before I get into the budget speech itself, Mr. Speaker, I would like to make some comments on the remarks of the hon. Leader of the Opposition. First, I find it almost humorous that when we got the throne speech two or three weeks back, he was condemning it as a nothing document, there was absolutely nothing in it, et cetera, et cetera. After the budget speech of Friday night, he is standing here today lamenting that there may be an election based on that budget. That's how good it is, Mr. Speaker.

AN HON. MEMBER: He's frightened. He's frightened.

MR. McCRAE: Mr. Speaker, I'd also like to direct my attention and the hon. leader's attention to a very serious error he made in his remarks. It was in connection with the suggestion for revenue sharing. I would almost have thought he might have been the Provincial Treasurer rather than the Minister of Education in 1971 when this government came to office. I make that comment, Mr. Speaker, because when we came to office in '71, it was stated that there was a surplus of something like \$650 million plus. When

the inventory was done, lo and behold, the cupboard was bare. Now on Friday night the Provincial Treasurer announced that we would have something like a \$689 million surplus this year. The Leader of the Opposition, due to some wizardry of calculation, concluded that we would have something over a \$2 billion surplus this year. I don't know if he didn't have time to read *Hansard* over the weekend, or whether he didn't have time to listen to the Budget Address Friday night.

It's amazing what you can do with statistics, Mr. Speaker. I could note that on Friday night 50 per cent of his caucus wasn't here. And you could lament that, saying that if the 50 per cent were here, and at least 25 per cent of those that were away on Friday are now here . . . But had they all been here on Friday night, they might have listened and paid attention to the Budget Address and observed on page 29 that in fact the surplus, or the figures that were used to determine the amount of the surplus, included known increases for oil in the foreseeable future. That would include the \$1 a barrel in July and the \$1 a barrel in January 1, 1979. So when he talks of revenue sharing with a \$2 billion surplus, in fact it's a projected \$689 million surplus — a minor calculation error of \$1.3 billion plus. Aren't we fortunate we don't have them doing the revenue sharing for us?

Mr. Speaker, another one of his comments was to cry out about the proposed capital projects. Well, Mr. Speaker, the simple answer to that one is: capital projects, government projects, are necessary from time to time. The secret is to do it when there is something like a downturn in the economy so you're not overheating it. It's simply a question of when the projects must go forward, and the time obviously is when the economy has slowed down somewhat.

He also made comments about hospitals, hospital care, native housing, and housing in general, and I would like to come back to that, Mr. Speaker.

As I said earlier, our happy situation here in Alberta just didn't happen. In 1971 when we first came to office, the Treasury was virtually bare, our level of social program was modest indeed in comparison with other provinces of Canada. So we were faced with a catch-up period. How were we going to catch up? We had to find the resources.

We made some decisions, Mr. Speaker. They were bold decisions. One of the first ones was to insist on a fair return for our depleting natural resources. That meant some spirited discussion, some strong representations and disputes with the federal government and the other provinces. Our Premier and the members of the government all took an active part in those negotiations, those discussions. In fact that is the reason we have the kind of resources we have here in Alberta at this time. Had we succumbed to the suggestions of the Member for Spirit River-Fairview or his party and gone with an export tax and let the federal government pocket that, rather than insisting that it come back here for the benefit of Alberta and Albertans, both private people and the explorers, we wouldn't have the happy financial situation we have here today.

Mr. Speaker, another good decision we made was the ALPEP decision in December 1974. That was to assist the exploration companies, the producers, in light of the very strong negative position the federal government had taken: the double taxation, and other

measures that were imposed against the oil companies. We came to the rescue with ALPEP, which extended assistance to those who would do exploration in this province. That program was a courageous program, Mr. Speaker. It was a program to assist the private sector; not to jump in and have governments do it but to let people in private business, small and large, get in and do it.

Now what has been the result of that, Mr. Speaker? Another munificent return for our provincial Treasury. In the past year we've had discoveries in the West Pembina area. We've had several natural gas discoveries. These projects have extended the reserve picture for Canada, they've given us projected additional returns, they have given us new job opportunities. They have also made employment opportunities for people, not only in urban areas but also in the rural areas. So let not those who would criticize the program forget the impact on their rural constituents.

Mr. Speaker, the drilling rig utilization in Alberta is higher now than it has ever been in our history. That is having very positive results, both in discoveries and in terms of eventual reserves and financial resources for our Treasury. Additionally, Mr. Speaker, we made a very courageous decision to support the Syncrude project. At a time when the hon. Member for Spirit River-Fairview, who is not here at the present time, was condemning our participation, we made a very courageous and necessary decision to keep that project going. In terms of advancing technology, in terms of spinoff effect for suppliers, engineering firms, and small business throughout the whole economy, that project had to go ahead. Additionally, of course, the reserves inventory and our balance of payment were necessary components of that.

Right now we are discussing the Cold Lake proposal of Imperial Oil, and whether or not it should go ahead. In my viewpoint it should, Mr. Speaker, if we can accommodate their royalty requests, if we can reach a fair division of return on the production that will ensue. That project is important, again in terms of jobs, technology, future oil supplies, and future energy resources.

Mr. Speaker, I've heard the members opposite questioning our ministers, obviously in opposition to the Cold Lake proposal. I've also heard them on the radio, and it makes me wonder where they stand on this. They talk about jobs, new opportunities — if you were against the Cold Lake proposal with its spinoff effect to all Alberta, what are they for? Mr. Speaker . . .

DR. BUCK: The Horner technique.

MR. McCRAE: . . . the Cold Lake proposal will mean many, many jobs to Albertans. When you're against it, opposition members, I suggest you come down to the unemployed Firestone workers in Calgary. See if they're against new jobs. I suggest you talk to some of the one million unemployed across Canada and find out if they're against jobs. I suggest you talk to the mothers of graduating students who I suspect might reasonably anticipate employment with manufacturers, suppliers, engineering firms, all those who would make their contribution to the Cold Lake project. I also suggest that they talk to an energy-hungry nation.

Over the weekend we saw the president of Imperial

Oil forecasting an oil deficit, increasing oil imports in the 1980s unless we get new reserves. Well, the Cold Lake project is one way of doing that, Mr. Speaker, and I suggest we get on with it.

I was at a meeting just a couple of days back, and the question came up: how do you identify or tell one political party from another? And this unbiased, non-partisan person from the audience got up and said, I'll give you a suggestion. Imagine a person caught in the current of a stream being swept downstream. What do you do? If you approach a Progressive Conservative, he will take a rope, first of all affix it to a firm foundation on shore . . .

AN HON. MEMBER: Put it around your head.

MR. McCRAE: . . . throw out the rope to the individual and give the poor suffering individual an opportunity of coming to his own rescue along with the Conservative.

What would the Liberal do? The suggestion by this person was that he would throw the rope out, but forget to anchor it on shore — obviously of no benefit to anyone at all.

What would the NDP, the new democrat, do? He would throw so much rope out, unsecured at the end, that it would light on the unsuspecting person drifting downstream and being so heavy and unsecured both he and the rope would sink.

Mr. Speaker, that's exactly what happened to the oil industries in British Columbia, Saskatchewan, and Manitoba at the time they had socialist governments there. The assistance of the governments in those provinces was to overload the royalty burden to the extent that they stifled, stagnated, and killed the industry in those areas. Right now with changes in government the industry is coming back to Manitoba. It has come back in measurably substantial degree in British Columbia, and of course in Saskatchewan they've somewhat seen the light and are easing the restrictions so the industry is able to become active again.

Someone might say, in the little story of how you identify political parties, what happened to Social Credit? Mr. Speaker, there's just no way of telling where they would have been on that or any other issue.

Mr. Speaker, if I might refer to some of the very tangible benefits bestowed by the budget. First of all, let me refer to the elimination of the gasoline and fuel oil tax, a 10 cent reduction to nothing, to zero level. The members opposite would like to take credit for it even though they first applied it, I believe, in 1969. In any event, that's a very happy state of affairs for all Albertans, whether the Sunday driver, the gentleman going to work or his wife going to work, the truck drivers, the municipalities, or the taxi drivers; the municipalities in terms of — and it came out in the question period today — their construction work, their highway work. It's my understanding that the reduction of 10 cents in gasoline and diesel fuel tax may in fact lower their construction costs by almost 5 per cent, a very significant contribution to their treasuries.

AN HON. MEMBER: What about the tourists?

MR. McCRAE: What about the tourists? Well, Mr. Speaker, that will be a real encouragement to tourists to come to this province, and create jobs, create new opportunities for the young people, the business people, small and large, of Alberta.

The province with no sales tax, the lowest income tax, and now no gasoline tax has to be a Mecca, a haven, for tourists, and that will have a manifest spillover for all Albertans. To begin with, in terms of natural endowment we are a richly endowed province for the tourists. Couple that with the imaginative programs of this government and we will see many, many tourists here, many, many new job opportunities and, of course, more taxes flowing into the Treasury because of that happy circumstance.

In terms of the home care program, Mr. Speaker, we've announced a \$3 million contribution to a health and home care program beginning this year which will grow to \$14 million by 1981, 1982 — surely something that would have the support of all members of this House, a program that will enable the pioneers of this province, the people who made it all possible along with the Progressive Conservative government, to stay happily in their own homes.

What about the budget in terms of senior citizen assistance? In addition to earlier budgets and programs which have benefited them so much, we now have a new program which will raise the minimum education tax refund for senior citizens from \$200 to \$400. It also raises the renter assistance from \$150 to \$250. And for the home-owner living in the smaller home the minimum refund will be increased from \$100 in 1977 to \$200 in 1978.

Additionally, Mr. Speaker, we have a day care program. I won't go into the details of that. Suffice it to say that it has been worked out between a committee representing a cross section of Albertans so that there was good consultation, communication, and input. It is a \$6 million program this year, and will assist those in need, recognizing the private sector at the same time by allowing the payment to follow the child and not necessarily go to a government-supported institution.

In the culture area we have a \$2.5 million program of direct support for the performing arts. If I could just relate to the Calgary experience, I can look at the theatre groups, the philharmonics, all sorts of cultural organizations who are so happy and proud of what this government has done in the past, and will be more proud and more active with new programming for all the citizens of Alberta in the future. I'd like to congratulate the minister for proposing the extension of this very worth-while program to our government.

What do we have in the library area? A 500 per cent increase in support for libraries in two years. Can anything surpass that?

Mr. Speaker, in terms of housing we've had about a \$700 million program in the past year. Our program in Alberta is the most active by far in Canada. We still have some problems in housing, but that is because of the affluent nature, the active nature, of our economy, because of the thousands of people coming in from other provinces, because of the attractive situation here in terms of jobs and in terms of opportunity. And that, of course, will force housing prices upward. I think our minister deserves, along with the rest of the government, a real accolade for his program in trying to maintain pricing at a reason-

able level. He's done very, very well indeed.

In that area I must say that I have been to a lot of sod turnings for senior citizen projects and also to a number of ribbon cuttings. I expect to be at one in my Foothills riding. It will be the first one in that riding, because it is a young riding. Recognizing the growing need, we will have a sod turning within the next two weeks for a senior citizen complex.

Mr. Speaker, other areas of the budget that deserve an accolade are the reduced and eliminated health care premiums for 168,000 Albertans. If I could come back for a moment to the question of municipal assistance and the reference by the Leader of the Opposition to our poor cousins — I don't like to get mixed up in the numbers game, but if I could just refer to a table which gives an indication of the transfer payments from this government to the municipalities over a period of years. I'll just pick a few areas at random and deal first with the 1971 period, then come to the '77-78 period.

In terms of unconditional assistance, the 1971 grant was \$38 million; in 1977-78, \$60 million. Transportation grants in 1971, \$24.8 million; in 1977-78, \$65 million — a tripling in that short time. In the health and welfare area, from \$9 million in 1971 to \$19 million in 1977-78 — more than a doubling. In the area of recreation — and this is extremely important — from \$1.3 million in 1971-72 to \$24.5 million in 1977-78. Total conditional grants over that span of five and a half years: from \$36 million conditional assistance in 1971 to \$150 million in 1977-78. Total transfers to municipalities in 1971 were \$74 million, and in 1977-78 they are \$210 million — Mr. Speaker, a threefold increase in just that short period of time. A remarkable achievement, something this government can take extreme pride in.

We heard the hon. member opposite criticizing the contribution this government has made to the universities. I'd like to compare the university grants here in Alberta with those elsewhere for just a moment. In Alberta this year they're 8.25 per cent. I travelled around the University of Calgary campus yesterday. It has had spectacular growth in just a few years. There is a crane there now constructing a new building, and being a new university, all buildings are comparatively new. The activity on that campus is something we can all be proud of, and I don't think any of us feels they've been deprived at all.

Anyway, Mr. Speaker, the Alberta grants this year will be 8.25 per cent. In Manitoba they are 2 per cent, in British Columbia 6 per cent, in Ontario 5 per cent, and in the maritimes a decrease. And here we are with the opposition members decrying the level of support for the universities.

Let me refer to the health service premiums. I'll just make one comparison. In Alberta the cost to a single person — and the Leader of the Opposition was condemning the very modest increase we had in this area — is \$91.80. In Ontario it is \$264. A family premium in Alberta is \$183.60, and in Ontario it is \$528. Couple that, Mr. Speaker, with the sales tax and other heavy taxes they have in the other provinces and look at the very attractive situation we have here in Alberta.

We have the Leader of the Opposition crying out for more expenditures. We also hear him in the next breath asking for leadership, some means of measuring the level of spending. Well, we've had that lead-

ership. We had this government announcing in 1976 a restraint program of 11 per cent. That was followed very shortly by the federal initiative calling for an anti-inflation board legislative program. That followed our leadership here, Mr. Speaker. In 1977 we announced a 10 per cent restraint program; again that was leadership. This year we have announced a program, a guideline to the municipalities. We've taken off the per cent of number, but the guidelines and the leadership are still there.

But what happens? We have the Leader of the Opposition standing up and crying for leadership. At the same time, what did we hear over the radio and read in the news all weekend? It was the same person crying out for increased assistance to the municipalities, the universities, the hospitals, the total education system, areas that are already the most handsomely and best financed in all of Canada. But the moment there is any pressure, he succumbs to it and leadership is forgotten. He is saying, you've got to give them more and more and more. Well, Mr. Speaker, I'm sure there will be opportunities to give each of those areas more in due course of time, but surely the restraint program is a method of showing leadership and fiscal responsibility. Surely if there were to be any sharing of additional revenues, it would not be on the type of figures we've heard today from the Leader of the Opposition, where he came up from our projected surplus of \$689 million to an imaginary \$2 billion plus.

Mr. Speaker, I've never felt prouder since becoming a member of this government than I was Friday night, over the weekend, and expect to be in the weeks ahead in hearing our budget speech which, coupled with the throne speech, I think is a program, a project, a level of service opportunity here in Alberta comparable to none in Canada. Alberta is indeed the envy of all the other provinces, both government and people, and that's reflected by the number of people rolling in here day by day, looking for jobs.

That's why I think a program like the Cold Lake project and perhaps the next oil sands program should go ahead — because we have a responsibility here. We should show leadership, and the leadership and responsibility we will show will reflect itself, finally, in additional revenues for our Treasury, which will enable us to carry on further and better programs such as we've been doing because of leadership and management and planning. Additionally, for the people of Canada it will mean jobs in manufacturing, jobs in the local area, jobs for rural people, farmers who will be able to participate in the activity that takes place in the Cold Lake and other energy developments, the West Pembina developments, the drilling developments here, there, and all over the province.

Mr. Speaker, I think the budget Friday night was a proud moment for the Progressive Conservative government in Alberta. It reflects our leadership, our management of the abundant resources that are bestowed on us. I think it's a budget that all members can and will support. I might finally comment that I thought the opposition criticism was timid at best, and I can understand that because there was very little there to criticize.

MR. PURDY: Mr. Speaker, it is my pleasure this afternoon to make a few remarks on this budget. I can very honestly say that I'm very proud to live in Alber-

ta, to be a Canadian and an Albertan. I look at the other documents that have been tabled in the legislatures in Saskatchewan, Newfoundland, and Ontario. I compare them with this document here, and there is just no comparison between what we have in Alberta and what the other three budgets have in them.

I listened with interest this afternoon to some of the remarks made by the Leader of the Opposition. It appears now when he is saying that they are against any capital projects, especially in rural Alberta . . . I don't know how this is going to go with the people in rural Alberta who at one time may have supported that party. He says there should be no capital expenditures out there whatsoever. We have increased the capital expenditures 31 per cent in this budget.

I did an interesting breakdown over the weekend, not looking at hospitals or housing but the moneys that are going to rural Alberta compared to urban Alberta. The rural sector will get about \$460 million in capital works, and the urban areas such as Edmonton, Calgary, and the other cities will get \$372 million. I think that's a fair indication that the rural part of the province is being treated quite fairly.

When he says it's unwise to go into capital projects, I just don't know what he means. As we know, the Syncrude project will be winding down, and this is one way to take up the gap right here at this particular time.

He also makes some remarks regarding the per capita debt of our municipalities. Over the weekend I read in the *Edmonton Journal* a remark by the Mayor of Edmonton which I think is irresponsible. The headline is It's not enough: Purves. "No matter how much the province increases its grants to the city, it's not enough," Mayor Cec Purves said Friday night." I think that's an irresponsible statement, when he should have looked at the budget and seen what programs are there for our municipalities.

Just to enumerate some of them, Mr. Speaker: we have \$15 million for Edmonton and Calgary for major transportation thoroughfares; the elimination of fuel oil and gasoline taxes, which is a substantial amount of money for the city of Edmonton; unconditional assistance grants for the cities; the natural gas protection plan, on which the city of Edmonton made very little representation to the cabinet — this was done through the federation of gas co-ops, a rural-oriented group of people; a municipal debenture interest rate program of \$16 million for municipalities; Capital City Park in the city of Edmonton; policing grants, which are fairly substantial; and unconditional grants up to 12 per cent for growth centres, and I believe Edmonton is in that particular area. So I don't think the Mayor of Edmonton has that much to oppose in the municipal end of this budget.

Today we also heard the Leader of the Opposition decrying there was nothing in there for the farm population. He said this during the throne debate and in the budget debate today. Mr. Speaker, I'd just like to enumerate some of the things that have recently been done for the farm community. Farm fuel allowance — this is the only province in Canada that has taken a substantial step to look after the concerns of the farm input costs for farmers. Farm lending programs . . .

MR. PURDY: Mr. Speaker, if the Member for Clover Bar wants to speak, I will sit down and let him have my place.

AN HON. MEMBER: No, don't. [interjections]

MR. PURDY: Farm home lending programs. Many capital projects will directly affect the farmers working out. The rural gas programs; the rural gas price protection plan; transportation, a substantial amount of money for new secondary roads — and this will shorten our hauling costs, give us better roads, and get us closer to markets; \$18.7 million dollars for production, marketing, and rural development grants for the farm community; assistance to senior farmers — no supplementary requisition on education tax now for them. I've just compared capital costs between rural and urban areas, not comparing the housing and hospital moneys, as I said earlier.

The other remark he made was in regard to nothing for the native people. I would refer the hon. Leader of the Opposition to page 263 of *Hansard* of March 17, and the remarks made by the Minister Without Portfolio responsible for Native Affairs. I think a substantial amount is being done for the native sector in Alberta.

The other thing he commented on this afternoon was the lack of housing in Alberta. As the *Edmonton Journal* put it the other day, he said high housing costs were one reason for the high participation rate of women in the Alberta work force. He said there was nothing in the budget that makes home ownership possible for these people. Let's just enumerate some of the programs we have in this province, under the Minister of Housing and Public Works. We had 38,000 new housing starts last year, and that kept up with our growth. This year there is \$185 million for 3,180 homes, and this includes 1,000 public housing starts, 1,548 senior citizen rooms, and native housing of approximately \$18 million. There's also \$292 million mortgage money for 7,750 housing starts, 750 mobile home pads, and 2,500 residential lots allocated in this budget. There's also \$141 million for 3,600 units to be utilized through: (1) direct lending programs; (2) starter home ownership; (3) farm home lending program; (4) modest apartment program; and (5) core housing incentive program. I think there's a fairly significant record there, Mr. Speaker.

I'd also like to speak for a minute on the private sector in this province, the contribution they make. We have the private mortgage companies that are making mortgage moneys available at an average rate across Canada. We also have our private home builders. I guess the Leader of the Opposition must be decrying what his nominated Social Credit candidate in the Stony Plain constituency is trying to do. The gentleman they nominated out there is a large house builder, and when he says the private sector is not doing anything for housing starts, I wonder what this Social Credit candidate's going to think. I have a lot of respect for this person they have nominated, but when their own leader comes up and makes statements like this, that the private sector is not doing its job, I then question the leader's credibility in that regard.

Fifty-two per cent of our revenue in this province is derived from non-renewable resources, and in a number of budget speeches we've heard a lot of emphasis put on the oil industry and its contribution

DR. BUCK: We own the lousy stuff. We should.

to the economy of Alberta. Mr. Speaker, on a number of occasions we have forgotten to mention what the two private power companies are doing in this province. That's mainly Alberta Power and Calgary Power. The Sundance plant is still going ahead with a construction force of about 700 men, and at full operating capacity it will have an operating staff, including the coal mine, of about 350 people. The Keephills area will go this summer. Keephills will probably have 300 men at the site by this time next year. Forestburg has another large commitment this year and will be employing about 700 men. Sheerness is now in front of the Energy Resources Conservation Board, and I understand Edmonton Power is asking for another plant out in the Sheerness area.*

There was one thing in the budget that concerned me with regard to fire-fighting grants. We say we're going to spend \$1.8 million to upgrade the fire-fighting school at Vermilion. For the past two years I have had a private member's bill in front of this House asking that we upgrade the fire-fighting facilities in rural parts of the province, mainly in some of our counties, municipal districts, IDs, and special areas. There is a lack of adequate fire-fighting equipment in these areas. So I am just questioning why we would want to upgrade this before we actually put some adequate equipment into some of our rural areas.

I'd like to just dwell on some of the things that have been happening in my constituency. The natural gas price protection plan has been very well received. I attended two rural gas co-op meetings, one on March 3, I believe it was, and the other on March 10. I attended the two meetings last year and there were a lot of questions, but with the announcement on February 24 by the Minister of Utilities and Telephones, there was not a question at these meetings. It appears that both co-ops are going ahead quite well and are going to have an expanded program this year, as well as the other co-ops in the province. At that meeting I compared the price of natural gas to the consumers in the Ste. Anne Gas Co-op. It's \$1.44 per MCF. I compared it to the Vancouver price of \$2.78. I also compared it to the price of propane that the farmer in Saskatchewan is using because he hasn't got the rural gas program in that particular province.

Highways and the transportation network: I think we have been on the receiving end, and we have done quite well out there. Mr. Speaker, this afternoon I would like to recognize our highway maintenance crews, not only in my constituency but throughout the province. These people go unrecognized in some of the things they do. They're out there at the start of storms clearing snow, sanding the road in sometimes dangerous conditions, and their work goes unrecognized by a lot of people.

I've appreciated the work that has been done in the past six years in the Stony Plain constituency, and there's some more to be done. I understand Highway No. 16 from Wabamun to Gainford will be twinned in the next year or so. So will 118 Avenue, or 16X — not twinned, but rebuilt up to the Stony Plain interchange. I have to go back to the city of Edmonton and ask when they are going to do their portion to upgrade that section between 156 Street and 170 Street, because there's no use the Minister of Transportation funnelling money to do 118 Avenue until

the city has upgraded theirs.

The secondary road systems in my constituency: I understand 770 will be paved and the Darwell road will be upgraded, which will give us a connecting link between Highway 43 and Highway 16. I greet with interest the extra moneys allocated in the budget for industrial roads, and I'll be talking to the Minister of Transportation to get some money funnelled in to look after 627, which will be the new industrial road to the new Keephills power plant.

In the constituency we have a court case going on right now between the town of Stony Plain, the county of Parkland, and the Department of the Environment over burning. I'm going to watch this court case with interest. I'm also going to watch the outcome of the proceedings on the AMOCO blowout at Drayton Valley and see if any charges will be laid to AMOCO, because I feel they did a lot more damage than what is in front of the courts right now.

I'm happy to see we have come to an agreement on dewatering. It's a two-year agreement which appears to answer all concerns, and it's open enough that it can be opened up between the farmers, the Daon Corporation, and the town of Stony Plain.

I'd also like to compliment the Minister of the Environment. Last year we had some problems with the Sturgeon River and the high level of Lac Ste. Anne. I had a couple of meetings with the minister, as I did with concerned citizens in the Lac Ste. Anne area. First of all, we tried to remove weeds to get a better flow. That didn't work, and then the minister took it upon himself to remove a dike, which substantially lowered the lake level of Lac St. Anne.

The Sturgeon River basin study is now out. I think it should be accepted, and I think the Member for St. Albert will agree with that. We should accept that and start implementation of the programs that should be carried out to control the water level of the area.

The Member for Vegreville in his remarks on the throne speech indicated that he was a little bit upset by the power plant development not going into the Dodds-Round Hill area, and that some of it should have gone in there to give them some economic growth in that area, give the farmers some added off-farm income. The project to go to the Keephills area of my constituency has now been okayed by the cabinet. We have a citizens group out there, Mr. Speaker, that was concerned about the operation, but they didn't approach it the same as the people from Dodds-Round Hill did. They approached it in a fair, democratic way. They have formed an action committee called COKE, the committee on Keephills environment. [interjections]

I'm glad I didn't either. I can look after the people in my own constituency.

AN HON. MEMBER: Where's Batiuk?

MR. PURDY: I don't know. Maybe he's trying to rally out here.

As far as I'm concerned this COKE committee acted in a responsible manner, not only with their own problems in mind but in consideration of the province of Alberta as a whole, that the power project will help the area. It will also help the farmers in that area. We just did a survey and 70 per cent of the farmers in the Keephills-Highvale area are now working either for Calgary Power, Manalta Coal, or the construction

*See page 326, right column, paragraph 6

companies.

I want to thank you, Mr. Speaker, for sending those scrolls to the schools in my constituency. The Minister of Housing and Public Works dwelt on it in his throne speech, and he broke it down into the number of schools he visited. Well, I went further than that. I broke it down to 13 elementary schools, or 180 classrooms, or 3,000 students I visited during the week and a half. The teaching staffs of the County of Parkland, the County of Lac St. Anne, and the separate school in Stony Plain I believe are of high calibre. When I went into these schools they knew I was coming, knew what my position was, and I think the teachers had certainly done their homework with the student groups I met. So indeed it was a pleasure, Mr. Speaker, to visit these schools. In that way I got first-hand information on what may be required down the road in the constituency, because we are still in a fast growth area. Our area out there grows more than 10 per cent a year, and some of the schools we recently opened are going to be filled by the 1979 term year.

Regarding schools, I'd like to comment on the Enoch School which was opened on September 15 last year and officially opened in February of this year. This is the first native/white school in the province of Alberta, and I believe probably the first in Canada. An agreement was reached between the federal government, the provincial government, The Enoch Band, and the County of Parkland. They teach from grades 1 to 9, and it appears that the whole concept is being well received in both communities. So I congratulate the ministers who were involved in that, and I think they set a precedent for other areas of the province.

We've heard a couple of times in this Legislature, Mr. Speaker, since we started here on March 2, the Leader of the Opposition saying that this government is not open and responsive. I'd like to enumerate about five different incidents that I've had in the last year to show that this government is open and responsive. We've had our problems out there regarding county policing. We met with the Solicitor General many times over this problem. It's resolved to satisfaction now, but it was through the determined efforts of the minister, me, and the people out there that the meetings were held, and it shows that the minister was open and responsive to meet with these people. He did not renege on his duties as Solicitor General of this province. He took it on himself to meet with them. He also met this morning over the same problem with the Enoch police and the band chief out there, Jim Brule.

We've had a couple of meetings with the Minister of the Environment, and I talked about dewatering in Stony Plain. We held two meetings with a concerned citizens' group out there — the minister and I did. Mr. Russell phoned me one morning and said that we were about ready to sign the agreement for a two-year term: "Have you any concerns?" I said, "Have you talked to the Parkland Waterwell Association?" He said, "No, I haven't". So I said, "I think it would be a good idea if you would consult them". I then phoned the chairman and told him that the document was about ready to be signed. He thought we should also have a meeting with the minister. That was about 9 o'clock in the [morning]. At 1:30 that afternoon, Mr. Speaker, we were in the minister's office.

Is that not being open and responsive?

We've also met with the Minister of the Environment over the Sturgeon River and the high water level there — with the summer residents of Alberta Beach and the other concerned citizens. We've had meetings at a minute's notice with the Minister of Transportation regarding 118 Avenue or 16X; his door is always open to our community. Municipal Affairs: both ministers, the Minister of Municipal Affairs and the Minister of Transportation, met at a minute's notice with the council regarding the division between the two counties; the County of Parkland splitting it at the east end and the west end, also taking in part of Leduc.

Another area where I think the minister on the front bench has been very open and responsive is in the Department of Agriculture. We have a stop-payment group in the province now, made up of a number of concerned farmers. Last year about this time the Minister of Agriculture met with these people on very short notice. The Deputy Premier attended two public meetings. At the last public meeting I, the Member for St. Albert, and the Minister of Transportation, the Deputy Premier, attended. I would like to share with this Legislature a remark made that night by the chairman of this particular group. He said, we are pleased to have three MLAs out this evening — indicating me, the Minister of Transportation, and my colleague from St. Albert — but more particularly, I'm very happy to have here Dr. Horner, the Deputy Premier; not very many other deputy premiers in the Dominion of Canada, with the responsibility and workload they have, would come out to a meeting of this nature.

Now I mentioned in my remarks on housing, Mr. Speaker, that the Social Crediters had nominated a chap out there — he's a house builder. But I was stopped in the street in Stony Plain on a Monday morning before coming into Edmonton, and a chap there said to me, did Social Credit have a nomination meeting on Saturday? I said, I don't know. So I went to the Chamber of Commerce meeting, and I introduced myself to this newcomer at the meeting. I was introduced as the MLA, and a few minutes later this other person was introduced as the newly nominated Social Credit candidate. I thought it was quite interesting. I read the papers and listen to the news, and I never heard anything. The local press was also sitting there, and they asked this chap for an interview. He said, no, I won't be giving any interview. The news release will come out from our leader's office in Edmonton. Now I don't know if that's being open and responsive or what.

The following Saturday when I was in my office in Stony Plain, in the coffee shop there I confronted a person who came over and sat down with me. He asked me the same question. I said, yes, I guess it is out now that they did hold a meeting. He said, you know, Bill, I've been a Social Creditor for a long time and you know it. Have you got a book of PC membership cards? I said, yes I have. He said, what are they? I said, \$3, and he said, sign me up. So we have one more committed member out there.

Mr. Speaker, it's been a pleasure to say a few words on the budget debate, and I'm looking forward to the remarks of other members.

Thank you.

MR. STEWART: Mr. Speaker, I, as well I'm sure as the rest of our caucus, enjoyed listening to the Provincial Treasurer read the Budget Address on Friday night. I was agreeably impressed, as I'm sure most Albertans were, with the details and the thought that went behind it.

In viewing a budget, I'm often given to the thought of what we are trying to achieve. In this province I think we have an awful lot going for us. Every other part of Canada is envious of our position. But we've also got to be responsible and achieve certain goals in order to satisfy our people. Balanced growth is something we've all agreed is the ultimate outcome of good management of our natural resources, and our agricultural community is very much aware of the fact that our non-renewable resources are playing a very large part at the present time.

Maintaining the services we've already established, Mr. Speaker, is a very vital part of any budget. You commit yourself to programs, and you have to recognize that in inflationary times it's going to cost you more money down the road to maintain these programs. Consequently, I think the budget reflected our commitment to carry out, to the same degree, all programs we have started.

Our educational system is certainly being carried on in an adequate position with anywhere in Canada. I think we have to recognize that in technical training, on a per capita basis, we are probably far ahead of anywhere else in Canada. I think this is a very vital part of our educational system at this time, when we have a fast-growing industrial development taking place. If we want our young people to have a fair share of the jobs we are creating, they've got to be trained adequately to be able to take advantage of this. I think this is one of the very vital parts of an educational system: that it's tailored to the needs of the country.

We also have to recognize that we have had a 3.4 per cent growth in our population by people migrating to our province for the very reason that the rumor is out that jobs are available. Many of these people who immigrated came unequipped to be able to participate in the job opportunities that were there. They will become a group of people that will, in many instances, have to be retrained before they can participate and be an asset to the province they have moved to.

I think we have taken on this responsibility recognizing that when we have an unemployment rate in the rest of Canada much higher than in Alberta, this is going to be a natural fact: people will migrate to where there are jobs. You have to commend people who have enough initiative, when they're unemployed in one portion of the country, to move and try to better themselves and seek employment.

Getting back to my favorite topic of agriculture, Mr. Speaker, I think the elimination of tax on fuel oil and gasoline was probably one of the most welcome parts of the budget. Certainly it seemed to be the part that caught the eye of most people; also the transportation assistance on farm fuels being increased to 12 cents a gallon was a very welcome portion.

I think rural Alberta has much to gain by the elimination of gasoline and fuel oil tax, recognizing that most of our commodities are transported by truck from the major centres of the province to the rural areas, and also that most of our livestock products,

particularly, leave the farm by truck and are transported to the [cities]. A very vital part of the cost of trucking in this coming year is going to be covered by the elimination of this particular tax. Consequently, possibly agriculture will be able to hold the line on the cost of transportation of its products for the coming year.

I think we have to recognize in our budget that the people on fixed incomes in our province were all recognized in a special way. Our senior citizens received tax concessions that will ultimately mean a \$13 million break for those people in that particular way. The home care program that is worth \$3 million is going to be a significant help to our senior citizens in helping them maintain their own homes and continue to live there. While they are there, Mr. Speaker, they will be much less a burden on the province expense-wise. I think this money will ultimately prove to be well spent.

I think we've recognized that with the gravitation of many people to our province, some of them coming here untrained are ending up on social assistance for some period of time. This is unfortunate, but in this day and age it is a recognized fact that we do have programs to help people who migrate and are dislocated until they can be self-sufficient.

I believe day care, announced previously and again in the budget, will be an ultimate form of help that will get people back into the work force. I think this is very important. Our single family homes . . . Without day care it's almost impossible for those people to seek employment and be self-sufficient. I believe this is also going to be a real asset to our younger parents, so they can carry on for a period of time and enjoy the opportunity to bring home two pay cheques until their family responsibilities become too large and they have to revert to one.

Our medicare premiums have been eliminated for all families with an income of less than \$9,200. This is another form of social help that I think will be an asset to our lower income people. I think the hospital construction — 150 beds in rural Alberta — is going to alleviate the problems we've had with some of our older hospitals that have deteriorated to the point where reconstruction is probably the best solution to the problem.

As far as I'm concerned, Mr. Speaker, the money that's been put into capital construction from this budget is going to be a real asset to keep our construction industry alive and viable in a time when we do not have a major industrial development taking place. I think this is a wise move. Small and large contractors all employ men: once they're into the province and established in the construction industry, if we don't have a continuation of that type of work we could end up having a lot of these people on unemployment insurance and ultimately some of them on social assistance. It's a recognized fact that with the high cost of living a lot of younger construction workers don't seem to put much money away in the period they are employed and consequently could soon become a problem if we do not keep a balanced construction program in place.

The hon. Leader of the Opposition seemed to be quite critical of the fact that we had quite an expansion in our capital construction this year. It means more hospitals, more nursing homes, additions to universities, senior citizen home improvement pro-

grams. All these things are very vital to the construction industry. Even the smallest of them reach out into the smaller centres and keep viable the small contractors who have come to depend on that way of life for a living. I think if we can balance this out — it may not be popular with the Leader of the Opposition, but I'm quite sure the rank and file of our working people are going to recognize that there are going to be job opportunities in almost every part of the province this coming year as a result of this.

In transportation, I was very pleased to see that we have a 26 per cent increase in our capital for primary highway construction this year and a 38 per cent increase in our secondary highway construction. These roads become a network very vital to the balanced growth of the rest of our province. In the past in the eastern part of the province north-south highways were non-existent. They've now become a reality in Highway 41 from Medicine Hat to Cold Lake. With the expansion of the oil industry in Cold Lake and the Lloydminster-Wainwright areas and on through to Empress, and the Suffield block in the south, I think this highway will certainly see a lot of traffic. There is no doubt that as transportation is a vital link in agriculture, some of our agricultural products will be using this to go down to the irrigated part of the country where we have a lot of cattle feeding. A lot of feedstock out of our area ultimately ends up in that area to be finished.

I'm also very pleased that we have a 39 per cent increase for airport construction. The network of small airports around the province that have been developed, and are continuing to be, are a very vital link. Our oil industry people use them extensively, and the balance of our industries as they develop find ready access to air transportation to practically every part of our province. I think this is a very vital, exciting way of developing a country, especially in the north where roads are not all up to standard and in some areas almost non-existent. But with air transportation oil companies' exploration can go on. I think the money we are spending on airports is probably putting Alberta at the top of the list in Canada with this type of accommodation, and I think it's to be commended.

I see, Mr. Speaker, that my time has run out, and I thank you for the opportunity of addressing the budget.

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

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

HON. MEMBERS: Agreed.

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

HON. MEMBERS: Agreed.

[The House recessed at 5:32 p.m. and resumed at 8 p.m.]

MR. SPEAKER: May the hon. Minister of Agriculture revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS** (*reversion*)

MR. MOORE: Thank you, Mr. Speaker. On behalf of my colleague, the hon. Member for Edmonton Otte-well, I would like to introduce to you and to members of this Assembly 50 cubs from the largest hamlet in the world, Sherwood Park. These boys are a combination of various packs and are accompanied by their parents and leaders. I would ask them to stand and be recognized by the Assembly.

head: **GOVERNMENT MOTIONS** (*continued*)

MR. LYSONS: Mr. Speaker, it's indeed an honor for me again to represent the Vermilion-Viking constituency. I certainly feel when I'm sitting behind this desk that this desk belongs to that constituency, no one else.

I would like very much to compliment you, Mr. Speaker, on the way you handle the business of this House in your usual good fashion. I would like also to compliment the Premier for the way he handles the government and the affairs of the people of Alberta. And of course the hon. Provincial Treasurer is doing a job as are other ministers, who are second to none in Canada. Beyond a doubt, we have the strongest front bench in Canada. I think this is amply proven when we have the opposition suggesting today that they brought in the first billion-dollar budget in this Legislature. Yet they're complaining because we spend \$2 billion on education, health care, and health services — but that's not enough. It wasn't too many years ago that they happened to be head of this government. But from a billion-dollar budget in total to over \$2 billion in health care and education, I think augurs very well for the present government.

Mr. Speaker, I would like to say something about my reception on the weekend regarding the budget and how people in my constituency reacted to it. I took some time to phone some of the contractors and businessmen who are affected by this 10 cent a gallon provincial sales tax on gasoline that was dropped. One young man in business, younger than me, who has some trucks and runs a very capable agricultural business told me he would save about \$9,500 based on last year. His budget was that he would save \$11,100 this year on his gasoline and diesel fuel price alone. It came out within just a few dollars of being the same amount that he budgeted for his salary increase for 1978. He said he was wondering how he was going to raise his rates for his trucking. The Provincial Treasurer dropping this 10 cents, or 12 cents on diesel, carries his salary increase.

I think if we look at what this will do overall to this province, it will greatly help the inflationary spiral we have seen in the last few years.

Mr. Speaker, I checked with other people who are involved in the agricultural industry. The net saving from just this 10 cents and 12 cents a gallon for a contractor who clears land among other things would be anywhere from \$7,500 to \$10,000; again, it would

be approximately the same amount for his salary increases for 1978. We would have to look at the bulk dealers. A bulk dealer phoned me and said that, without studying the individual accounts separately, the farmers who deal with him would save anywhere from \$30,000 to \$40,000 per year on the transportation allowance. He is probably the smallest bulk dealer I have in the constituency. He was really, really impressed.

This budget and previous budgets we have brought down in the three years I have stood at this position — my family and I save around \$600 a year. This year, of course, will be the biggest single saving of the whole bunch, with the \$100 extra in the homeowner grant, instead of paying the tax, and of course the gasoline tax. When you have three teenagers and a wife driving cars, you can understand where it would save me a lot of money.

Mr. Speaker, in spite of the fact that the opposition hasn't begun to recognize it yet, this government has played fair with rural Alberta in so many ways. When we look at rural Alberta I suppose it could be said that we look simply at farming. Well, it's not quite as simple as that. Any of the people in this Legislature or province who think it's just as simple as having agriculture being the one which benefits or doesn't benefit in a particular aspect of the policies of this government — we must look at the off-farm income agriculture is able to take advantage of in Alberta where it can't in Saskatchewan, Manitoba, and Ontario.

My wife is from Saskatchewan and, of course, we still have relatives there and meet with them periodically. The ones who are on the farm certainly have a great deal of respect for our government, because the farmers here, if they need a job in the wintertime — obviously they haven't made too much in cattle in the last few years — can go out and make a few dollars working for various businesses, the oil industry, road construction, and all those things. In Saskatchewan, this is a very difficult thing to do. In Manitoba, it's pretty near impossible to get an off-farm job.

I think this spinoff is helping agriculture and our Alberta farmers more than perhaps we really realize. I certainly see it very much in my area, and I know the hon. members for Wainwright and Lloydminster would certainly appreciate what's happening there.

When we hear people criticizing our budget because there wasn't so much shown in actual dollars in agriculture, they fail to realize that \$10 million in research is going into agriculture. There's \$200 million scheduled for irrigation, and the last time I looked that was agriculture. Even though on paper it may not directly show as agriculture, I would like to see anyone argue conclusively that agriculture isn't benefiting immensely. Not perhaps that we couldn't do more — I'm not suggesting for one minute we're doing all that could possibly be done. But I do know the Minister of Agriculture and everyone in the cabinet very well, and any proposition that has come to the agricultural caucus committee that has held any amount of real weight, strength, and was a complete case, was dealt with very favorably as far as the committee is concerned. Of course it then goes to the minister, or sometimes from the minister to us. So, if anyone suggests we aren't doing enough for agriculture, or transportation, or what have you, then they are not talking to their MLAs.

I must say something about the work of the MLA that is probably different from any other Legislature. The hon. Member for Bonnyville mentioned this evening that he served on seven caucus committees in this Legislature. I thought I had a load when I was serving on six, but we really are involved. When I hear people say that government members are backbenchers, I simply can't accept that. I become very offended, not from a personal point of view, but I suppose I would have to be offended for the Premier, the Deputy Premier, and the cabinet, because they really, really try to bring us, as government members, into the complete wash of government.

Mr. Speaker, I will have to say something about the Minister of Transportation — a more honorable, hardworking man I couldn't imagine — and what the county councillors told me over the weekend. The county councillors are just so thrilled and happy to hear that this government, in a non-election year, is recognizing the extra load that's put on the municipalities with increased industrial traffic, with oil work, pipelining, and so on, and they're just very, very happy with the Minister of Transportation. I'm sure everyone in this House would agree. [applause] No, you don't have to. I forced you into that one, fellows.

Mr. Speaker, I would have to say something about our budget relative to the one million people in the rest of Canada who are unemployed. Fortunately, there are very few unemployed in Alberta, and there's a reason for that. The reason is that our front bench and our leader have created a climate in Alberta that is second to nothing in Canada. There's virtually, no unemployment; perhaps there should be a little more unemployment. Now when contractors are hiring for the summer they're not under the gun so much as they were two or three years ago. They are able to say to people, fellows, don't push us because a million other people out there just like you are looking for that same job. I think we're in a very enviable position. I'm very sure that when the Premier talked to the Premier of Saskatchewan in the last few days, he must have heard what he felt about our enviable position.

Mr. Speaker, another point I would certainly like to address tonight is the press and the media. So often in this Legislature I've heard the members stand in their place and react unfavorably to the press and the media. I for one would have to say that perhaps errors have been made and I was a little annoyed, but I can assure you that the press and the media in my area have treated me with nothing but the most honest help I could ever ask for. They have corrected errors I have made in my presentation to them, and they have certainly cleaned up some of my taped interviews much better than I ever could have. I've nothing but respect for people who would do that.

I have to take a little exception to the hon. Member for Stony Plain who reacted to the fire training school going to Vermilion. I would have to suggest this to him: the fire training school has been there for a number of years, and they are now being trained for industrial fires and so on. I suppose people west of Edmonton aren't used to heavy fires or anything, so we have to bring in people from the United States to put out fires for us. Well, we're going to try to train people to put out our own fires.

Mr. Speaker, I would like to say something about decentralization and the decentralization policy of this

government. I'm just absolutely thrilled by how effective it has been. One of the reasons I wanted to get into politics was the attitude certain people had that the rural areas and rural populations were dwindling and agriculture wasn't as important. I started campaigning for people who were interested in agriculture and in decentralization. I never once dreamed that I would be carrying the flag, so to speak, for the constituency.

But the decentralization program is working; it's alive and well. One of the more serious problems I have in the constituency is dealing with growth. I can hardly think of enjoying anything more than working with growth. I don't know of a town, a village, a hamlet, or a county in the area that isn't anticipating, anxiously awaiting and wanting growth, and wanting people living there. Everything is working out so well.

We also have the added support that the Minister of Transportation and the former minister of commerce dealt us, the airport hand. I would have to say our airport policy in this province is second to none in the world. It is working; we will be building some 40-odd rural airports initially. It's becoming so vital. If we're going to make Alberta truly the transportation centre of western Canada, and indeed the leader in western Canada, we need every sort of transportation facility we can possibly lay down.

I would like to mention a few other things in dealing with this budget and the summary. I noticed this just moments ago. Two departments contribute and have contributed so much to the wealth of this province — the Department of Energy and Natural Resources, and Treasury — and their budgetary spending is down for this year. I think that speaks very, very well of the people who are laying on the green.

I also would like to suggest to the Leader of the Opposition — it was probably done much better than I ever could — where he suggested that capital spending was a bad thing for this year, I noticed in some of the documents before us during the last few hours that there was some capital spending in his area. Perhaps he doesn't want that. Well, we would take it. He reminds me, if you like, of a well-trained paratrooper who is going into battle for the first time. He's well-trained, knows what he's going to do and what his job is. He gets in his aircraft. He's flying over enemy territory and sees the enemy down there; he's going to go down and obliterate them. He's all enthusiastic, jumps out of the aircraft, and his parachute doesn't open.

Mr. Speaker, I think the parachute of the Leader of the Opposition simply didn't open today. How could he misjudge what's so very obvious for the people of Alberta: the senior citizens, the business people, the individual, the farmer, the young people, everyone in this province? It's right there. It's so clear to any of us who are a little abreast of what's going on and what we really want out of life. It's all there, Mr. Speaker, and I would respectfully hope that the people of Alberta fully appreciate it. From my reception in the constituency over the weekend, I'm sure they really appreciate it, and I certainly do.

Thank you very much.

[Dr. McCrimmon in the Chair]

MR. LITTLE: Thank you, Mr. Speaker. The economic outlook for Alberta in 1978 is continued strong growth, with the province once again expected to outperform all other provinces in major economic areas. That statement, extracted from the budget speech of last Friday night, is either entirely modest or the classic understatement of the year. If a member of the Legislature of the '30s could have seen this budget, he would have thought it the impossible dream. Indeed, Mr. Speaker, a legislator of 1973 might have had similar thoughts, because government expenditures in that five-year period, 1973-78, have more than doubled, from \$1.5 billion to \$3.8 billion. At the same time, however, provincial income, mainly from higher gas and oil revenues, has almost quadrupled, from \$1.6 billion to \$5.9 billion.

Mr. Speaker, I feel certain that the legislator of the '30s felt less of a sense of responsibility and concern than the legislator of 1978, because it's a horrendous responsibility to exercise stewardship for the considerable billions in revenue from oil and gas. It's a problem that every thoughtful legislature must give great consideration to.

Indeed, Mr. Speaker, in my humble opinion the most responsible and probably the most significant piece of legislation passed by this government or any other government, past or present, was that 1976 act, the Heritage Savings Trust Fund Act. I feel quite sure future generations will thank us for that act, whether or not the present generation does.

But it must be impressed on the public again and again that only 30 per cent of the revenue from our oil and gas royalties finds its way into this fund. It must be impressed again and again that 70 per cent makes up current expenditures. Indeed 53.6 per cent of the present budget is made up from these funds, which I must say makes me somewhat apprehensive.

I was not persuaded back in 1976 that 30 per cent of the funds from a non-renewable resource was enough to put aside. With the returns from oil and gas ever increasing, this factor should be revised. Mr. Speaker, I don't think 50 per cent would be out of line at all.

These resources do not belong to this generation alone; they belong to many, many future generations. That key word is non-renewable. I'm quite sure that any of the members who are engaged in sales, if they had a franchise for a certain article that was going to saturate the market in a set period of time, would set aside a great deal more than 30 per cent. Our stewardship over this is totally important.

Last week during my remarks on the reply to the Speech from the Throne, I made a number of references to the Canadian economy and the precarious outlook I see for this province also, not only from the pressures of the rest of Canada, but the very fact that we are so dependent on non-renewable resources. I believe the heritage savings trust fund forms a much more important part of our economy than merely holding funds for future generations. It smooths out that graph, eliminates the peaks and valleys on the economic graph, and serves a very important function not dissimilar to the policies of the Bank of Canada.

Mr. Speaker, the budget is an extremely lengthy document. It would be quite impossible to cover all the features, so I have picked out a few specific comments on particular sections. The first is the 10

cent tax removal on gasoline and the 12 cents on diesel fuel. This section has a great deal to commend it in that it immediately gets cash into the hands of Albertans. They don't have to wait a year for the tax reductions. Therefore their discretionary income is immediately increased, which should have a most immediate and most beneficial effect on our economy.

However, although we may feel very pleased and smug when we look over the list of taxes other provinces have to pay — amounts such as 19 cents a gallon in Ontario, 27 cents in Newfoundland, 21 cents in Nova Scotia and Prince Edward Island — I do feel a little uncomfortable. In my remarks of a week ago, Mr. Speaker, I stated that the two most important things I see for this generation are Canadian unity and Canadian economy. We are not an island.

I am interested and committed to a united Canada, not Rene Levesque's two Canadas, not Claude Ryan's five regions or the separated states of Canada. I want one Canada, and I trust that all of us will extend all our efforts to that end.

In making the remark that I feel uncomfortable about these excessive taxes in the other areas, I am totally cognizant, Mr. Speaker, that we in Alberta are subsidizing the east. We are subsidizing to the amount of approximately \$1 billion a year by accepting less than the world price for oil. I am also cognizant that not too many years ago Alberta wanted to pipe crude oil to Montreal, and eastern Canada didn't want our oil at that time because Venezuelan oil was so much cheaper. I am totally cognizant of these facts, but I think we should thank our lucky stars that we are in Alberta and have these benefits.

Mr. Speaker, I also hope and trust that this 10 cent reduction will be passed directly on to the consumer, and will remain that way. I was very pleased to hear the remarks of the Minister of Consumer and Corporate Affairs today that he will continue to monitor the price in order to make certain that these benefits are passed on directly to Albertans.

I think the farm fuel distribution allowance is even more important and more significant. In view of the declining farm income in this province, and in spite of our tremendous oil industry, agriculture is still the basic industry of this province, bringing in 65 per cent of our income. I was most happy to see the section in the budget providing for a 50 per cent improvement in the distribution of the farm fuel allowance.

Mr. Speaker, approximately a year ago this government received considerable criticism in the press, particularly in western papers, for its policy of lending money to the depressed areas of Canada, in particular Newfoundland and New Brunswick. Once again, I think this was a most commendable action. As I referred to the heritage savings trust fund, these loans once again smoothed out the economic graph, trimmed off the peaks and valleys. I sincerely hope they will have the added dividend of keeping persons native to Newfoundland and New Brunswick in those areas to develop their own economies, because I believe this province has suffered a considerable amount of pressure on its social services by persons from other parts of the country coming here with unrealistic expectations of the employment picture. If these Alberta loans assist these areas in further developing their economy, once again we have made a major contribution to the unity of this country, which I

am totally dedicated to.

On the minus side, of course, the budget announced the increase of health care insurance premiums, 8.5 per cent effective July 1. But really, Mr. Speaker, I don't see too much wrong with that. I don't see any reason in the world why those who can afford to pay for health care shouldn't be required to pay.

As most members are aware, we have a crisis situation, or what is alleged to be a crisis situation, in the city of Calgary in the waiting lists for hospital beds. On a recent trip to Arizona, I was very interested to determine a number of their statistics, and found that in the city of Phoenix the average hospital stay is three days, as opposed to an average hospital stay of eight days in the city of Calgary. I would venture to say that if we could cut that stay in Calgary by one or two days, cut it down to six, we would have gone a long way to curing the waiting list in our city.

I would imagine the first thing you have to say is, what has Phoenix, what has Arizona got to do with Calgary? I think the very first thing we have is the difference in the costs of medical care. I understand that an intensive care ward in the city of Phoenix is \$500 a day. I spoke to an Alberta couple down there. This lady had become ill with pneumonia and was hospitalized for six days; the hospital bill was \$4,000. Now don't interpret for a moment from these remarks that I am suggesting we copy the Phoenix system. But I am suggesting that it doesn't hurt one bit for those who are able to pay, to pay for their hospital or medical care.

However, in spite of the fact that the budget provides for an 8.5 per cent increase in hospital premiums effective July 1, the same budget provides relief for those on lower incomes. In fact, 168,000 persons in the province of Alberta will benefit from these provisions. Those who do not pay income tax will not pay premiums. Those who pay lower amounts of income tax, that is, taxable income of \$3,000 or \$4,000, will have significantly reduced premiums. I think that follows an entirely commendable line of thinking: looking after those who are not able to look after themselves.

I was also quite interested to observe that in the budget we have assigned an additional \$32 million for social assistance in this province. I was further most interested to observe, Mr. Speaker, that 41 per cent of those on social assistance are single-parent families. As Socrates would have said at that point, why? Why has Alberta got the largest ratio of single-parent families, the largest ratio of marriage breakdown? I don't know. Maybe it has something to do with affluence.

When I was doing the school visits a month or so back, I visited one school where out of an enrolment of 576 there was a turnover of 500 in the year. When I asked the principal why, he said, a third or more of the students in my school come from single-parent families. He said, the social problems in this area are so intense that I can't concentrate fully on the academic end. So I think it would be very commendable if we were to take a look at just why 41 per cent of all social assistance recipients are single families.

I also observe in the budget that our Solicitor General is just as keen on his particular portfolio as

he always is, and read with a great deal of interest that we are to build a new institution at Lethbridge at the cost of \$17.3 million. I am somewhat concerned, however, in that when you do a little arithmetic, each unit of incarceration is worth \$57,666. When we also add to this the cost of incarceration of \$10,000 per man-year, I think this is an area that's well worth taking a look at. Intensive research has indicated that adult rehabilitation programs are well-nigh a failure. I would like to see an equivalent amount spent on juvenile rehabilitation.

The additional benefit of \$13 million to be provided primarily to senior citizens and those on lower incomes through the property tax reduction program again is most commendable. With your permission, Mr. Speaker:

Effective retroactively to January 1, 1978, the benefits of this programme 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 taxes, as well as the foundation levy, from senior citizen, owner-occupied residences.

Once again we have the philosophy of the free enterprise government with a social conscience looking after those who have difficulty looking after themselves.

The capital spending section again must receive our approbation:

... we are proposing a large increase of 30.9% in provincial capital construction and in provincial support to local authorities for [all] 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 1980's.

Again, Mr. Speaker, a great deal of thought must have gone into this particular area. As I suggested, I think the earlier function of the heritage savings trust fund to smooth out that economic graph will receive the thanks of many Alberta citizens when projects such as Syncrude are completed.

The philosophy of continued restraint must of course have the approval of all of us. With the billions of dollars we have in the heritage savings trust fund, it would be the easiest thing in the world to attempt to buy support and favors from the electorate. I am most happy that the Provincial Secretary has seen fit to continue to exercise restraint in this particular period. As I said a few moments ago, if we don't receive the plaudits of this generation, I am sure we certainly will those of future generations.

In conclusion, Mr. Speaker, I find it a most satisfactory budget. I spoke to a number of constituents over the weekend, and of course the first impression they had was that 10 cents off the gasoline. But as I explained many of the other features to them, I believe we have their total support.

The terms of this budget possess the potential to provide the highest standard of living and the best quality life in this whole country if not the world. This budget provides an ideal mix of economic stimulation

plus a goodly quality of people programs.

Mr. Speaker, I'm reminded at this point of the remarks of Aneurin Bevan. When he retired from the British House of Commons after serving 50 years, he stated that the present government, which was a Tory government at that moment, had passed more social programs than his party, the Socialists, would have dared even suggest 50 years previously. I think when we look through our present budget, we can claim the same type of record. But I'm happy with it. I'm happy with the people programs for those who can't look after themselves.

However, in spite of all these programs, we continue to be plagued with chronic social and moral problems: the almost unbelievable increase in crime; the record that we lead the country in marriage breakdown, alcoholism, suicide; and the high ratio of gambling. So, Mr. Speaker, blessed as we are with the resources, the dollars, and the expertise in this province, I'm hopeful that we can see our way clear to solve those social ills.

MR. WOLSTENHOLME: Mr. Speaker, it's my pleasure to speak on this budget debate on behalf of the constituents of Highwood, to give some of the views and concerns of those good people in the Highwood constituency.

I was going to congratulate you, Mr. Speaker, but I think it would aptly apply to the Deputy Speaker as well. I would like to express my appreciation for the manner in which you conduct this Legislature and its business. Your fairness and sense of humor are well appreciated.

Mr. Speaker, I'd like to refer to *Hansard*, March 16, page 239. I quote the hon. Member for Clover Bar:

I think it's only right that we remind the hon. puppets — I beg your pardon, the hon. members across the way

... when the members of this Assembly who are sitting on the government side are so instrumented and so regulated that they come to the opening of this Legislature in white shirts because somebody has told them, they are not representing themselves, they are representing their party.

Well, Mr. Speaker, I'm sorry the hon. member isn't here because as my son says, I'd like to smarten him up a little. To correct some of his ideas I'll say, no one leads me around or tells me what to do. As to that white shirt business, a white shirt always looks very nice with a blue suit and is quite acceptable. I don't see the point of making remarks that I consider in bad taste about wearing a shirt that's in good taste. Furthermore, my wife suggested I wear that white shirt. I like my wife's choices. After all, look at what she chose. Also, I wasn't aware that I was supposed to represent myself here instead of the party. I'm positive the good people of Highwood expect me to represent them. If you were to ask most of my colleagues in caucus, I'm sure a few of them would just as soon hear a little less about Highwood.

But back to the budget, Mr. Speaker. I think it is a wonderful document. While I was in my constituency over the weekend, I had numerous people, particularly farmers, come and tell me how much they appreciated the budget, how much we were helping them, especially by removal of the 10 cent per gallon gasoline tax and the distribution allowance on farm fuel

used on farm operations. They were most appreciative; I haven't had so much backslapping and good will expressed to me for quite a while. Even a few senior citizens made a trip to my store from the new lodge in Nanton to express their thanks for what this government is doing for them, the extra assistance the budget provides for them. The budget is so good, particularly in the area of agriculture, that I'm anxious to get back to Saskatchewan to visit with my brother-in-law and discuss the relative merits of Saskatchewan agricultural help from the government as compared to Alberta.

It is also very gratifying to see this government respond to the wishes and concerns of the people of Alberta. Last week the hon. Minister of Business Development and Tourism, along with the hon. members for Lethbridge West and Macleod and myself, attended a meeting in Claresholm with the MD council, surrounding town councils, hospital boards, library boards, and school district representatives. If that meeting had been held after the presentation of this budget, they wouldn't have had many concerns to voice, because this budget takes care of much of the concern they expressed.

The budget is such a marvellous document that I can't find much to criticize, other than possibly the fact the High River hospital wasn't specifically mentioned. However, I'm convinced we will get it. On the other hand, I was never one to brag very much. So I think in heartily endorsing this document, I shall say something about my constituency, Highwood.

I've told you before about the beauty of the foothills. In fact, some time in the near future I'm going to have a new, very good constituent: the hon. Solicitor General has discovered what a great place that is and is going to move into my constituency. We're very pleased and look forward to having him in the constituency, although if he makes the mistake of asking me about his road, I think the place for that is the Ministry of Transportation.

Our constituency is also very proud and pleased to have the first rural provincial park within its boundaries, the Kananaskis Park and Kananaskis Country, a great recreation area. We hope the snowmobile situation can be clarified and extended.

We also hope eventually to have a hospital in the High River and Turner Valley-Black Diamond area, and a senior citizens' self-contained unit and a library in Okotoks. We in Highwood are very thankful for the senior citizen accommodation provided for us, also for the new provincial buildings we have there.

The constituents of Highwood are very appreciative of the manner in which the ministers of this government respond to their concerns, by coming down to the constituency when real concern has been expressed, or by meeting with the delegates in Calgary or here in Edmonton. I certainly appreciate their co-operation.

Another item of concern to us in that area is water. Last summer amply backed that up. We need lots of studies on water, and I'm pleased that the Minister of the Environment is conducting studies for water conservation and has responded favorably to the towns and areas down there which had trouble last year with water. He responded in a manner which I heartily commend him for.

Mr. Speaker, this budget will assist us in meeting the concerns of the constituents of Highwood. The

Provincial Treasurer is to be heartily recommended for his excellent budget and the stewardship he has shown toward our treasure.

Thank you, Mr. Speaker.

DR. BACKUS: Mr. Speaker, the excellence of many of the speeches in the throne speech debate and the budget debate, and that very exciting presentation of the Budget Address, provide a real challenge to any of us who may wish to join in this debate. How easy it is to see the major problems in one's own constituency, to analyse the Budget Address with a view to satisfying or failing to satisfy those needs and, in that close analysis, to fail to recognize those overall benefits in the budget that will provide for individuals in all parts of the province, including our own constituency. For example, it's easy to say that there's no mention of Highway 40 in the budget and not recognize the great new program of \$2 million for the development and upgrading of industrial roads and the help that will be to the county in improving secondary Highway 722, and the grants to towns and villages to improve their roads.

Mr. Speaker, the maturity of this budget is hard to deny. The recognition of those areas where help is needed at the same time that encouragement is being given to the private and voluntary sectors shows judgment and responsibility. I'm particularly happy to see mention of cultural assistance. I believe cultural activities in any society are a real mark of the development and maturing of that society. I therefore welcome the efforts that are being made and are mentioned in the Budget Address on cultural activities in this province. I think we are leaders in many respects in the support we are now providing to the arts in this province.

Mr. Speaker, we are elected to represent our constituency; this is a major responsibility of each of us. But when we are here we also have the responsibility to look at the province as a whole, and concern ourselves with all the people in this province as well as those in our constituency.

The Leader of the Opposition has often stressed the accountability of ministers. We as members also need to be accountable, not only to interpret to the government the needs of our constituents but also to interpret to our constituents the needs of the province and the actions this government is taking to satisfy those needs. It is easy to sit here and look at the province as a whole. But how easy it is, when sitting over a cup of coffee with a group of our constituents, to be sympathetic with their views; and how difficult not to stimulate their protests rather than gain their support and co-operative effort for the whole province, or even for the larger regions.

Mr. Speaker, accountability is important in two ways. Firstly we must be accountable to the public, to show that we are ready to listen to their needs and to try to satisfy their needs, not necessarily their wants. But secondly we must be accountable to ourselves. We must know in our inner selves that we have striven for what we think are the best interests of our people.

If we were mere puppets, as some members of the opposition seem to think, many of us would not rest easy. But the opposition does not have the exclusive prerogative of individual points of view. In fact they seem to think only they represent the Legislature.

But the members of the government caucus know that they too have been accountable, and that the many improvements that have occurred in their constituencies and in the province have been the results of their individual efforts.

Mr. Speaker, I would like to mention one other area in the Budget Address. Under hospital construction it speaks of the need to consider other than beds in our concept of health care delivery. In my travels around the province it is apparent that nearly every community looks upon the active treatment hospital as the prime objective of health care delivery. This is not the case, any more than the ability to take out tonsils on the kitchen table should be viewed as the ultimate in rural surgery. I am not against hospitals, as was suggested, but I believe that hospital beds should be viewed as part of a much larger area of health care delivery. Primary health care constitutes by far the greatest part of health care delivery. It should include diagnostic facilities, home care, ambulatory care, and extended care, as well as active treatment bed care.

Any community's needs should not be viewed in isolation, but in the greater context of the region. Even a regional hospital should be viewed not only in what it will attract to that facility, but how it can best serve the other health care facilities within its ambit.

I do not suggest that regionalization should be imposed by government on the already excellent form of health care delivery that exists in this province. But I do suggest that if the government is to continue paying large sums to support hospitals, the hospitals may have to share some of their autonomy, not with government but with other hospitals and health care facilities in their region.

Mr. Speaker, let me conclude by saying it's the squeaky gate that gets the oil. But by working together with your neighbor you can get rid of the gate and use the oil for something more useful.

MR. BUTLER: Mr. Speaker, it's a real pleasure for me to rise and speak in this budget debate on behalf of the people of the Hanna-Oyen constituency, which until recently has been a forgotten part of the province. That it was a forgotten part of the province caused me to get interested in politics.

Mr. Speaker, that desire was spurred on when the government of the day was saying that in not too many years there would be only a few major population centres in the province, that to save the small towns was impossible, and to try to save the small towns was only going to prolong their death or their dying period. I could never accept that concept. I always thought we had one of the best provinces in Canada, and it all had to be lived in. So the smaller communities and the smaller towns had to be saved.

[Mr. Speaker in the Chair]

I guess, Mr. Speaker, my first chance to take a meaningful part in starting to turn things around came one day when Jack Horner brought a young man to the ranch. I had not heard very much about this young man. I had never met him before, but after we spent an hour or so in the house I *realized* that this young man had a very good knowledge of Alberta and of what was needed. He had certainly done his homework. This was a chance to throw in with this young man and to bring about some of the things that

were badly needed for the province, to start developing things and turning things around.

Mr. Speaker, that was the start of several years of hard work, with some ups and downs. My only regret was that I had a ranch to run. I had to stay and run it. Much of it still had to be paid for, so the time I could spend on it was limited. But I was always pleased and proud to be able to spend what time I could. I was proud to be associated with the Conservative Party, to at last have a part in what was taking place and an opportunity for input for what I thought should be the direction the province was taking.

Now, Mr. Speaker, that young man I met that day is not quite so young any more, his hair is not quite so dark any more, the wrinkles around his brow show the trials of time. But this budget is the result of the hard work of the team and the direction we had under our coach.

For the last seven years the people of Alberta have been receiving their fair share of the non-renewable and renewable resources. The small towns and communities are growing. Street improvement programs, water and sewer programs, housing programs, decentralization of government: the end result, Mr. Speaker. That part of the province that was forgotten for many years now has two paved and lighted airstrips. Most of the towns have water and sewer, natural gas throughout the rural areas.

Mr. Speaker, this budget is the envy of all provinces. The sound management of our natural resources, taxation policies, and sound fiscal management have made it possible. This sound management made it possible for us to be the lowest taxed province in Canada and at the same time to put aside a legacy for future generations.

Now with all that, I have heard some people remark that we are not doing enough for municipalities. We have a 26 per cent increase in the construction budget for primary highways. I think this, put out into the field to let contractors bid on it, will certainly make a lot of jobs in the private sector. A 38 per cent increase in secondary highways was something that was needed. I'm very glad to see that in there. That's going to be a wonderful thing for the rural areas. A 15 per cent increase in the construction of roads — and mark this — in isolated communities and improvement districts. A 30 per cent increase in the development of community-owned airports — no wonder the rest of the provinces in Canada are envious.

This government and this budget are committed to improving the quality of life in rural Alberta. A 40 per cent increase is going into sewage treatment and water development in rural areas. Since 1972, 213 small towns have been helped by our sewer and water program. This budget also contains \$24.5 million for the construction of a capital grants assistance program for rural gas co-operatives. In addition, 45,000 rural Albertans will be burning natural gas.

Mr. Speaker, I have difficulty when people say, you're doing nothing for the municipalities; we should go back to revenue sharing. That is being said by the same party who had experience with revenue sharing. They should know better. They implemented revenue sharing and had to withdraw it. They found it didn't work. Now they are setting the same trap for us and trying to catch us.

So, Mr. Speaker, I'm very proud to stand in my

place for the people of Hanna-Oyen and participate in this budget debate. I think to call it a debate is a bit of a misnomer. With a budget like this, who can debate it? I think it's a wonderful document, and it will certainly be judged so by the people of Alberta.

Thank you, Mr. Speaker.

MR. BRADLEY: I beg leave to adjourn the debate.

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

HON. MEMBERS: Agreed.

[At 9:10 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

