

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, April 3, 1978 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: NOTICES OF MOTIONS

MR. NOTLEY: Mr. Speaker, I request leave of the Assembly to give oral notice of the designated motion for discussion this Thursday. The notice has been filed with the Clerk of the Assembly. With the consent of the members, it will appear on tomorrow's Order Paper.

If I have unanimous consent, Mr. Speaker, I will read the motion.

MR. SPEAKER: May the hon. Member for Spirit River-Fairview have the requested unanimous consent?

HON. MEMBERS: Agreed.

MR. NOTLEY: Thank you, Mr. Speaker. The motion then:

Be it resolved that the Assembly urge the government to repeal The Public Service Employee Relations Act and conduct its labor relations pursuant to The Alberta Labour Act.

And be it further resolved that the Assembly urge the government to drop the concept of an arbitrary wage guideline for government employees in the coming year in favor of a commitment to make the collective bargaining process work.

head: TABLING RETURNS AND REPORTS

MR. LEITCH: Mr. Speaker, I wish to table an erratum in respect of the Supplementary Estimates of Expenditure for the fiscal year ended March 31, 1978. It deals only with the wording of the program votes, not with either amounts or purposes. A copy will be made available for each Member of the Legislative Assembly.

Mr. Speaker, I also wish to table a response to Question 154 and the answer to Motion for a Return No. 167.

DR. HORNER: Mr. Speaker, I'd like to table the 1977 annual report of Pacific Western Airlines.

MR. KOZIAK: Mr. Speaker, it's my pleasure to table the document entitled The Goals of Basic Education for Alberta. I have 79 copies, which I understand will be sufficient for distribution to each member of the Assembly, plus the number required for tabling.

For the benefit of hon. members of the Assembly, it is my intention to introduce a subsequent motion whereby the Legislature would approve these goals. This motion would then be debated. The information

now being tabled will be of assistance in considering that motion.

MR. SPEAKER: Would the Assembly agree that we might revert to Introduction of Bills?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF BILLS**Bill 222**

**An Act to Amend
The Alberta Historical
Resources Act**

DR. BUCK: Thank you, Mr. Speaker and members of the Assembly.

Mr. Speaker, I'd like to introduce Bill 222, An Act to Amend The Alberta Historical Resources Act. This amendment simply empowers the minister through legislation to permit areas surrounding individual historic resource sites to be designated as historic sites, rather than designating only isolated sites scattered throughout a specific region.

[Leave granted; Bill 222 read a first time]

head: INTRODUCTION OF SPECIAL GUESTS

MR. TRYNCHY: Mr. Speaker, it's my pleasure today to introduce to you and to the members of the House some 46 grade 10 and 12 students from the Whitecourt Hilltop School. They are accompanied by their teacher Mr. Bill Brady and their bus driver Mr. Norman Vandenhouten. I'd ask them all to rise and receive the welcome of the House.

MR. BOGLE: Mr. Speaker, it's a pleasure to introduce to you and to members of the Assembly 18 grade 8 and 9 students from the Poplar Hill Development School in Red Lake, Ontario. They are accompanied by their principal Mr. Kenneth Miller and their teacher Miss Elaine Zehr.

Red Lake is located in the northwestern part of Ontario, Mr. Speaker. They have travelled to Alberta. This morning they visited the Provincial Museum and Archives, and they are visiting our Assembly this afternoon. Later in the tour they plan to go to Calgary and Banff before returning home to Ontario. I would ask members of the Assembly to join me in welcoming them here.

head: MINISTERIAL STATEMENTS**Department of Transportation**

DR. HORNER: Mr. Speaker, I am pleased to present further information today on the extended streets assistance program for towns and villages, announced in the throne speech and included in the Budget Address. The extension of this program is in recognition of the increased population, industrial growth, and regional development in the rural communities of Alberta.

We also consider it extremely important that the

opportunity for improvement in street quality be offered on an equitable basis to all our towns and villages. The formula for the distribution of funds to the towns and villages has therefore been designed to reflect this equity and to provide for assistance to practical projects.

Some of the pertinent features of the program and the funding are as follows. A total of \$4 million is available for the 1978-79 fiscal year, which is an increase of over 100 per cent in this area for the year. Each town and village is eligible to receive a grant providing \$30,000 as a basic amount, plus \$60 per capita of its permanent population. The same formula will apply to summer villages with permanent populations of 100 or more. Summer villages with permanent populations of less than 100 will be eligible for a grant of \$10,000 basic, plus \$60 per capita. The population figures used in the grant calculation will be in accordance with the most recent confirmed figures published by Alberta Municipal Affairs at the date closest to the acceptance of the project. These conditions will be set down in the formal agreement with each town or village entering into the program.

The types of street improvement eligible for this funding will include the construction of lasting street and sidewalk facilities serving both the road user and the pedestrian. These improvements would include such things as grading, gravelling, paving, concrete sidewalks, curbs and gutters, roadways, storm sewers or other drainage systems, bridges, traffic signs and signals, and street lighting; the latter becoming more important all the time. To assure the best results, these facilities must be implemented to acceptable engineering standards and operational designs according to the requirements of the particular project.

I would also like to emphasize, Mr. Speaker, that every town and village will have an opportunity to undertake a project over the life of this program, which is designed to continue. We do not think it would be in the best interests of many of the communities to rush into such a program, as it is very important to them that they do a thorough analysis of their street systems to determine the most appropriate improvement priorities. In this regard, our regional staffs will be able to assist the communities in an advisory capacity in the selection of projects. However, I wish to confirm that it is the province's intention to ensure that the towns and villages retain a great deal of autonomy in determining their projects in the terms of the improvement program.

Mr. Speaker, during past assistance programs it has been found that there are a number of circumstances where excessive costs and physical problems have been encountered which may require special consideration. We have therefore included in our program policy a basis for evaluation with the department to identify those projects to which the province may provide additional funding. In view of the need for careful 'prioritizing' of our support in this area, my department will have to take the responsibility for analysing these cases in detail and including the decision as to which projects can be supported in a particular fiscal year.

Each town and village will very shortly receive a letter from my office setting out the detailed approach to application for projects and the department contacts responsible for the development of the working

agreements and the administration.

In addition, Mr. Speaker, care will be taken with our primary and secondary highway programs to ensure that towns and villages are fully assisted when these highways enter or pass through the towns and villages. Hamlets will be given equal consideration in our grants to the counties and municipal districts. To help these rural municipal governments, it is also our intention to advance 50 per cent of their grants immediately to help in the front-end financing of the various programs under their jurisdiction. I might add here that this is a policy we introduced last year for the cities which has been effective and has been worked out, with the assistance of the Provincial Treasurer, to help the cities a great deal. We're now able to extend that to the rural municipalities as well.

The experience gained by the towns and villages in their street development in previous programs has indicated a growth of maturity and the ability to select and manage worth-while projects. I believe this is a very important example of the solidarity of the growth in the rural parts of this province.

Department of Advanced Education and Manpower

DR. HOHOL: Mr. Speaker, I would like to take this opportunity to inform you and colleagues in the Legislature of a job creation program and placement service designed to alleviate summer unemployment among our students. As it has in the past, the Alberta government intends to provide funding for the summer temporary employment program, as well as for the hire-a-student program.

First, I wish to acquaint you with some of the details of the summer temporary employment program. STEP, as it is commonly known, was first initiated in 1972 to provide employment for Alberta youth. Since that time, nearly 30,000 students have been placed on various projects. Last year alone, nearly 3,000 high school and postsecondary students were provided with work experience on 1,645 projects.

The postsecondary components of STEP include work experience with provincial government departments, municipal recreation boards, and veterinarians, and at tourist information centres throughout the province. The high school element includes work activity on Alberta farms, with municipalities, at forestry camps, and with agricultural societies.

Mr. Speaker, the scope and extent of program funding will be determined in relation to the employment situation in Alberta. This government is aware of possible employment problems faced by today's youth, particularly during the summer.

Pending approval by this Assembly of my department's 1978-79 budget, we will allocate \$2 million to launch the summer temporary employment program. If there are indications of a serious unemployment situation this summer, the government will look at additional steps to assist Alberta youth in finding jobs, and will consider an increase in STEP funding.

Second, I would urge potential employers and all students seeking placement to contact any of the 75 hire-a-student offices located throughout the province. The offices will be opening during late April and early May.

Mr. Speaker, the hire-a-student placement program for Alberta youth was designed to provide work experience and thereby foster development of skills and confidence. Planned and operated for the most part by students themselves, the program is co-sponsored by Alberta Advanced Education and Manpower and the Canada Employment and Immigration office, in co-operation with provincial and local chambers of commerce and community and student groups. It is my recommendation at this time that we commit \$280,000 as Alberta's financial contribution to this worth-while endeavor.

Mr. Speaker, I should like to mention that the response to student employment by the private business sector and the public has been excellent. Last year, through the efforts of the hire-a-student office 21,038 students were placed in jobs across the province. The government of Alberta commends the private and public sectors for their outstanding support in the past. But the onus must rest with the students themselves. They must take the initiative to actively seek jobs.

In closing, Mr. Speaker, I wish to table with the House a copy of the 1978 STEP brochure, and to indicate that a number of copies are being provided to each member of the Legislature.

Thank you.

head: ORAL QUESTION PERIOD

Hospital Construction

MR. CLARK: Mr. Speaker, my first question is to the Minister of Hospitals and Medical Care. Now that we've got the street and sidewalk improvement program and the youth employment program launched, perhaps we could get on to the question of new hospital construction.

Having regard for the minister's comments in the House last year that the new hospital construction guidelines would be available this spring, then being advised of the comments he made at Macleod over the weekend that it would not be until this fall that the minister would have the guidelines ready, my question is: when are we going to have the new guidelines for hospital construction, and what's the holdup?

MR. MINIELY: Mr. Speaker, my comments during the recent hospital tour, which the hon. leader refers to as being geared to the fall of 1978, are accurate. We would like to take more time with development of the policy, because as the boards that I met with last week throughout the province and I discussed, it is an area which requires a great deal of effective thought . . .

MR. CLARK: Four years?

MR. MINIELY: . . . if we're going to apply funds in the longer term to ensure that we are building quality facilities within reasonable cost to the taxpayers of the province. So we are gearing to the fall of 1978.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Didn't the minister know that it was going to take this long when he made his announce-

ment last spring of the freeze? What has happened since last spring, when he froze hospital construction, that he can't go ahead now?

MR. MINIELY: Well, Mr. Speaker, in answer to the hon. leader, I would point out the answer was no. At the time, I think I indicated we would want to take whatever time was necessary in order to ensure that we developed effective policy. After all, I think I've indicated in the House before in answer to this question that this is the first time in probably 20 or 25 years that an overall effective look at long-term quality health care in this province has been taken.

MR. CLARK: Mr. Speaker, then what criteria is the minister using when he allows some hospitals to go ahead with construction now?

MR. MINIELY: Very simply, Mr. Speaker, I indicated to the hospitals primarily affected in 1977 by the holding pattern for one year, which I met with last week, that while we are indicating that the holding pattern expired on March 31, we will be examining their plans thoroughly. We don't want to accelerate, Mr. Speaker — and no blame is being placed on any one group. Very many different bodies and groups have been involved in the actual historical process of building facilities throughout the province. So I don't think that's the issue.

The issue is to ensure that these projects now proceed, to build quality facilities in the communities. The ones affected by the holding pattern will proceed, but they will be examined very thoroughly. In the interim we are developing longer term policy which will affect all future health care projects in the province. I think that's fairly straightforward, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. The minister has indicated that the hospital boards can proceed. I wonder what types of decisions are foreseen during the period of time between now and fall in this process classified as "proceeding".

MR. MINIELY: Mr. Speaker, during the course of debate last fall on the heritage savings trust fund, I think; also after tabling in the spring of 1977 the document which indicated the historical dramatic rise in construction costs, I indicated in the House the various areas that the then commission, now the new Department of Hospitals and Medical Care, would be examining. Basically, we have not historically had . . . Part of it is the fact that the degree of the problem in the last four to five years has quadrupled, four and five times the magnitude of what it has been historically. The degree of expectations in communities throughout the province is much higher than it has been, because of the overall economic well-being of the province.

So basically, Mr. Speaker, I think we have to look at province-wide policy and parameters: in the areas of square footage parameters, local responsibility as compared to provincial responsibility, priority programs, discontinuing the historical . . . [interjections]

MR. R. SPEAKER: On a point of order, if I could interrupt the minister. My question wasn't quite that

broad. Possibly I could make it a little more specific, so the minister could zero in on the answer.

Mr. Speaker, my question to the minister was: what specific types of decisions can be made by the local hospital boards between now and fall? For example, will decisions be made with regard to going to tender?

MR. MINIELY: Mr. Speaker, perhaps the hon. Member for Little Bow would clarify whether he is talking about the projects which were primarily affected by the holding pattern during 1977, or about the policy which will apply to all future projects once it is brought forward this fall.

MR. R. SPEAKER: Mr. Speaker, for the minister's clarification, I was speaking specifically of those on the holding pattern at this point in time.

MR. MINIELY: Mr. Speaker, all the projects on the holding pattern are at various stages of planning. Basically, I indicated to the boards that if a board's definition of local community needs is based on exactly that — on needs, not just wants or demands or requests, but reasonable needs to meet the health care needs of their community — it will facilitate these projects advancing to the maximum stage possible during the next fiscal year. It's our desire to have as many of these projects go forward to the tender stage and be under construction as rapidly as possible. That would include going to tender.

Having said that, I indicated to the boards that certainly they as citizens of this province — and I might say that the response was very favorable and responsible in all communities I was in — understood that all taxpayers of Alberta expected reasonable costs, and that the definition of needs would have to be reasonable to reach those stages.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Hospitals and Medical Care. In view of the fact that the guidelines will not be finalized until the fall, my question is: what criteria will the department use in the interim period as we move out of the holding pattern, but before the guidelines are formally laid down for the future? What criteria will the department use in judging what is in the public interest? Do we have formalized criteria, or will we look at each hospital individually?

MR. SPEAKER: With respect, it would appear to me that the hon. Member for Spirit River-Fairview is repeating in substance the questions asked by the hon. Member for Little Bow.

MR. NOTLEY: Mr. Speaker, perhaps I can be a little more specific. The question was not what hospitals can in fact do, which I understand was the question of the hon. Member for Little Bow. The question is whether or not there is, if you like, a transitional set of guidelines that the department will have in judging whether they will approve hospitals.

MR. MINIELY: Mr. Speaker, to answer that question specifically: we have the historical experience which caused concern in the first place, and caused a holding pattern as a time to pause and reflect upon the future. We have done some preliminary examination and definition of longer term policy in that area. All

the hospital projects which were primarily affected by the holding pattern will be judged and examined individually, based on the historical experience and the underlying reasons that the holding pattern was declared in the first place.

MR. NOTLEY: Mr. Speaker, a supplementary question, if I may, to the hon. minister. The minister indicated that the target date is now the fall. Will the minister assure the Legislature that the department's guidelines will in fact be finished and formally laid down this fall? Or is there some possibility of a further extension before the guidelines are formulated?

MR. MINIELY: Mr. Speaker, there's a saying that nothing under the sun is that positive or certain. [interjections] But certainly it's our desire to have — and our target date is definitely the fall of 1978.

MR. CLARK: You told us last spring.

MR. LYSONS: Mr. Speaker, I'd like to direct a supplementary question to the minister. Is it not true, Mr. Minister, that it will take the new deputy minister some weeks or months to get a team in place to help with these policies?

MR. CLARK: That's what he told us last spring, Tom. You were here.

MR. MINIELY: Mr. Speaker, in answer to the hon. Member for Vermilion-Viking, I indicated to all hospital boards I met with that we have on the drawing boards the most ambitious rural community hospital program in the province's history. Having said that, it's important that we have sound policy to ensure that we meet the real needs, that we're not building in frills or using public funds in an ineffective way. To build quality facilities in the province of Alberta is our aim and objective. If it takes us a few more months to ensure that we have a much better policy for the next 10 or 20 years, I think that's the kind of responsible approach we on this side of the House would like to take.

DR. BUCK: Who's been running that department?

MR. CLARK: Nobody.

MR. R. SPEAKER: Mr. Speaker, the minister has indicated that there's a possibility of introducing a new local tax that would enable local governments to collect moneys for capital needs, for hospitals. Would the minister indicate when that will come into effect, or is that part of the fall announcement?

MR. NOTLEY: Will that be part of the guidelines?

MR. MINIELY: Mr. Speaker, I simply indicated, and I think it's also been said in the House in the past, that we were looking at the possibility of local financial responsibility. The province would basically define a good quality standard. It would not be done in the historical, arbitrary way. The province would define a facility and programs that would meet reasonable health care needs in the community, with the good standard of quality which we have historically had.

For want of a better analogy, if the communities then wanted a Cadillac instead of a Chevrolet, they would have to consider going to their local taxpayers. But the details of how that might be done await further policy development.

MR. R. SPEAKER: Mr. Speaker, I think it just shows a lack of trust in local government.

SOME HON. MEMBERS: Order.

DR. PAPROSKI: Mr. Speaker, I wonder if the minister would indicate to the House, in view of the holding pattern . . .

DR. BUCK: Government House South.

MR. NOTLEY: Talk about Cadillac facilities.

MR. SPEAKER: Order please. Order please.

DR. PAPROSKI: Thank you, Mr. Speaker. In view of the holding pattern due to the extraordinary variations in cost, does the minister now have information that shows why such a wide variation in cost occurred?

DR. BUCK: There's no minister.

MR. MINIELY: Mr. Speaker, I think that basically no further than what has been tabled in the Legislature and subsequent projects which have been completed. I think that was all tabled publicly in the spring of 1977. That information has simply been confirmed as we've travelled through the province and spoken with hospital boards.

DR. PAPROSKI: A final supplementary, Mr. Speaker.

MR. SPEAKER: Order please. We have now had the original question and eight supplementaries. I mention that because I seemed to hear a comment from one of the benches that perhaps the supplementaries were being cut off because of the nature of the topic. We've had eight supplementaries. If there's time, any hon. member is free to come back to this topic after other hon. members have had a chance to ask their first question.

Hospital Privileges — Foothills

MR. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Advanced Education and Manpower. It has to do with concerns expressed by people in Calgary, especially at the University of Calgary, with regard to the settlement made by the board of governors of the University of Calgary for a charge brought against Dr. N.T. McPhedran, director of surgery of the Calgary Foothills Hospital, by Dr. Abouna. An out-of-court settlement of some \$10,000 was paid by the board of governors of the University of Calgary. Did the minister discuss this matter with the board of governors, the chairman of the board of governors, or the president of the University of Calgary prior to that payment being made by the board of governors?

DR. HOHOL: No, I have not, Mr. Speaker.

MR. CLARK: Mr. Speaker, having regard to the fact that the matter had been brought to the minister's attention earlier, has he looked into the matter, and has he discussed with the board of governors of the University of Calgary the specific payment of the \$10,000 for the out-of-court settlement?

DR. HOHOL: It sounds like the same question, and I'd have to respond in the same way. I have not spoken to the president, the chairman of the board, or anybody else from the University of Calgary on this issue.

MR. CLARK: Mr. Speaker, has the minister received a copy of a petition submitted to the board of governors of the University of Calgary by the faculty association, or has the minister received a comparable submission directly to him, urging a review of this question of the reinstatement of Dr. Abouna?

DR. HOHOL: Mr. Speaker, I have a copy of a submission by the faculty association to the board. I'm going by memory, but it's in my file. I don't believe it was addressed to me.

MR. CLARK: Mr. Speaker, what action does the minister plan to take as a result of receiving that information?

DR. HOHOL: I don't want to be technical, Mr. Speaker, but the hon. Leader of the Opposition knows that a copy of anything, whether it's a memorandum, a letter, a submission, or a petition, is not a request or a submission for action. Whoever gets the initial or original submission is asked to take some particular action. Anyone who gets a copy gets it for information. Pretty basic.

MR. CLARK: Mr. Speaker, a supplementary question then to the Minister of Hospitals and Medical Care. Is it still the position of the government of Alberta that the government will not become involved in what's being referred to in Calgary as the Dr. Abouna affair?

MR. MINIELY: Mr. Speaker, I fully answered that question in the Legislature on March 13. I have no basis since then to change our position.

MR. CLARK: Mr. Speaker, a supplementary to the minister. Is the minister's position still that the government will not become involved in that matter?

SOME HON. MEMBERS: Order.

MR. SPEAKER: The hon. member is repeating a question which has been answered.

Road Construction

MR. LYSONS: Thank you, Mr. Speaker. I'd like to direct this question to the Minister of Transportation, relative to his ministerial statement this afternoon. Will there be the 50 per cent front-end loading for towns and villages similar to what there would be for the municipalities?

DR. HORNER: Not at this time, Mr. Speaker, because the various projects have not yet been identified. But as we moved the front-end funding from the cities last year to the counties and rural municipalities this year, as we identify the system projects in the succeeding years, my hope would be that we might in fact be able to do some front-end financing for those particular projects starting a year down the road.

MR. LYSONS: A supplementary question, Mr. Speaker, to the minister. Did I understand you to say that hamlets would be funded through the municipalities, or would they be funded separately?

DR. HORNER: Mr. Speaker, hamlets are unincorporated, so they don't have any local government except that of the rural counties and municipalities in which they are. As such, outside of the largest hamlet in the world, they are dealt with by the various counties and municipalities as part of their responsibilities.

Cattle Diseases — Control

MR. STROMBERG: Mr. Speaker, with approximately 2,000 cattle presently under quarantine in the Peace River area, would the Minister of Agriculture indicate how long this quarantine might be in effect?

MR. MOORE: Mr. Speaker, as with other federally quarantined diseases, the quarantine will be in effect until it's been determined that the disease has been cleaned up in an individual herd.

MR. STROMBERG: Supplementary. What involvement has your department in the quarantine and in the cost incurred by the ranchers and farmers by the outbreak of mange?

MR. MOORE: Mr. Speaker, I first became aware of the mange problem in the Eaglesham area of the Peace River district about four to five weeks ago. At that time I instructed staff in my department to do two things: first, to determine if the informal information I had received in my office about the problem was accurate; then, through the local Agricultural Service Board in Improvement District 19, to assist with the purchase of chemicals. Lindane is used for spraying animals on two different occasions several days apart. Secondly, I instructed him to ensure that we were instrumental in ensuring that there was adequate spraying equipment to do the job, and to give whatever other assistance we might through the veterinary services division of the Alberta Department of Agriculture.

MR. STROMBERG: One more supplementary, Mr. Speaker. Since mange control is a federal responsibility, I wonder why your department has become involved financially.

MR. MOORE: Mr. Speaker, the responsibility for control of certain diseases rests with the federal health of animals branch for the purposes of identifying the disease and quarantining. Once that has occurred, the federal government has taken the position with respect to mange and some other diseases that the responsibility for cleaning up the herd rests with the

livestock owner.

We believe, Mr. Speaker, that the matter is not entirely the responsibility or the fault of the individual livestock operator. Indeed, in this particular case it's not known where the outbreak came from. It is known, however, that the disease was spread among cattle herds in that area as a result of the use of a community pasture last summer. In those kinds of cases, we feel that it is a responsible attitude on our part to become involved with some assistance in terms of the technical application of sprays, locating the chemical, and some assistance for the purchase of that chemical through the Agricultural Service Board.

MR. STROMBERG: A final supplementary, Mr. Speaker. With the number of receding hairlines that are noticeable, I wonder if mange is transmittable to politicians?

AN HON. MEMBER: Only in Camrose.

MR. SPEAKER: Possibly the hon. minister could take that question as notice.

Age of Minors

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Attorney General. Has there been a decision on a common juvenile age for boys and girls in Alberta?

MR. FOSTER: Mr. Speaker, the matter of a full government response to what may be described as a young offenders policy is still before a cabinet committee. We have been expecting some advice from the federal government on the proposed legislation with respect to young people. I'm not sure what the bill will be called now.

I anticipate that that legislation will recommend an age of 16 for male and female persons. I have said in this Assembly on earlier occasions that in my judgment the age should be the same, and that it should be 16. I am very confident that the government would endorse that position, and I hope that before not too long we are in a position to make that good.

I have received some recent advice from the federal Solicitor General to the effect that he expects to have a detailed proposal in our hands before too long. I expect that they will have responded rather positively to the recommendations made by the provinces, including Alberta.

Agricultural Exchange Students

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. It's with regard to the International Agricultural Exchange Association, where young Canadians can work on farms in foreign countries and, in turn, foreign students can come to Canada. Could the minister indicate the position of the government with regard to the formula by the federal government on a one-to-one basis, where one Canadian can go to a foreign country and one foreign student can come to Canada?

DR. HOHOL: This approach has been talked about for some time, Mr. Speaker, but the proposal itself is something we don't have yet from the federal government. While on balance it appears to be an effective way to go, in practice we may have some difficulty, not finding but sending on a basis of one to one. To this point there have been more people coming from Europe to Alberta than from Alberta to Europe. I should like to await the formal proposal by the hon. Minister of Employment and Immigration, then respond to it more specifically.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Could the minister give any indication what effect the present program has on the employment as far as Alberta is concerned?

DR. HOHOL: I'm not clear on the exact intention of the question, but if it is in terms of whether it dislocates employment in Alberta, that isn't the case. The young people from Europe come on a combination education, cultural, ethnic, language, and work kind of program. With the difficulty the farm people have in getting assistance in labor, the circumstance of over a million people unemployed and a significant number in agriculture, the about 225 who will come to Alberta this summer will be insignificant in terms of the labor market.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Could the minister indicate whether the government had representation at the recent meeting in Denmark held by the International Agricultural Exchange Association?

DR. HOHOL: No, we didn't, but we had very close liaison with the Alberta branch and the Alberta host association. Both were represented at the international association conference, and our views and attitudes were well known. I talked to the president of the association on several occasions — once personally, and several times on the telephone. Our officials spoke with theirs, so our attitudes and views were placed before the conference abroad.

University Faculty — Hiring

MR. R. SPEAKER: Mr. Speaker, my question is also to the Minister of Advanced Education and Manpower. It's with regard to recruiting professors for the faculty of management at the University of Calgary. There was an indication that recruiting was taking place within Canada, but also in the United States. I wonder if the minister has had any discussions with university personnel with regard to hiring professors or teachers in the United States to work in our Alberta universities.

DR. HOHOL: Not specifically in that context, Mr. Speaker. No, I haven't.

Income Tax

MR. DONNELLY: Mr. Speaker, my question is for the Provincial Treasurer. It has to do with the time of year. It's spring and a great season, but it's also income tax time. My question is: did the agreement between the federal government and the provinces

reached in late 1976 lead to the people living in Alberta paying a higher income tax?

MR. LEITCH: Mr. Speaker, the one-word answer to that question is no. But I expect members of the Assembly might find a few words of explanation helpful.

Until that agreement was negotiated, Mr. Speaker, a number of programs were shared on a cost basis by the province and the federal government, with the federal government paying 50 per cent and the provincial government paying 50 per cent. Those programs were notably in the health care area. As a result of that agreement, the federal government no longer assumed any responsibility for the costs of those programs, and the provinces assumed the entire cost. Since the federal government had no further responsibility for costs in that area, it was able to reduce its taxes; and since the provincial governments had assumed the full responsibility for costs, of course they increased their taxes.

The federal government's decrease and the provincial governments' increase were designed to be approximately equal. The net result is that a taxpayer doing his income tax this year will find that his total tax bill will be roughly the same as it would have been had there been no such agreement, the only difference being that a larger percentage of his total tax bill is now paid to the province and a smaller percentage to the federal government. The net result is the same taxes; simply the apportionment between the two levels of government is now different.

Impaired Driving

DR. BUCK: Mr. Speaker, my question is to the hon. Solicitor General. Has the Check Stop program been cut back, and is it losing its effectiveness?

MR. FARRAN: No, Mr. Speaker, it hasn't been cut back. The effectiveness is very hard to measure.

We have in fact stepped up the firmness of the advertising support for the police action in the field. Since the beginning of the program, the number of convictions is probably up. That may be an indication of greater enforcement or greater frequency of the crime. It's not possible to make that judgment.

DR. BUCK: Mr. Speaker, a supplementary question. Can the hon. minister indicate if any additional steps are going to be taken to curtail the problem of drinking and driving?

MR. FARRAN: As I said, Mr. Speaker, we have taken a harder line in the advertising back-up, to try to use the shock effect of ads to draw people's attention to the gravity of the situation. I am aware that some 600 Albertans died on our roads last year, unfortunately not a continuation of the better experience we'd had the year before. At the present time we have under the auspices of AADAC a study of the whole question of driving and impairment, with a view to considering the possibility of even further educational support for this type of program.

DR. BUCK: A short supplementary, Mr. Speaker, to the minister. Has the minister given any consideration to increasing the penalties for impaired driving

and assuring that the existing penalties are being rigidly enforced?

MR. FARRAN: Mr. Speaker, my primary function is to enforce the law. The law itself is contained in the Criminal Code, which is a federal document. They did recently tighten up the Criminal Code in respect to refusing the breathalyzer, making that an offence similar to impaired driving. The question of departmental suspensions, which is wholly within the orbit of the province, is under continual review.

MR. NOTLEY: Mr. Speaker, I'd like to ask a supplementary question. I'm not sure whether it would be directly to the hon. Solicitor General or to one of the other ministers, but it relates directly to the question of alcohol advertising and its impact on motor fatalities. Has the government of Alberta assessed the new program being launched in the province of Ontario, where very strict controls will be placed on the advertising of beer, wines, and liquors to control the consumption?

MR. FARRAN: Mr. Speaker, the Ontario propositions are to fetch their policy in regard to liquor advertising in line with Alberta's. We were the leading province in Canada in this field. On paper, Ontario had much the same sort of policy as ours, but they didn't follow through with the actual enforcement in the field. So we take a back seat to no one in this regard.

So far as evaluation of our own educational back-up for the Check Stop program is concerned, the federal government has sponsored a study by the University of Alberta into the effectiveness of our advertising campaign.

Multiple Handicapped Children

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health and ask what steps have been taken to follow up the concerns contained in a brief to the government from a newly formed group called the Action Committee of Concerned and Desperate Parents. These are parents whose children not only suffer from mental retardation but have serious behavior problems as well. What action has the government considered, or is the government considering, with respect to the submissions contained in that brief?

MISS HUNLEY: I'm familiar with the brief and with the concerns expressed by the citizens who signed it. I have asked officials of the department to meet with them specifically. I presume the hon. member has read it carefully, and will note that that particular group does not wish to be associated with the general Association for the Mentally Retarded and other groups which work in that area.

That has been our major function in most areas in the new thrust we're taking: to have the local associations do a good deal of the work, feeling that they are rather closer to it. However, this particular group feels it requires a different type of institution, and it may be valid. It's one of the things we'll consider if their needs can't be met with the many other areas and other types of facilities that are being developed.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government assessed the adequacy of Michener Centre as a suitable place for people who, in addition to mental retardation, have serious behavior problems? Has there been any specific assessment as to whether Michener is a suitable place especially for children who have these problems?

MISS HUNLEY: Yes. As a matter of fact, I must take this opportunity to say I resent the terminology used in that document, which the hon. member and many hon. members received. I have indicated to the authors that I do not appreciate the terminology "dumping ground". I don't consider Michener Centre a dumping ground for anybody. I consider it a very advanced, progressive centre that's doing a lot of good work.

We are developing some minimum security facilities in Michener Centre. We find that as more and more people grow older, because of the care they are getting and the changes we make, the more they are able to be among the community or to live at home. As they grow through adolescence and perhaps into adulthood, they perhaps do develop antisocial behavior, and we need some facilities to take care of that particular development. Michener Centre is being developed in the interim as a minimum security area. We have to examine a maximum security facility. That's been brought to our attention by the Ombudsman, and we're taking a look at that.

We're speaking about a very small number of people, Mr. Speaker. But that doesn't mean they don't need our concerned attention. It just means that as society changes and as progress is made in some areas, new problems and new challenges must be met and faced, and we'll do that.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Beyond a meeting of department officials with the group in question, has the government given any consideration at this stage to establishing facilities or group homes relatively close to the parents' homes where psychiatric assistance can be made available to children with the multiple handicaps we've been discussing?

MISS HUNLEY: The hon. member has a very short memory. He forgets about the resource centres we're so pleased with. They're coming on stream. I hope that three of them will be open this year in the city of Edmonton.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. With respect to the one behavior unit that exists at the moment in the city of Edmonton, is the minister in a position to advise the Assembly whether only one individual is in permanent residence there, and whether it tends to be a transitional unit as opposed to a home where people can stay indefinitely?

MISS HUNLEY: I would have to take that matter as notice and inquire into the actual operation and staffing pattern at that particular facility.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Have the department

officials assessed the program in Saskatchewan where a number of decentralized group homes have been established throughout the province for children who have multiple handicaps, including mental retardation but behavior problems as well — not as a transitional step, but for those people who unfortunately will not be able to go home or out into society?

MISS HUNLEY: I'd be surprised if we haven't. I think we've examined the programs that exist throughout the world, so it would surprise me if we've overlooked the one in nearby Saskatchewan.

But we do believe in that philosophy. We're developing that as best we can, as we work with the local agencies. Again, those are not government facilities; rather, they are managed by a local organization. I'm very supportive of that particular goal.

Dominion Day

MR. GOGO: Thank you, Mr. Speaker. My question to the Minister of Labour concerns many Albertans, particularly employers. When July 1 falls on a Sunday, the following day is declared a holiday. But when it's on a Saturday, there's no clear policy. Will the province of Alberta declare July 3 a holiday, or will it be a matter of municipal jurisdiction?

MR. CRAWFORD: Mr. Speaker, I would like to give some consideration to that matter, first of all to see whether or not we have any jurisdiction in the matter. It's a national holiday in the normal course of events. To be quite frank, I'm not sure what provincial legislation might also bear upon it.

Gasoline Prices

MR. SHABEN: Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. Since the provincial sales tax on gasoline and diesel was eliminated a couple of days ago, and the minister indicated in the House last week that the department would be monitoring the pump prices, could the minister advise the Assembly if he has any results on the monitoring that has taken place since April 1?

MR. HARLE: Yes, Mr. Speaker. From the reports I've had from the regional offices in Alberta, I think one can conclude that, by and large, the response by the private sector to the removal of the tax has been very positive. Certainly, in the centres we've been able to monitor so far, the indication is that the full 10 cents is being passed on to consumers.

I might also say there are some locations, certainly in Edmonton, where even full service gasoline is available at 69.9 cents. So I think consumers should shop around. Extremely good prices on gasoline are still available in the province, when one compares them to gasoline prices throughout Canada.

MR. SHABEN: A supplementary question to the minister. Will the minister and the department continue to monitor pump prices in the weeks ahead?

MR. HARLE: Yes, Mr. Speaker.

Education Goals

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Education. It flows from the tabling of The Goals of Basic Education for Alberta. Is it the intention of the government to place the debate of these goals on the Order Paper, then call the matter to a vote in the House after the debate is concluded? Then will there be no changes in these goals and objectives until there's another discussion in the Legislature? Is that the kind of approach the government's going to use? Or will we see this discussion as a rather general approval, if that's the result of the discussion, then the department would carry on with changes following that?

MR. KOZIAK: Mr. Speaker, once those goals have been approved by this Legislature, whether in the form set out in the document I tabled this afternoon or some modification of that document as a result of debate, I would see them as being the goals of education until modified again by this Legislature.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

10. Moved by Mr. Hyndman:

Be it resolved that this Assembly do resolve itself into committee to consider the supply to be granted to Her Majesty.

MR. HYNDMAN: This is an annual procedural motion, with which members are familiar, Mr. Speaker. It will enable the subcommittees of the Assembly to start meeting tonight, and the Committee of Supply to start meeting on Wednesday.

[Motion carried]

13. Moved by Mr. Hyndman:

Be it resolved:

(1) (a) That two subcommittees of the Committee of Supply be established with the following names:

Subcommittee A

Subcommittee B

(b) That the the membership of the respective committees be as follows:

Subcommittee A — Mr. Kroege, Chairman
Appleby, Backus, Buck, Chichak, Clark,
Cookson, Doan, Ghitler, Gogo, Horsman,
Kidd, Little, Mandeville, Miller, Notley,
Paproski, Planche, Purdy, R. Speaker, Taylor,
Tesolin, Thompson, Walker, Wolstenholme

Subcommittee B — Mr. Donnelly, Chairman
Ashton, Bradley, Buck, Clark, Diachuk, Hansen, Hyland, King, Kushner, Lysons, Mandeville, McCrimmon, Musgreave, Notley, Shaben, R. Speaker, Stewart, Stromberg, Taylor, Topolnisky, Webber, Young, Zander

(2) That the following portions of the estimates of expenditure for the fiscal year ending March 31, 1979, be referred to the subcommittee hereinafter set forth for their reports thereon to the Committee

of Supply.
 Subcommittee A — Energy and Natural Resources,
 Environment, Consumer and Corporate Affairs
 Subcommittee B — Transportation, Labour, Solicitor General

MR. HYNDMAN: Mr. Speaker, the motion contains most of the details with respect to these two subcommittees.

While I have this opportunity, I would like to outline the locations of the two subcommittees, which will begin meeting this evening. Subcommittee A will meet in Room 312 to begin consideration of the estimates of the Department of Energy and Natural Resources; Subcommittee B will meet in the Carillon Room at the same time, 8 p.m., to commence consideration of the estimates of the Department of Transportation. We would see consideration of those estimates by the subcommittees continuing this Thursday, April 6, in respect of both those departments, if they're not finished or, if they are finished, moving on to Environment and Labour respectively. This Wednesday afternoon under Orders of the Day we will commence study of the estimates of the Department of Agriculture.

[Motion carried]

9. Moved by Mr. Leitch:

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

[Adjourned debate March 31: Mr. Horsman]

MR. HORSMAN: Mr. Speaker, in rising to participate in the budget debate this year, I wish to add my congratulations to those which other members of the Assembly have already made to the Provincial Treasurer. The document is a significant one for all Albertans, not just for the forthcoming fiscal year. The members of the Assembly and the people of Alberta must surely realize that this document, when examined in its entirety, is another important statement of the overall plan for the province of Alberta developed by the Progressive Conservative Party before and since assuming office.

Mr. Speaker, I was pleased to have had an opportunity over the weekend of taking note of the reactions of people in my constituency to the removal of the 10 cent gasoline tax, and indeed pleased as well to have had an opportunity of monitoring the prices at the pumps in my own constituency. I think in all cases I was able to note, the full 10 cents had indeed been passed on to the consumers. I think it's important to make quite clear the obligation of all Albertans to ensure that retail operators are indeed passing on that 10 cent relief to them as consumers.

Mr. Speaker, I was somewhat disturbed by the attitude demonstrated by the Automotive Retailers' Association of this province following the budget speech. Over the past three years I've met with the local branch of that association on several occasions. I have a great deal of respect for the individual members of the association in that they are in fact small businessmen, who are the backbone of our free-enterprise economy. Indeed, I've spoken in this Assembly in the past in support of their efforts to remove the zone system of transportation costs. I

hope that type of progress can be made by the ARA in its dealings with the major marketers without the necessity of the government of Alberta becoming involved in legislation.

As I say, I have spoken in this Assembly in support of the local retailers. But I was disturbed by the attitude demonstrated by some, that it would be a very short period of time indeed before the major marketers or the individual retailers had taken up this 10 cents a gallon relief provided by the government of this province.

Quite frankly, I say it is the obligation of Albertans as individual consumers to ensure that that does not occur, and not to rely solely upon government action to see that this takes place. I really hope the attitude that was demonstrated does not in fact prove to be the action taken by individual retailers.

Certainly, as far as the major marketers are concerned, there would appear to be absolutely no justification for any of them passing on any price increases to recover or take up part of the ground vacated by the government in the removal of the 10 cent per gallon tax.

Mr. Speaker, as a member of this Assembly I intend to keep on monitoring the price of gasoline at the pumps in my constituency. I'm sure other members will do the same in their constituencies. I'm inviting the people of Medicine Hat-Redcliff to keep me advised as to whether or not any efforts are being made on the part of individual retailers to prevent the consumers of this province from receiving the full benefit of this government action.

Mr. Speaker, I wanted to comment on the question of relief to senior citizen home-owners and to say very simply and frankly that I am extremely pleased with the removal of the last portion of education tax from the homes of individual senior citizens in Alberta. Over the last three years I've had many representations towards this end from individual senior citizens in my constituency and from senior citizen organizations and advisory committees. I'm pleased indeed that the government has responded not only to those concerns but to concerns which have come from other parts of the province as well.

In complimenting the Provincial Treasurer and the government with regard to its emphasis on social services — I consider the senior citizen education tax removal to be a thrust in that direction as well — I wish to add my congratulations to those of others for the new developments in home care, early childhood services, and certainly the handicapped adaptation program announced in some detail last week in the ministerial statement by the hon. Minister of Housing and Public Works. While it is true that the number of homes throughout the province that will be affected by this program are not as numerous as those that have been affected by other aspects of the senior citizen home improvement plan, they certainly merit this type of support from the government.

As the budget particularly affects my constituency, I am pleased that the holding pattern on hospital construction has come to an end. Medicine Hat District Hospital has been planning a major expansion during the last three years or more, with respect to provision of a support services building and a clinical services building; not with the purpose, Mr. Speaker, of adding a major number of active treatment beds to the hospital, but indeed to have the hospital fulfill its function

as a district hospital providing specialized services for southeastern Alberta. I'm encouraged that this major expansion for Medicine Hat District Hospital will now be able to proceed in due course and with regard to proper planning methods.

I'm also pleased that the courthouse program in the province will be pursued. Indeed I wish to compliment the Minister of Housing and Public Works and the Attorney General for their interest in the courthouse in Medicine Hat, a building that has been in use for approximately 60 years. I am quite seriously opposed to any major alteration of that courthouse. I look forward to the construction of a new provincial court facility adjacent to the existing courthouse, but certainly not as an addition which would in any way detract from the use or the nature of the present courthouse, which really is one of the finest in the entire province.

Mr. Speaker, I'm also pleased that Cypress Hills Provincial Park will receive \$1 million for capital works. As members of the Assembly are no doubt aware, the planning process for the development of Cypress Hills Provincial Park has been extensive and has extended over the last four years. Having had meaningful and significant public participation in the planning process for that park, we're now ready to proceed with this major expansion. And I welcome that.

I look forward as well to the appointment of the local citizens' advisory committee in the very near future by the Minister of Recreation, Parks and Wildlife. The committee, I hope, will be comprised of five local people who will have a meaningful role to play and clearly defined terms of reference and mandate, so they may carry out the advisory capacity to the minister. I look forward to working with that committee when it is appointed.

I welcome indeed the announcement today by the Minister of Transportation, the Deputy Premier, of the street assistance program, as this will directly affect the town of Redcliff. Mr. Speaker, my quick calculation is that the town of Redcliff will receive approximately \$225,000. Of course, that is sorely needed by that community, since it has been experiencing considerable growth. Furthermore, as an industrial community in southeastern Alberta it requires upgrading of the streets in order to accommodate heavy vehicles which are using the streets to get to and from the industrial plants in that community.

Mr. Speaker, one item which initially appeared disappointing to me as the Member for Medicine Hat-Redcliff was the apparent decline in municipal assistance to the community of Medicine Hat. That of course is as a result of the fact that no growth grants were available to my community in the past year. The fact of the matter is that the city of Medicine Hat declined — for whatever reason, I'm not entirely certain — to take a census before the end of June last year and, not having done so, certainly was not in any position to obtain any growth grants. The town of Redcliff, on the other hand, received a substantial growth grant in that growth over the preceding year has been significant.

I think it's quite unfortunate that some municipalities in the province appear to have automatically assumed that the growth grants could be built into the base grants available to all municipalities. I think that mistake was made in the case of the city of

Medicine Hat, and I hope it is now quite clear that the growth grants are available only to communities that experience significant growth. I supported the movement toward the growth grant principle last year, and I hope that significant growth will continue both for the city and for the town of Redcliff in the next year, and that it will be demonstrated by an appropriate measurement of the number of people who reside in the communities.

As a matter of fact, I'm sure the city and the town will continue to grow as a result of the economic policies of this government toward diversification of our economy and decentralization. I was very pleased indeed last week to have heard the announcement by Alberta Gas Chemicals that it intends to proceed with the construction of a major addition to its plant — capital costs in the neighborhood of \$100 million, with construction to commence in September this year, which will provide approximately 300 jobs during the construction period and, more importantly, Mr. Speaker, followed by at least 50 permanent jobs, which of course will have a growth effect on our communities in southeastern Alberta.

Mr. Speaker, that's the type of thing which is done with the assistance of the government of Alberta and its policy not only of encouraging the diversification and decentralization of industry, but of working with the Energy Resources Conservation Board with regard to the use of natural gas as a feedstock for this type of industry and ensuring that that type of upgrading of our natural resources is done within this province to provide meaningful advances and new jobs for Albertans.

So I am convinced and confident that the southeastern corner of Alberta will continue to grow, that perhaps next year we will be entitled once again to growth grants for the city of Medicine Hat, because it's a lot healthier thing to have happening to the community in which I live than we had seen prior to 1971.

I wanted to comment briefly on one thing before closing, Mr. Speaker. The guidelines, established by this government, of between 6 and 7 per cent for public sector employees in this province are vital and important to the continued economic prosperity of this province. I realize that on Thursday this week we're going to have the opportunity of discussing this matter once again. I assure the members of this Assembly, the people of my constituency, and the people of Alberta that I fully support those guidelines. If we deviate from them in any significant way, we will be undermining the economic growth of this province.

It is very important, Mr. Speaker, that we do not allow the public sector in this province to lead up or outstrip the private sector in its wage levels. One of the most significant things that has happened in this country in the last few years is that the public sector has indeed outstripped the private sector in many cases. This of course is a result of federal government policy initiated some years ago by the Pearson government. Quite frankly, it has been one of the major factors contributing to the inflationary spiral that has taken place in this country and the inflationary psychology which still seems to grip many members of the public and certainly the opposition parties represented in this Assembly.

Well, Mr. Speaker, we will have a further opportu-

nity to debate that. But, as did the Member for St. Albert, I wish to emphasize the importance of the facts pointed out to the members of this Assembly and the people of Alberta by the Provincial Treasurer in his Budget Address, on page 7, as to what has really happened with regard to productivity in Canada being less than 80 per cent of the productivity of our major trading partner, the United States of America, while in fact average hourly wages in Canada are much higher in the private sector. It's set out that in . . . September 1977, average hourly wages in Canada were higher than those in the United States by 16.4 per cent in mining, 12.6 per cent in manufacturing and 22 per cent in the construction industry.

It doesn't take much of an economic genius — and I don't pretend to be one — to realize that we cannot compete in the world market with the United States of America and other industrial nations with these facts in our face. Therefore we must support the Provincial Treasurer and the government of this province in its efforts to stick to those guidelines and, by doing so, to attack the inflationary spiral and, even more importantly, the inflationary psychology; which must be defeated.

One other thing, Mr. Speaker: the Alberta heritage savings trust fund and the \$4 billion that will be there. It sounds like a lot of money. But I am becoming very distressed by the attitude demonstrated by some people in this province, that every time they want to institute a new policy or every time a new opportunity comes along to spend money they point to the Alberta heritage savings trust fund and say, well, we have all that money in the trust fund; the implication being, let's spend it. If we do that, we shall be undermining the very future of the citizens of this province. To place it in context: assuming that by the end of next year we have \$4 billion or more in the heritage savings trust fund, contrast that with a federal deficit of \$8 billion or \$9 billion this year and a predicted federal deficit next year of \$11 billion, and we can see how soon our trust fund would be used if we were to enter the same kind of spending policies presently adopted by the federal government of this country.

Unfortunately, Mr. Speaker, we are not an island, and we are today reaping the unfortunate consequences of the policies of the federal government of this country in regard to its spending and its total lack of concern for balancing expenditures with income. The type of philosophy being urged on this government by opposition parties, by other parties not represented in this Assembly, and by some Albertans, would be ruinous indeed. Mr. Speaker, I suggest it is the obligation of every member of this Assembly who cares about the future of Alberta to stand by the heritage savings trust fund and prevent its waste and expenditure in extravagant spending programs urged upon us. [interjections]

MR. KING: Tell that to Grant, Walter, the next time you see him in caucus.

MR. HORSMAN: Without question, this is a time of great opportunity for Albertans. It is a time of opportunity for us to make meaningful decisions for many generations to come. If we fail those generations, I will forever regret having been part of a government

or an Assembly which squandered the heritage of the people of Alberta with massive spending, and indeed I intend to support on the hustings, if I decide to run again, and if I don't, to support those of you who do.

DR. BUCK: Is that a threat?

MR. HORSMAN: When the time comes — and I know the hon. Member for Clover Bar is interested when that time might be. In due course, perhaps he will find out, if he waits long enough. [interjections]

AN HON. MEMBER: He may never find out.

DR. BUCK: I know when it is.

MR. HORSMAN: I wouldn't want to be that hon. member, Mr. Speaker, to have to go out to the people of Alberta, who in my opinion solidly support the government in its determination to save that money for the future generations of Alberta.

Mr. Speaker, it has been a pleasure to take part in this debate on the budget once again. Indeed I look forward to some of the future debates on some of these questions which we have had notice of in the Assembly today, and I look forward to hearing some of the arguments from the opposition as to how to spend the trust fund. I think it's going to be very important in a year or so to have that as a matter of record for the people in this province.

MR. YURKO: Mr. Speaker, I would first like to congratulate the Provincial Treasurer for bringing forth a budget that's staggering from all aspects, a remarkable budget. Before I get into the meat of my conversation in this House today, I would like, as I've done on several occasions, to offer the opposition some guidance.

Mr. Speaker, a Malayan youth once wrote, in a magazine published in Singapore, about the seven deadly sins of modern society. As we can all profit, and particularly the opposition, from the recitation of these seven deadly sins, may I repeat them here? The first is politics without principle.

DR. BUCK: On a point of order, Mr. Speaker, I presume he is reading his speech, just for the record.

MR. YURKO: Mr. Speaker, I shall glance at my notes periodically. The second is pleasure without conscience. The third is wealth without work. The fourth is knowledge without character. The fifth is business without morality. The sixth is science without humanity. The seventh and last is worship without sacrifice.

Mr. Speaker, politics without principle is a dangerous game. Let me tell you about a candidate, a fictitious character, running for the highest office in the land. He was supposedly brighter and better educated than average; nevertheless he polled the mass of voters to find what they wanted from government. As could have been foretold, they wanted the very things that crumbled the Roman Empire: bread and circuses. The farmers wanted subsidies, not for outstanding performance, but for not farming. The labor unions wanted grants of coercive power that they might extort more pay for less work. Many businessmen wanted various protections against

competition. Vast hordes wanted the guaranteed life: pensions, ease, retirement; in short, to be relieved of responsibility for self.

Now these are the things the candidate professed to stand for, and to deliver if elected. Instead of standing consistently for the highest principles of political economy known to him, he imitated the lowest common denominator: opinion of the population. His campaign manager confided he had to do this to get elected, but that once in office he would do what was right. Needless to say, the candidate lost, and rightfully so. For one who runs a campaign without integrity proves only that he would forsake integrity at any time if it appeared expedient to do so.

As a member of this government for almost seven years, I say without equivocation that this government has conducted its business with integrity. But at this time in the nation, in North America, in the world, there is turmoil, there is confusion, there is lack of stability, and there is an unknown direction for so many people and so many institutions. In my travels I've found guidance in several areas, books I have read.

I particularly wish to take the time — which will only be a minute, Mr. Speaker — to read perhaps the finest creed I have ever had the opportunity to read and reflect upon. It happened to be the creed of John D. Rockefeller, Jr., which is written in stone at the Rockefeller Plaza in New York City. If you would permit me, Mr. Speaker, I would just like to quote what's written in stone:

I believe in the supreme worth of the individual and his right to life, liberty and the pursuit of happiness.

I believe that every right implies a responsibility, every opportunity an obligation, every possession a duty.

I believe that the law was made for man and not man for the law; that government is the servant of the people and not their master.

I believe in the dignity of labor, whether with head or hand; that the world owes no man a living, but that it owes every man an opportunity to make a living.

I believe that the rendering of useful service is the common duty of mankind and that only in the purifying fire of sacrifice is the dross of selfishness consumed and the greatness of the human soul set free.

I believe in an all wise and all loving God, named by whatever name, and that the individual's highest fulfillment, greatest happiness and widest usefulness are to be found in living in harmony with His will.

I believe that love is the greatest thing in the world; that it alone can overcome hate; that right can and will triumph over might.

I believe that thrift is essential to well ordered living and that economy is a prime requisite of a sound financial structure, whether in government, business, or personal affairs.

And the last one is:

I believe that truth and justice are fundamental to an enduring social order. I believe in the sacredness of a promise; that a man's word is his bond; that character . . . not wealth or power or position . . . is of supreme worth.

Mr. Speaker, periodically all of us have to remind

ourselves and relate to such a creed. Indeed, most of us are not men enough or strong enough to live by the strictness and the glory of the creed enunciated by Mr. Rockefeller. However, it is and should be a guide to all of us.

One of the things he mentioned above all else, Mr. Speaker, is frugality. Very briefly I would like to advise the Assembly about that frugal couple who settled as pioneers in the Barrhead area and after years of hard work and toil accumulated quite a bit of wealth. Then he passed on and left this amazing wealth to his wife, who immediately hired a companion, a maid. The maid worked for the madam, and the madam accumulated more and more and more wealth. Eventually it came close to her time to pass on, and she called Mabel in and said, "Mabel, I want you to bury me as usual, face up in my coffin, in my best satin dress. But, Mabel, because I'll be lying on my back, I'm instructing you to cut out the material from the back of that dress and make yourself a fine skirt of black satin." Well, Mabel was somewhat excited at this proposition and tried to caution the madam against such a foolhardy act and said, "But Madam, can't you just see yourself when you walk up them golden stairs arm-in-arm with your husband, all the people behind you will be staring at your bare back." And the madam said, "Mabel, no they won't; they'll be staring at my husband because I buried him without his trousers on."

Mr. Speaker, in his budget the Provincial Treasurer listed four objectives. [interjections] Mr. Speaker, I would like to advise the hon. member that in the last couple of years I have opened 73 senior citizens' housing projects and 19 government buildings of one sort or another across the province. I must say that generally I have a fairly substantive audience when I open them, and it is an excellent idea to engage in some form of merriment, so I have been learning over the last couple of years.

DR. BUCK: Your jokes are terrible.

MR. YURKO: You didn't think so on the one we opened together, did you?

Mr. Speaker, in his budget speech the Provincial Treasurer listed four objectives. I don't believe anybody has really dwelt on those objectives, and I'd like to re-enunciate them for the Assembly:

to provide a high level of government services to the people of Alberta, in keeping with our present and future capacity to do so,

The second:

to distribute equitably the benefits from non-renewable resources between present and future generations,

We should dwell on that objective. Thirdly:

to ensure that the operations of the government sector complement, rather than detract from, the initiatives of the private sector which maintains our growing and vibrant economy, and

Fourth:

to maintain the strong financial position of the government.

Mr. Speaker, these objectives, though self-evident, are so important that everybody should dwell on them throughout the 365 days of the coming year. The reason is that to bring substance to these objectives requires courage, discipline, and good management.

And indeed that is what this government is going to be about in the next year.

Mr. Speaker, I want to speak briefly about the Provincial Treasurer's emphasis on capital construction projects. Last year the total construction expenditure in the province, including housing repair and so forth, was of the order of \$5.7 billion. It is expected that in the coming year we will be duplicating the \$5.7 billion to \$5.8 billion of construction. We expect the increase in construction costs to approximate something under 8.5 per cent in the following year, which is generally lower than in previous years.

Mr. Speaker, of this \$5.7 billion about \$1.7 billion is housing construction and the rest is a vast variety of engineering and construction, all the way from heavy to light industry, commercial, and so forth, including of course such things as transportation, public works, and hospitals.

Mr. Speaker, in the 1978-79 budget the government will be providing a total of some \$810 million toward the construction program in Alberta. This includes total government capital construction in the following areas: advanced education — colleges and universities — environment, hospitals, public works, transportation, the capital projects division of the Alberta heritage savings trust fund, housing, and Alberta Government Telephones, but does not include the Alberta Home Mortgage Corporation. If we add the Alberta Home Mortgage Corporation's allocated investment of \$292 million, the provincial government is primarily assigning some \$1.1 billion for maintaining the health of the capital construction industry in the province in the coming year, or approximately 15 per cent of the total construction, if we do not include the money allocated to the Alberta Home Mortgage Corporation, and some 20 per cent if we do include the money allocated through investment by the Alberta Home Mortgage Corporation.

Mr. Speaker, what is the effect of the construction industry on the economy of the province? Total construction in the province employs approximately 100,000 people. Some 33 per cent, or about \$2 billion of the \$5.7 billion, is in salaries and wages, with an average salary or wage of some \$20,000 per person. Of course cost of materials, which is most of the rest, has a tremendous effect upon supply industries both in the west and in eastern Canada; also in the manufacturing industries, though primarily in eastern Canada and to some degree abroad.

What I am trying to suggest, Mr. Speaker, is that the capital construction industry in the province is a vital and very, very important part of the total economy of this province. When this government gave emphasis to this area of concern, recognizing the 'fall-back' or the completion of the Syncrude project and its effect upon the construction industry and employment, it indeed was acting in the best interests of Alberta, of Albertans, and indeed of Canadians.

Mr. Speaker, it is interesting to note that in the area of engineering construction — which includes roads, highways, waterworks, dams, irrigation, electric power, gas and oil facilities, other engineering such as bridges, trusses, culverts, and so forth — the total expenditure is of the order of \$3 billion in 1976, out of a total budget of something like \$4.8 billion. In other words, this area that's affected by the completion of Syncrude can have a major effect upon the

health of the construction industry in the province. That's why it was imperative that in this budget the provincial government accelerate a number of its public works projects to maintain the health of this industry.

I might also indicate, Mr. Speaker, that allocating some \$810 million directly to the capital construction industry in the province put into motion projects which can't be stopped next year, which have to continue, and will actually put into motion capital construction works of the order of \$1 billion next year; again recognizing, as the government has, that the years 1978-79 and 1979-80 are critical years in maintaining the health of the construction industry, because another major construction project like the pipeline is not expected to come into full effect and have a full influence on the Alberta construction area until perhaps 1980 or beyond.

Mr. Speaker, I would now like to look briefly at and comment briefly on the housing outlook in the province, and highlight some aspects of the 1978-79 budget program of the Alberta Housing Corporation and the Alberta Home Mortgage Corporation, if time permits. Three years ago, when I was made Minister of Housing and Public Works and some suggested there was a housing crisis in Alberta which was getting worse, we established three areas of priority with respect to policy. The first was increasing supply, the second was affordability, and the third was repair of existing housing stock.

Mr. Speaker, three years have now passed and the logical question is, how have we done? In regard to supply we have almost accomplished miracles, and I give all the credit to the private sector, because the government sector builds no houses. The private sector does all the building, and the government acts purely as a catalyst through money supply, money management, and project management.

The supply was increased from somewhere between 15,000 and 19,000 housing starts per year to as high as some 38,771 housing units in 1976 and 38,075 starts in the last year. Mr. Speaker, 38,075 starts are equivalent to the housing starts in Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island, Manitoba, and Saskatchewan added together. In other words, there were as many starts in Alberta in the last year as there were virtually in six of the other provinces of the nation. So indeed the home building program in Alberta has been accelerated to meet the influx of people coming into this province because of the good government in this province and the maintenance of a healthy sector.

AN HON. MEMBER: Good government — that's why they come to Alberta.

MR. YURKO: Agreed. That's where there is opportunity.

Mr. Speaker, I want to suggest that it is not possible for us to maintain in Alberta such a high level of construction for very many more years. The reason is that we have not only coped with the housing requirements of those vast numbers of people coming into the province — some 4,000 to 5,000 Canadians coming to find opportunity in Alberta — but indeed we have improved the housing supply for many existing Albertans. The Provincial Treasurer has indicated in his speech that the number of people per housing

unit in Alberta has now dropped to 3.1. So indeed we are some of the best housed people in all of Canada, in fact in all the world.

Now, Mr. Speaker, let me touch briefly on affordability. It is true that the price of the single home has risen spectacularly, primarily as a result of serviced land costs. The Edmonton study is an excellent example to indicate where the problems lie. Indeed the Edmonton study — which was done jointly by Edmonton, the Department of Housing and Public Works, and the private sector — indicated that land went up some 470 per cent in the last couple of years, but the construction cost of that house, material and labor, had only gone up some 75 per cent. So it is pretty easy for anybody who can weigh and examine figures to note where in fact the problem lies. I'm rather tickled about the bill the member from Calgary has placed before this House, and it will continue to tickle me, Mr. Speaker. [interjections]

Mr. Speaker, in regard to affordability, we have moved very dramatically in a number of areas with respect to land banking to maintain a reasonable price for lots. Wherever we have appropriate land banks, lots are quite reasonable.

Indeed we have moved to provide interest rate subsidies to make housing affordable for the lower third of the income spectrum. We use direct subsidies effectively. We have instigated a program called the co-operative housing action program, which uses sweat equity to reduce the price of the single house. I'm very pleased to note how well this whole area of co-operative housing building has done in the last year. Indeed, as of March 1978, in Edmonton alone we had completed 155 units, 233 were under construction, 17 yet to start, and about 75 family heads in training. The program is being moved to Red Deer, where we have some 60 units going; Wetaskiwin with 15; we have 10 under consideration at this time in Vegreville; Lamont has 5; Onoway, 8; Fox Creek, 6; we're starting in Lethbridge with about 7. I know Medicine Hat is interested, and certainly Calgary is. We're considering the possibility of approximately 100 homes by way of sweat equity, so families can use the co-operative program to build their own homes.

The other thing that has changed rather remarkably is the mix. Mr. Speaker, to a large degree the mix of multiple-family to single-family housing has been adjusted by the economics of the system. In fact, in Alberta we are now building about two multiple housing units for every single-family unit. Now this has some longer range implications, in my estimation all positive. With rising energy costs, with the need to replace automobile transportation with rapid transit or mass forms of transportation, indeed with the high cost of land and the gobbling up of agricultural land by the growth of urban centres, and for many, many other reasons, the average density of our urban developments simply has had to rise and approximate more closely the average density of European cities and, to some extent, some of the eastern United States cities. As is being recognized in the United States, the densities that have admittedly been created by the private-enterprise system are going to be very hard to sustain in the future. So the balance between higher density growth in the centre of our urban centres and lower density growth at the fringes has to be influenced. It can be influenced two ways:

to a large degree by the general operation of the economic system itself, whereby it prices itself out of the single-family market and forces more and more families to move to the multiple housing market either through rental or home ownership.

However, it is to everybody's advantage, including that of a family, to own their own home rather than to rent. So our emphasis, though pronounced in the area of rental accommodation for senior citizens and the very low-income families in the province, has been primarily towards home ownership. Today in Alberta there is no family of two, whether it be a married couple, a wife and child or dependant, or a man and a dependant, who can't afford to purchase a home. Through the government's programs, the down payment has been reduced to some 5 per cent of the cost of that home, and indeed the control on the maximum price has been held to under \$50,000. With the interest rate and direct subsidies being provided, families with incomes below \$8,000 can readily afford a home today.

Mr. Speaker, all I want to suggest before sitting down — I realize my time is up, and I have barely got started on housing — is that I was particularly gratified to have presented to me recently a list of some 82 families who bought housing under SHOP and the direct lending program in Calgary. I was particularly interested to note that the majority of those families had incomes between \$7,000 and \$12,000 a year. Without the provincial government subsidies, there is just no way these families could afford to own their own homes. Yet, Mr. Speaker, this is being done through the Alberta Home Mortgage Corporation, whereby it's almost possible, on the basis of averaging interest rates, to balance the portfolio of the Alberta Home Mortgage Corporation. In the last several years this government has put together few tools more versatile in providing a service to low-income families in the province than the Alberta Home Mortgage Corporation.

Thank you very much.

MR. KIDD: Mr. Speaker, in rising to speak on the budget speech, I feel as though most of the things have been said, and said very well. So I will be brief.

I would be remiss if I did not also congratulate the Provincial Treasurer for the excellent budget. I would say it's noted for three things: I believe it's a balanced budget, a people's budget, and a budget that shows frugality. Isn't it strange to say at this time that it's a frugal budget? I say that because with the resources we have available, how simple and easy it would have been to just increase the expenditures by about another billion dollars.

DR. BUCK: That comes next year, Fred.

MR. KIDD: Now that I've had some response from the hon. Member for Clover Bar, I might go on to say I enjoyed the speech of the hon. Leader of the Opposition. I think he started off in grand fashion, and then he dwindled down. But as I recall, the first major point he made was, how could we justify increasing capital expenditures at this time? You know, there are a lot of reasons we can justify it. But I had to think, just at that moment, isn't it a real interesting province we live in, that we have to pick a low point in our booming economy, pick it very carefully, to do

the things and spend the capital money for permanent improvements that must be made, and that we have the opportunity. Has there ever been another time in history when a government had to choose a low point in its economy? And you know, on a smaller note, the hon. Leader of the Opposition must have had his tongue in his cheek, because I know he's going to enjoy having that road from Cremona to Sundre finished with the increased money that's in the capital portion of the budget.

Mr. Speaker, following the manner in which the budget was presented, I would like to talk a little about our national concerns, and maybe pose a few questions for the members of the Assembly; things that bother me, and I don't know what the answer is. I'm not an economist — I see the Minister of Municipal Affairs is here, and I'm sure he will explain it to me afterwards. But the way I see the national economy, I hope, and I think we should all hope, that our federal government has the courage to retain restriction on the money supply. We've talked so much about the cause of inflation and so on, and I see that as a major reason. There is a restriction, and I think it should be maintained.

Another factor we all must look at very carefully and not let up on, is the increase in the minimum wage. I think it's extremely important that we retain the minimum wage, so that at some point we can get back in balance with the United States, our great trading partner. That's what we must do. We must get to a point where the value of our goods and trade with them is balanced.

Another question bothers me a little bit. It seems to me that we go on leading inflation. In this country we talk about: gee, isn't this awful; we can only have a 6 per cent increase in salaries. It seems to me that that's leading inflation, because as I see the figures last year, our productivity increased 2 to 3 per cent. Now, are we leading inflation when we go on with 6 per cent increases? We talk about biting the bullet, but are we in this country really ready to bite the bullet? Maybe we should have zero increase in wages. I know that's a very unpopular comment, but it could be a fact of life that the only way we break that chain of inflation is to reduce the increases in wages to below the increase in productivity.

Productivity itself: it seems to me, Mr. Speaker, that there may be some misunderstanding on productivity. Yes, it helps. We like people to get up early in the morning, get out, and work real hard. But to take a very down-to-earth illustration: if a farmer gets out early in the morning and starts cleaning out his barn, shovels real hard, he gets it done fairly well. But his real increase in productivity is when he buys a front-end loader and goes out and moves that stuff out of the barn. So the real increase in productivity comes about through two things combined: increase in investment and increase in technology.

At some stage — I think we're still in that stage — maybe you can't do it much more by capital investment, if you get to be highly technical. I don't think we're quite at that stage in Alberta. I think our real increase in productivity — and I don't restrict it to Alberta; that stage in Canada — is by creating and maintaining a climate for capital investment and certainly by fostering technological advances.

Another area that concerns me a little — and I'd like to get feedback from more knowledgeable people

— is small businesses. For small businesses to be successful it appears to me again they must be based on an idea, a technology, or the small businessman being able to do something much better than someone else. I think the real success is where he's doing something unique. But it is my belief that the real future of small businesses in Alberta and in Canada is where they are a part of, or tied to, or supplying a service to a world-scale operation. I see that, and I suppose it's part of our strategy, because I know our long-term strategy has been well considered. Fostering world-scale operations such as petrochemical plants and thereby fostering small businesses seems to me the way to go. If you're a small business in the same business as a large organization, you can't compete. Mr. Speaker, I'll just leave that one.

I'd like to say a little about energy. It should be a concern for everyone in the world and certainly everyone who uses the amount of fuel and oil we do in Canada. I think that concern relates in part to the value of the U.S. dollar, the cheap U.S. dollar. It could very well be that the pressures brought to bear by the OPEC countries that did not go along with keeping the oil price down in the last go-around — although thank God it was kept down — that their voice is becoming stronger. It's not inconceivable that we could be faced with a 25 per cent increase in crude oil prices. Crude oil prices now are \$15.50 coming into Montreal. We could be faced with \$18 or something of that order.

On energy, Mr. Speaker, I was a little interested and found rather curious a ludicrous comment I saw in today's paper, where one of the senior energy advisers was berating the province of Alberta for reducing the gasoline tax by 10 cents. How ludicrous. You know, we reduced that at a cost of \$100 million, but through a long period this province has supported a lower price of oil in Canada to the tune of several billion dollars. How you can reconcile that is something I certainly have no clear answer for.

Mr. Speaker, again in the way of some queries: in agriculture, as you know, in this vast country where we pride ourselves in being producers of agricultural products — and we are — I'm sure everyone knows that if we discount grains and oilseeds, we're really a net importer of agricultural products. Somewhere along the line we must correct that. I'm absolutely delighted that meat prices are increasing. You know, for the first time in three years I see a smile on some of my constituents' faces. It's been a long pull, but I hope we're coming out of it.

Somebody talked about hamburger over there, and that's a very interesting point. I'd like to comment on that next. You know, we in Canada have to look forward to a different market for our meat than we had before, and we and the cattlemen must adjust to it, because the ground meat products in the United States, the hamburger and so on, constitute 54 per cent of the market, the quick foods. It's 40 per cent of the market in Canada now. But it's growing in the United States, so we can look forward — I don't know what the number is — to maybe 60 per cent of our meat going into ground meats. How much of a change will that make in the cattle business? I know the cattlemen are looking forward to it. I mean, I don't know if they're looking forward to it, but I know they're very aware of it. And, Mr. Speaker, maybe it won't be as advantageous to spend \$40,000 for a

good bull if it's going to go into hamburger meat.

Mr. Speaker, the hon. Minister of Agriculture made a tremendous speech on agriculture the other day. Perhaps a few of the things he brought out bear repeating. I don't like to make the odious comparisons between here and Saskatchewan, but maybe we should pat ourselves a bit more on the back about some of the differences in agriculture between here and Saskatchewan. I think maybe it's in order. If we talk about irrigation in Alberta, our plans are \$200 million over the next 10 years; in Saskatchewan there's no program. Our farm fuels: 10 to 15 per cent lower than those in Saskatchewan. I'll skip the personal income tax; you know we're a lot lower. Sales tax: we have none; they have 5 per cent. You know, they're nice people in Saskatchewan, but gosh, some of them are sure getting hurt. On the average, our property taxes are 15 per cent less. Now here's one that has no money involved whatsoever, and I think it's a darned disgrace that someone isn't taking hold in Saskatchewan and helping out those poor farmers. This won't cost them money. Here in Alberta we have 208 agricultural societies, and they have 64. Isn't that a disgrace?

Mr. Speaker, there are so many other things here. Maybe I'll mention a few. Agricultural research: we're putting \$10 million into it from the heritage fund, plus an annual appropriation of \$2.5 million, and there in Saskatchewan only federal Agriculture Canada and universities. Seed-cleaning plants were mentioned. There's another one. We have 75 and they have four. Grazing reserves — gosh, wouldn't you think this would be different — \$26 million in Alberta from the heritage trust fund for use in northern Alberta for the next 10 years; no comparable program in Saskatchewan. There are so many other things I could say, but there's one thing in Saskatchewan that I think they can be proud of, and I'm going to tell you the reason they can be proud of it. They've got low employment, and the reason is that when they're out of a job they come to Alberta.

Mr. Speaker, we all welcomed the statement of the Minister of Transportation today regarding the street assistance program, and that's why I say this was a people's budget. If you look through that budget, all the things that are for people. I'd like to congratulate the hon. Minister of Social Services and Community Health for her management of the home care programs and for the way she has initiated them. I think she deserves a great deal of credit.

Mr. Speaker, I'm amused when I hear we have no long-term plan. Yet the very next moment we'll hear that the heritage trust fund shouldn't be there at all. I couldn't possibly repeat or say as well the whole situation of the heritage trust fund as it was expressed by the hon. Member for Medicine Hat-Redcliff. I concur in what he said 100 per cent. And he concluded his comments on the courage we are showing in maintaining the heritage trust fund.

Our plans for the present? Well, there is the document. That document clearly shows the plans for the present. I think the hon. Minister of Housing and Public Works is right; he's the only one who read out our clearly defined, nicely stated objectives which will be carried forward.

Mr. Speaker, so many other people are waiting to get in here, and I know they have a lot of things to say. In the Speech from the Throne I covered most of

the concerns of my constituents. I just want to mention a matter concerning my constituents. This is with regard to Banff.

Mr. Speaker, since it's located in a federal park, Banff is a different town for me as the MLA. It's a different town for many of the people who live in that federal park. They don't have the benefits people have who are living in the province of Alberta and are related to the province through municipal governments and town councils. I think they're missing so much.

The people in Banff have had several plebiscites. In the last one they soundly defeated a plebiscite that suggested they should become an independent town; that is, a town that would indeed be related to the province of Alberta as other towns are. So I will follow whatever the clearly expressed wishes of the people are. I know the government of this province certainly will follow their expressed wishes. But for my own part and using my very best judgment, I would very much like to see the transportation corridors through the national parks and the towns in those national parks become the responsibility of the provincial government.

Mr. Speaker, with that concern, which is a major one for Banff, I will sit down and let the next member speak.

Thank you very much.

MR. JOHNSTON: Mr. Speaker, first of all it's a pleasure for me as the Lethbridge East representative to speak on this budget and to outline a few of the major effects of the very strong and well-balanced outline presented to us by the hon. Member for Calgary Egmont, the Provincial Treasurer. Many of the speakers before commented on the objectives of the budget and on the programs to be delivered. I add my personal best wishes to the compliments flowing to the Provincial Treasurer and of course compliment him on the way in which he assisted our municipality of Lethbridge and Lethbridge East.

Of course it's always a good challenge to follow such articulate and well-informed speakers as the Minister of Housing and Public Works and the hon. Member for Banff. On many occasions both of these gentlemen have had cause to be in interesting debates with me. I will attempt, wherever possible, either to react to or perhaps comment on some of their views.

Mr. Speaker, today I want to outline three or four areas: first of all, to talk about those issues which are really not in front of this very major energy-based province, this very rich province which has been endowed with substantial resources. That backdrop is the one of international economics, international monetary funds, and international floating exchange rates, which really is of major concern to us as we attempt to cope in an isolated way with the ongoing international implications of a changing economic world.

I also want to talk about some of the misunderstandings obviously left by the Leader of the Opposition and by the hon. Member for Little Bow with respect to the way in which programs to municipalities are being carried out; specifically, the question referred to by the Leader of the Opposition with respect to debt and debt retirement to municipalities, and following that to comment on what the hon.

Member for Little Bow had to say.

In the context, or by way of introduction from the hon. Member for Banff, let me talk about this very important aspect of international monetary management. Of course a province with substantial resources, totalling perhaps \$6 billion by the end of this fiscal year, has to be concerned about the direction of international exchange, international recovery, and balance of payments questions. Our very important neighbor to the south is experiencing a very difficult time, a time complicated by an attempt to move from recovery to bring back from a severe recession and to stimulate a full employment economy which depends to a great extent on high employment and a very strong and positive foreign exchange balance.

That is all taking place in the backdrop of one of the world's strongest monetary currencies, the United States dollar, which is under severe assault by international financiers as well. This adds to the complications of a major nation, complications which are somewhat out of its control but which do have serious effects on us in Alberta and Canada. The U.S. has attempted to move from its recovery at a faster rate than some of the major industrial countries — Germany and Japan. It has attempted to bring its imports and exports into balance. But unfortunately, because it has been stimulating its economy, there has been a major outflow of dollars over the past three years — in fact a substantial outflow of dollars which have been held and built up in those countries which have been able to exert a favorable balance of trade with the United States.

What does this lead to, Mr. Speaker? Well, a classical economist of course — and some of our federal cabinet ministers have been making these comments recently — will suggest that it's a temporary situation and the sheer fact that we have more expensive costs for imported goods will reduce our demand for imported goods. Domestic demand will build up, and everything will be rosy in a matter of a few months or a few weeks. Of course that isn't the case at all. As I said, that's a classical point of view, and as the hon. Member for Banff just indicated, those classical theories have been thrown out as we move into the monetarist theories, the more contemporary views of what the world is really working on.

The speculators have a big role to play. The ones who I indicated were holding United States currency will be converting into other currencies, which does several things. First of all, it generates a demand for other currencies, and of course it generates a discounting factor on the United States currency.

Again, these other countries will not stand by to allow the United States to build up a more favorable balance of payments. They're very conscious of this fact. They get involved in the international market in an array of ways. They do other things to exercise more control and to protect their balance of payments. For example, they will freeze their own currencies by massive interventions. We have seen that taking place in Germany and Japan recently. They will attempt to prevent speculators from dealing in their own currency by putting on import quotas and domestic taxes, as the Swiss have done just recently. Or they'll further limit their imports and perhaps even subsidize their exports to prevent this kind of unemployment affecting them. This tends to refute the classical concept of demand for the product and the

fact that it will simply balance itself by the guiding-hand principle that some economists have tended to allude to.

The statistics are difficult. For example, the United States, which has to be considered the leading trade nation in the world, has experienced an increase in imports by 13.5 per cent per annum. This has only been countered by an increase in exports by 7 per cent since 1974. Obviously there has been an expansion of exports over imports. In fact, as the hon. Member for Banff again alluded, much of this has been accounted for by the \$45 billion deficit in oil which is now facing the American people.

This has implications for us in Canada and major implications for us in Alberta, as the uncertainty in investment in dollars and in investment generally and the demand for gold as an alternative investment takes place. We know we in Canada and in Alberta are moving into an era which has to be characterized by a high demand for investment dollars. These dollars are going to be used for energy-related sources. The exceptional demand for these will have some implications for our investment potential in the near future.

Mr. Speaker, I also want to briefly touch on the question of energy requirements since, as I indicated, the real problem in the United States has been from a demand for foreign oil, a \$45 billion deficit. It's interesting to note that in Canada we now are net importers of oil to the extent of 300,000 barrels per day. We actually grossly import 600,000 barrels, but the net effect is about 300,000 barrels.

At this point one of the objectives of the federal government is to ensure that by 1985 and beyond Canada at least can maintain not more than one-third of its oil consumption being imported. Of course if the existing trend of 300,000 barrels per day continues, that would be an impossibility. By 1985 we also would be faced with staggering international deficits to support the import of oil. Deficits from imports could go as high as 18 per cent in 1978.

We must realize as well that in 1975 Canada was self-sufficient in oil. Now that has turned around, and it must be of concern to us as we go into a period where staggering amounts in United States dollars are held by OPEC countries. The United States continues to be a substantial importer of liquid hydrocarbons. We are on the horizon of entering that same era faced with the demand for a substantial amount of money to invest in 'synfuels' such as the new projects proposed for the Athabasca oil sands and for some of the heavy oil recovery projects. In Alberta we have to be conscious of international concerns and of the trends which are taking place in front of us, because they impinge on the very decisions we have to deal with.

Mr. Speaker, let me move to an area which generated some alarm to me. I heard the March 20 speech of the Leader of the Opposition about the government taking its vast amount of money to retire the debt of the municipalities. He said it was unconscionable for the province to allow the municipalities to continue with this debt and that we could easily retire the debt in a moment's stroke of the pen. In fact the municipalities would be ever debt free and ever free of any concerns about the future.

I think we have to look at the concept of debt. We have to talk about debt more in terms of the applica-

tion of debt today — the way it's handled from a financial point of view and the new attitudes towards debt. Again we have to throw aside some of the classical arguments — some of the depression psychology, if you like — which suggested that he who was proper would not borrow but would keep the money in his pocket. That would solve all international, national, local, and domestic problems.

Well, in a sense the municipalities in this province provide one of the highest levels of services to their people; high because they have been able to borrow and have had a substantial amount of increase in their own assessment, accounted for by a strong private sector and a steady amount of expansion of their assessment.

We have to note that when a municipality borrows, it does so for several reasons. From a strict governmental point of view, a government can borrow for about four reasons. First of all, it can borrow to cover deficits. That is the classic case of deficit financing — the only case of deficit financing. An increase in borrowing without any corresponding increase in assets is clearly defined as deficit financing. In many cases that's referred to with respect to the federal government, but I think unfairly in some cases, because in fact it has been using debt for other purposes. For example, it has been using it to roll over outstanding debt, to finance the maturing of an outstanding debt issue. That doesn't increase the debt at all; it merely defers it.

Secondly, it could use debt or long-term borrowings to build up cash assets. This is not an increase in net debt but certainly an increase in borrowing.

And fourthly, as we have just recently seen in the case of the federal government, it could borrow for such things as advances to Crown agencies or other subsidiary organizations, or also to support its currency on the international market.

What is important is that we have to be very clear that deficit financing refers only to excess borrowing without any corresponding increase in assets. That's deficit financing.

We also have to consider that in talking about debt there is a tendency to pool all the debts together. We pool such things as municipality debt, general municipal debt, utility debt, and in fact hospital and education debt and suggest this is the total amount of outstanding debt in front of a municipality now. Let's just review some of the outstanding debt in the province, and then I'll talk about some of the concepts I think are important to weight the amount of outstanding debt.

Using estimates and using December 31, 1977, as the target date, about \$900 million is outstanding in general municipal debt right now. In 1975 there was a major catch-up in borrowings when the debt limits were properly removed by this government. In 1976 and 1977 about one-third of all new borrowings by municipalities were for general municipal purposes.

We also have utility debt. Utility debt is self-amortizing; that is, it's reduced or paid off by the utility rate. It really shouldn't be considered in the per capita debt. It should be removed from debt calculations generally, because it's amortized in the rate structure. These debentures are really not a charge on the general taxation, because they're recovered by the utility rates.

Again the amount outstanding in estimates of De-

cember 31, '77, is about \$400 million — not an alarming amount. Because it is self-liquidating, I'm not really worried about those amounts and the fact that there never have been controls on them and that our interest subsidization program does not apply.

We also have outstanding hospital and education debentures — about \$700 million. It should be noted that while this debt is included in the outstanding amounts of the municipality, in fact it is paid directly by the province through the operating budgets of the various departments.

The hon. Leader of the Opposition suggests that we should reduce the debt. We should wipe it off on some basis. I really haven't decided on what basis, nor has the Leader of the Opposition.

However, the debt in the province varies from zero to approximately \$700 per capita. In many cases the debt is minimal, particularly in rural Alberta. Some of my friends in rural Alberta have suggested that they have been very proper in the management of their affairs.

AN HON. MEMBER: We hope.

MR. JOHNSTON: They've been able to provide services on a needs basis. They haven't had to go to the debt market to continue the expansion of services. But in fact the debt in some of the rural municipalities is needed, and in fact it is very minimal.

In my view, Mr. Speaker, it would be very difficult to allocate a debt reduction program for municipalities which would be able to adequately retire, on an objective basis, any of this debt. For example, the County of Rocky View, near the home of my friend the Leader of the Opposition, has no debt at all, none whatsoever. Grande Prairie has a nominal amount of debt. Edmonton and Calgary — about \$500 to \$600 per capita.

You can see the difficulty in attempting to find some equal formula. I am sure many of the municipalities would be concerned if we said that we would reduce the debt in this province by the stroke of a pen. You can see that some municipalities would benefit much more than others.

Mr. Speaker, there would also be a disproportionate benefit to various age groups if we went to a debt write-down basis. Senior citizens would benefit less or not at all, and those in younger groups would likely receive some longer term benefits through the increased capitalization of their holdings and of course the potential for lowered or reduced tax impacts. The senior citizens, a very important group in this province, would not really benefit at all by a reduction of the municipal debt.

Thirdly, benefits would be seen to be of more assistance to property owners than to renters. Of course it's speculative whether or not any of the direct benefits in reduction of rental property would flow through to the renters.

Fourthly, the relationship of debt to assessment on a per capita basis should be noted. This shows that high per capita debt is matched by a high per capita assessment. That indicates of course that the ability to pay of the municipality is there. They have had to build up debt in accordance with an increase in their assets and certainly an increase in their ability to retire that debt.

Mr. Speaker, the precedent would also be dan-

gerous. Recent projections in terms of the demands in Edmonton and Calgary for long-term debt have indicated that, for example, Edmonton may require \$2 billion in debt over the next five-year period as it attempts particularly to meet increased capital responsibilities for thermal generating potentials and for light rail transit.

If you amortize it, it would still have to increase and it would not be a very substantial reduction in the case of those municipalities. It would generate a substantial demand for money with the anticipation that if we borrowed highly today, if we speculated on the government's intention to retire debt either now or on some future day — in fact they would be somewhat loose with their capital and, I think, could be in some long-term difficulties.

Mr. Speaker, it should be noted — and I'll restate that in reacting to the comments of the hon. Leader of the Opposition — first of all, that much of the debt is sewer and water debt. Of course the Minister of the Environment and the now Minister of Housing and Public Works, in their creative ways, have brought in shelter-debenture programs for this debt. So while it does show as a total debt outstanding, much of it is retired and much of it is sheltered through those various projects of the Department of the Environment.

Secondly, the school debt is paid for by the province. In most cases the amount of debt outstanding by a school is retired directly by the Minister of Education through his budget process.

Thirdly, my department itself carries on an interest stabilization program which maintains a maximum cost of 8 per cent, against a backdrop of about 10 to 10.5 per cent over the past two to three years.

All these things, Mr. Speaker, have to be factored in. They have to be factored in because when you take this amount of money off the debt outstanding it really reduces the debt to a very nominal amount. But these things are not considered when people debate and argue and suggest that the municipalities have too much debt, and that in fact they have been unnecessarily extravagant in some of the expender programs they have taken on.

Let me just make one other interesting observation, Mr. Speaker. In the case of Edmonton and Calgary, from 1974 we did a little review of the amount of their budget, a proportion of their budget that is spent on the retirement of debt, both interest and principal. It had been reported to us that debt was getting out of hand, and the effect on the municipal mill rate was substantial. Well, the contrary is true. In 1974 Edmonton allocated about 11.2 per cent of its budget to the retirement of debt, and in 1977 that amount would be about 9.8 per cent, a clear reduction in the amount or the proportion of the budget allocated toward debt retirement. Similarly Calgary reduced from 13.7 per cent to 11.5 per cent over that period.

Mr. Speaker, I think in weighing all these considerations and deciding that debt is sinful or close to being sinful, most of the arguments would support that debt is necessary, that the ability to pay is there. In fact the province has moved very definitely, first of all, to ensure that there are programs adequate to meet the demand for money for the municipalities and to provide proper assistance, but also through the Alberta Municipal Financing Corporation has maintained an adequate supply.

In the context of the effect on international borrowings, I know the Minister of Business Development and Tourism has indicated often in this House that he is concerned on a Canadian basis that the real flow of funds in this nation of ours, in Canada, into foreign hands has been both in terms of the deficit and tourist trade, but also on service account as well, where we have a substantial flow of interest and dividends to American investors as a source of funds.

Mr. Speaker, it is interesting to note that, as far as I can determine, foreign investments or foreign borrowings by municipalities in the province are: the city of Edmonton with about \$56 million outstanding and, interestingly enough, the town of Fort Macleod with about \$5,000 outstanding. These are the only foreign borrowings. Therefore I think this government, through the Alberta Municipal Financing Corporation, has provided a real service to municipalities by providing a substantial certain source of funds for their investment potential.

Again just let me reinforce that argument, because it's very important. As I said, given the heavy demand for energy-related investment dollars in this nation and the province particularly — where in fact, as most economists will argue, investment equals savings — of course we find that in Canada we are net users of money from foreign sources, and in fact we've had to go to the foreign money market on many occasions to find adequate sources of funds. Of course this does many things in terms of the demand for money and foreign exchange balance of payments arguments. So I think municipalities have been well protected by the adequate supply of funds. I think that's extremely important as a policy of this government.

Mr. Speaker, I want to turn to one other aspect of a comment the Member for Little Bow made when he indicated that the government and the Minister of Municipal Affairs should sit down and hold more meetings with the municipalities to tell them where they should cut their budgets and how they should set their expenditure priorities.

First of all, I think we have found the emergence of several new institutions in terms of meetings. I was surprised when I went back to my calendar and noted that over the last three or four months, since the Treasurer announced the broad guidelines, there had been at least four different meetings I could put my finger on in terms of broad discussions which would affect government expenditures, including municipalities in this province. I can outline them. They're the presidents' meeting which took place just recently, the provincial/municipal advisory committee which met early in January, the meeting with the presidents of all the local sector governments when the Treasurer and the Premier announced the guidelines. Several of these meetings take place.

But I can assure this House, Mr. Speaker, and I can assure the municipalities, contrary to what the Member for Little Bow would like, that we're not intending to interfere with their budget process. We're not intending to take the guiding-hand approach where we say, thou shalt not spend more than 3 per cent on wages, et cetera. We're not into that, and we will not be in that, I am sure, as long as this government continues its policies.

We do have a continuing consultative process in which we deal with the common problems of this

province on a consultative basis, on a partnership basis. Mr. Speaker, it will not be the direction of this government to interfere unnecessarily with the municipalities or other local sector governments.

Let me look now, Mr. Speaker, to the impact of this very strong and important budget on the city of Lethbridge and southern Alberta. I know the efforts of my colleague from Lethbridge West in the interests of Lethbridge, together with the assistance I can provide in terms of the consultative bases with ministers to assist wherever possible in terms of information flows.

I think the city of Lethbridge has very modestly benefited from being a member of the government since 1975, that in fact the actual major capital expansion in this budget — a capital expansion which has increased well over 30 per cent in 1977 — for the first time in some number of years has recognized the importance of advanced educational institutions in this province and the importance of the University of Lethbridge in its unique approach toward advanced education and learning. The expansion, Mr. Speaker, of phase two of the University of Lethbridge is important and dramatic, and will have long-term pay-offs to this province and to the city of Lethbridge. The expansion of about \$15 million of capital works will excite and generate a new attitude of positiveness in that area, will assist in the unemployment which has increased in the last little while because of some slowdowns, and will allow the private sector to move back into the major construction programs.

I want to add and express my thanks to the Minister of Advanced Education and Manpower, to the fine work of the Solicitor General in making a decision for the provincial jail, and of course to the Minister of Housing and Public Works and the Attorney General for their decision to proceed with a courthouse, at least in the planning stages.

We can add to it many more programs, Mr. Speaker, programs which have been pioneered and petitioned for from the city of Lethbridge, including home care programs, day care programs, and important and substantial assistance through the Department of Transportation to the city of Lethbridge.

Let me just close by saying that I will be able to outline more specifically some of the items of Municipal Affairs when we get into the estimates. But on behalf of the city of Lethbridge I want to express the thanks of the city to the government and to the Treasurer. I know this is one of the more positive and well-balanced statements of fiscal and monetary intent of any province in this nation.

Thank you.

MR. TAYLOR: Mr. Speaker, I would like to say a word or two on the budget, too. First of all, I want to commend the hon. Treasurer on the very excellent budget he has prepared and the very excellent way in which he delivered it. While they're loath and quiet to give praise, I think the people of Alberta in their hearts are very, very thankful we have a man of the calibre of the Provincial Treasurer, who is able to fathom the tremendous sums of money we have and to work out programs that will be of benefit to the people.

I'm not going into all the good things in the budget. I'd like to commend all those who have taken part. But I am going to deal with some of the items I think

are of particular relevance to the people of Alberta, Canada, and my constituency. I'd like to do that under a topic calling it sunrise and sunset laws. I think it provides a forum in which we can take a look at many of these items in a new way.

The sunrise and sunset laws of some of the States came into being on the basis that the sun rises and sets. But many of our laws that come into effect, many of our commissions and agencies that are created by government, never end. They go on and on and on. Whether their job has been completed or not, they simply keep on going. When there is a reasonable length of time between changes of governments, I think the sunrise and sunset aspect of laws is looked after. For instance, when the present government came in there was a general review of all policies, all agencies, and so on; some were eliminated; some were retained.

When you look at the Canadian government, which has been in office for a long, long time without any change, there are a multitude of agencies and commissions that have come into effect and have never been reviewed, never really been looked at. I think the people of Canada have some right to be concerned when we, as taxpayers of this country, today have been put in a position by the Canadian government where we owe so much money and we're paying so much interest that we're now borrowing money to pay the interest. No business in this country could stand and continue to exist if it had to borrow money to pay the interest on its debt. And that's exactly what the great company of the Canadian government is doing today: borrowing money to pay the interest alone. I think there are very, very many reasons, and one is the fact they are carrying too much dead weight that the people are paying for and not getting benefit from.

During the pre-session meetings I conducted, the matter of the heritage trust fund was discussed at every meeting, and at the end of the meetings and the discussions — 25 meetings right across the whole constituency — about 74.7 per cent of the people attending voted in favor of the general principle of the Alberta heritage trust fund. I think that's significant, because it has now been in effect for some time, and some of the statements made during the discussion of this particular item by people from almost every walk of life and from many, many different political affiliations and faiths were: number one, the government could have blown — and I use the word "blown" as they did — this entire fund if it had carried out policies wantonly, as did the NDP government in British Columbia that went miles and miles into debt because it had no business efficiency about it; it was not operated as a business. Many, many people, about 74.7 per cent in my riding, feel the heritage trust fund is an excellent device. They too are concerned about their children's children, about the future, and about where we're going. Just as the individual laborer, worker, or citizen who spends everything he makes keeps nothing for a rainy day, so the government, if it spends everything it makes keeping nothing for a rainy day, is going to find itself in the same position. That is especially true when there's a windfall, and we have had a windfall of extra money in this particular province. The government has followed the policy that this does not belong only to those in the present generation, but

that some of those profits belong to people in the future for the building of industry, for revenue purposes, for times when they are a little less affluent than they are today: a sound policy in regard to the use of that money.

By the same token, many people felt there are some things that should be invested in at the present time, for both present and future generations. The item that came up the most — the hon. Minister of Social Services and Community Health will understand, I believe — was dental care. In going from meeting to meeting, we did not tell what the previous meeting results had come to. Yet at practically every meeting, when the matter of the Alberta heritage trust fund came up, people would stand up and say, why don't we use some of this to commence a dental care program in the province of Alberta? I think this is something the government can take a pretty careful look at. I believe it fits into the requirements of the Alberta heritage trust fund fundamental principles. For instance, it will help those in the present generation. Certainly it's a wonderful heritage for any boy or girl to grow up healthy, and good teeth is one way of growing up healthy.

I know there are problems in regard to this because we have a shortage of dentists even now, without an Alberta dental care program. I think there are around 800 dentists in the province of Alberta. Over half of them are in our cities of Calgary and Edmonton, so that leaves 400 or so in the rest of the province. One of the dentists in my own home town told me he provides appointments to the fullest extent he can every day, then takes those who have emergency situations arising where a boy or girl, man or woman, must have a tooth pulled or must have dental care immediately. That's done many times in his extra time of the day.

I think there are some ways of improving that. I think Alberta is one of the few provinces where we don't use dental hygienists in the expansion of dental facilities. In some provinces — in Quebec, Ontario, Saskatchewan, Manitoba, and Nova Scotia — dental hygienists pull teeth and do minor orthodontic care. I know we should all be concerned that when somebody's working in our mouth, we want to make sure they are qualified. But if it has been found that they are qualified in these other provinces, perhaps a training course for dental hygienists would help to solve the shortage problem.

In any event, I would like to see the government take a look at a dental care program based on the medicare program, maybe particularly for boys and girls, say, under 6, 8, or 12, whichever the program can handle. When we do that, I think the government has to take a pretty careful look down the road to make sure a program that's going to be started is going to be able to be carried out from year to year.

Well, that was one item the rank and file people want included in the Alberta heritage trust investment program. I didn't get a vote on that particular item because I hadn't intended to deal with it at the first three meetings, and it came up in the question period but we didn't vote on it. So it was only during the last 20 meetings or so that votes were taken, but in the last 20 meetings a very high majority wanted a dental care program.

The point that was raised the second most in the meetings was to use the Alberta heritage trust fund

to assist young farmers to get on the land. Particularly in the rural districts, there was great concern that today, unless a young man or a young woman has his parents and their equipment handy, it's almost impossible to secure the necessary capital to get on the land and start farming. I think this is a very important item. When the Alberta Agricultural Development Corporation has dealt with applications, in some cases it has decided it could not advance the money to young farmers because the land was costing more than that land would actually produce in the future. So they're simply jeopardizing the lives of those young men and women if loans are made for the purchase of land that can never repay the capital, let alone provide a living for the people while it's returning that capital. I think that's an aspect that has to be looked at very, very carefully.

One of the things I would like to deal with in regard to this sunrise and sunset aspect is the fact that so many of us today, in comparing Alberta with Canada, can see some of the vital mistakes that have been made in our country as a whole. A man in Calgary told me the other day he had just invested \$100,000 in the United States, and he said he had another \$100,000 he planned to invest there. I said, why aren't you investing it in Canada? Well he said, I can't invest it in Canada, because I have no confidence in the Canadian government. I'm afraid to invest it in Canada. There's no incentive to invest it in Canada.

This is one of the big things: there's a difference between the Canadian investment atmosphere or climate and the investment atmosphere in this province alone. Irrespective of how good a provincial government is, if the Canadian government is discouraging investment by its policies and programs, it's going to discourage investment throughout the nation; and in spite of anything a provincial government can do, it will discourage that type of thing. There's a growing feeling, propagated to a large degree by the government of this country, that the system that made Canada one of the leading free-enterprise nations of the world won't work. The Prime Minister of Canada has led the thinking across the country that there are very serious deficiencies in this thing called private enterprise. Well, the private entrepreneurs of this country, large and small, can develop the country if the climate is right. But we have to change our thinking in regard to what has come about largely through propaganda by the socialist group: that there's something wrong with getting profit, that profit is wrong. They mistake proper profit for rip-off, and you hear it from that group right across the country all the time.

Canada has become a nation of warehouses, exporting our raw materials and then buying them back again as finished products. At the present time more than half the goods purchased in Canada are processed in other countries. We send our raw materials out of the country, then buy the jobs back. Whereas if we processed them in this country — and in many cases it could be done — we could create a dozen jobs for every one we are creating today.

But there has to be some change in thinking in regard to this whole matter of free enterprise. I believe in free enterprise. I believe in profit. I don't think there is a better system in the world than to provide a profit for the investment of money, for the

investment of work. The laborer needs profit. The man who invests his money needs profit. The man who invests the brawn of his back and his arms and his legs requires profit. But we have to get to the point where we stop equating incentive with rip-off. Because we provide an incentive to people to invest their money, and because they can make some money out of it, doesn't say it's going to be a rip-off. I think we have to change our thinking in that respect.

We have to change our thinking in regard to investment, because many people think by having investment you're making profit for the few. Well, Mr. Speaker, if we don't make profit people are not going to invest their money. It just isn't going to be done. There must be increased production if wages are to grow to provide a good living standard. Many of our working people are led to believe by some of our labor unions, many who are socialist at heart, that their living can come out without increasing the gross

product, without increasing the amount of goods. If we don't increase the production there's little hope of our wage earners ever getting increased wages, because it has to come out. Just as the Agricultural Development Corporation refused loans to young farmers because the loan was so high the land would never produce that amount, so it is with wages. If the wages are so high that it can't come out of production and still leave a profit, it's going to kill the goose that laid the golden egg.

Mr. Speaker, free enterprise will work. But it's time the Prime Minister of this country believed that it would work and created a climate where people would be prepared to invest their money, much as has been done by the Premier of this province.

Mr. Speaker, I beg leave to adjourn the debate.

[At 5:29 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]

