

LEGISLATIVE ASSEMBLY OF ALBERTATitle: **Friday, October 13, 1978 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Deputy Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 60****The Special Forces Pension Act**

MR. LEITCH: Mr. Speaker, I request leave to introduce Bill 60, The Special Forces Pension Act. This being a money bill, His Honour the Honourable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, the purpose of the bill is to provide a pension plan to which policemen and firemen and their employers within the province of Alberta may contribute. It is similar in concept to the plan provided for in The Universities Academic Pension Act, passed by the Assembly last spring. The employers, which are local authorities, and their employees, policemen or firemen, may come under the legislation by the consent of both. So it is not a compulsory matter; it is voluntary. The general intent is that the province will pay the administration costs, and the costs of the fund will be borne by contributions from the employer and the employees.

[Leave granted; Bill 60 read a first time]

Bill 61**The Students Finance
Amendment Act 1978**

DR. HOHOL: Mr. Speaker, I request leave to introduce a bill, being The Students Finance Amendment Act, 1978. The amendment act deals with the definition of the board's responsibilities, the definition of the board members as lay, public members, and a description of the appeal procedures.

[Leave granted; Bill 61 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. SCHMID: Mr. Speaker, I would like to file the replies to motions for returns 111, 113, 118, and 141.

MR. DOWLING: Mr. Speaker, I am pleased to table the annual report of the Alberta Opportunity Company for the year ending March 31, 1978. Copies of this report have been made available to all hon. members.

MR. HYNDMAN: Mr. Speaker, I wish to table the fourth annual report of the Department of Federal and Intergovernmental Affairs to March 31, 1977. Copies are available for all members of the Assembly for distribution this afternoon.

MR. GETTY: Mr. Speaker, I'd like to table the financial statements of the Alberta Oil Sands Technology and Research Authority, and the Alberta Petroleum Marketing Commission.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. KOZIAK: Mr. Speaker, it's my pleasure this morning to introduce to you, and through you to the members of this Assembly, 28 students from Bransons Tutorial College in England who are in the sixth form, which I understand is equivalent to our grade 12 level. They're in Canada for nine months, attending the Ste. Agathe college just outside Montreal. Their first month is being spent touring Canada, and that's why they're now in Edmonton. They are accompanied in the members gallery by Vicki Nielsen of Edmonton, who is hosting them during their stay here. I would ask that they rise and receive the warm welcome of the Assembly.

head: **ORAL QUESTION PERIOD****Environmental Pollution**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of the Environment. The question is prompted by Syncrude's admission that it plans to violate Alberta's Clean Air Act on about 18 afternoons and some 143 mornings per year, when the plant reaches full production. Does the government propose action to ensure that Syncrude abides by Alberta's sulphur dioxide emission laws?

MR. RUSSELL: Yes, of course, Mr. Speaker. The rules of the province and the regulations of the department will apply to Syncrude, just like they would to any other developer or industrialist within the province.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. At present, violations of regulations can be proven only by direct or continuous monitoring of plant emissions. The minister will recall previous attempts by his department to get convictions, and they were thrown out of court because the department hadn't been involved in continuous monitoring. My question, then, to the minister: in view of Syncrude's own admission, will the Department of the Environment be undertaking continuous monitoring to get around the problems it had the last time it went to court on the question of violations of the clean air and water acts?

MR. RUSSELL: Yes. In responding to that question, Mr. Speaker, I'd like to make two points. First of all, it's my opinion that the hon. leader is using the term "admission" wrongly; that is admitting guilt to something that hasn't yet happened. What Syncrude has done is predict that there probably will be a certain

number of occasions when they will exceed permissible emissions.

Secondly, I'd like to state that the monitoring program that has been set up is the most thorough of any rural part of the province, and I think will deal with the concerns the hon. leader has raised. That proposed monitoring program, which I have seen and which I think is excellent, is something I should probably table for information of all hon. members, if they're interested.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Albeit the minister's comment that it will likely be the most thorough monitoring system in rural Alberta, that the Syncrude project is likely the largest project in all of Alberta would be an understatement. My question to the minister is: has the government taken into consideration the department's previous experience in court in developing the monitoring system which is now to be applied to the Syncrude plant?

MR. RUSSELL: Well, certainly, Mr. Speaker. I think the hon. leader referred to part of the problem when he referred to the size and uniqueness of the Syncrude operation. We've had similar difficulties with GCOS. But I want to make it very clear — and I know some hon. members won't like to hear this — that the department is working with these pioneering resource extractors in order to try to obtain satisfactory levels of emissions and still keep them going as viable operations. It's not our attempt to try to close those operations down or harass them in court.

MR. CLARK: Mr. Speaker, to the minister. Since Syncrude made the announcement that it expects it will be over the limits — and fair ball for Syncrude for doing that — has the minister met with Syncrude? What steps have been taken to change their operation? Or are we simply sitting back and saying, well, this is a new plant; we're just going to sit back and let it carry on?

MR. RUSSELL: Well, Mr. Speaker, Syncrude is us.

MR. CLARK: That's part of the problem, Mr. Minister.

MR. RUSSELL: Well, I don't think it's part of the problem; I think it's part of the solution. In any event, the agreement between the government of Alberta and Syncrude of course carries with it very specific references to environmental and pollution controls, monitoring, the licensing and permitting system, et cetera, and it calls for a review of those levels and those permit conditions at the end of the first five-year period. I can say pretty confidently that there has been excellent ongoing consultation between Syncrude's environmental department and the government's Department of the Environment.

Red Deer River Dam

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. In addition to what the hon. Premier told us about the Innisfail dam in his address on Wednesday, what is happening at that proposed dam on the Red Deer River?

MR. RUSSELL: Well, Mr. Speaker, I can report pretty good progress. During the summer months the project manager was hired. Dr. McManus, who very successfully had a similar position for the Capital City Park, has moved into that position. The advertising for the prime consultants was carried out. All interested proponents were interviewed, and the successful firm has been hired and has commenced work, both within its design office and in the field with respect to undertaking various surveys and soil tests.

As for the component at Sundre, that's well under way in full co-operation and agreement with the Sundre town council. Downstream at Drumheller, I understand the discussions are well under way so that flood control work for Drumheller can proceed next year.

MR. TAYLOR: I'd like to commend the minister on his choice of a project manager. Dr. McManus had a great part to play in the construction of the Dunvegan bridge as well.

My supplementary question is: will the actual construction on the ground at the Dickson dam commence in '79?

MR. RUSSELL: No, Mr. Speaker, I wouldn't expect it to start until the construction season of '80 or '81. I'll have better information on that from the consultants at a later date; but certainly no sooner than 1980. They are just commencing the drawing-board work at this time.

MR. TAYLOR: One further supplementary. Is the purchasing of right of way proceeding now at the site of the dam?

MR. RUSSELL: Yes, it is, Mr. Speaker, and I am encouraged by the progress being made. We're approaching it during this period on a willing buyer, willing seller basis. We've acquired three parcels to date and are at good stages of discussion with several other landowners at the present time.

Banff and Jasper Status

MR. KIDD: Thank you, Mr. Speaker. My question is to the hon. Minister of Federal and Intergovernmental Affairs, and concerns the town of Banff in my constituency. As the minister is aware, self-government has been a matter of study and discussion in that town for some time. Could the minister define this government's position on this important matter?

MR. HYNDMAN: Mr. Speaker, we would support self-government and/or greater autonomy for the towns of Banff and Jasper, if the people in those locations desire that. We would respect their wishes. It may be that in moving towards greater autonomy, different time lines are desirable with respect to Banff and to Jasper.

One option which has been mentioned over the last couple of years would be to make those townsites fully provincial in the sense of removing them from the park, whereby they would have all the rights and responsibilities similar to any municipal arrangement in the province. Perhaps that would also involve a corridor attached to the towns which could be moved

fully under provincial jurisdiction as well. We've had no positive federal response to that as yet.

However, Mr. Speaker, in order that the residents of Banff and Jasper would have available to them more facts as to their personal and business tax situation if they were out of the park or had a greater degree of local autonomy, we are prepared to secure further tax, assessment, and municipal information. That could be put together to enable the residents of both centres to assess what their situations would be in the event of either of those options.

MR. TAYLOR: Supplementary to the hon. minister. If that occurred, would ownership of land then become a reality, rather than the leases as at present?

MR. HYNDMAN: My understanding, Mr. Speaker, would be that if the townsites were excised from the park, the land ownership would be, by some mechanism, the same as for other municipal jurisdictions in the province; i.e. owned either in freehold or by the Crown of Alberta.

Parkland Nursing Home Strike

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct this question to the hon. Minister of Labour, and ask if he could outline for the Assembly what considerations led to the government's refusing to commission a public inquiry into all the events surrounding the rather long strike, some 20 months now, at the Parkland Nursing Home in Edmonton.

MR. CRAWFORD: Mr. Speaker, I did provide reasons to the organization, the Alberta Federation of Labour, that asked that an inquiry be held. Those reasons are in some detail, and of course were made public.

In summary, however, the background of the case is of course one of a dispute over collective bargaining issues. There is no precise legal machinery in the province of Alberta for holding inquiries in what are considered to be industrial relations disputes. There is the alternative that the inquiries act could be brought in for such a purpose, but in the history of industrial disputes in Alberta that has never been done. I would be the first to agree that the mere fact that it hasn't been done is not by itself a precedent for declining to do it in this case.

But what it does mean is that an extraordinarily strong case should be made out before an inquiry should be undertaken in order to establish a precedent, which others would of course seek to use in the future. By that I mean we would then face the prospect that every dispute in collective bargaining, where the process failed and one party or the other was dissatisfied with the result, would then be asking the government to provide an inquiry into, no doubt, the motives, intentions, and conduct of the parties throughout the procedure.

I think that's a very large step to take in industrial relations, to say that the government has a role to play and should be doing that in cases where what really has happened is that the parties have failed to agree.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. As I understand the problem at this juncture, the question doesn't really revolve

around wages so much as whether or not all the original employees will be taken back by the Parkland people. There appears to be what in union terms is classified as a "black list" of six or seven of the more active trade union leaders.

My question, Mr. Speaker, to the hon. minister is: can the minister advise the Assembly whether or not during his mediation efforts he recommended to the CUPE organization that they negotiate on the black list?

MR. CRAWFORD: Mr. Speaker, I wouldn't use the term "black list". I think in any dispute where employees have been away from the job for some time, there is likely to be some difficulty over return to work. That is a feature of industrial disputes, and any number of cases across Canada can be pointed to where the return to work was a difficulty the parties had to face in trying to bring about a final resolution. I need not give examples to the hon. member, who would be well aware of them.

That happens to be the case in this situation also. The stand of the two parties was very, very severe, each on its own side. The stand of the employers was that the people who had been doing the work and serving the patients in the meantime should not simply be abruptly terminated. The position of the union was that all the persons who had been on strike should be entitled to return as soon as an agreement was signed. I think the hon. member is right in saying that it's long since ceased to be a matter of discussion over rates of pay; that the return to work is in fact the issue.

I had made a proposal which I considered to be a compromise between two extreme positions. To my amazement, not only one but both parties rejected it out of hand, an indication, perhaps, of the difficulty of reaching agreement in this particular case.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Was the proposal made by the minister to both sides that in fact the black list be a subject of negotiation — one can classify the list in whatever terms one might like, but at least the list of employees the company did not want to hire, who all happen to be very active trade unionists and key members of the local union. My question to the minister: was that a subject of negotiation in your proposal to both sides?

MR. CRAWFORD: Mr. Speaker, both parties produced lists of various lengths, and every attempt was made to deal not with individuals but with the fairness of the overall numbers. The effort I made was to get the parties to aggregate the numbers in their respective lists and allow us, as a third party, to provide a number of alternatives based on aggregate numbers. I mean that the proposal, which was an extraordinary one and one that we had never felt previously that the good conduct of a normal mediation would require us to do, but we did it in any event, was that we agreed that if certain numbers of names, without specific reference to who they were, so far as I was concerned, but if an aggregated number of names on either side could be placed in the same position — that is, there would be certain numbers of unionists and certain numbers of those who were employed at the home who would have to seek employment else-

where, but not all of the one group nor all of the other — it seemed to me that that was the only conceivable solution, primarily considering the length of the strike.

I should point out, Mr. Speaker, that the length of the strike has often been commented upon. But that means one thing very clearly: people had to be there to care for the patients, and they were; people were brought in. These came to be regarded as loyal employees, people who were loyal to the patients and gave them adequate care.

In making that point, Mr. Speaker, I wanted to say to the hon. member that that is the sort of consideration that led us to the conclusion that it couldn't be all one way or all the other; that in all fairness there had to be a compromise of some sort. The essence of that was that the two groups having provided for a certain aggregate number — both from the now-permanent employees, effectively permanent employees, and the employees who are also still legally employees, as I understand it, members of the bargaining unit — those people who would be displaced from both sides would have the assistance of the Department of Labour in seeking other employment in nursing homes in Edmonton. That was the proposal that was rejected.

MR. DEPUTY SPEAKER: Might this be the final supplementary on this question.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. As the minister indicated, the proposal was rejected by both sides, which I think probably says something. At least the minister was able to get some kind of agreement, even if it was to reject the minister's proposal.

My question is, however: what implications will that kind of proposal have on the entire collective bargaining process, where in fact the minister is saying that people who are in a certified bargaining unit where a strike has lasted for a period of time — one of the major conditions in settling any strike, for as long as I can remember, has been that the people who are on strike should have the right to go back to work after the strike is completed. The question is: if we are now going to be looking at aggregate lists of members of the bargaining unit and people who aren't, what are the implications going to be for collective bargaining in all other industries in this province?

MR. CRAWFORD: Mr. Speaker, any attempt that I make to mediate a dispute, particularly when it's rejected by both sides, I don't consider to be a precedent in labor relations. The point I should make to the hon. member is that indeed the length of the strike, which has often been remarked upon, did create certain difficulties, but those difficulties are not unusual. The longer a strike is, the greater the difficulty about return to work. I could say to the hon. member something that he no doubt knows: in most cases where the settlement is made at a reasonably propitious time in the developments, rather than so very late, there is much less difficulty over return to work, and return to work provisions are normally worked out.

Environmental Pollution (continued)

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works, and has to do with the failure of the Alberta Housing Corporation to meet environmental requirements for storm sewer run-off in the subdivision of Thorncliff in Strathmore. Is it the intent of the government to require the Alberta Housing Corporation to follow the same environmental regulations as private industry is forced to do?

MR. CHAMBERS: Mr. Speaker, certainly the Alberta Housing Corporation follows the same guidelines, rules, and regulations as exist in any municipality or jurisdiction, as is the requirement for any other private developer. I'm not aware of that specific one, but if the hon. member would give me the details I will undertake to follow it up.

Beer and Wine Industry

MRS. CHICHAK: Mr. Speaker, my question is directed to the hon. Solicitor General, and comes as a result of citizen concerns expressed, having in mind this government's policy of incentives for development and expansion of private enterprise. The question is whether the Alberta Liquor Control Board has placed restrictions on Uncle Ben's brewery in Red Deer as to the quantity of product sales to various hotels in Alberta. If there was a directive, what were the circumstances leading to such an order?

MR. FARRAN: Mr. Speaker, I'll try to be brief; it's a rather complicated subject. Some years ago the courts ordered all breweries to divest themselves of the ownership of hotels. As a consequence, a large number of hotels in Alberta reverted to private operators, and there was no such thing as tied hotels in Alberta, "tied" in the sense of being tied to a particular brewery. The Alberta Liquor Control Board, which is charged in this province with the basic regulation, sale, and control of liquor, had to devise a system whereby the thing didn't just slip back into the tied hotels position again, which had been denied by the courts.

So it set up a system of quotas on the keg beer related to the percentage of the market obtained by a particular brewer for his bottled brand name. If he has a bigger percentage of the market in terms of bottled beer, which he can advertise, cut the price of, or do any such merchandising manoeuvre, he automatically gets a bigger share of the keg beer market, which of course is not named because it's draft beer. The result of this is that there is less opportunity for any corruption in the Liquor Control Board; nobody can buy their way in to get a bigger percentage of keg beer. Of course there's less opportunity for corruption out in the field, where there's always a possibility of a well-heeled brewer or brewer's agent making some payment under the table to get a bigger share of the keg market than is warranted. So that's the way the system works. Within limitations, you can advertise your particular brand of bottled beer, and you can use other manoeuvres to try to increase your share of the market.

When there was a strike recently at Labatt and

Carling O'Keefe, naturally every drop of beer that Molson's and Uncle Ben's, those breweries not on strike, could produce was sold to the thirsty outlets. When the strike was settled, we reverted to normal, which is the quota system based on bottled beer served.

Now Uncle Ben's, being a small brewery, has, without protest from the other breweries, received some special consideration from the Liquor Control Board in that it has had a bigger share of the keg market than its bottled sales would warrant. Of course that means taking it away from Molson's, Carling, Labatt, or somebody else, but they have not protested. I'm quite sure they would protest if it were done to a large degree. So that is the answer. Uncle Ben knows the rules perfectly well.

MR. COOKSON: Mr. Speaker, if I might ask a supplementary of the hon. Solicitor General, because I've had some representation with regard to this. Would the Solicitor General possibly give some consideration to meeting with Uncle Ben and his representatives, because it's small, private, one of the few breweries in the province, perhaps to bend the rules a little bit to make sure that that small operation stays in business? Because as I understand it, it is on the edge of bankruptcy.

MR. FARRAN: Mr. Speaker, I've met many times with Uncle Ben, senior and junior, and I've done everything I can to help him to keep that enterprise viable. For a while he cut the price on bottled beers. His sales went up, then his proportion of keg sales also went up. I don't believe anything more can be done without breaking the basic rule, and the basic rule is a good one.

MR. GHITTER: Help him make better beer.

MR. COOKSON: A supplementary, Mr. Speaker.

MR. FARRAN: I must answer that retort because it's not fair to Uncle Ben. Uncle Ben's beer was recently given a top award for quality in a competition in the United States, so it's not fair to say there's anything wrong with its quality.

MR. GHITTER: A point of order, Mr. Speaker. It's obvious from the comments of the Solicitor General that Uncle Ben should sell in the United States rather than in Alberta.

MR. FARRAN: Mr. Speaker, I might add that through encouragement from the Alberta authorities, Uncle Ben has developed an export market to Montana and Washington.

DR. WARRACK: I think the question period's been bottled up by this.

MR. YURKO: Mr. Speaker, a supplementary question to the Solicitor General in regard to his eminently fair rule. I would like to ask if he is or will be reviewing the need for the advertising of beer and wine on television in that it is unfair to the smaller breweries, if in fact the allocation is done on the basis of bottled beer sold. Indeed it might be appropriate to take that little white duck off television.

MR. FARRAN: If it's a question of taking off little white ducks, that should be addressed to the hon. Minister of Energy and Natural Resources, who's quite a hunter.

DR. WARRACK: Shoot the works.

MR. FARRAN: Our rules for advertising are a model throughout Canada and are being copied by other provinces. I don't believe we can go so far as to tell the large corporations they can't advertise. They can advertise according to certain rules of taste, decorum, moderation, and so on. But I don't think we can determine the size of their advertising budget and still believe we're supporters of private enterprise.

MR. YURKO: A supplementary, Mr. Speaker. Does the Solicitor General agree that the degree and the amount of TV advertising directly influence the extent to which bottled beer is sold in Alberta?

MR. FARRAN: Of course it does, otherwise they wouldn't be spending the money on advertising. The answer really is that you must allow advertising within your guidelines or not allow it at all to anyone, one or the other. The decision has been made by every jurisdiction across Canada that it would be allowed within strict guidelines.

Premier's Meeting

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. It's with regard to a meeting he'll be having today with Mr. Claude Ryan, the Quebec Liberal leader. I was wondering if the Premier could indicate the content of the discussions today. Are they informal or are they leading up to the first ministers' conference at the end of this month?

MR. LOUGHEED: Mr. Speaker, the discussions which will start at 11 o'clock this morning in Government House with Mr. Ryan are at his request. He asked to visit with me and the Minister of Federal and Intergovernmental Affairs. From the nature of our telephone conversation and correspondence, we will be talking very generally and broadly about the constitution. I'm sure that from his point of view he wants to get an understanding of some of the views with regard to Alberta on the matter. I, of course, will advise him that the position paper that will be presented in this House would be made available to him after it's presented in the House.

On our part, of course, we are interested in the views of a federalist leader in the province of Quebec and will welcome the discussion with him. So I would imagine that it will be a fairly far-ranging discussion on matters primarily with regard to the constitution, and I think beneficial to us here in Alberta to have these views before the first ministers' constitutional conference.

Housing Programs

DR. WALKER: Mr. Speaker, my question is to the hon. Minister of Housing and Public Works. Will the minister consider making available loan money through Alberta Housing to assist those cut off by the federal government expenditure reductions recently an-

nounced, especially under Central Mortgage and Housing?

MR. CHAMBERS: Mr. Speaker, actually the question is primarily hypothetical, because we have not yet received any notification of cutbacks in the housing area. As I mentioned in a response yesterday with regard to the global budget item, the last word we had was that it's going to be approved. That's with regard to social housing aspects. Community services: we've no response at all yet, and we have no direct indication yet from the federal government or Central Mortgage and Housing that these cutbacks are going to occur.

Natural Gas Marketing

MR. YURKO: Mr. Speaker, I have a question for the Minister of Energy and Natural Resources with regard to the current hearings by the National Energy Board on the export of natural gas. I would like to ask the minister if he, his department, or the Energy Resources Conservation Board is contemplating or has made a decision on making a formal submission to the National Energy Board during the current hearings in Calgary.

MR. GETTY: Mr. Speaker, we have not followed a policy of making submissions as a government before appointed boards of another government. However, in the case of the National Energy Board hearings, in a desire to assist them in their deliberations the Alberta Energy Resources Conservation Board has provided them with the Alberta board's assessment of natural gas reserves, supply, and demand in Alberta, and has offered to answer questions with regard to that report they provided them. I believe that is going on right now.

MR. YURKO: A supplementary question, Mr. Speaker, to the minister. Is it his intent to submit to the Legislative Assembly the position of the government in regard to the export of additional natural gas from the province of Alberta, or is the policy of the provincial government basically related to the Premier's statements in his state of the province speech two days ago?

MR. GETTY: I should read it, Mr. Speaker, to make sure I don't change it.

Basically, Mr. Speaker, the Alberta policy is that we provide for all the foreseeable needs of Albertans; then we do everything possible to supply to other Canadians; then we will sell additional surplus outside our country, in this case usually to the United States. But, as in most cases, it's not as simple as that. You can't supply other Canadians unless you can get it to them, if they want to buy it. There's been a lot of discussion recently about selling gas to Quebec and to the maritimes. Nova Scotia has decided it would like its energy to come from coal; New Brunswick has followed a nuclear alternative; and Quebec is largely dependent on imported crude and hydro, and intends to increase natural gas a little but not a great deal.

So it's not as easy as it seems. Therefore we have a problem of trying to work out some kind of compromise, perhaps, or solution in any event, in which we

sell as much as possible to Canadians who can use it and want to use it; and if there's still a tremendous surplus, then in order to manage activity with surplus and keep a viable exploration and development program within our province, it just makes sense that there should be short-term exports as well.

MR. YURKO: A supplementary, Mr. Speaker, to the minister. I understand, as he indicated, that the Energy Resources Conservation Board has an observer at the hearings to answer questions. I would like to ask the minister if he was enunciating government policy when he contemplated a draw-down of the 30-year supply or reserve of gas for the province of Alberta.

MR. GETTY: No, Mr. Speaker. The Energy Resources Conservation Board neither develops nor announces government policy. That's the responsibility of government and elected members. However, I believe the reference made at the hearing was that the Energy Resources Conservation Board will be holding hearings to assess, as they do on a regular basis, the means of evaluating the 30-year supply, and how it is actually applied. That hearing will go on sometime in the future, perhaps late in '78 but possibly early in '79; I'm not sure of the date. At that time they are able once again to assess the manner in which they administer the 30-year rule in order to see if it can be improved on.

MR. CLARK: I'd like to direct a supplementary question to the minister. It flows from one of his earlier answers to the Member for Edmonton Gold Bar with regard to the difficulty Alberta gas is having getting into the Quebec market. My question to the minister is: have discussions been held between the government of Alberta and the government of Quebec regarding the possibility of Quebec's reducing or eliminating its tax on natural gas?

MR. GETTY: Yes, Mr. Speaker, it's been discussed. But it's completely a decision for the province of Quebec, because they now have, as the hon. Leader of the Opposition has alluded, a disincentive to convert to natural gas, in that there is a tax on natural gas use in the home and no tax on oil. The solution he has suggested is the removal. I imagine, knowing governments, there is also a possibility of putting the tax on oil, at least to make them equal.

MR. CLARK: Mr. Speaker, another supplementary to the minister. What is the present mood of the province of Quebec, as interpreted by Alberta, with regard to either making them equal, as the minister has indicated, or looking at pulling off the tax on natural gas so that in fact Alberta gas would have a far better opportunity of getting into that substantive market?

MR. GETTY: Mr. Speaker, taxing by a government is obviously a budget matter, and I could not interpret for this Legislature what their intentions are. I would only say that they have issued a white paper which says they would like to increase their use of natural gas as part of the total energy package, from a present 6 per cent to about 12 per cent. Now, to do that they'll have to make some regulatory and legislative changes, I believe.

Hospital Services — Lethbridge

MR. GOGO: Thank you, Mr. Speaker. I have a question for the Minister of Hospitals and Medical care, and it concerns the Lethbridge hospital situation. Could the minister indicate whether he has received representation from the city council of Lethbridge and the Lethbridge Chamber of Commerce concerning the upgrading of hospitals in the city of Lethbridge?

MR. MINIELY: Yes, Mr. Speaker, I have.

MR. GOGO: A supplementary, Mr. Speaker. I recall this past summer the minister personally went to Lethbridge to visit the hospital boards, and they had discussions. Could the minister indicate to the Assembly what progress the department has made as to the resolution of the difficulties in the hospitals since that meeting?

MR. MINIELY: Mr. Speaker, as the hon. Member for Lethbridge West knows, because he has been closely involved in the discussions which we hope will lead to resolution of what is really an unfortunate situation in Lethbridge, the two hospital boards cannot agree on the provision of emergency services for the citizens of Lethbridge and surrounding area. In fairness, we have to acknowledge that through joint planning the two boards have resolved a lot of other issues. The outstanding issue has been the provision of a major emergency unit at one hospital and a minor one — full emergency but not 24-hour coverage — in the other hospital.

I have made extensive efforts, as has the department, as have the MLAs, to attempt to have the two boards, the local city council, and local citizens resolve the issue, because the decision is really one that should be made locally. Nevertheless, I have said that in the event that existing mechanisms cannot resolve the issue locally we will have to get on with the job of providing the necessary health care services for Lethbridge citizens. As the hon. Member for Lethbridge West knows, the MLAs for Lethbridge — he and my colleague the Minister of Municipal Affairs — and other MLAs from surrounding areas dependent upon the Lethbridge hospitals have had meetings on the matter. We're having another meeting, as are the boards in Lethbridge. I am advised today in my office that there will be another meeting on October 17, I believe.

I have indicated my intention and hope that by the end of October I will be making a statement on the resolution of the provision of emergency service in Lethbridge. My statement will either resolve the matter directly, because it appears that in this case local resolution is not working very satisfactorily, or provide a mechanism which will resolve not only this issue but similar issues in the future.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

20. Moved by Mr. Loughheed:

Be it resolved that this Assembly approve in general the

operations of the government since the adjournment of the spring sitting.

[Adjourned debate October 11: Mr. Clark]

MR. CLARK: Mr. Speaker, in rising to take part in the debate on the state of the province address, might I say at the outset that I want to associate myself with the remarks the Premier made concerning the visit of Her Majesty Queen Elizabeth II, Prince Philip, Prince Andrew, and Prince Edward. Certainly the warmth and enthusiasm which greeted the Royal Family when they were in Alberta was a tribute to them. I also think it spoke very well personally of Albertans. I felt it was one of the genuine highlights of the summer.

Secondly, Mr. Speaker, I'd also like to agree with the Premier's comments with regard to the Commonwealth Games. This agreement may not go very much further, but on this question of the Commonwealth Games we Albertans had an opportunity to see athletes competing from around the world. That was a rare treat and a privilege. At the same time, the real heroes of the Commonwealth Games in Edmonton were the volunteers, some 9,000 of them who, along with Dr. Van Vliet and the people who worked with him closely, showed people not only across Canada but across the world that we in Alberta and especially in Edmonton could do an outstanding job of putting on an international event. To those 9,000 volunteers and everyone else who was involved in the Commonwealth Games should go our very deep and very genuine congratulations on knowing that the job was very, very well done in the interests of Edmonton and of Alberta.

Mr. Speaker, I'd now like to move to the second phase of my remarks. Reflecting on the Premier's speech in the Legislature on Wednesday, I would summarize it this way: the Premier spoke a great deal about what the government is doing in this province. Fair ball. That's the kind of thing one expects from a government which is becoming more defensive, a government which has forgotten that it isn't so important what a government is doing and what a government is talking about, but the acid test is what the people in this province are experiencing.

In the course of his remarks on Wednesday, the Premier never once admitted that despite the very good times we have in many areas of this province, we have some serious problems, too, that we have to recognize. When I finish my remarks today, I'm sure there will be those people who will say that I'm one of the cynics, one of the critics, one of the people who is always harping about things the government isn't doing — I see the member from Calgary, the hon. Mr. McCrae, nodding his head already. Fair ball. I don't object to that kind of comment at all, because in this Assembly there is no shortage of speeches or members who get up and continually pat this government on the back. That's not our role or function in this Legislative Assembly.

I would like to comment very quickly on four areas in which we were very pleased that the government moved during the course of the summer. One was the \$20 million special warrant as far as hospitals are concerned. I'll have more to say about that later on, but that was a positive move in the right direction.

Second, Mr. Speaker, was the appointment of a

co-ordinator in the Cold Lake-Bonnyville-Grande Centre area. I would say the government made a good choice in the person it selected, Mr. Al Craig. That's a step in the right direction. I hasten to point out to members that we urged the government to move in that direction on a number of occasions last session.

Thirdly, we've moved some distance as far as home care is concerned in this province, not nearly as far as we should have, but we've moved a little distance in that direction. We're going to implement a program in five years. My colleague the Member for Little Bow will recall some two and a half years ago when he first introduced the resolution in this Assembly with regard to home care. He was told by several people, oh, that isn't possible; it would cost more money; we simply can't move in that direction. Well, the process of osmosis took two years, but I commend the government for finally moving in that direction. That's what this process is all about.

Now, Mr. Speaker, let's spend a few minutes looking at what's happening in this province, from some of the experiences Alberta people are having. In the course of the Premier's remarks, he talked very glowingly about Fort McMurray. But somehow the Premier forgot to mention to members of this Assembly that the mill rate in Fort McMurray has gone up 20 mills this year. That's the other side of the equation of what's going on in Fort McMurray. A 20 mill increase in Fort McMurray: 8 for schools, 10 mills for municipal government, 1 mill for provincial planning. That's what people are experiencing in Fort McMurray today. That's the other side of the equation that we didn't hear about at all on Wednesday.

Let's move to Airdrie for a moment or two. I'll have more to say on this when the heritage savings trust fund committee report comes before the House, but it's important that members in this Assembly know some of the experiences in Airdrie. The committee went down there. We were told by the minister that the project in Airdrie is a year or whatever behind because of the rain and the cement strike. I don't blame the minister for using those arguments. Those were the arguments presented to him by officials in the Alberta Housing Corporation. But the amazing thing is that if you go to Strathmore, some 25 miles away, a private developer started one year later and has an excellent mobile home subdivision virtually completed. The Airdrie and Strathmore situations are as different as day and night, and the price is very comparable. Mr. Speaker, it didn't rain just in Airdrie and no place else. We were told constantly it was raining in Airdrie and they had the strike. Everybody else had to live with that too.

The other part of that equation in Airdrie and what people experienced — yes, the delay that people have had getting into that particular situation. In addition to that, we heard the mayor of Airdrie tell us that the announcement was made with regard to that mobile home subdivision before the town of Airdrie had been consulted in any way, shape, or form. When the federal government does that kind of thing, we know how this Legislative Assembly complains, and rightfully. But that's the kind of treatment the town council and the people in Airdrie get from this government. That's the other side of the equation that we didn't hear about on Wednesday at all.

Thirdly, on this question of what kind of experiences our people are having, I would remind

members in this Assembly of the debate we held last year with regard to the new curriculum policies in Alberta. The division was made between education and schooling. I'd ask members to keep that in mind because, really, what we said is that the schools in this province should perhaps narrow their focus somewhat. They shouldn't be as involved as perhaps they have been in the past with some of the social problems of the day.

But in the very same province, Mr. Speaker, the very same government, what are the courts doing for young offenders? If you don't want to take my word, phone the mayor of Sundre, where within the last three or four weeks a young fellow who's been involved with the law numerous times and had been removed twice from school by the county school committee was given a suspended sentence of two years — if he's in school.

Now this isn't an isolated situation just in Sundre. On the one hand this government can't be saying to the educational system, look, we don't want you involved in these kinds of counselling areas, and so on, yet we're sending young people from our courts over there. One of the serious areas that this government must look at is the question of the kind of treatment that young offenders are getting in this province. Talk to social workers, talk to members of the bench, talk to guidance counsellors in the schools, talk to parents: there's a great runaround, a great treadmill. We're doing no service at all to our young people who are in difficulty with the law. That's what people are experiencing too, Mr. Speaker. Now we heard about what the government is doing in the court program, reorganizing the courts. But what effect is it having on a number of these young offenders I talk about?

I want to elaborate just a bit on two other areas of this question of what people are experiencing. Recently the cabinet was out in the Grande Cache-Edson area, and I know the cabinet heard about the commitments given to the people in that area with regard to this coal research centre. The Minister of Energy and National Resources announced during the latter portion of the spring session that it was going to be located at Devon. But what are the people in Grande Cache and Edson experiencing? They experienced a discussion with their own MLA, who said: we're looking at the location of this coal research centre; you've got several months to make your presentation; get your presentation to the government; no decision has been made. That's what they experienced in Grande Cache and Edson. What happened? Well, the government announced that the program would be located in Devon, even before those good folks out there had a fair crack at making a presentation to the government.

Now once again, if the federal government treated Alberta that way or as the town of Airdrie was treated, we would hear the greatest commotion this government could raise about that kind of thing. But it seems, Mr. Speaker, that we've got two standards in Alberta. We've got one standard for dealing with the feds when they shaft us, and that's a proper standard. But when it comes to dealing with people and their experiences in Alberta and local governments and local officials and local people and people trying to take advantage of government programs, it's a totally different standard: you do as you're told;

we'll make the decisions, thank you; keep quiet.

That came through very clearly, Mr. Speaker, in the course of the Premier's remarks the other day when he talked about how some people don't understand the problems of diversification in Alberta. He went on to talk about such problems as transportation, tariffs, we don't have an outlet to the ocean. He said, we understand those things but the people don't. That's what people are experiencing in this province, Mr. Speaker. That's the other side of the equation of the boom story that we heard Wednesday afternoon in this Assembly.

Those experiences come to the core of what we must be doing here in the Assembly and across the province. Either one accepts the government's approach of buying the package of what the government's doing and leaving the thing there, not going any further, or one carries one's mandate to the position of saying: what are the people of this province experiencing as a result of some of these programs and the problems involved in those programs? It was the total lack of admission in the Premier's speech of any problems at all with regard to government programs that was most appalling and most disgusting.

Mr. Speaker, I want to touch on a sixth and last area with regard to what people are experiencing. We in this province experience a situation where we have one-quarter the population of Ontario and half the number of civil servants. Now I don't know how the government feels about that. I don't like that situation myself. I recall being told in this Assembly in the late '60s and the early '70s how the Alberta public service was overstaffed, and so on. During the last seven years we have seen the greatest increase in the size of the public establishment we've ever seen in the history of this province. I have yet to hear any justification of why we in this province need almost twice as many civil servants per capita as Ontario needs.

One of the things I would have expected the Premier to say in his remarks on Wednesday was: look, in light of the mood across North America today we're placing a freeze on the size of our public service for the next three years; then we're going to bring in some people from the outside who can do a reasoned, straightforward, and frank assessment of where we can weed out some of the fat, where we can do a better job than is being done today. It seems this government has lost the idea of getting more value for the money spent. We could get a great deal more value for the money already being spent in the present budget if we'd really look at it and really slave away at it. One of the things I had really hoped we would have found in the course of the Premier's speech on Wednesday was that commitment to a freeze on the size of the public service, a freeze on the number of consultants we have, a freeze on the paper blizzard, and an honest, straightforward, and earnest attempt to get more value for the taxpayer's dollar being spent now. But that didn't come forward.

In concluding my remarks in this area of what people are experiencing — well, the people in Fort McMurray have 20 mills more this year to experience. The people in Airdrie have the satisfaction of knowing their council was never consulted, and people who were going to be in that mobile-home subdivision months ago still aren't there. By the way, the day after the committee was in Airdrie and all

that construction was going on around there, I happened to drive through that mobile-home subdivision at exactly 1:15 that afternoon. You know, Mr. Speaker, there was one vehicle moving — one vehicle. Strange comparison with the day before. And it hadn't rained either, and there was no strike. But one vehicle was moving. That's what people are experiencing.

We talk about the courts and the treadmill that young offenders are on. That's what young people, parents, and town councillors are experiencing. That's why Mayor Myron Thompson of Sundre took a resolution to the AUMA — and got it passed — asking, pleading with the government to move in that direction. What did Grande Cache and Edson experience when they thought they had a chance to get a coal research centre in their area? They weren't even levelled with.

And what are the people across the province experiencing? Well, we're experiencing almost twice as many civil servants per capita as the province of Ontario. Yes, the government can talk about what it's doing as far as programs are concerned. I'm far more interested in the experiences people are having in coping with the problems they face day in and day out.

Mr. Speaker, I'd like now to move on and make comments with regard to a number of areas of government activity. I regret that the Premier can't be here; I appreciate that he's meeting with Mr. Ryan from Quebec. But I think it's important to raise these points anyway, because I know it contributes to the debate.

I want to make a few remarks on the issue of federal and intergovernmental affairs. The main point is to express substantive agreement with the position taken thus far by the Alberta government vis-a-vis the federal government with respect to the necessity of genuine consultation and mutual agreement prior to alteration of existing agreements. On the question of the constitution, oil pricing agreement, and the rebate of private utilities, my colleagues and I in the official opposition substantively agree with the government's position as put forward to date.

But, Mr. Speaker, let members of the Assembly and the people of the province not close their eyes to what's happening in the province of Ontario. Here we have the uncalled-for, unwelcome, unnecessary, and unexpected remarks of the Premier of Ontario at a recent Conservative convention that the people of Ontario have a right to a portion of the heritage savings trust fund in Alberta. If I ever heard a more damning, challenging, annoying statement to Albertans, I can't remember it. So when we get all concerned about the feds and the federal Liberals, we'd better keep one eye on them and another eye on the Conservatives in Ontario, and both hands in our pockets, because very often what's good for the federal Liberals is good for the provincial Conservatives in Ontario. They've worked it for years, and Albertans should well recognize that there is just as great a danger from Ontario as from the federal government.

With regard to the question of Syncrude, the comment was made in the Premier's remarks about a few of the cynics and knockers who probably weren't all that happy regarding some of the comments they'd made earlier in the Assembly when the plant opened.

Following those comments I expected we would be accused of being responsible for the breakdown of the plant so that the plant wasn't really functioning when the official opening took place.

Let us consider the record, Mr. Speaker. Nobody in this Assembly that I recall argued that the Syncrude plant should not be built. What was argued was considerable opposition to the particular terms according to which it was built. That opposition continues today. Unfortunately the Premier or the government didn't listen very carefully, whether inside this Assembly or outside. I think the reference that was made to cynics and knockers indicates a view that this government has, that either you're on the Conservative team, or the Lougheed team, or you're a cynic or a knocker and have nothing positive or responsible to say or contribute. That view is getting out to people across this province.

In the course of the Premier's remarks I noted that he referred several times to the enterprise system. Mr. Speaker, every economy involves some sort of enterprise. Our concern in the official opposition, in the Social Credit party, is for the free enterprise system. The difference is that we believe in preserving competition rather than letting free markets give way either to government investment or to private domination or monopoly. When that happens, whether in land, commodity, or other areas, genuine investment gives way to speculation. If one accepts the remarks of the Minister of Energy and Natural Resources during the recent cabinet tour to Cold Lake, this government doesn't seem to understand the difference between investment and speculation.

Moving on to the area of housing, I think the Premier must have had difficulty keeping a straight face when he said that we're just outpacing the rest of Canada. We sure are, Mr. Speaker. Housing prices in Calgary, Edmonton, and Fort McMurray are not only outpacing the rest of Canada, they're also outpacing the ability of would-be Alberta home owners to afford them. This, of course, is another illustration of the divergence of points of view between the Conservatives and my colleagues in the official opposition. When the Premier talks about housing, he talks about government programs; when we talk about housing, we talk about ordinary people trying to buy a home. The Premier tells us that housing starts are at record levels; I tell him that houses are selling at record levels too, that housing prices are at record levels. The Premier tells us, and I quote:

There's just simply no way that a government could respond more [efficiently] . . . in my judgment, than the way this government has responded to the whole issue of housing in [Alberta].

That's the Premier's quote, a pretty self-satisfied comment from a government which has seen housing prices in our major cities increase by over 200 per cent since it came to office. It's a pretty self-satisfied comment from a government that some of its members, seeing what was going on in Airdrie last week . . . It's a pretty self-satisfied comment when individuals recognize that young families in Edmonton — in fact, I'll take just a moment to tell of an experience of a young family here in Edmonton.

They bought a new house in the northeast corner of the city, about 1,100 square feet. The basement

was not finished, the yard wasn't finished. They paid about \$63,000 to \$65,000 for the house. The interest rate is in excess of 10 per cent. They have a young family, a young son almost a year old. I said to them, how can you afford to buy that house? Penny, the wife, said, we've decided to pay it off in 20 years; I'm going to work four and a half days a week, and I'll pay the interest and my husband will pay the principal.

A pretty self-satisfied comment from a government that says it's been as efficient, as effective as it can possibly be, when we have young couples in this kind of situation in this province. According to the Premier's admission, there's no way this government could have responded more effectively. If the Premier says this is the best they can do, I won't argue with him.

But I'll tell you what a Social Credit government would do. We'd make funds available to municipalities so they could extend their main trunk utility services as required. We'd also allow the money to be made available to local municipalities at very low interest rates. One of the Conservative members behind me says, that will certainly help. Yes, it will. In Edmonton, if we were to move on that and have that done so there was real competition in the market place rather than the shortage of lots there's going to be next year, I'm told that would cut between \$8,000 and \$10,000 off the cost of an awful lot of low- and middle-income housing in Edmonton. I think that would help a great deal.

Secondly, Mr. Speaker, there's no reason we can't use some of the money from the heritage savings trust fund and, first of all, make loans available to Albertans who want to acquire homes and, secondly, renegotiate interest rates with existing home owners so that interest rates would be down in the vicinity of 4 and 5 per cent, not up in the vicinity of 10 and 11 per cent. That's the part of the heritage that my colleagues and I would see as an important part of this province. When the government says it's been as effective and as efficient as it can be, we don't buy that argument.

One of the first things that should be done is that whole nest in the Alberta Housing Corporation should be wiped out. If there's one constant criticism I get across this province, it's the slowness and arrogance of the Alberta Housing Corporation. No time for people, simply so busy doing whatever they're doing — shifting paper. [interjection] Yes, one of the wise-cracks from behind me says, just some people. Well, those "some people" I've found are in virtually every corner of this province. If members are listening to their constituents and to their local governments, they'll find out what people feel about the way the Alberta Housing Corporation operates. I don't blame the present minister at all, but I certainly would suggest to him that one of the first things he'd better do is not to take what the Housing Corporation tells him but get actively involved in straightening out what's going on in that corporation.

Now, Mr. Speaker, I'd like to move to the area of hospitals. Members will recall the debate we had during the spring session when the minister told us there was some \$2.6 million to pick up the deficits of hospital boards across the province. My colleague, the Member for Little Bow, got up and told the minister that \$2.6 million won't even meet the needs

in Calgary, let alone the rest of the province. Oh, we were panned here in the Legislature: we didn't know what we were talking about, and this wasn't right, we were spendthrifts, didn't care about the public purse, and so on. One has to make a decision whether to put the public purse or the health care of people of this province first. My colleague made it very clear that we put the well-being and the health of the people of this province first and the public purse second.

We were told during the spring session how awful that was. But, you know, it's very fortunate we've got some good hospital boards across this province, because they really refused to be intimidated by the government. Recognizing that hospital boards are in a very difficult situation — every last cent they get now comes from the government — they have to be very, very careful what they say and what they do. They find themselves in the situation of having to get money from the very same group they've been critical of. Fortunately a number of boards did come forward; 36 boards had deficits. In the face of waiting lists of 5,000 in Edmonton and over 6,000 in Calgary, and as a result of propositions put forward by the boards, the government came forward with a \$20 million special warrant. And I commended the government for that.

But indicative of the way this government tries to manage things were the comments the Premier made on Wednesday about that \$20 million special warrant. He didn't give credit to hospital boards for doing a good job of presenting their cases. He didn't give credit to hospital boards for trying to come to grips with the financial situation, and I think they really are. What did the Premier say in the House on Wednesday? Well, he said, you know we've had a big increase in the population in Alberta, and as a result of that population increase we made more money available. He knew the population figures in this province last spring. A little humility, an admission that, yes, we made a mistake, and we reassessed the situation and put the \$20 million in, would have gone a great distance toward restoring the credibility of this government with hospital boards across this province. But, oh no.

This government talks about government programs. It doesn't talk about the experiences people have on waiting lists. Some of the Calgary MLAs had some experiences this spring with people on waiting lists, and they began to listen a bit better. But no, this government wouldn't admit it made a mistake in cutting back the budgets as far as hospitals were concerned. I say "cutting back", because the previous year 19.7 per cent of the budget in this province went to hospitals; this year, 18.5 per cent.

No, it's too much to expect this government to admit they made a mistake. If they admitted they made a mistake there, that would be an admission that they really believe in people, that people have some important things to say despite what goes on in here, that we don't have all the answers in this Assembly, and that the decisions and choices made here aren't always right. No, that's not the style, not the style at all.

Mr. Speaker, I was genuinely interested to hear the remarks the Premier made concerning social services. While I haven't had an opportunity to check the figures the Premier used with regard to the downward trend in social assistance in this province, I

commend the Minister of Social Services and Community Health for that trend. I simply hope that the single parents who are involved aren't having great hardship placed on their young people, so that we end up having to pay some of those prices down the road. I hope that's not the case, but I commend the minister for what appears to have been successful, at least at this time.

But let's remember when we look at social assistance and the quality of life in Alberta that we don't look only at the assistance rolls. They're not the only indicator. We should also look at the rates of violent crime, alcoholism, drug abuse, and suicide. Unfortunately, Alberta continues to show a high level of social problems as measured by these indicators. No person in their right mind could blame any provincial government for those situations, but when we look at the overall quality of life, those indicators have to be seriously kept in mind.

I was interested in the Premier's comment with regard to Sheik Yamani coming to Alberta. I haven't been to Saudi Arabia, but I have been in the downtown core areas of Edmonton and Calgary late at night and pretty early in the morning, and it's not the kind of situation we should be complacent about at all. Not long ago my colleague the Member for Little Bow filed in this Assembly a study on the inner cities of Edmonton and Calgary with regard to the social problems people face there. If there was one point in that report — which was done by some people from the university — that impressed me more than others, it was the idea that we don't need to spend more money in the downtown core areas of Calgary and Edmonton; what we need to do is co-ordinate what's going on there among the feds, the province, and the local government. I regret very much that I've seen no indication yet of the province giving the kind of leadership that would make that co-ordination possible.

Mr. Speaker, with regard to the question of diversification, I simply want to say this: the primary resource industries are still increasing their percentage share of our net provincial product; manufacturing share is still decreasing. In face of this, the Premier in his remarks on Wednesday gave us his new definition of diversification. Every once in a while the Premier comes forth with these new definitions; Wednesday was one of those occasions. We heard his new definition of diversification: now we have the petrochemical plants and oil sands plants as part of this government's well-thought-out and carefully considered diversification plan. Now, anyone who thinks very long about that recognizes that that simply will not wash.

This government used to talk about diversification as far as agriculture is concerned; they used to talk about diversification of the tourist industry, secondary industry, renewable resource industries. It seems they've lost their enthusiasm, their heart, in those areas. To try to make this realization of diversification in Alberta appear more successful, what's happened is: we'll broaden the definition to suit the government's purpose. That's not good enough. That's not good enough at all.

The Premier tells us there are four obstacles facing Alberta as far as diversification is concerned: the federal government, small population, long distance from market, and lack of tidewater. As I indicated

earlier, those aren't startling new revelations. Those have been the problems Albertans have had to face for generations, for years and years. Certainly the Premier doesn't believe his critics are unaware of those factors. There's certainly no revealing truth there at all. Alberta isn't a maritime province and is never going to be. But I did detect a note of complacency in what the Premier was saying about accepting the fact that petrochemical plants and oil sands plants are going to be seen as the government's major accomplishment in diversification. That won't wash.

The Premier asked, though, for a number of suggestions as to how the government might move in a number of these areas. Well, one of the things they might do is put a great deal more money into renewable resource research; secondly, take the quotas off university faculties of Engineering, Business Administration, Agriculture and forestry; thirdly, adapt a program of government procurement which looks for opportunities to buy from Alberta's small businesses rather than trotting out of the province and doing tremendous parts of our buying outside the province, like Alberta Government Telephones and several other government agencies do. We should persuade the other provinces either to get rid of their preferential procurement practice or retaliate with one of our own. That should be done by the end of this year. And we should stop giving away all the juicy deals to the Alberta Energy Company and make them bid like everybody else. If the Premier wants other specific suggestions, he can take the suggestions that were included in the debate on industrial development in the province at the spring session.

Mr. Speaker, I want to conclude my remarks today with some comments in the area of revenue sharing. The Premier raised the issue of revenue sharing and objected that if we move to revenue sharing, some small communities would tend to be disadvantaged in relation to the larger communities. That may be valid, Mr. Speaker, but it's a point — the problems of small communities — that applies equally to any base of municipal finance. Certainly the property tax as we have it today discriminates against smaller communities. We propose to move away from the property tax, and that would be of particular benefit to small municipalities. If a clear case could be made that small towns have greater per capita needs than those larger centres, and I believe it can be, then one must consider that in a greater share of revenue. But that need for flexibility does not apply to revenue sharing with any greater force than it applies to the present system of conditional grants or any other system.

The basic issue surrounding revenue sharing is clear and simple. Either you believe that municipalities can decide their own priorities or you believe that the provincial government is going to decide them for them. We in this province believe that Ottawa should not be making all the decisions for this province, and rightfully so. The parallel is true: that this province, the provincial government, and this Legislature should not feel that they are the end-all, the know-all, and be-all as far as priorities are concerned for local governments in this province.

We believe in municipal governments. We believe they can decide for themselves far better than many of the decisions we make on their behalf here. What do the Conservatives believe? Let me quote from the

Premier once again:

... we think we are in a position, a position we're very confidently prepared to put to the people of Alberta, to assess these variable needs throughout the province.

There you have it. The provincial government thinks it is in the best position to decide local needs. We think local governments are in a better position to decide for themselves.

Let me digress for a moment from the Premier's statement that this is a position he's "very confidently prepared to put [before] the people of Alberta". I would remind the Premier that the people who elect us in this Assembly are the very same people who elect local governments across this province. I remind him that municipal governments, duly elected by the people of Alberta, have repeatedly requested a system of revenue sharing. If one trusts municipal governments, one listens to that request. This government does not.

But if the Premier is serious about putting his question to the people of Alberta, I challenge him to do so directly in the form of a referendum. Let the people decide whether they want their province or their municipal governments to determine their local priorities. Let the people decide if they want more accumulated surpluses in the hands of the provincial Legislature or the provincial government, or if they want lower property tax at home and more money in their own hands. Let the people decide if we in Alberta want to continue to have the highest rate of per capita debt in all Canada, or do we want to use some of that heritage money to reduce the municipal debt across this province? Let the people decide, in the form of a referendum.

We're going to help the Premier to do that, because we're going to introduce legislation during this fall session which will make it possible for people across this province to force the government to hold a referendum, not necessarily on revenue sharing but on other items too. Mr. Speaker, let the Premier, if he's so confident of his position, take it to the people at the course of the next election. One either has to take the position of going the route of revenue sharing, as my colleague Dr. Buck first raised in the Assembly in 1975 right after the last provincial election, or we see ever more increased centralization as far as the province is concerned. These are new, changing, and difficult times. We think one of the best ways to cope with this feeling across North America of too much government in everyone's way is to make it far more possible for local governments to be masters of their own destinies.

Mr. Speaker, I conclude my remarks by saying, yes, we're not satisfied with the government's complacent attitude as far as housing prices are concerned. We think there are a number of things that could be done in that area to make affordable housing more possible for Albertans. Yes, we have a concern for the cost of health care in this province. When you have to make a choice between waiting lists and new hospitals, we opt for new hospitals, renovations, and the 30 or 40 places across this province that had them already promised, rather than say, you wait to the middle of next year, and no one knows when you wait from there.

Yes, Mr. Speaker, we opt for some co-ordinated leadership by the province in coming to grips with the

problems in our downtown core areas of Edmonton and Calgary. Yes, Mr. Speaker, we opt for the idea of placing a freeze on the size of the public service and trying to get more value out of the taxpayer dollar that's already being spent. Yes, Mr. Speaker, we opt for a better deal for young offenders in this province, because if we don't now, if we don't get them off the treadmill now, the problems of the future are going to be even greater. And yes, we opt for revenue sharing, Mr. Speaker. We think revenue sharing is the next logical step forward as far as this province is concerned.

Let me leave members with this last comment. There are those who have said that if we go to revenue sharing all the resource revenue in Alberta will go with it. Of course that's idiotic. If one talks of 10 per cent of the resource revenue in this province being shared with municipalities, we're looking at approximately \$360 million this year to be shared in addition to what's presently being done in revenue sharing with the municipalities. That's out of \$3.6 billion of resource revenue. That's not going to strap the heritage fund. It's not going to break the heritage fund. It's not going to eat up all the surpluses. It's going to give municipalities and Albertans a far greater say in their own destiny. We believe in the people in this province. In many cases we think they can make those decisions locally, at the local level, far better than we can here in the Assembly.

Thank you.

MR. NOTLEY: Thank you very much, Mr. Speaker. I welcome the opportunity to participate in the debate this morning and to offer some comments on Alberta during the last five months: some of the decisions that have been made, some of the events that have occurred, some of the problems, in my judgment, that have developed, and some of the concerns of the party that I have the fortune of leading.

In prefacing my remarks this morning, Mr. Speaker, I'd like to join with both the Premier and the Leader of the Opposition in saying that I think Albertans in general were very proud of the Commonwealth Games. There was really little doubt that it was a tremendous success. I think we were all delighted by the visit of the Royal Family to the province. I should say that in the Peace River country, the Royal Family came to the north on one of the few rather cloudy, rainy days during the summer. Nevertheless wherever they went they were met by large crowds of people who, I think, clearly indicated that here is an institution that regardless of our political differences — and we're going to have some considerable differences in the course of this fall session. But the Royal Family and the institution of the monarchy does act, in my judgment, as a symbol of unity. That's an important symbol to keep in mind at a time when our country is confronted by a number of challenges in terms of our future as a nation.

Mr. Speaker, having said that, I'd like to look at some of the other things that occurred this summer. We had, of course, the regular biweekly news conference by various ministers indicating they were not going to seek office again. I'm sorry to see some of the hon. ministers leave. But it's rather interesting. We did a little research, and we have established something of a record in the province of Alberta. Nine ministers, so far, are not re-offering. By compar-

ison, the total for all other nine provinces in Canada that are not re-offering is 12. Twelve cabinet ministers in all other nine provinces decided not to seek re-election in the closest election, but in the province of Alberta we have nine hon. ministers deciding not to seek re-election.

Mr. Speaker, I think that was a rather interesting thing to observe. I must give the government credit, though: with an eye for the news, we had these regular news conferences. In listening to the various ministers offer their explanation, though, I felt that it almost seemed as if there had been one standard news release used for all nine departing ministers. Nevertheless, Mr. Speaker, I should say that as a member of the Assembly I am sorry to see them go, and wish them well in the future.

We had, of course, the cabinet tours. The Premier mentioned the cabinet tours in his address to the Assembly. I think it would be fair to say, Mr. Speaker, that the tours played to mixed reviews. For example, in northeastern Alberta a number of people were not enthralled by the development in Cold Lake without having an opportunity for public input. And throughout northeastern Alberta the cabinet got one submission after another on the rural school question. I think one of the most interesting sidelights of the Peace River tour — and I'm glad the hon. Minister of Transportation is here today — was the presentation to the hon. Premier of a genuine broken shock absorber: a victim of Highway 49, which has been left unpaved for these many years, and the progress of construction is about as fast as I think it took to build the China Wall. But at this stage the local people in the town — most of them, I might say, of Conservative orientation — thought that they wanted to get the message across to the hon. Premier, which they did in a very effective way.

Similarly on the question of Alberta Housing — I'm sorry the hon. Minister of Housing and Public Works isn't here. But it's fair to say, Mr. Speaker, that in the little village of Rycroft most of the members of the town council are not of the political persuasion that I am; most of them are, I think, sort of theoretically of the political persuasion of this government. But you know, they're so concerned about the way Alberta Housing has operated in the town that in the brief they presented to the ministers when they toured through the Peace River country they made it clear, among other things, that they weren't even going to allow any permits for additional Alberta Housing construction in the village of Rycroft. So when we want to pat ourselves on the back and say what a great job Alberta Housing is doing, I sometimes think it's worth asking some of the Conservatives out in the country what they think Alberta Housing is doing.

Mr. Speaker, I'd like to move from that overall review of some of the events that have occurred over the last five months to deal with four or five major issues; first of all, the restraint policy. This government has always objected to the use of the word "cutback". But the fact of the matter is that restraint, based on allocating sums of money to health, education, and social services that do not meet the inflation rate, inevitably leads to a cutback in services. There is no point kidding the troops or playing games with the people of Alberta — it leads to a cutback of services.

I thought one of the most interesting observations

about the cutback of services came from a very distinguished Albertan. I'm sorry that the Minister of Advanced Education and Manpower is not here, because this comment isn't from one of those knockers in the opposition parties, Mr. Speaker. It's from a gentleman by the name of Walter Worth. Now as I recall, Walter Worth was the Deputy Minister of Advanced Education, and I'm sure not one of the knockers of this province. This is what he says in the trustees' magazine about the level of support for higher education. I think it's very important that the hon. members listen to this, Mr. Speaker:

The level of financial support provided colleges, institutes, and universities by government during the past few years has failed to keep pace with inflation and general cost increases. Universities in particular have now reached the point where some programs will have to be curtailed, some qualified students denied admission . . .

"Some programs will have to be curtailed" — well, well, well. Isn't that a cutback? "Some qualified students denied admission . . ." In Alberta? Gee, we weren't supposed to have any cutbacks.

. . . and tuition fees substantially increased unless a change in fiscal policy occurs. Neither the university community, nor those citizens directly effected, will remain docile and silent if faced with this prospect.

Mr. Speaker, not from a member of the opposition, not even from Leo LeClerc, but from a former Deputy Minister of Advanced Education in the province of Alberta. Yes, Mr. Speaker, restraint has led to cutback in services.

Let's look at education for a moment. We talk about the rural school program, and the Premier made an effort in his speech the other day to say that there's going to be an improvement in the rural school program. There has been a modest adjustment. But "a modest adjustment" is certainly the best way of describing it, because when I see what that adjustment does to the rural school divisions, the impact is very, very minor at best.

Not too long ago the Spirit River School Division met with the Hon. Marvin Moore, Minister of Agriculture — part of Spirit River School Division is in his constituency, part of it is in my constituency, and the other section is in the constituency of the the hon. Member for Grande Prairie, Dr. Backus. Some of the points they brought out about the inequality of funding for schools, plus the restraint program, have been made in the Legislature before, Mr. Speaker, but they have to be made again. The present funding formula, coupled with the restraint policy, is leading to a deterioration in the quality of education throughout rural Alberta. I use Spirit River as an example, but I've met with school boards in the south, east, north, and northeast, and the story is essentially the same.

In this one particular division of Spirit River, we have a high school in Wanham where they've had to cut down to 2.5 teachers. Now, I don't know how much closer to the basics you can get, Mr. Speaker, than a high school with 2.5 teachers. Or the school busing system: we have this school busing grant formula based on 85 per cent capacity which, when it sits on a bureaucrat's desk in Edmonton, seems like a very reasonable proposition. But by the time we get it out to a rural school division, we have grade 1 students getting on the buses in the Spirit River

School Division at 6:50 — getting on the buses at 6:50 in a province that has almost \$7 billion in the heritage trust fund and in accumulated surplus.

I'm not saying that we should be chasing after problems with money. But I am saying that a school busing formula that forces that kind of transportation policy — not because the people want to do it. We met with the board, and to a person the board said they were concerned about the kinds of cuts they had to make this year, because the cuts were reducing the quality of education those children were receiving. So when we talk about a restraint policy as a euphemism and say, no problem, everything's hunky-dory, we'll just make a little adjustment here and we'll cut out a little fat there — you're not going to cut out much fat in the rural school divisions of this province. We're now getting into the lean and the muscle. We're cutting the basic quality of education. We can talk all we like about some of the major projects in this province, but equal access to education should be one of the basic objectives for any government that cares about people.

We have the problem of older people in our society. I don't know how many people read the Human Rights Commission report to the Legislature this year. But one of the most disturbing features of that report, on page 2:

Recent statistics indicated that above 60 per cent of women over the age of 65 are forced to live on incomes well below the so-called poverty level.

Over 60 per cent of women 65 years or older forced to live below the poverty level. Mr. Speaker, that statistic, combined with the rising rate of alcoholism, our very high suicide rate, our rising rate of crime, would indicate to me that it is not good enough to be complacent about the level of social services. We've got the best social services in the country, said the Premier the other day. Well, in actual fact, when one looks at the statistics compiled by Statistics Canada, we rate fifth among the provinces in expenditures on social services. We find that the home care program was announced — and an excellent concept it is, but it's so woefully under-funded that in terms of providing the kind of homemaker service needed for people who aren't ill, the program at this stage will be simply a dream, not a reality. What I'm saying, Mr. Speaker, is that the current restraint program has meant severe cutbacks in the quality of social services that Albertans have a right to expect.

One of the most significant aspects of the Commonwealth Games — and I believe it was the Leader of the Opposition or it could have been the Premier, or perhaps even both of them noted it — was the role of the volunteer. Any of us who had an opportunity to be in Edmonton during those days can't help but be impressed with the countless hundreds, even thousands of people who in one way or another participated in that historic effort. But, Mr. Speaker, after having such a splendid example of 'volunteerism', we now find that this government, in an effort to deal with restraint, is doing away with the volunteer services unit of the Department of Social Services and Community Health. I have dealt with volunteers for 20 years, and I know that you just don't say, hey, do something on a volunteer basis. You can have a tremendous amount of effort produced by volunteers, providing you give them the help and assistance in

formulating programs to make 'volunteerism' a reality.

But what are we doing in Alberta? After all the rhetoric we've heard about the volunteer, that this is the age of the volunteer, we now do away with the very unit that is encouraging 'volunteerism'. The minister may say, oh, now just a minute, we're going to be taking that over from preventive social services. With the funding in preventive social services, I'm not sure how far we'll get there. But even if that is the argument, a large geographic area and a significant population of this province are not covered under present preventive social service programs.

I want to move on from there to deal with the question of housing for a moment. There is little doubt that we do excel in certain areas in housing. We excel in the price of housing; little question about that, Mr. Speaker. We have a traditional Tory argument that you shouldn't be throwing money at problems, but as I listened in this Legislature to the hon. Premier two days ago, and yesterday to the hon. Minister of Housing and Public Works, I had to come away with the impression that that is the sum total of what we're doing. That's the bottom line of what we're doing for housing in Alberta: we're throwing money at it. But in terms of other policies — where are these other policies?

Let's just take a look at some of these prices. Royal Trust every so often publishes a survey on Canadian house prices. Let's just take a couple of their examples, Mr. Speaker: a 1,200 square foot bungalow, eight years old, one-car garage, no recreation room, fireplace, or [appliances]. According to Royal Trust, if that house is purchased in Mount Royal-Scarboro in Calgary, it is \$105,000; in North Hill it's substantially less, \$76,000; in Edmonton, in Petrolia, \$81,000. Let's look at some of the other places in the country. In Regina, by comparison, it's \$57,000; Winnipeg, \$57,000; other parts of the country, substantially less. Or let's look at a little larger house, a two storey, 2,000 square foot house. All these figures, incidentally, are from Royal Trust. We won't take the Mount Royal-Scarboro area in Calgary, let's take North Hill: \$124,000; in Petrolia in Edmonton, \$121,500. But then you start looking at these other places: \$92,000 in Saskatoon, \$85,000 in Winnipeg.

There's really little doubt that housing prices are substantially higher in Alberta than elsewhere in the country. One of the major reasons for the higher costs was documented in the government's own study, the Canada-Montana study, almost two years old now. It documents the fact that the price of raw land has gone up substantially in this province, and developer profits have increased. Raw land costs, for example, are 300 per cent higher in Alberta than they are in Montana. Development profits are 550 per cent higher in Alberta than they are in Montana. Perhaps most significant of all, Mr. Speaker, the Alberta-Montana study indicates that only 31 per cent of Alberta families can now reasonably afford those prices.

I raise that, Mr. Speaker, because if hon. members will cast their minds back to the Land Use Forum study of about three or four years ago, one of the position papers prepared for the Land Use Forum was an assessment of housing prices. It looked at what the situation was in 1961. If you took the average earnings of an Albertan and the price of housing in

1961, 70 per cent of Alberta families would be able to obtain housing — 70 per cent, seven out of 10. But this year, as a result of the tremendous escalation, we find that 31 per cent, or three out of 10 Alberta families, can reasonably afford a home of their own.

In the face of that kind of situation I find it rather incredible to sit and listen to a government that is patting itself on the back and telling everybody what a great job they're doing. We've moved from 70 per cent of the people being able to afford a home to 30 percent. There are no other problems; we're not going to look at any kind of funding from the heritage trust fund for front-end development; we're not going to look at substantial land banking beyond what we've done in Fort McMurray; we're not going to look at a land speculation tax, as proposed by the Land Use Forum in 1975 — none of these things, because we've got everything in hand. The highest prices in Canada, three out of 10 people able to afford a home.

Mr. Speaker, a task force of nine provinces and the federal government looked into the housing industry — Alberta was the one province that decided not to participate — and looked at the profits of various development companies. I'd like to advise the members of the House that we've seen some rather substantial increases in profits, based on the average shareholder's equity. Genstar, for example, in 1968 was doing reasonably well, by most corporate standards. They had a pre-tax profit of 13.2 per cent. But by 1973 it had begun to rise — 30.7 percent. By 1976 it had rocketed to 35.5 per cent — all the way from 13.2 per cent in 1968 to 35.5 per cent. We have Nu-West with profits of 48.8 per cent in 1976; Daon with profits of 68.5 per cent; Markborough with profits of 42.4 per cent; Carma with profits of 73.2 per cent.

Mr. Speaker, when I look at the Alberta-Montana study on housing costs and see the data prepared by this task force of nine provinces and the federal government and the profits that are being made in the industry, I find it very difficult to conclude that land is not a serious problem and that we shouldn't be looking seriously at the recommendation made by the Land Use Forum in 1975 for a speculation tax to begin to deal with some of the unconscionable profits, in my judgment, that are being made, in terms of the acquisition, the holding, and the development of land in our urban areas.

In the few moments I have left, I want to deal with one other very important issue, the question of the retreat that I notice has been taken on this question of whether or not we're prepared to export natural gas to the United States. A year ago, Mr. Speaker, there was no doubt about where the government of Alberta stood, a very determined position. They wanted ironclad guarantees that if we were going to allow so much as a cubic centimetre of gas to go south, we wanted concessions for Alberta farmers. That was a very attractive proposition. I notice that on October 27 the Premier indicated:

The position of the Alberta government is clear: we would not authorize such accelerated natural gas supply or enter a gas swap unless we saw some benefit for the farmers of this province.

In another quote on October 28, Mr. Lougheed is essentially saying the same thing:

The Alberta government has attempted to make clear — so that time is not wasted on such

applications —
There's no point in making applications, says the Premier.

... that we would only look towards such an approach if we felt we could find some benefits to the farmers of this province, in improving access for their products into the United States.

Very clear, very categorical: no gas exports to the U.S. market unless we get some kind of major concession for Alberta products. Even in June, we have the Minister of Agriculture — I guess he wasn't kept up to date on the changes, because he's quoted, on June 24, as saying to a conference in Calgary that Alberta is using natural gas as a:

"bargaining lever" and that the Province is not hesitant about using it.

"This is a hard line," he admitted, but added it was necessary to trade off gradually-depleting natural resources to ensure the future of renewable resources, such as agricultural products.

Pretty heady rhetoric, Mr. Speaker. I must confess that most of us in this province felt that if we were going to make any kind of adjustment, at the very least we'd better make sure we got some long term concessions.

But what do we find now, Mr. Speaker? We find the government is gradually changing its position. We now find the Premier saying that yes, maybe we're going to have to look at increased exports. Strangest of all, on page 1291 of *Hansard* we find this statement that I thought really was quite delightful:

I was ... pleased that the United States government, in a direct recognition of the views expressed by the government of Alberta, responded this past summer with a proposal to Canada when they wanted to adjust the degree of meat imports.

Mr. Speaker, who in heaven's name does the Premier of Alberta think he's trying to kid? I don't know anybody in the industry who isn't well aware of what that 11 million pounds represents. That 11 million pounds was part of a 200 million pound, worldwide loosening of import restrictions to have more beef in the American market. The bulk of it would be coming from the oceanic countries, and the deliberate design of that policy by the Carter administration was to bring in more offshore beef to stabilize or even depress the price of beef in a off-election year. Those just happen to be the facts. To suggest that somehow this was a concession to Alberta, really! That is trampling on the credulity of even the most hard core Tory in this province.

No, Mr. Speaker, we got nothing in return at all. Now what we're saying is: have gas, will export. A year ago we were saying: have gas, might export, but only if we get concessions for agriculture. Today it is: have gas, will export. That is a very, very significant change.

I realize there are problems for gas producers, but there are two alternatives I would ask the government to consider. First, it seems to me that we should look at a system of pro-rationing gas so that there is a fair distribution of markets, particularly for the smaller producers. The second point I would make is an off-repeated position I've taken for some time. A number of years ago, the former chairman of the Saskatchewan power corporation suggested the establishment of a gas bank. I believe that kind of

proposal, coupled with a pro-rationing system, would at least alleviate the problem of the producer on one hand, without committing this province and this country to very substantial additional exports of natural gas.

I know we have very rosy projections these days. But, you know, it isn't as if this is the first time we've seen rosy projections. In 1968 and 1969 we had the former federal Minister of Energy, Mr. Green, running around the country telling us that we had 700 years' supply of oil and natural gas, that there was no foreseeable problem, and that we could export all the natural gas we wanted. Then suddenly we had the increase in oil prices. All of a sudden, Mr. Speaker, there was an energy crisis. We had people like Gas Arctic make submissions, very useful submissions I grant, but the submissions were that we were facing an imminent crisis and therefore had to push up the price. Now we have moved from unmanageable surplus in 1968 to imminent crisis in 1973 and '74, again to unmanageable surplus in 1978.

Mr. Speaker, I submit that the truth is probably somewhere in-between. We do have substantial additional quantities of natural gas — no one is arguing that point — but not so much that we can afford to be sanguine about the overall energy requirements of this province and the country in which we live in.

Mr. Speaker, I just want to make one final comment before closing my remarks this morning. During the course of the Premier's state of the province address, he talked about diversification. We now find that the time line for diversification has been extended. In this House I remember listening and being quite impressed by, first, the hon. Member for Edmonton Highlands who, in 1972, got up and used the beautiful example of Nova Scotia. Apparently they were in the clipper ship business 120 years ago in Nova Scotia, so said the Member for Edmonton Highlands. And because they didn't use their opportunity when those clipper ships were sailing to move into something else, they missed the boat. [laughter] We were looking at 10 years at that time. I guess they did miss the boat. They missed the transition to steam, so they missed the boat. But the fact of the matter is that we suddenly saw this decade in which we had to make the transition. I give the Member for Edmonton Highlands credit, because he was the first one who raised it in the House. But I really think the Premier thought that was a pretty effective little phrase to use. So for the next few months and years we had this decade where we had to make the transition.

Now, Mr. Speaker, after seven years of Tory rule we're more dependent on non-renewable resources than we were before. We have a smaller percentage of our investment in manufacturing. We now find that we have to redefine what diversification means. Redefinition now means heavy oil, oil sands, petrochemicals, linking us into a future where we are even more dependent on the non-renewable resource sector than we were before.

I want to close by saying that the two significant areas the Premier mentioned for diversification in the renewable resource industry — one was the food industry, agricultural processing; the other was the forest industry — but in both cases he rightly admitted what we all know; that is, the present freight rate structure makes it almost impossible to penetrate markets elsewhere, whether it be the forest

industry or massively increasing the value added to the food industry in this province. No point in talking about spending millions of dollars in agricultural processing efforts of one kind or another if the costs of transporting that item to the markets, either export markets or other markets on the continent, are so prohibitively high that by the time you get into the market you just can't possibly compete with available competition.

There's no doubt in my mind that if we are serious about emphasizing the renewable resource base of our economy, we have to get some long term commitments on freight rates. I'm not just talking about eliminating a few of those disparities that were raised in 1973. I'm talking about — I see that my time has gone, Mr. Speaker, but with the permission of the Assembly I'll just take another minute or two to close — the extension of the Crow rates to everything that is produced from agriculture. I would say, Mr. Speaker, that that kind of breakthrough would allow us to make some significant improvement in the whole industry of processing agricultural products in Alberta and would give some hope that we could begin to shift the food industry to this province in a significant way.

Thank you.

MR. MUSGREAVE: Mr. Speaker, I want to engage in this debate very briefly and comment on some of the remarks made by the hon. Leader of the Opposition.

On the matter of revenue sharing, I think it's very interesting that he now suggests that we should share revenue with the municipalities. I recall that a few years ago, when he was a member of the Executive Council, they saw fit to terminate revenue sharing. I think at that time they were giving us approximately one-third of the revenues we received from the oil and gas industry. They realized the revenues were declining but their responsibilities were continuing, so we were cut off, very severely and quickly. I think it's interesting that now they are taking a different point of view.

Mr. Speaker, it concerns me very much that in the last two days the city of Calgary has added up its transportation requirements, and it comes to \$0.5 billion. So the local council, rather than figure out how it is going to raise the \$0.5 billion, said: we have to go to the province; they are going to have to pay half of it, and naturally it's going to come out of the heritage fund. Everything's going to come out of the heritage fund.

Mr. Speaker, another area the Leader of the Opposition brought up is getting rid of the municipal debt. Now, who do we owe the municipal debt to? Is it to the investors in New York, or London, or Montreal? No, Mr. Speaker. A good portion of it is Canada pension plan money that's reinvested in this province. It's owed by citizens of Calgary to the citizens of the province of Alberta. And who are these people, these citizens of Alberta? They're the people who have the lowest income tax in Canada, no sales tax and, most important, they have one of the lowest municipal tax rates in North America. Mr. Speaker, I think the Leader of the Opposition is doing a disservice to the municipalities if he suggests that by suddenly taking revenue from the heritage fund or from the province, all the problems of the home owners in the cities are going to be removed by removing that tax. It just isn't

so, and he knows it.

One other area the Leader of the Opposition commented on that I was most concerned about was the ineptness or arrogance of the members of the Alberta Housing Corporation. Again, I find it distressing that a parliamentarian, a former cabinet minister, would get up in the House and make a broad attack against a whole group of civil servants. I agree that there would be incompetent people and lazy people and arrogant people, but let's not smear the whole organization, Mr. Speaker. If he has cause to raise this, let him do it on specific people and specific instances.

Mr. Speaker, the main reason I'm on my feet is that I, along with the Leader of the Opposition and other members of the heritage fund committee, visited the site of the mobile-home park in Airdrie. I must confess that I came away with a different point of view than did the Leader of the Opposition. Walking around the site, Mr. Speaker, I saw one house that had a For Sale sign on it. Now, anyone who knows a little about real estate will know that if people are distressed or want to move or are unhappy, they sell out. That's one of the first things you do. If you don't like where you're living, you move. The way you move is to put your house up for sale, and you hope that you can move it. I saw one sign, Mr. Speaker; I'm not saying there weren't more, but I saw one sign.

During the discussions with the members of the Airdrie council, we didn't have anyone asking us to move off; they were asking us to move in. They wanted us to appoint a full-time site director. They were urging us to get the south part completed so they could move on it more mobile homes. The mayor of Airdrie agreed that perhaps they were remiss in not putting a building inspector on the site. Why didn't they do this? Well, he said, we thought we'd leave it up to you people. They're going to pass the buck, but when things start falling apart it's our fault. The local municipalities are not at fault, according to the Leader of the Opposition, yet he would be the first to cry if we said to those people, you're going to have to do what we tell you.

That's the other point I'd like to comment on. He said we didn't consult them when we bought the land. Well again, Mr. Speaker, I would question how much consultation was made with the city of Edmonton when the Mill Woods project was put together. Anybody knows that when you try to do a large land assembly people are going to move in, try to get there first and inflate the price of land.

Mr. Speaker, I'd like to bring some points to the attention of the House. I got a letter, dated October 6, the other day from the president of the Canadian Mobile Home Association. I think it's very interesting. I'd like permission of the House to read just a few comments.

We believe the Alberta Housing Corporation has done an admirable job in making mobile home sites available in the Airdrie subdivision to medium and low income families, at an average cost of approximately \$10,500 per serviced lot.

Now, Mr. Speaker, you will recall what the Leader of the Opposition said about the subdivision of Strathmore, what a great accomplishment and how cheap it was. You may have heard me say, what was the price? He said the price was comparable. The price, according to this letter, was \$14,000. That's 40 per

cent higher than \$10,000, and not a very good comparison, in my opinion.

Also, Mr. Speaker, they point out that a 900 square foot house was put on this project for a value of \$37,000, including land and home. The Leader of the Opposition mentioned the house in Edmonton that the young people had at \$63,000. A comparable home on this site would be \$49,000, or a difference of \$14,000. So I think the government was doing an excellent job of providing housing for those people in the lower economic range who could afford it.

Another important point the Leader of the Opposition didn't point out is that 1,200 were employed in the mobile-home industry and they manufactured over 400 homes, which was 25 per cent of the Alberta mobile-home production last year. Most of it — again I'm quoting from the letter:

Had it not been for the government's forward thinking in providing serviced land and financing for mobile homes, the industry as we know it would currently be almost non-existent.

Mr. Speaker, that's not a government publication, that's the Canadian Mobile Home Association speaking.

Also, Mr. Speaker, I'd like to comment on the fact that some of the homes were not up to the level they should be. Again, he said:

... it should be remembered that [some of the] problems, created by subcontractors, occurred last winter when distressed home purchasers were permitted to take possession of the incomplete project, for compassionate reasons.

Now, they would make comparisons with Atco trailers or with Keith homes or some of these people. But those people would not let you on the site until it was finished. They wouldn't care how distressing your case was, they would care less; you're not going to get on their site. But these people did this, and this is what happened.

But most important it said:

These errors have since been rectified at no additional cost to the home owners nor to the government. The industry has borne the full responsibility of the costs involved in making the necessary corrections and repairs.

So, Mr. Speaker, I just thought the members of the House should know about this other side of the coin. In conclusion, the mobile home industry says that between them and the government "placing 200 homes in the subdivision, in a relatively short period of time, under adverse weather conditions" was an excellent job. I think the people of this government and particularly of Alberta Housing Corporation, and the minister — I would imagine it was mostly the hon. Mr. Yurko's doing that resulted in this project. But the results have shown that it was an excellent move on the part of the government, and I just think that the members of the House should be aware of the other side of the situation.

Thank you.

MR. TAYLOR: Mr. Speaker, I too would like to take part in this state of the province address. First of all I'd like to say that I enjoyed the Premier's address very much the other day. I think he gave a very accurate view of what is happening in the province, and I think he also expressed the confidence that the people of Alberta like to hear.

In connection with gas export I can't go along with the hon. Member for Spirit River-Fairview, who has now left his seat along with the four Socreds. Many times we have said we're exporting our jobs. In the case of gas export, the way we're going to keep our jobs in this province is by exporting our surplus. If we don't start using some of this surplus gas, the jobs are going to start to dry up, and exploration will cease. What's the use of looking for things if you have no market for them?

I think people should be realistic today in regard to this matter of jobs in this province. We have probably the lowest unemployment in Canada. If Saskatchewan is a little better, it's because most of their unemployed have come over to Alberta to get jobs. I think we have the most buoyant economy, and we're going to keep it that way only by keeping the industries that are employing people working and getting more to start. If our people who are now employing scores of young and older people to find gas find there's no sense in finding more gas, that we have more than we can use, we can't export it, and we can't do anything with it, those jobs are going to dry up. Then you'll hear the hon. Member for Spirit River-Fairview and the Leader of the Opposition cry against the government because we have unemployment in this province.

The sensible thing today is to export our surplus gas. A few years ago we had surpluses of coal, all kinds of coal, and we were loath to get a market down in the States, although at that time they did want our coal. Ontario wasn't concerned about getting our coal; they were concerned about buying it from the United States. Now we're left with millions of tons of coal under the ground. Who knows what the future energy is going to be? It may well be that solar or other sources of energy perhaps unknown today will come into play, and we'll be left with the gas in the ground.

I think there should be a three-price policy in regard to our natural gas, the same as with oil: Albertans get the cheapest price, Canadians get the second-best price, and the export people pay the world price. If we do that — and with our heritage fund we're putting aside part of that for the future generations, not using up everything and saying the future generations are going to be left high and dry.

Mr. Speaker, when we talk about gas for the maritimes and Quebec, I can't get too excited. We have a pipeline to Montreal right now that's only being used to 50 per cent of capacity. If Quebec wants more natural gas, they have it available now. Why don't they use it to 100 per cent capacity before we start worrying? Maybe they don't want our natural gas. If they don't, we shouldn't force it on them. Do the maritimes want our natural gas? There are disadvantages for the maritimes to have a pipeline built down there at millions of dollars. It'll destroy their flexibility. They're getting oil now. Are they happy with it? You know, too many people in Ottawa and other places are telling the maritimers what's good for them. They haven't asked for it, and it may well be it's a disservice to the maritimes. If they want it, I think we should make it available, but that's going to be a few years down the road. Today they're getting oil, which is their choice, and I think we should remember that, too. The logical thing today is to export our surplus, get the world price for it, and put

part of that aside for future generations. I think that's a logical and sensible program.

When we come to jobs again, the DREE program initiated by the Canadian government is today operating in only one part of Alberta. The Alberta government, as I understand it, was forced to agree to the boundaries set by the Canadian government, and it's all in the north. None of it comes down even to the city of Edmonton. It takes in Fort McMurray of all things, where there certainly isn't any shortage of jobs during the DREE period. But I know an industry in the Drumheller valley that, had the DREE program been available, could have employed 15 or 20 men.

Why don't we make our programs sensible? If we need jobs, if we want to get employment, if we want industry to invest money, if we want people to start industry in our various areas, let's make the program available wherever jobs and industry are established. That's a sensible program. Unemployment is unemployment. Today we have close to one million people in Canada unemployed, and we still stick to these boundaries. If you put jobs in certain places, you get some government incentive and some government help. But if you don't, you get nothing. Our policies aren't sensible at all. We're discouraging people from investing their money. We were talking about confidence. I want to talk about that in a few moments, but for a moment or so I want to deal with one or two constituency matters.

In connection with hospitals, which have been discussed at some length in this House many times and even today, I want to say that the Drumheller hospital has some concerns too. The Drumheller hospital, with excellent physicians and surgeons, is in a location where it could become a regional hospital. I hope we can get that expansion so that the Drumheller hospital in that area of the province becomes a regional hospital where it can extend the expertise of medicine and surgery that we have in that valley to people in other parts of the area. There's no reason there shouldn't be some referrals to the Drumheller valley from other places when we have top doctors and top surgeons in the valley.

Another place in my constituency needs a hospital very, very badly. As a matter of fact, in my view the Strathmore area has been treated badly in connection with hospitals. We need a hospital in the county of Wheatland, an entire county without any hospital at all. In that county we have a number of towns like Gleichen, Rockyford, and Standard, hamlets like Carseland and villages like Hussar. Today they must go either to Bassano or Drumheller, and mostly to Calgary. Those people in the Wheatland Lodge fear the day when they will get ill, because then they're going to be moved to Calgary. You might as well move them 1,000 miles away, because they're taken from their friends. They've told me, when they take me to Calgary, I know I'm going to die. I don't think you can build hospitals on sentimental reasons, but they should be considered along with the others.

In that county we have Strathmore, one of the fastest growing towns in Canada. I won't say it's the fastest, but one of the fastest. The population was under 1,300 just a very few years ago, and hon. members who were here can remember me speaking about the policing situation at that time. They were fearful of what was going to happen when they got to 1,500, when they had to have the RCMP. Well,

they've gone past 1,500, they've gone past 1,800, and they've gone past 2,000. The population is now almost 2,300, and subdivision after subdivision is continuing. Within the next two or three years we're going to have 3,000 or 3,500 people in Strathmore. In the surrounding area we're going to have 10,000. Strathmore was promised a hospital by the last government, and it didn't come through. It hasn't been promised by this government, but the government has taken a look at it. As a matter of fact, this matter was brought up in cabinet tours. Strathmore should have a small hospital with active beds, auxiliary beds, and nursing care beds. I don't think that's asking too much. Today they operate their own ambulance. When someone has a slight illness, we have two doctors there, but no hospital facilities whatsoever. The ambulance has to trek all the way into Calgary. We need an emergency section there to make the ambulance pay and to provide treatment for the people. A few active beds, nursing home beds, and auxiliary beds would provide an economic unit in the town of Strathmore and for the surrounding area.

I don't think we should be concentrating our hospitals in major centres. I hope another major hospital is not going to be built in Calgary before one is built in Strathmore, because Strathmore will meet a need that isn't there today. It's within car distance if we want surgeons from Calgary. Many people are making Strathmore their home, as a dormitory centre, and working in Calgary. We certainly need a hospital there very badly.

Another point I'd like to mention just briefly is this matter of senior citizens. You know, we owe our senior citizens a great deal. I'm glad to see the senior citizen drop-in centres organized all over the province. They're getting the feeling that they're still wanted, that they can make a contribution. And they can make a contribution.

I asked the hon. Minister of Recreation, Parks and Wildlife yesterday about our senior citizens being given a slight concession: that those who want to hunt be permitted to hunt without buying a licence. We've done it in fishing — at least in some phases of fishing — and it's appreciated. It's been a wonderful thing; it's been a boost to the government. And it's been a wonderful thing that the senior citizens who want to take a rod and go out and catch a goldeye or perch can do it without worrying about a licence.

But a relatively large number of our senior citizens love hunting. It's not a case of eyesight, Mr. Minister. They've hunted all their lives. They're the first ones to put down their gun if their eyesight is failing. They're experienced hunters; they love hunting. It's part of their life. I've hunted with some of them, and I wish I could hunt half as well as some of those senior citizens. Mr. Speaker, I hope the hon. minister will continue the study he mentioned, with a view to bringing in a hunting concession for our senior citizens, as we have done for those who love fishing.

Now, the other point I'd like to mention comes out of the hon. Premier's address. When he was speaking about confidence, he mentioned that someone from another country had come and said: I would like to invest several million dollars in this province, but I can't sell the idea to my directors because of what's happening in the rest of Canada. Well, if the Rt. Hon. Trudeau thinks our economy is so wonderful, he should hear stories like that. It's not only the denial

of investment in our country by other countries, equally serious is the fact that money is leaving our country because there's no confidence in the Canadian government. The climate is anti-investment. As a matter of fact, it's estimated by those in this field that more than \$6 billion has gone out of Canada during the last two years — the flight of investment capital out of Canada. That means a lot of jobs. No wonder we have 800,000 or 900,000 people unemployed. When you invest money, you get jobs from that investment.

I want to deal with this for a few moments, because I think it's basic to what's going on in Canada today. It's problematical how long the buoyancy of one province can be maintained if the other provinces' economies are becoming stagnant, as they have in some parts of Canada today. I want to go back a few years to 1945, and compare Canada with Japan and West Germany. In 1945, Canada had a debt of \$7,092 billion, not a gigantic debt for a country the size of Canada. We had a ship-building industry, and at the height of our production we were able to make something like two 10,000-ton freighters every two or three days — an excellent small ship-building industry. We had an aircraft industry that was producing Lancaster bombers, Mosquito fighter bombers, and Hurricane fighters — an excellent little aircraft industry. We had an automotive industry in those days too, the second largest in the world. We had huge natural resources.

We had everything going for us, Mr. Speaker, to make us a net exporter of capital. We should have been a creditor nation within a very few years. But what happened? In 1977, what a dismal picture we have to produce. With that wonderful beginning, that wonderful potential, in 1977 our debt was not \$7 billion but \$106 billion, up 10 per cent in 1977 alone. Mr. Speaker, I want to say that our foreign debt situation in Canada is shameful, nothing less than shameful.

Look at Japan and West Germany during the same period. They started out not with only a small debt, some good industries, and so on. No, Japan and West Germany were weakened by war. Their industries had been flattened by air raids. Their foreign assets had been expropriated, in many cases without even compensation. The vital industries in West Germany were under the control of East Germany, and in Japan they were under the control of China and Manchuria, in some cases. That was the beginning they had in 1945. Had they followed the same course as Canada of trying to borrow ourselves into prosperity, what would they be today? They would have stagnant economies. They would be having to go to New York, as our Prime Minister did, begging for loans. No, instead of that, today they are creditor nations.

With the start Canada had, because we tried to borrow ourselves into prosperity and not develop our

own industries, we've exported our jobs and are head over heels in debt. A foreign debt of \$106 billion. We had an orgy of excessive foreign expenditures, and during the last 20 years our Canadian government has had a deficit every year except for four — with a country and the resources we have. In 1976 we sent in interest alone more than \$4 billion to the United States. How long are we going to keep this up? How long can our economy stand this type of thing?

We've been importing millions of tons of coal, and our own coal miners have got so discouraged that they've left the field. If our coal industry suddenly came back into being, today we'd have a hard time finding people to go down into the bosom of the earth. Highly mechanized machinery could be purchased and used, and I hope the coal industry, including that in the Drumheller valley, will have an opportunity to contribute to the buoyancy of Canada.

Yes, if we could develop our own industries, as those countries did that came up to creditor nations by 1977 in spite of their war-torn position, their weakened condition after the war, while we in Canada, with a wonderful start, have come up to a debtor nation. We're still going to New York begging for money, begging for loans, when we have natural resources that should be developed. What's the reason? Then we talk about \$6 billion leaving Canada to be invested in the United States and other parts of the world. No wonder we have unemployed. What we need throughout Canada is a spirit of confidence in our industrial development and in our people who have money, as has been developed in the climate in Alberta, where people are investing their money and where even the man the hon. Premier mentioned would have got a few million dollars more which would have provided a few more jobs had he not been afraid, had he had confidence in Canada.

Mr. Speaker, I hope that the confidence displayed in this province can become contagious and that the Canadian government will then, too, take cognizance of what's going on, stop this internal and eternal borrowing, and start developing our own industries and make ourselves self-sufficient so that we too can become a creditor nation and not a debtor nation. If our debt continues at the rate it's going, it's going to be the ruination of Canada and every province in Canada. The Canadian government had better take note of that.

MR. YURKO: I beg leave to adjourn debate.

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, I move we call it 1 o'clock.

HON. MEMBERS: Agreed.

[At 12:40 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]