

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Monday, June 11, 1979 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: NOTICES OF MOTIONS

MR. R. CLARK: Mr. Speaker, I beg the unanimous consent of the Assembly to make Motion No. 213, entered in Friday's Votes and Proceedings in Mr. Notley's name, the opposition-designated motion for Thursday next.

MR. SPEAKER: May the hon. member have the leave requested?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF BILLS

Bill 25

The Landlord and Tenant Act, 1979

MR. KOZIAK: Mr. Speaker, I request leave to introduce a Bill, The Landlord and Tenant Act, 1979.

The Bill would repeal The Landlord and Tenant Act, 1978, passed by this Legislature last fall. However, it would contain basically the same concepts, reorganized in such a fashion as would provide for greater comprehension by landlords and tenants of this province. In terms of the public, I would think this is one of the Bills that is going to be read by more of the citizens of the province of Alberta than any legislation passed by this Legislature.

The Bill would come into force on July 1, with the exception of the provisions dealing with the Provincial Court, which would come into effect on proclamation.

[Leave granted; Bill 25 read a first time]

Bill 26

The Election Finances and Contributions Disclosure Amendment Act, 1979

MR. McCRAE: Mr. Speaker, I beg leave to introduce Bill No. 26, The Election Finances and Contributions Disclosure Amendment Act, 1979.

The purpose of this Bill is to remove the requirement presently in the Act that a constituency financial officer file a statement of receipts and expenses for the period starting with the polling date and ending six months thereafter. The idea of the Bill is to remove that workload from the volunteer workers of the constituency association. The organization will of course still be required to file the annual financial return.

As the Bill presently stands, Mr. Speaker, the campaign committees of the various ridings are responsible

for collection of money and expenses during that six-month period anyway. So in fact there would have been very few receipts or expenditures during that period. The idea is simply to remove the workload from the volunteer worker.

[Leave granted; Bill 26 read a first time]

Bill 16

The Calgary-Canadian Pacific Transit Agreement Act

MR. LITTLE: Mr. Speaker, I beg leave to introduce Bill No. 16, The Calgary-Canadian Pacific Transit Agreement Act. The purpose of this Bill is to ratify, and declare valid and binding, the sublease between Canadian Pacific Limited, the Calgary & Edmonton corporation, and the city of Calgary.

Mr. Speaker, I would also file two copies of the agreement between Canadian Pacific Limited, the Calgary & Edmonton corporation, and the city of Calgary. Additional copies will be made available for every member of the Legislature.

[Leave granted; Bill 16 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 16 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: TABLING RETURNS AND REPORTS

MR. HYNDMAN: Mr. Speaker, I wish to table three copies of the annual report of the Alberta Resources Railway for the fiscal year ended December 31, 1978.

Mr. Speaker, last week I purported erroneously to table the annual report for this railroad for March 31, 1978, the same day, but in fact that report was the annual report for the ARR for the fiscal year ended December 31, 1977.

DR. HORNER: Mr. Speaker, I'd like to table the annual report of the Public Service Employee Relations Board.

MR. JOHNSTON: Mr. Speaker, I wish to table copies of the annual report of the Department of Federal and Intergovernmental Affairs for the year ended March 31, 1978.

MR. LEITCH: Mr. Speaker, I wish to table the regulations and orders made under Section 24 of The Gas Resources Preservation Act.

MR. RUSSELL: Mr. Speaker, I'd like to file two copies of two documents relating to the Department of Hospitals and Medical Care. One is a planning bulletin called The Planning Process for Hospitals and Nursing Homes. We're making copies of this available to all MLAs.

The other is a very detailed working manual called The Planning Process for Capital Projects. It deals with the same subject. We're not distributing these, but if any MLA feels he would like one, he can certainly have it. They're going out to all hospital boards.

These documents should assist local hospital boards in planning and submitting requests for new capital projects.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. STEVENS: Mr. Speaker, may I introduce to you, and through you to the members of this Assembly, the Springbank grade 10 class and their teacher Mr. Christensen, his wife, and their assistant principal, Mr. Laubman. I believe 46 students from Springbank and the beautiful area just west of Calgary are here today. If they would rise, would the members please give them our usual welcome.

MR. LITTLE: Mr. Speaker, it is my privilege today to introduce to you, and through you to the members of this Assembly, 29 grade 6 students from the Chris Akkerman school in my constituency.

I might mention in passing, Mr. Speaker, that Chris Akkerman, the man for whom the school was named, died approximately one year ago. He was the first mayor of the town of Forest Lawn, and an outstanding citizen and supporter of that area of the city.

The 29 students are accompanied by Mr. D.A. Bruce, the principal of the school; Mrs. Sherman, teacher; and parents Mr. Orr, Mrs. Elke, Mrs. Sloboda, Mrs. Lescure, Mrs. Bezjack, Mrs. Blom, and Mrs. Coulson. They are well looked after, Mr. Speaker. These students are sitting in both galleries, and at this time I would request that they stand and be accorded the welcome of the Legislature.

MRS. CRIPPS: Mr. Speaker, on behalf of the MLA for Edmonton Meadowlark, I would like to introduce to you and to the Assembly 78 grade 6 students from the Elmwood school. They are accompanied by their teachers Mr. Lucas and Mrs. Weir. They are seated in the public gallery. I'm sure they are very honored to have the Speaker as their representative. If they would stand, would you please accord them the usual welcome.

head: **MINISTERIAL STATEMENTS**

Department of Recreation and Parks

MR. TRYNCHY: Mr. Speaker, I would like to bring to the attention of the House the establishment of a new classification system for provincial parks, an important step taken recently in the planning and development of our provincial parks.

No doubt the word "park" to many people means principally a place where they may camp, enjoy a picnic, sail their boat, go fishing, or hike in the backwoods. These active and traditional recreational pursuits are of course important and are accommodated in many of our provincial parks. However, parks can and should serve a much wider interest. The new classification system recently adopted reflects these wider interests and will serve as a guideline for the future development of our parks.

I signed a ministerial order under Section 7 of The Provincial Parks Act, 1974, establishing five classes of provincial parks. Number one, preservation parks, where it is planned to preserve good representative examples of native Alberta fauna and flora; for ex-

ample, Dinosaur Provincial Park. Number two, wild-land parks, which will be areas to be retained in their primitive state, in which activities will be encouraged that provide for a full appreciation of the park without encroaching on its natural state. Kananaskis Provincial Park might be included in that category. Number three, natural environment parks, where recreational activities will be accommodated within a natural or modified environment. An example here might be Cypress Hills. Number four, recreation parks or recreation areas, where a wide variety of concentrated recreational activities in natural and man-made environments will be provided. Aspen Beach and Ma-Me-O Beach might be included in this category. Number five, park reserves, will include land acquired for future development as a park in any one of the four other categories. Such land was purchased some time ago at Lac Ste. Anne.

The adoption of this classification system will serve as a guide for those responsible for the acquisition of land and sites for provincial parks, for those responsible for planning our facilities in parks, and for staff responsible for the operation and maintenance of parks. Once the classification system becomes widely known and parks are allocated to classes within the system, the public will know what type of facility and opportunity is offered at each individual park. Park visitors will also have a better understanding of what type of activity to expect in these parks and why parks are managed in this specific way.

head: **ORAL QUESTION PERIOD**

Alberta's Economic Outlook

MR. R. CLARK: Mr. Speaker, I'd like to direct the first question to the Provincial Treasurer. It has its basis in the budget speech the Provincial Treasurer brought down Friday evening. I refer specifically to page 8 in the speech where the Provincial Treasurer indicates that we're "catching our breath", as it were, at this particular time. Then the government goes on to announce a pretty sizable capital works commitment for this year, falling on the heels of the prediction last year from the former Provincial Treasurer that last year would be a year in which Alberta's construction industry would be levelling off or declining somewhat.

My question to the minister is: what indicators has the government at this time that a year from now we won't be in a similar situation, or really the third year of a period when there's somewhat of a downturn as far as the construction industry is concerned?

MR. HYNDMAN: Mr. Speaker, I guess it's very difficult to predict the status of events a year from now. As I mentioned in the budget, we have three very large projects potentially on the horizon, which could be on the Alberta scene and moving ahead either one or two together or perhaps even three. That's of course the northern pipeline, the Cold Lake oil sands, and the next oil sands plant.

The government will have to take into account, I guess later this fall in devising the budget for the 1980-81 fiscal year, the economic climate as we see it at that time. It's probably impossible to predict until later this year what the definitive status of the economy will be in 1980 and early 1981. If it then appears that the

situation is similar to the one we face this year, decisions may be made which would be somewhat ancillary to this year. On the other hand, if those three projects, or two or even one of them, are coming down the pike at a faster rate, that would affect the budget planning for the ensuing year.

MR. R. CLARK: Mr. Speaker, a supplementary question to the minister. Mr. Minister, is it the position of the government of Alberta that this province is now in a position that if one or more of those three projects is not on stream by this time next year, in fact the government will have to take some steps to supplement the economy of the province?

MR. HYNDMAN: No, I wouldn't necessarily say that, Mr. Speaker. Remember that one of the reasons we're proceeding with 41 per cent in something over \$700 million worth, a large capital budget this year, is that in our view these are capital projects which must be done. They're capital projects which are assisting Albertans; massive amounts of money, for example, in the hospital area. If those are to be done at a time when there are two or three other projects proceeding, at a time when there might be construed to be a bit of overheating, the cost and the availability of manpower may cause real problems in getting ahead with those needed provincial projects.

So we have in effect a bit of a time window now, which puts us in the fortunate position of being able to move ahead with public works, some of which may be done now, maybe slightly ahead of the time they would be needed, say slightly ahead of next year. But that is the philosophy: to go ahead with projects which need to be done, at a time when we can get better value for our dollar and when the trades are available.

MR. R. CLARK: Mr. Speaker, one further question to the Provincial Treasurer. Is the Provincial Treasurer in a position to indicate to the Assembly what kind of lead time is needed for the two projects that basically are within the jurisdiction of Alberta? I'm excluding the pipeline project because of interests outside Alberta playing a very major role there. But of the two projects that are more in the control of the Alberta government, what kind of time line is needed so that the benefits from a construction point of view would be reflected in the budget for next year?

MR. HYNDMAN: I think it's impossible to predict that, Mr. Speaker. For example, I understand that in parts of northeastern Alberta, in the Cold Lake area generally, there is probably already some activity that is a result partly of speculation and partly of general growth in the area, that things are already happening in that part of the province. That may be the case in the north as well. So I don't think you can specifically lay down an exact number of weeks or days of a time line that is required in advance of any major project.

Rural and Native Housing

MR. R. CLARK: Mr. Speaker, I'd like to direct the second question to the Minister of Housing and Public Works. It's one of my favorite projects, this question of the rural and native housing program. Could the minister advise the Assembly what studies have been

completed to assess the costs and benefit of housing units placed in Grouard through the Alberta rural and native housing program?

MR. CHAMBERS: Mr. Speaker, I'm not certain I understand the question exactly, but I'm sure the hon. leader will correct me if I don't. The Grouard project the hon. leader is referring to is a stack-wall housing project, some 26 units. This involved the building of infrastructure roads and so forth. The costs are in the process of being finalized.

MR. R. CLARK: Mr. Speaker, to the minister. Will the minister confirm that a contract for a study of the benefits of the rural and native housing program was let either by the minister's department or by the Alberta Housing Corporation? Is the minister in a position to indicate to the Assembly whether such a contract was let and whether the work has been finished?

MR. CHAMBERS: No, Mr. Speaker, I'm not aware of such a study. But I'm happy to check and report.

MR. R. CLARK: Mr. Speaker, just one further question to the minister. While the minister is checking, would he see if he could give some indication to the Assembly as to the approximate costs of the 26 housing units in the Grouard area?

MR. CHAMBERS: Yes, Mr. Speaker, I'm quite prepared to see if the tabulation of costs is such that I'm now able to give an approximation. I'm not sure we're at that stage yet, but hopefully before too long we should have the final costs.

Education of the Handicapped

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Social Services and Community Health. It's with regard to the program announced late in 1978 and then terminated early in 1979 with regard to five resource centres for the dependent handicapped in Edmonton.

I wonder if the minister could indicate whether plans have changed with regard to those centres and whether an agreement has been worked out with the Edmonton school board.

MR. BOGLE: Mr. Speaker, the resource centres for the dependent handicapped, referred to by the hon. Member for Little Bow, were under consideration for some time. Plans were proceeding with the Edmonton Public School Board for the construction of those resource centres. Those plans were changed very early during this calendar year. The Edmonton Public School Board is now in the process of negotiating with both the Department of Education and the Department of Social Services and Community Health to provide training for those handicapped youngsters during school hours.

As was originally envisaged, shelter for the youngsters will be provided by the Department of Social Services and Community Health, in most cases on a contractual basis with private groups.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. This was part of our discussion in the Legislature the other day. Could the minister indicate

whether there has been any progress with regard to supplying funding to the Edmonton school board to provide for these students in the general school system?

MR. BOGLE: Mr. Speaker, my colleague the Minister of Education and I met a little more than a week ago, I believe, with representatives from the Edmonton Public School Board and one representative from the Edmonton Separate School Board. The main purpose of the meeting was to discuss the various ramifications faced by these school boards. The Minister of Education and I committed ourselves to work closely with the board, through officials in our departments, to ensure that the discussions proceed quickly and promptly. A meeting was scheduled for last week to move those discussions as quickly as possible. I understand it was cancelled; I'm not sure if it was rescheduled. Discussions have taken place in the city of Calgary, and I believe they have an implementation which is not quite as rigid as that of the Edmonton Public School Board. Mr. Speaker, we are making every attempt to work with these school boards, to bring about the transition in a very orderly way.

I might mention that whereas in the past the support services were provided directly by the Department of Social Services and Community Health — and in the case of the Edmonton Public School Board I believe that amounted to 17 positions — those positions will now be provided through the Department of Education. I think the funding arrangements are slightly different than when they were provided by our department. The Minister of Education may wish to supplement, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Education. With the potential precedent of funding of education for dependent handicapped in the city of Edmonton, is the minister looking at an overall provincial program with regard to funding of places for the dependent handicapped in the general school system?

MR. KING: Mr. Speaker, the funding available to the Edmonton Public School Board is available within the context of the programs of assistance announced by my predecessor in January and February of this year.

I think it's important to note in this discussion that the only two changes that result from action of the provincial government are these: first of all, the Department of Social Services and Community Health continues to be responsible for the accommodation of the students, as they would have been under the original program that was under negotiation with the Edmonton Public School Board. The only difference is that the accommodation is going to be off-site rather than on-site; that is, the residential accommodation is not going to be provided on the site of the school. But it is still going to be provided on the same basis by the Department of Social Services and Community Health. There is no additional expense to the school board, nor is there any dislocation in terms of their providing education.

The second difference is that funding for staff is going to be available, as I said a moment ago, pursuant to the announcements made by the government in February, rather than as the result of contract negotiation with the Department of Social Services and Community Health. Those programs announced in

February are applicable not only to the Edmonton Public School Board but to every school jurisdiction in the province.

Highway Funding

MR. LITTLE: Mr. Speaker, may I address my question to the hon. Minister of Transportation. The city of Calgary recently approved the construction of a grade-separated interchange at the intersection of 52 Street and the Trans-Canada Highway northeast, which is situated in my constituency. Would the minister advise this Legislature whether funds are available for this purpose?

MR. KROEGER: Mr. Speaker, funds are made available every year to the cities of Calgary, Edmonton, and so on. They are not earmarked for a specific purpose, so there is some flexibility on how they're used. Funds were made available to the city.

MR. LITTLE: A supplementary to the minister. Would the minister advise whether these are in addition to the transportation grants mentioned last session in this House?

MR. KROEGER: Mr. Speaker, I can't identify all the transportation grants, but the grant this would be covered by is an amount of about \$9 million made to the city of Calgary. I'm not completely sure how the funds were allocated; however, they were not allocated for this particular project.

Mobile Homes

MR. PAYNE: Mr. Speaker, my question is directed to the hon. Minister of Consumer and Corporate Affairs. About a year ago, the Institute of Law Research and Reform submitted its report, Tenancies of Mobile Home Sites. In view of the fact that the report's recommendations and suggested legislation would remedy many of the current inequities in mobile-home site tenancies, could the minister advise the Assembly as to the status of the government's response to this important report?

MR. KOZIAK: Mr. Speaker, this afternoon I introduced Bill No. 25, The Landlord and Tenant Act, 1979. I should indicate that that Act in fact deals with mobile-home sites, and that these sites are included in the definition of residential premises. As a result, the provisions of the Act apply to mobile-home sites.

Now I think there's a recognition in the institute's report that there are circumstances in the landlord and tenant relationship vis-a-vis the mobile-home site that may be somewhat different from that relationship in an apartment or home. They raise certain concerns, which include entrance fees, exit fees, and the closed-park concept. I have the report in hand, Mr. Speaker, and over the next months it's my intention to review both the report and the recommendations in light of the new Landlord and Tenant Act introduced this afternoon.

MR. ZAOZIRNY: If I could address a supplementary question to the minister. Is some consideration being given to the matter of security of tenure, given that the mobile-home owners are in a situation where, even

under the new legislation, potentially they will be required to move their mobile home from a site on three months' notice, when in fact we have a real shortage of sites in the province at this time?

MR. KOZIAK: A very important consideration, Mr. Speaker. Of course until the Act becomes law — on July 1, I hope — the present security of tenure that the tenant has under a mobile-home site agreement is basically restricted to one month. There is then a substantial increase to three months under the new Act. According to the institute's report, consideration should be given to a further extension of that period. That's something we should look at very carefully, once we see the new Landlord and Tenant Act in operation.

I believe another question was included in the hon. member's supplementary, and it escapes me at the moment. Perhaps he could place it again.

Treaty Indians

DR. CARTER: Thank you, Mr. Speaker. My question is to the Minister responsible for Native Affairs. Mr. Minister, last week there was a meeting of the government of Alberta and the Indian Association of Alberta. What decisions or conclusions were reached in that meeting, sir?

DR. McCRIMMON: Mr. Speaker, there was a meeting last Wednesday between the government and the Indian Association of Alberta. It was a very good meeting, well represented; over 60 chiefs and councillors were present. The Indian Association requested that the province not proceed with extended services to treaty Indians in the fields of health and education and that these two fields be left under the jurisdiction of the federal Department of Indian Affairs. The province agreed to these requests.

The Indian Association of Alberta further requested economic aid to reserves. The province agreed to listen to proposals from the association in this respect, and we expect that some of these proposals will be forthcoming over the next few months.

Housing — Cold Lake

DR. BUCK: Mr. Speaker, I'd like to address my question to the hon. Minister of Housing and Public Works. It's the third time I'm asking a question on the Alberta Housing Corporation evaluation of the effectiveness of its housing program in the Cold Lake area. Can the minister indicate if that report will be tabled in the Legislature?

MR. CHAMBERS: Mr. Speaker, the hon. Member for Clover Bar asked me about a Housing Corporation study. I checked, and there was no Housing Corporation study. We did have a chat in the hallway — I think it was Friday night — and I believe the study he's alluding to is a study by the department. I hope that study will be finished during the summer and, yes, I would plan to make it public.

DR. BUCK: Mr. Speaker, a supplementary question. In the information I have, the one report indicated that the program failed to meet the needs of 97 per cent of the Cold Lake residents and 61 per cent of the senior citizens. Can the minister indicate if there's going to

be a further study to find out if this evaluation was indeed true?

MR. CHAMBERS: Mr. Speaker, the member is referring to a preliminary draft, or submission if you like, by a member of the department, some of the information from which happened to become public. The study is being done internally by the department. The information the member referred to is incorrect. In fact, there are a number of inaccuracies in it. Of course it's only part of a ...

DR. BUCK: That's why you had another study. You didn't like the results.

MR. CHAMBERS: No, I don't work that way, Walter.

But it's only part of a larger overall study, and I hope that study will be completed toward the end of the summer at least.

DR. BUCK: Mr. Speaker, is the minister in a position to indicate if, because of the accelerated development in the area, his department has a program or plan to catch up with some of the housing needs in the Cold Lake area?

MR. CHAMBERS: Mr. Speaker, preliminary indications are that the delivery of social housing, senior citizens' housing, and so forth is about average for the province. In other words, the needs of seniors and so forth are being quite well met. But there are of course areas we're involved in that should contribute significantly to the region. For example, I think the revolving land fund we recently made available will be of major benefit, especially to communities the size of Grand Centre, Bonnyville, and Cold Lake. It will enable them to proceed with the development of trunks and services for housing without incurring substantial debt.

DR. BUCK: Mr. Speaker, a short supplementary. In light of the fact that the preliminary study indicated a drastic shortage, is the minister now saying in the Legislature that that shortage does not exist?

MR. CHAMBERS: Yes, Mr. Speaker, the preliminary report is not deemed to be correct. There does not appear to be a drastic shortage in the area.

The difficulty of course arises over the definition of the term "need". There may be people whose income levels are such that they might be defined as within the needs of our program, yet in their own minds they're perfectly adequately housed at the time being. So that's a difficult area.

Again, that was a preliminary draft covering one area, and a submission, if you like, by a member of the department. We have a fairly broad overall study going on, which I will be pleased to make available to the hon. member.

DR. BUCK: Mr. Speaker, just on a point of clarification. The minister first indicated that report would be ready — Mr. Minister, did you say this fall?

MR. SPEAKER: Order please.

DR. BUCK: Did the minister say this fall, Mr. Speaker?

MR. CHAMBERS: Mr. Speaker, I said I hoped it would be available by early fall.

MR. ISLEY: A supplementary question, Mr. Speaker. While I appreciate the concern the hon. Member for Clover Bar is showing for my constituency, I would like to ask the hon. Minister of Housing and Public Works a follow-up question. The question, Mr. Minister, is: are any governmental committees that your department participates in looking at the total needs of that area?

MR. CHAMBERS: Again, Mr. Speaker, internally the Department of Housing and Public Works is taking a pretty comprehensive look at the needs in the area, whether it be social housing, senior citizens', rural and native, or whatever. The report will be comprehensive in that area.

Dentcare

MR. D. ANDERSON: Mr. Speaker, my question is for the hon. Minister of Social Services and Community Health, with reference to a recent announcement that the British Columbia Legislature will be discussing legislation regarding a denticare program. Has the Alberta government been in communication with the British Columbia government, and will we consider any joint approach to a possible denticare project?

MR. BOGLE: Mr. Speaker, my predecessor established a task force made up of representatives from the Alberta Dental Association and the Department of Social Services and Community Health to examine denticare in its broadest sense. I understand the report is nearing completion and should be available some time this summer.

Whether or not the officials have been in contact with officials from other departments is something I don't know, Mr. Speaker. It's certainly the kind of thing we'll be evaluating once the report is in. If that information has not been obtained, before moving with any kind of recommendation to my colleagues in cabinet and caucus I'd want to have a clear understanding of what kinds of programs are in place in other jurisdictions in western Canada.

MR. D. ANDERSON: Mr. Speaker, a supplementary question to the hon. minister. Could the minister indicate to this House when he expects to make a recommendation in this Assembly with respect to a denticare program?

MR. BOGLE: No, Mr. Speaker.

Day Care

MR. COOK: Mr. Speaker, I wonder if I might address a question to the Minister of Social Services and Community Health. How many children would qualify for subsidized day care if the agreement with the city of Edmonton for a provincial day care program were to go ahead?

MR. SPEAKER: The question is hypothetical, but no doubt could be asked simply by asking what's in the agreement. That would remove it from the category of being hypothetical.

MR. COOK: Mr. Speaker, I would like to know what's in the agreement that's being discussed with the city of Edmonton, and how many children, under the department's estimates, would qualify for such a subsidized day care program in the city of Edmonton.

MR. BOGLE: Mr. Speaker, I think I indicated during questioning in the House earlier this spring that approximately one-third of all children in the province entitled to the subsidy reside in the city of Edmonton, and that represents about \$2 million of the total \$6 million which was budgeted for. I think I went on to say that one of the tragedies was that the \$2 million went untapped during the last fiscal year.

In terms of the number of children, Mr. Speaker, that works out to approximately 1,600 to 1,700 in the city of Edmonton.

MR. COOK: A supplementary question, Mr. Speaker. What are the *per diem* expenses at the Glengarry day care centre in the city of Edmonton?

MR. SPEAKER: That question would appear to be one that should go on the Order Paper, since it involves some detail.

MR. COOK: A supplementary, then, on a different point but on the same topic. Mr. Speaker, under the agreement what flexibility would the city have to improve day care services if it so chose?

MR. BOGLE: Mr. Speaker, we've tried to communicate to municipalities the flexibility in the program. I'd rather not get into this in any detail because of the meeting I have pending with the mayor of the city of Edmonton.

If I might give a brief example, Mr. Speaker, for the city of Calgary, which is currently covered by a master agreement. If a day care centre now has operating costs of, let's say, \$290 per child, and if the subsidy going to that centre via the subsidized children is \$210, and the unsubsidized families are also paying \$210, there's a shortfall of about \$80 per child. Currently that shortfall is being matched 50:50 between the city and the Department of Social Services and Community Health.

What we have indicated is that over the five-year phase-in period, which ends in 1983, special agreements like that must come to an end. So we have another four years in which to phase out, if you like, the province's sharing above and beyond the normal amount which would flow to the family with the subsidized child. If in turn the city of Calgary wanted to maintain the levels at that particular centre at the equivalent of \$290 per child, there would be nothing preventing them from themselves injecting the additional funds into the centre.

What we've really discussed and presented are basic standards which are acceptable across the province. If they wish to be enriched, then that may be done, but not in isolation. In other words, we cannot discriminate against the unsubsidized family.

DR. BUCK: A supplementary question, Mr. Speaker. Can the minister indicate the results of his meeting with the group coming to the Legislature last Friday or Saturday? Was the minister in a position to meet that group?

MR. BOGLE: Mr. Speaker, I'm not sure what group the hon. member is referring to — last Friday or Saturday.

DR. BUCK: The people concerned with day care in the city of Edmonton.

MR. BOGLE: Mr. Speaker, different groups have been into the Legislature Building over the past few weeks. I'm not aware of any group last Friday or Saturday. There was a group in today, and it's possible that the hon. Member for Clover Bar is referring to that group.

DR. BUCK: Mr. Speaker, can the minister indicate what studies have been going on in his department, day care relating to private corporations? In other words, have any discussions or studies been done of day care as it relates to people in industry? Have there been any discussions so that some corporations and large employers could be involved in private day care in conjunction with public day care?

MR. BOGLE: Mr. Speaker, I'm not aware of any such studies, but I'll be pleased to take that question as notice to clarify for the hon. member.

MR. GOGO: A supplementary question on day care, Mr. Speaker, to the hon. Minister of Social Services and Community Health. In view of the increased cost of living, is the government considering raising the combined income level for subsidy under the day care program?

MR. BOGLE: Yes, Mr. Speaker. That's part of the program which is under ongoing review.

Beverage Containers

DR. REID: To the Minister of Consumer and Corporate Affairs. In view of the dangerous, some people would say explosive, situation about soft drink bottles, has the minister had any communication with the new minister in the federal government regarding any action they may be taking?

MR. KOZIAK: Mr. Speaker, the hon. member raised the matter with me on an earlier date, and I would like to thank him for giving me the opportunity to give consideration to this concern, which I understand from speaking with officials in the Department of Consumer and Corporate Affairs is a real one.

Some of the large glass soft drink containers are in fact causing problems. I gather that in many cases the contents are under about 60 pounds of pressure, and because the centre of gravity of the vehicle is high, they are capable of toppling and exploding into small bits. As I understand it, the industry is looking at ways to correct this, including such things as a plastic coating on bottles now in existence, or a plastic collar that would make their handling easier.

The hon. member is correct in his assumption that the ultimate responsibility would rest with the federal government under their Hazardous Products Act. I understand they are investigating concerns in this area. Concerns that we as a provincial department receive from Albertans are being channelled and passed on to the federal department.

DR. REID: A supplementary to the minister. If these attempts by the federal government are not successful, is he prepared to recommend to people that we switch to the contents of those little brown bottles that seem to withstand impact in the ditch so well?

MR. KOZIAK: Mr. Speaker, I don't know if the representation is with respect to the container or to its contents.

I should point out at the same time that I understand the industry is experimenting with an entirely plastic bottle which is of lighter weight and may in fact respond to the concerns the hon. member has raised. Whether they'll be successful is an open question at this point.

The brown bottle question: I don't want to enter into that debate, because I suppose other members of this government hold responsibilities with respect to the sale of the contents of those.

Tourism Study — Grande Cache

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the minister of small business. It's to follow up a question posed a number of days back with regard to the MTB Consultants report on Grande Cache and Willmore Wilderness Park.

Is the minister in a position to indicate to the Assembly if he'll table a copy of that report, and what action the minister plans to take on the contents of that report?

MR. ADAIR: Mr. Speaker, the department is Tourism and Small Business.

I did indicate to the hon. Member for Clover Bar, I believe 10 days ago, that I would be tabling that after I've had a chance to review it. I have not yet had the chance to review it totally.

MR. R. CLARK: A supplementary to the minister, Mr. Speaker, without making any comment on how long that review might take. But seriously, Mr. Minister, is it reasonable to expect that report to be tabled before the end of this session, operating on the assumption that the session could be finished by the end of this month?

MR. ADAIR: Mr. Speaker, that's reasonable.

Park Development

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Recreation and Parks, with regard to his announcement today. I wonder if the minister will be requesting the general public to submit applications for recreation parks and recreation areas. Is it the intent of the minister to project a three- to five-year list of priority areas that will be established under the new program?

MR. TRYNCHY: Mr. Speaker, I have already asked all interested parties in my question in the House a couple of days ago that if they see places where they might wish to establish these parks, I'd certainly be willing to listen to them. But as to projecting a timetable, I wouldn't be prepared to state that at this time. It might be two years down the road, it might be four, at a more opportune time.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. What number of parks is projected in the current fiscal year of 1979-80, with regard to the special recreation parks and areas?

MR. TRYNCHY: Mr. Speaker, as to setting aside recreation areas and recreation parks, there is no definite figure. Under the legislation we have now, we are not permitted to use park funds. We have to have an amendment to the Act, which I propose to do sometime later this year. But as of today, there are no numbers for recreation areas or recreation parks established outside the three provincial parks announced in the throne speech.

MR. R. SPEAKER: Mr. Speaker, for clarification to the minister. That means that in the current year of 1979 there will be no recreation areas or recreation parks established under this new announced program. In other words, we have to wait until the year 1980 before this announcement comes into effect.

MR. TRYNCHY: Mr. Speaker, I think there's some confusion here. The announcement I made today and my proposal of recreation areas are two distinct and separate identities. Under this program, we have the authority to designate and classify existing parks and to set aside lands we might acquire for recreation areas. But it would take an amendment to the Act to provide the funds to put these into effect. So it will be some time, yes.

MR. R. SPEAKER: Mr. Speaker, just so we all recognize what has happened. All we received today was a redefinition of what already exists, but nothing new about what is going to be available to the citizens of Alberta. Is that accurate?

MR. TRYNCHY: No, Mr. Speaker, it's not accurate. What we received today is that we can reclassify our parks for the benefit of tourists and Albertans. But the recreation areas we want to propose will have to wait until an amendment to the Act is made, and I hope it will be made this fall.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister, to be specific. That means that my constituents in the area of Milo who want a recreation park on Lake McGregor, the residents of the central area of my constituency who want a boat ramp that has been needed for three or four or five years — at this point in time, this program has no capability of meeting those needs in my constituency. I'm sure there are many of the same needs in other constituencies. Mr. Minister, is it accurate that they cannot be met at this time with this program?

MR. TRYNCHY: Yes, Mr. Speaker, the member is accurate. We do not have in the budget any funds that would take into account just what we announced. We have to have the Act changed.

MR. R. CLARK: So you really announced nothing.

DR. BUCK: Big announcement.

MR. TRYNCHY: Mr. Speaker, it takes certain things to do certain things. The classification we announced

today is somewhat different from the kind of thing the hon. Member for Little Bow . . . I might say we've had some fifty requests for recreation areas from other members of this House. They'll be under consideration at our next budget, possibly in 1980.

ORDERS OF THE DAY

MR. SPEAKER: May the hon. Member for Grande Prairie revert to introduction of special guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. BORSTAD: Mr. Speaker, I would like to introduce to you 18 students and their leader Sidney Rodnunsky from Bear Canyon central school in northern Alberta. I would ask them to rise and receive the recognition of the Assembly.

head: GOVERNMENT MOTIONS

8. Moved by Mr. Crawford:

Be it resolved that this Assembly do resolve itself into Committee of Supply to consider, when called, the supply to be granted to Her Majesty.

MR. CRAWFORD: Mr. Speaker, Motion No. 8 is the motion that is moved annually, in substantially this form, in order that the House might resolve itself into Committee of the Whole House from time to time, in order to consider the estimates.

What I want to add at the present time, primarily for information of hon. members of the opposition, is that I would hope by Thursday we will have been able to bring on the motion for the setting up of Subcommittee A and Subcommittee B. When it is brought on, that motion will designate the committees that would go into those subcommittees, a total of six departments in all. The other departments would be handled directly in Committee of the Whole House. Mr. Speaker, I mention that now simply to indicate that this motion does not relate to that other matter of what items will be going towards the subcommittee to be dealt with, and that this is the regular motion for going into Committee of Supply as may be required.

[Motion carried]

7. Moved by Mr. Hyndman:

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

[Adjourned debate June 8: Mr. R. Clark]

MR. R. CLARK: In leading off the debate on the budget, Mr. Speaker, before the former Provincial Treasurer leaves, might I pay him a tribute on . . . [applause] Now I can get on to what I was going to say.

On occasion I referred to the former Provincial Treasurer as Mervin the Marvellous, I think it was.

That was during the period of time when he attempted to lead this Assembly through that great maze of figures, and take us from the forecasts the government thought were going to be spent one year, compared to the estimates the next year. But I'm pleased to say that by and large I pay tribute to the job done by the former Provincial Treasurer, and wanted to make those comments before he left the Assembly.

DR. BUCK: Mervin the Magician.

MR. R. CLARK: Mr. Speaker, with regard to the budget brought down last Friday evening, might I say to the hon. Provincial Treasurer that I think it was the best read Progressive Conservative budget I can recall in the last number of years in this Assembly.

I think I should also point out to the Provincial Treasurer that where being the Provincial Treasurer in some provinces or the Minister of Finance in Canada tends to place a very heavy burden in that area and sometimes brings to a premature end a blossoming political career, with the budget brought down on Friday evening and with the ability the hon. member has in the Assembly, I don't think one should say that the mere fact he's the Provincial Treasurer in Alberta might prevent him from any political advances in the future, any aspirations that might be lingering in that particular direction.

We in the official opposition, Mr. Speaker, take rather heavily the responsibility of the comments that are my responsibility to make this afternoon, because the major suggestion we gave the government last year, in leading off the budget debate, was that the government should take \$1 billion from its surplus and make that money available to municipalities across the province as a means of reducing the municipal debt load. Recognizing that the government acted on that suggestion within one year, we recognize very, very seriously how carefully the new Provincial Treasurer is going to listen today to our suggestions with regard to things he might do for the future.

I should point out, Mr. Speaker, that no extra-curricular activity is coming up this year, like there was a year ago. So it may take two or three years for the new Provincial Treasurer to get his hearing apparatus so keenly tuned in that he will move as quickly as his predecessor this year in making the decision to move in this direction. However, I must say that I await with considerable interest the comments made by various cabinet ministers. After last year's experience, with the Minister of Municipal Affairs saying: what a screwy — well, that isn't the term he used — what a ridiculous idea, taking money and making it available to municipalities to reduce their debt load, and my colleague's suggestion a year earlier about taking the gasoline tax off, we'll watch with great interest. Those cabinet ministers who seem to complain the most are likely to end up finding themselves in the situation of moving quickest on some of the suggestions brought forward.

But on a serious note, Mr. Speaker, I would say to the Provincial Treasurer that it isn't my purpose this afternoon, nor do I intend to take this opportunity, to comment on a number of good features in the budget. There are a number of good features in the budget, and I commend the Provincial Treasurer and the government in those particular areas — not the least of which, of course, is the suggestion made in the past by

my colleague the Member for Bow Valley, of taking money from the heritage fund and using it for main trunk utility services.

I see the Minister of Government Services opening his eyes quite widely. I'd refer him back to 1975 or 1976, to the resolution put forward by my colleague the Member for Bow Valley. He will find that resolution was passed by this Assembly.

Mr. Speaker, in the few minutes at my disposal this afternoon, I plan to direct my comments to four areas. First, I want to make some rather brave but straight-to-the-point comments on this question of restraint, what I would refer to in this budget as restraint by edict rather than by example. Secondly, I'd like to deal with the area of capital projects. Thirdly, I'd like to make some comments with regard to the area of performance audit, because I think it's important that, as we enter the 1980s, we in Alberta — in the fortunate financial position we are today, recognizing that we do have the highest level of per capita expenditure in Canada — should be looking at some means of being very sure we are getting dollar value for money spent. A variety of terms are used for it.

We can talk about performance auditing — I'll have some comments later in my remarks there — but I suggest very genuinely to the Provincial Treasurer that I think this government could give leadership in this area, not only to Albertans, but all across Canada — as far as that goes, to our friends in the United States too. In the fortunate financial position we are in Alberta, with the highest per capita expenditure and over \$8 billion in the heritage fund and surpluses by the end of this fiscal year, it seems to me we surely are in a position to invest some money, if needed, to take some — not faltering but I would hope pretty imaginative — steps in the area of performance audit to satisfy not only members of the Legislature but the public at large that, yes, we are getting full value for money being spent in various areas.

The fourth and last area I want to comment on briefly, Mr. Speaker, deals with the question of the refurbishing of the Legislature grounds and the announcement made by the Minister of Housing and Public Works some time ago. I want to suggest to the government that they could do other things with that money, that my colleagues and I think would be far more worth while.

I was pleased to note a reduction in personal income tax for people who fit into the low income tax area. This will benefit close to 300,000 Albertans, which is a considerable move in the right direction. The amount will be something like \$38 million, and it certainly is far less than the government can afford. What it amounts to is returning about 5 per cent of this year's surplus to the people of Alberta. During the recent election campaign, my colleagues and I talked — and in fact are still enthusiastic about the idea — of moving in the direction of arranging it in Alberta so Albertans would pay no provincial income tax on the first \$16,000 of taxable income. If such a policy had been in effect last year, most Albertans would have paid none or very little provincial income tax. And that would have cost the government approximately half of the surplus the government ended up with at the end of the last fiscal year.

Mr. Speaker, I think it's important that for a moment or two we get on record what we judge to be an accurate assessment of the province's financial situa-

tion. If we look at the General Revenue Fund — really the amount of money left over, that the government doesn't need to operate the province — as of March 31, 1978, as per the public accounts, \$1.646 billion is in the General Revenue Fund. Our estimates show that by March 31, 1980, the General Revenue Fund in the province will be \$2.462 billion. That's above and beyond the heritage fund, hon. members; that's the General Revenue Fund of the province.

If we look at the heritage fund, taking the figures from the budget, as of March 31, 1980, it is estimated to be \$6.234 billion. When you combine the General Revenue Fund and the Heritage Savings Trust Fund at the levels the government projects them to be, that will give us a total of \$8.696 billion in this province as of the end of this fiscal year. That's the financial position of the province, as we see it.

AN HON. MEMBER: That's good.

MR. R. CLARK: The hon. member to my left says, that's good. And that is good, Mr. Speaker. But it could be far better. Members would be very wise to ask themselves, how far do we go, in government, in having a forced saving plan for our citizens? Or do we choose to leave more of that money in the pockets of Albertans, so they make those decisions themselves?

Mr. Speaker, I was also pleased to see a reduction of corporate income tax for small businesses. I think that's a move in the right direction. But let me hasten to point out to hon. members that the greatest problem small business in this province has is getting over the first three, four, or five years, getting to the point where they pay any corporate income tax at all. Members would be very wise to look at the figures in the small-business area in this province on foreclosures, bankruptcy, and so on. Perhaps we should be looking at this question of venture capital: some form of assistance for people in small business in this province.

Mr. Speaker, I'd like to move on to the broad general area of restraint. I'm seriously concerned that government expenditures in this province are going to play a very important part in inflation in Alberta this year, through both their direct and indirect impact on the economy, by way of setting an amazing example to Albertans, as far as restraint is concerned. I'm amused by the claim of the Provincial Treasurer that the government is demonstrating leadership in setting public service guidelines below the rate of inflation. It appears to me that it's the public servants who will be providing the leadership by example if they accept such contracts. This government could lead by controlling its own expenditures, but it's not doing that. It's increasing them, and this budget increases them at double the rate of inflation. Mr. Speaker, I suppose, in the words of a certain campaign we were all just through, "now more than ever" we're seeing restraint by edict rather than by example as far as this government is concerned.

Lest hon. members think I am being unjustly critical, for a moment or two let's look at five areas of expenditure. If we take the total expenditure provided in the budget and all the figures I'm using today, and exclude from it the \$1 billion for the municipal tax reduction program — I want to make it very clear that it's not included in the calculations — leaving that out of the budget because we think that's proper, it's a once-only kind of situation, we see a 19.7 per cent

increase in the total overall budget. Manpower costs are going up 13.1 per cent. As far as supplies and services are concerned, there is a 27.7 per cent increase; as far as grants are concerned, there's a 19.3 per cent increase; and as far as purchase of fixed assets is concerned, there is 20 per cent increase.

I want to point out to hon. members that the figures I have just passed on are from the estimates last year, which were approved by this Assembly, to the estimates this year. That's the area hon. members should be looking at. We should be comparing what this House approved last year with what this House is being asked to approve this year. If you look at those figures and at the estimates on that basis, we're looking at a 19.7 per cent increase from last year's estimates to this year's estimates, excluding the \$1 billion for the municipal debt program.

Mr. Speaker, the second area I wanted to touch on for a few minutes is expenditures. I observe that this year's estimates compared to those of last year provide a 41.5 per cent increase as far as capital expenditures. First, I would remind this Assembly of last year's budget speech. There, the hon. Provincial Treasurer proposed a capital construction increase of 30.9 per cent "to offset a probable downturn in the construction industry during . . . 1978-79 . . ." The implication was that the following year capital construction in Alberta would revert to its more normal level. Unfortunately, just the opposite has happened. A 41.5 per cent increase is rationalized in exactly the same terms: a temporary downturn in the industry. This is really the second year of this downturn. That's why this afternoon in question period, Mr. Speaker, I asked how long the government expects this downturn to be with us. Do we expect to use the capital budget of the province a third or fourth year if this downturn continues? What can we expect in this particular area?

So we have a two-year increase of about 85 per cent. I suggest it's time the government explained just what its policy is or isn't as far as the capital budget and its reliance on the construction industry. What do we expect to be happening in the next few years? Will next year's budget hold a 30 to 40 per cent increase in capital costs? Mr. Speaker, what we really need is some form of longer term financial planning than we have right now on this year-to-year basis; not longer term financial planning written in stone that couldn't be modified, but keeping in mind that we will have over \$8 billion in surpluses in the heritage fund at the end of this fiscal year, keeping in mind that for the last two years the government has said there's been a downturn in construction in Alberta. So we've gone a considerable distance in capital construction. If you add the two together, over an 80 per cent increase in capital construction over two years.

Now is this the approach we're going to use from here on, Mr. Speaker? What it calls for is the need for some longer term financial planning by this government, more than just a year-to-year kind of budget. I make the point again that if one place in North America could afford to go in that direction, it's this government, this province, the people of Alberta, given the great financial resources we have and the high level of expenditure. Mr. Speaker, I am convinced we're falling into a situation where unless there is the Alaska pipeline or another oil sands plant under construction, our economy has got to the stage where we either have to have one of those kinds of projects under

way or we have to prop up the provincial economy as we've done the last two years.

It becomes obvious to me, Mr. Speaker, that the government has a need to give some real financial leadership in this area. It's one of the challenges that will have to rest with the Provincial Treasurer in the course of the next year. What is also needed, I believe, is that this government once and for all sets out a definitive oil sands policy. Because after Friday night Albertans have to realize that our provincial budget, our capital projects across Alberta, relate very directly to what's happening to oil sands construction. I'm sure that now more than ever Albertans realize our budget in this province is affected very, very directly by what goes on, be it Cold Lake, if that plant starts next year, or be it north of Fort MacKay two or three years down the road. It's inconceivable that we don't have an oil sands policy. Initially in the early 1970s this government promised an oil sands policy. We haven't got one. I think one of the reasons we have this start-stop situation in our economy now and the need for this kind of thing in the budget is that we don't have a well thought out oil sands policy. Mr. Speaker, that's really the second thing I wanted to point out.

While we're looking at these capital projects, Mr. Speaker, in the magnitude we've had in the last two years, it's now time that when these capital projects estimates come in, there should be some sort of five-year estimate as to the operating costs and the number of people we're going to have to add to the public service. Surely we're that sophisticated that we can do that. This year, with the size of capital works projects, when we get to the Department of Housing and Public Works estimates we should be able to get from that ministry, or if ministers want to supply the information from their own departments, some sort of breakdown of what the first five years' operating costs are going to be and how many civil servants we are going to have to add to the public payroll. I think that kind of information should be pretty obvious — obviously needed by hon. members before we can deal with this budget accordingly.

Mr. Speaker, the third area I want to touch on is the question of what I choose to call performance audit. In its simplest form, what we're talking about here is taking a program like the home care program that was started two years ago. The government reluctantly got involved in that program, rather dragging its feet. Here is an excellent example where we should be developing some mechanism, hopefully within the government, for doing an audit on the success or failure of that program.

My colleagues and I are deeply committed to that program. We think it's an excellent program. I recall the debate we had in the House a couple of years ago, and some members across the way on the government side weren't nearly as convinced about home care. They weren't convinced it would save money and help keep people out of active and auxiliary hospitals. The home care program, with which we're now in our second year in this province — and which I might add is right now being strangled by the bureaucrats in the hon. minister's department, but we'll get to him when his estimates are up — would be an excellent area to start this performance auditing in.

There are certainly other program areas. We should be looking at doing an assessment of a wide variety of programs. Are those programs meeting the objectives

as they were set out? We have to be much more specific in setting out the objectives for these programs. Certainly when we become involved in new programs, Mr. Speaker, we have to look at five-year costing of them, so we have some idea of what kind of obligations we're putting on ourselves. Personally, Mr. Speaker, I'm very intrigued with the concept of zero base budgeting. I have some very real questions whether it can be applied on an across-the-board basis as far as the government is concerned. But zero base budgeting does force us to go back and ask some very pointed questions each year about the successes and failures of a program, as opposed to simply asking the age-old question: well, by how much are we going to increase the program? I don't condemn this government more than other governments. It seems to me that all governments have fallen into that very easy mold of not moving very far toward zero base budgeting, not being very specific when they set out program objectives. Many governments, regardless of their political point of view, have been very, very loath to move on some sort of performance auditing.

Mr. Speaker, the fourth and last area: I guess social conscience and control of government expenditure is likely the best way I can put it. To put this issue in context, let me remind members of the Assembly of a point of view that was pretty forcibly made to my three colleagues and me when we sat on the other side of the House and now Senator Ernest Manning was Premier. One of the lessons the four of us would agree very wholeheartedly that we learned at that particular time was that as politicians, as cabinet ministers, and as leaders, we have to lead both with our words and our actions. Basically the Premier sets an example for the cabinet, the cabinet sets an example for the government members, the government sets an example for the public service, and the public service sets an example for the public generally. It seems to me that we in this Assembly must set examples in several regards. Two of the areas I'd point out in passing are thrift and social conscience.

Mr. Speaker, when we think about the popular image of Alberta today, words that come rather quickly to our minds are prosperity, growth, activity, and optimism: the image of a dynamic and somewhat freewheeling province. Much about that is certainly positive. The popular image of Alberta, especially outside Alberta, is not of a place where people are overly concerned about watching their nickels and dimes. That image, however, doesn't really present an accurate picture of the day-to-day life of a large number of our people. If you're a single parent trying to raise a family, you have to watch your nickels and dimes; if you're a young family trying to make the down payment on a home, you have to be thrifty; if you're a handicapped person, you have to pinch every penny; and if you're a pensioner living on a fixed income, you have to budget very carefully.

Mr. Speaker, the government must of course be concerned with continuing the rate of economic growth in Alberta, which provides a level of prosperity for many Albertans which makes us the envy of Canada and of less fortunate provinces. But we also must recognize that there are people in this province who are less fortunate than many, many of us in this Assembly. Let's remember that for many Albertans prosperity is just another word. To them, inflation means it's just that much more difficult to make ends

meet. For those especially, and for all Albertans, it's essential that government set an example in thrift and social conscience. By being thrifty I don't just mean the government should spend less; equally important, we should spend wisely.

Perhaps the overlying message I'd like to leave with the new Provincial Treasurer is that it's one thing to be able to spend. And this Legislature can spend money. No question about that. We have the highest per capita expenditures in Canada. But, Mr. Speaker, when we're spending money and committing funds, let's do it wisely. Let's move in this direction of what I would call performance audit in a number of areas, albeit on an experimental basis first of all. But let's get serious about some auditing of that kind.

When it comes to thrift, I'm afraid the cabinet is neither setting a good example for Albertans nor for the public service. As an example, when we talk about thrift, let's just consider the matter of renovating the Legislature grounds at a cost of \$14 million — the announcement made by the Minister of Housing and Public Works some few weeks before this Assembly started. Some people feel that \$14 million a year — that's \$14 million a year, Mr. Speaker — isn't really much money compared to the Heritage Fund, the accumulated surplus, or the annual budget of this province. In relation to those comparisons, it isn't an awful lot. But in relation to some unmet needs of the people of Alberta, it is.

Mr. Speaker, as I conclude my remarks, let's consider what we could be doing with that \$14 million a year that the Minister of Housing and Public Works announced is going to go into refurbishing the Legislature grounds. What are some of the things we might be able to do in this particular year? As far as hospitals are concerned, if we were to take \$469,000 of that \$14 million, we could grant to every hospital board in the province one battery-operated smoke detector for every hospital bed. If local hospital boards had to make choices, I suspect they'd be much more impressed with smoke detectors or new hospitals, as opposed to \$14 million for refurbishing the Legislature grounds.

MR. RUSSELL: We're doing it anyway.

MR. R. CLARK: The Minister of Hospitals and Medical Care says, we're doing it anyway. Mr. Speaker, we look at the budget: lots of communities in this province who had expected hospitals aren't getting hospitals this year. There are hospitals in this budget that have been announced at least for the fourth time — Grande Prairie, if the minister wants to be very specific. I didn't notice High River in this list. We can go down the list. This government hasn't built a new active hospital bed in Edmonton or Calgary since it came to office.

DR. BUCK: You've got a lot of catching up, Russell. Get at it.

MR. R. CLARK: With regard to the area of Social Services and Community Health, if we were to make \$272,000 available there, grants to provide teletype terminals so that stroke victims, people with cerebral palsy, deafness, or speech impairment would be able to have that kind of opportunity available in their homes. We could take \$35,000 and meet the needs of the

women's emergency shelters in Edmonton and Calgary. We could take \$750,000 of this \$14 million we're spending around the Legislature Building, supposedly to make it much more presentable to Albertans — once people get in, they can't even see the ministers anyway — and put it into training special education teachers at the universities in this province, that would be a big move in the right direction.

MR. R. SPEAKER: They could meet by the meditation pool.

MR. R. CLARK: My colleague says they're going to meet by the meditation pool. It'll be the cabinet.

We could talk about Housing and Public Works. We could take \$4 million of that \$14 million, Mr. Speaker, and cancel that 10 per cent rent increase in senior citizens' lodges, nursing homes, and auxiliary hospitals. Workers' health and safety: we've had questions in this House about X rays. If we doubled the grant to the branch of radiation health in the Department of Workers' Health, Safety and Compensation to ensure that regular inspection of every X-ray unit in the province was done, that would cost us about \$233,000. As for transportation, Mr. Speaker, we could take \$1 million of this \$14 million and use it to pick up the deficit of the dayliner between Calgary and Edmonton.

The Attorney General's Department, Mr. Speaker: lots of communities across this province are having real difficulty in getting RCMP to meet their needs. There are cutbacks in a number of areas. What is it this year, 130 or 140 new RCMP personnel being trained in Regina? We could use all of them in Alberta; we can't get them. If this government wanted to, it could take \$1.6 million out of this \$14 million for around the Legislature grounds and open up the Penhold air base that used to be used for training RCMP. That would seem to me a high priority for the new Solicitor General in this province, to bend the arm of his colleague in Ottawa and get that place in Penhold open. We could do that.

As far as culture is concerned, we could double the grants to libraries, to bring Alberta's funding just up to the national average. That would take \$3,296,000. Mr. Speaker, in this Year of the Child, perhaps we might do one thing. If we were to provide full support for 7,900 needy children in underdeveloped countries of the world — that's 100 children for each constituency — that would cost us \$1,422,000, according to the Unitarian Service Committee in Toronto.

We could do all those things, Mr. Speaker. We could look after those 7,900 needy youngsters, get our libraries up to a national average, open the Penhold facilities, move on the dayliner, get X-ray machines in the province tested when they should be, cut back the 10 per cent rent increase for senior citizens, train teachers for special education, get the problems of the women's emergency shelters in Edmonton and Calgary straightened away, and have a smoke detector for each hospital bed in the province. We could do all those things rather than refurbishing around the Legislature Building for \$14 million, and have a surplus of \$824,000.

When we talk about a bit of thrift and a bit of social conscience, it seems to me we'd be far better to move on those things than to refurbish the Legislature grounds, especially when we consider the refurbishing

has started, Mr. Speaker, without the budget having come to the House for it yet.

MR. R. SPEAKER: And the discussion of all the members.

MR. R. CLARK: And as my colleague says, the discussion of the members.

MR. R. SPEAKER: We didn't even get to rubber-stamp it, Lou.

MR. RUSSELL: Who started it? You guys started it.

MR. R. CLARK: Oh, now we have the Minister of Hospitals and Medical Care coming forth again. The former government, in 1971, is now being blamed for forcing this government into refurbishing the Legislature grounds. Now really, really. I'm not so hopeful the hospitals in this province are in very good shape when we have that kind of reasoning coming from across the way. We may be in for four years of what we had in the past.

MR. R. SPEAKER: Dave's got no friends, so we don't have to worry about that.

MR. R. CLARK: Let me just conclude my remarks, Mr. Speaker, by saying that this budget talks about restraint for the public sector, for the public servants, but doesn't practise it itself. As far as capital projects are concerned, there's a need for a longer term financial plan than year to year. There's a need for us to include five-year operating cost estimates with those capital projects. Now that our economy in Alberta is to the point where if there's not an oil sands plant or some comparable project going, we have to bump the capital expenditures, like this year and last year, we desperately need an oil sands policy in this province.

Thirdly, Mr. Speaker, I'm very hopeful that we'll move in the area of performance auditing, so we get serious about getting full value for money spent. Fourth and last, there are a lot of things we could do far better — far better — with the \$14 million that's going to be spent around the Legislature Building each year for three years, as I understand the announcement. Let's move on some of those kinds of things, get those problems dealt with in a proper manner.

MR. PURDY: Mr. Speaker, it's my pleasure today to rise in my place and make a few comments on the Budget Address presented by the Provincial Treasurer last Friday.

I look at the document before us, the Budget Address, and see that it keeps the election commitments we made to the people of Alberta prior to the general election of March 14, the announcements made during the campaign. I look with interest this afternoon, Mr. Speaker, at some of the remarks made by the Leader of the Opposition on the first day of debate on this document. He talked about a number of things: the \$1 billion debt-free loan that should be made to people. They indicate that was made in his budget presentation last year. It will be interesting to look back in *Hansard* and see exactly what they did say and what he proposed at that time.

I look with real interest at the hon. leader's discus-

sion regarding the lowering of income tax for some of our lower income citizens in this province. He didn't indicate anything about the 28 per cent income tax reduction in 1975 for all earners in this province, and the further reduction this year for about 214,000 other wage earners. I think the people who are in the other categories can certainly afford to pay, on the premise of ability to pay.

During the election campaign, when we were out there on the hustings, the proposal was put by Social Credit that the first \$16,000 of earnings would be tax free. That was a great promise for the citizens of Alberta. They indicated they would do that. The people of Alberta answered by not accepting that particular concept. You can see that the results of the election, electing four to 74, were a pretty good indication the people of Alberta felt and knew we had in place an excellent tax system for them.

The Leader of the Opposition brings forth that there is a 16 per cent increase in budget. I think that's a very weak argument. We have to look at the many programs in this document and the many programs to be brought forward for the 1979-80 fiscal year.

I can certainly support the increase in capital up to 41 per cent. If you look at the figures, Mr. Speaker, that is a very low percentage compared to the projects being taken on in this province by private enterprise. One of the reasons we can cite for the 30 per cent last year and the 41 per cent this year is that we will keep that unemployment figure at about 4.5 or 4.7 per cent.

The leader pointed out that he was upset with a number of the programs and the control of the government in various social concerns and so on. The way he presented his argument, I thought he was saying there was nothing in this budget to help out people of Alberta. If you look at page 13 of the budget speech, it helps out: "priorities include education at all levels, health care, agriculture, assistance to property taxpayers, senior citizens, children, renters, the handicapped, and homebuyers." Mr. Speaker, I think that covers a pretty good cross reference of the province of Alberta and the many programs we're bringing forth to assist our people.

He went on to talk about hospitals, and indicated the government of Alberta was going to do nothing for hospital construction or renovation this year. If you look at page 20 of the Budget Address, you can see that many, many hospital renovation programs or new hospital facilities were announced. About 15, all told, will be announced and carried forth this year under the Department of Hospitals and Medical Care.

I look with interest, Mr. Speaker, at his comments regarding picking up the deficit for the CP line that runs from Edmonton to Calgary. I thought the concept and belief of the Social Credit Party in this province was the free-enterprise system, not to get involved in the private sector and let them run what they're doing. I certainly wouldn't want to see our government involved in picking up the deficit of a rail line that can't meet everyday expenses.

I have some thoughts on the training of RCMP at Penhold. As far as I'm concerned, the training of the RCMP is a federal responsibility. Maybe under the new government and the new Solicitor General, we can make inroads into getting more trained RCMP personnel into Alberta. I understand we require about 140. We're going to get a substantial number less, but maybe with a new program coming out of the federal

government, we can bring our strength back up to what is required in Alberta.

During the throne speech debate, Mr. Speaker, I listened with interest to a lot of the 29 new members in this House. I certainly enjoyed their presentations. I learned a lot about the province of Alberta because of their presentations. I would just like to share, especially with the new members, some things about the Stony Plain constituency. When I indicate that the Stony Plain constituency is 80 by 45 kilometres, the Member for Lac La Biche-McMurray is going to look at that with envy, because I can drive from my home to anywhere in the constituency within an hour. The Member for Peace River may want part of that constituency for a while, trade off or something like that. But I wouldn't do that.

As members are aware, Mr. Speaker, we went through redistribution in 1978, and guidelines were set that a rural constituency would have about 10,000 voters. It was interesting on election day, with the many people who had to be added to the enumerator's list, we ended up with very close to 20,000 voters in a small, thriving constituency.

The industries in the Stony Plain constituency: there are a couple of very active coal mines in the area, the Calgary Power plant is located on the north and south sides of Lake Wabamun, and a new plant is proposed in the Keele area. Our main industry in the constituency is still farming, and it's very active. A lot of people are involved in mixed farming.

In the constituency we have a very large number of country residential acreage sites. I'm interested to see that the Member for Highwood has put a resolution regarding taxation of these particular sites on the Order Paper, to be debated in this House. I will certainly be speaking to that particular resolution when it comes forward.

Mr. Speaker, I look at the budget and the \$1 billion that will be made available to the municipalities for debt reduction. I don't have that many municipalities within my constituency. I have the town of Stony Plain, the town of Spruce Grove, the county of Parkland, the summer village of Alberta Beach, the summer village of Seba Beach, and many other smaller summer villages. But that's about the extent of the larger areas I represent. We also have the hamlet of Wabamun, which has a population of about 600. The debt reduction plan will allow many of the small towns and the county of Parkland a small heritage savings trust fund of their own. I understand the county of Parkland will end up with about \$7 million in the bank after their debts of approximately \$1 million are spent.

We haven't seen any reduction in personal property tax, as we thought we would. I got mine the other day; it went up about \$85 from last year. So we are not seeing any reduction in our area anyway. The towns of Stony Plain and Spruce Grove have held the level at what they had last year.

Some people have commented that we haven't made enough assistance available to our municipalities. I look at the unconditional grants of \$67 million announced in the budget the other night. I roll the calendar back to 1971, when this Legislature changed legislation under The Municipal Taxation Act not allowing the municipalities one-third of the oil royalties under legislation, and freezing the unconditional grant to municipalities at \$38 million. That wasn't done by this administration, Mr. Speaker. It was done

by the previous one. We changed that when we came into office and rewrote the legislation in 1972. That figure has gone from \$38 million to \$67 million.

We have put in place many, many other programs for our municipalities. The new \$20 million road resources maintenance program is an exciting one to Albertans. The urban transportation grant for our two major centres of Edmonton and Calgary — about \$760 million over six years — will give them the finances they need to go ahead and do some of the programs required. I understand that the city of Calgary is satisfied with the amount offered, but Edmonton is not. As I understand it, Edmonton at times cannot decide where it should spend this money. You get the argument over 125 Avenue: should it be south or should it be north. It's going to go 125 Avenue, and be done. But we have the problem of them not having their programs in place when we make the announcement that the money is available.

Another interesting feature of the budget is the \$65 million for secondary highways in the province. This is going to go a long way to upgrade many of the secondary highways we have in the province, a number in my constituency. I'll be touching on these later on in my remarks.

The \$18 million being made available for street improvements in our smaller urban centres is certainly an enhancement for these towns. They can use this money for paving, sidewalks, street lighting, street control lights, or whatever the case may be. One that I certainly asked for, and the former Minister of Transportation has seen fit to put it in the budget, was the \$2 million for hamlets for the same thing as under the urban program.

Members of the Legislature will remember a court case about two years ago between the town of Stony Plain and the county of Parkland and the Department of Environment regarding the burning of waste products in sewage disposal areas. The case was eventually thrown out of court, and I'm happy to see in the budget that we're going to make money available to work with our municipalities. Instead of taking them to court, we're going to make money available, so they will be able to have in place some solid-waste management programs to dispose of this waste material and not burn it in open, unsanitary landfill sites. At present, we are working on one for the county of Parkland, the town of Stony Plain, and the town of Spruce Grove. I believe we'll get this in place and won't have that problem we now have in the Stony Plain area.

New programs for water and sewage, and the 90 per cent of costs over \$200 per capita that will be picked up by the province, were announced in the budget, and before that. I think this will certainly be of assistance to towns, villages, and hamlets that require new systems for treatment. The trunk assistance will certainly help in my constituency. Some new land is coming on stream in the towns of Stony Plain and Spruce Grove, and in Wabamun, and this assistance will certainly be welcome.

The increased amount of money for law enforcement will certainly be encouraging. I indicated earlier that if we can work out an agreement with the federal government to get more RCMP constables on stream out here, this will help the manpower shortage we now have.

The Stony Plain constituency has many secondary

roads. There must be a misconception out there as to who is responsible for secondary road construction. Last night at my house I was presented with a petition with approximately 400 names on it, which I will be passing on to the Minister of Transportation, the county of Parkland, and other interested authorities, asking why construction was stopped this year on Highway 770, that runs off Highway 16 to the Genesee bridge over the North Saskatchewan River. Seven miles of it were paved last year, and then for some reason it was stopped at that particular intersection.

DR. BUCK: The election's over.

MR. PURDY: I discussed this with the Minister of Transportation. I guess the hon. Member for Clover Bar doesn't understand how the secondary highway system works. The county or the municipality makes the decision as to where that money is to be spent. The county of Parkland decided that the money should be spent on Highway 627 instead of on 770. But I will still speak to the minister regarding this petition, to see if there's some way we can get that additional eight miles done, so they have a section of road that will be in better shape than it is now. It's interesting that the road south of the river is in good shape, Mr. Speaker, but for some reason the other portion is not. I will have to discuss this with the county and indicate that it is their responsibility to maintain it until such time as that road is taken over in the primary system.

Some highway construction is taking place in the constituency. The tender will be let very soon on the six lanes west of the Stony Plain overpass to the east side of Spruce Grove, thus giving people in Spruce Grove freer and much easier access in and out of the town. As I indicated, the contract will be let on 627 very shortly, which will do about 18 kilometres of road directly west of Edmonton to south of Stony Plain. A much needed highway will be upgraded this year, Highway 43, with an overpass being built at Onoway corner. That's out of my constituency now, but it was an ongoing project when I was the member for that area.

One area of highway must go, Mr. Speaker. The former Minister of Transportation made a commitment on it a number of years ago, and indicated that Highway 16 west has to be a four-lane divided highway all the way to Jasper. That is the heaviest travelled highway in Alberta right now. Even on the four-lane section, at the Winterburn intersection over 22,000 cars a day use that highway. It's a lot heavier than the road coming in from St. Albert or Highway 2 to Calgary.

A lot of people talk to me about highway construction: why can't we get on and do the job; you say you're going to do this. Land acquisition is the biggest problem we're running into. Three years ago the Department of Transportation proclaimed that 118 Avenue, or 16X, north of Spruce Grove and Stony Plain would be designated as a primary highway. That highway hasn't seen any construction, because of the lack of acquisition of land. We have now acquired about 20 parcels of land, but we have 40 more to acquire. You can't build a road piecemeal. So we hope it's going to be on the program for 1980, and I understand the department has started expropriation procedures with some landowners. It's not the way I wanted to see it go, but we need the roads out there for safety purposes. Therefore if they can't settle, then they must use The Expropriation Act, that I may add was

put in place to help the people of Alberta. The new Act has caused a lot of concern to a lot of government departments.

I had an issue in front of the Minister of Social Services and Community Health, and I'm trying to get it resolved. But for new members and for older members in this House, Associated Canadian Travellers sponsor a crippled children's camp on Lake Isle. That camp looks after the handicapped. It's open year-round, but it caters to handicapped children usually in the months of July and August. I have attempted to get funding on this, because the camp has been at one stage. People who have made monetary commitments keep those commitments in place but, as you know, over the years costs go up. We've tried for government assistance, and I have not been able to receive it for this particular camp.

Another area of concern to the residents of the area west of Edmonton is lake management. The three major lakes west of Edmonton are all recreational areas: Lake Isle, Lake Wabamun, and Lac Ste. Anne. Lake Isle has had a considerable amount of representation from me to have the lake enhanced in some way, either with weed harvesting or dredging to get a flow of water through it. We've done some work on the Sturgeon River basin, which has helped the flow. But the lake is losing its recreational potential. Discussions are now being held with some of the concerned citizens at Lake Wabamun to try to get a larger flow of water through this lake.

The other one is Lac Ste. Anne, which is not in as bad shape. I am happy to announce that we were instrumental in getting funds for the summer village of Alberta Beach to carry out a general plan, not the wishes of the Edmonton Regional Planning Commission. They didn't want to see it go ahead; they wanted to do it themselves, and about four years from now we'd probably have a plan. But probably by September we'll have the plan for the residents of the summer village of Alberta Beach. It will be a working document that the council of Alberta Beach will be able to adopt and carry out some orderly planning.

One concern that I have taken up with the Minister of Housing and Public Works is with regard to senior citizen self-contained units. Last year we announced three self-contained units for the Stony Plain constituency, one in Darwell, one in Stony Plain, and one in Spruce Grove. The minister is aware that we have had some problems. I've been phoning his office every week to see where these projects are at. We're having problems acquiring the land, Mr. Speaker. Stony Plain has always had the land, and the building is in the design stages and should be tendered very shortly. But Darwell and Spruce Grove have been two problem areas, and I've suggested to the minister that we use a different approach for acquiring land, especially for senior citizen self-contained housing units.

It appears that as soon the government goes in and says it's buying that land for a particular project, up goes the price. Maybe we can use private enterprise to go in there and purchase the land under a trusteeship of some kind, and then we can have our buildings on stream a lot faster. It's 15 months since the announcement, and there's still no building out there. I'd certainly like something done this year. We're at the stage in Stony Plain right now where a 20-unit was announced, and we can use another 20 units. In Spruce Grove they said it was 10, and it's up to 18 already.

Darwell's the same thing; it was 10 and will have to be 15 or 20 very shortly.

I'm pleased with the progress the Minister of Hospitals and Medical Care is making regarding establishment of a board for the Stony Plain hospital. I brought this up in the House a couple of times last year. I discussed it with the minister just the other day, and we are in the process of forming this board and going ahead.

We require nursing homes in the town of Stony Plain. We now have a 90-bed nursing home run by the Good Samaritan Society out of Edmonton. They're doing an excellent job. But we are an old, established community west of Edmonton, first settled in 1896. We have a lot of our old-timers in the present senior citizens' home but are at the stage where they must move out of there and into a nursing home. The Good Samaritan set-up is an excellent operation, but a number of people from other areas are also using that facility.

Mr. Speaker, I look at this next year as an exciting era in Alberta, as have been the previous eight years since I've been elected to this Legislature. I look at the Heritage Savings Trust Fund with the projected \$6.8 billion and the projected \$2 billion surplus in the operating account. I think that as members of this Assembly and of the government, we have our work cut out for us. I'll be looking with interest at the select committee on the Heritage Savings Trust Fund, to see the projects they come up with for the ensuing year. A number of good projects were brought forward in 1978-79, and I am sure we will have many more new programs under this particular fund for 1980 and 1981.

Thank you.

MR. LYSONS: Mr. Speaker, I very much enjoy the opportunity this afternoon to speak on our '79-80 budget.

I spent the last few days going over some history of the budget address of the previous government in 1970. I thought that of the two budgets, the one this year was certainly a much more positive one that gives some real direction to Alberta, not because it's restrained in some areas, but because it fulfills some of the goals our present government is looking at.

I saw some great things as far as our constituency is concerned; namely, hospitals, roads, the new school program that's coming out, the parks program: just about every aspect of the budget. But while I was looking at the present budget and going through the budget 10 years ago, I found some interesting differences. Our Leader of the Opposition was talking about some of the things we should have added to or changed in our budget. Certainly one of the most significant things I see is the provincial assistance to municipalities. Back in 1970 they used a comparison from March 31, 1951, to March 31, 1971. In many areas our budget this year will be spending as much money as they had in the previous 21 years. Back in 1970 and 1971, no money whatsoever was allocated to construction of schools or technical schools — I suppose that would be NAIT and SAIT. There was no money for hospital construction. Using the 21-year total, in '79-80 we will be spending more for highways and bridges in Alberta than was spent in the entire 21 years back then. It's really something when you can see these comparisons, yet hear the Leader of the Opposition criticize us so heavily on the fact that we see a need to

upgrade the Legislature grounds. Fourteen million dollars is certainly a lot of money, but I don't think it's something we needed to spend seven minutes on this afternoon.

I'm not trying to be critical of the government back in those days, because they had their problems to deal with as well. But in that 1970 budget, they were calling for a deficit of many millions of dollars, where this year it seems that one of our major problems is how to invest so many billion dollars. I think this is healthy. I've never found any particular problem if I had some money left over. When we have criticism because we do have money left over, I think that's the kind of criticism we can take and handle. It doesn't bother me a bit.

The Leader of the Opposition also questioned an increase of some 40-odd per cent in our budget for capital projects, and suggested that perhaps if we had a five-year oil sands policy, we might be able to solve this. I have to take a different view. I think it's great that we can react. There hasn't been a major move in new oil sands development, and we can react to fill in that gap rather than nail ourselves into a corner and say: okay, Imperial, you have to go ahead this year because we planned that five years ago; or on the oil sands, you have to go ahead because we planned that four years ago. To have to keep everything rolling by these kinds of rules would really drive us into problems.

In this government we have had much criticism on our reliance on the oil and petrochemical industries in general, and really the energy issue. If we go back nine years, our personal income tax and corporate tax are now nearly \$1 billion a year more than what they were then. When we look at what we've tried to do here by diversifying the economy so we can have greater revenue from personal income and corporate taxes, and you come up with those kinds of numbers, I think we're doing a pretty good job. And that's also with special provision made back in 1975 to drop personal income tax by 28 per cent. So I think we're doing our job there and don't have to take criticism.

I've teased the hon. members from Calgary. They brag a little about what's happening down there, as well they should. But I think we have some things to brag about in the rest of Alberta. I'm thinking in terms of the agricultural sector. Alberta has never been known as a grain-growing area. But if we look at our income from grain in the last couple of years, I think we can be pretty proud of our farmers. I think we can be pretty proud that they are reacting to the times. When our net farm income is so much higher than just a few years ago — albeit we have some big problems in rural Alberta — I wouldn't want the city representatives ever to think we're falling behind in the country. Maybe that's not for the general Albertan, but certainly for the city.

In our budget the other night we had a little better than \$1 billion for municipalities. That included cities and everything else. In spite of that \$1 billion, there was an announcement of \$750 million for transportation for the cities. I know it's difficult to try to balance what may have been said and what you may read or hear in the media. But I wonder if the cities, Edmonton in particular, really appreciate what this means, particularly if they were to go back and have a look at the 1970 budget. I think this is probably as good an eye opener as anyone could have as to just how much is

happening now with our budget.

I'm glad to see that our budget has recognized the small businessman. I'd like to say a couple of things on small business, particularly where it's of an inventive nature. When someone builds a machine or new equipment, one problem is testing and the first few sales. I'd like to encourage our government and our ministers, particularly the Minister of Economic Development, to consider purchasing these machines on a trial basis, putting them out to work, and helping our small businessmen. In this way they get some money to work with and have someone else, perhaps more objective, looking at their equipment and helping that way, rather than trying to fund it through a grant or any other system we may have. We may end up with an awful lot of iron sitting around that's not being used, but at least we would have a method of testing. It would be much easier for the businesses in that they wouldn't have to follow certain qualifications and so on. We should have a really good look at this.

Mr. Speaker, there are Bills coming up, other opportunities where I would like to discuss different things about my constituency. Perhaps I could relate back to the budget at a later time. But I would like to close by saying that we're not the first government in Alberta to have a restraint budget. We've had one before. We are the first government in Alberta that's had extra money, and I think we should be proud of that. I think the spirit of Albertans should be: just because we have dollars, let's not go out and just spend it. Let's not do like other people have done: throw money up against the wall and hope some sticks, and hope some programs work. I think we should be carefully reviewing our policies, our spending, and our investments, as we do, and not only feel like we are a part of Canada but show the rest of Canada that we are perhaps the most important part of Canada.

Thank you, Mr. Speaker.

MR. TRYNCHY: Mr. Speaker, as I enter this debate, let me first pass my congratulations on to you, sir, for your election back to the Chair. I think it's an honor to have you in the Chair to serve us.

I also want to thank the people of my constituency of Whitecourt for giving me the honor of serving them for another term. I'd like to thank the Premier for placing me in a larger role, so I may be able to serve all Albertans. I accept that challenge and the trust that goes with it, and it's my hope that I will not falter or fail.

As we listened to this budget on Friday, there were some who said it's not new, we've heard it before. Mr. Speaker, they're right. We have heard it. As you followed the campaign from February 14, we campaigned on the budget we presented on Friday. Through that campaign, I as well as the rest of you made some commitments. I made one commitment: working for people, now more than ever.

[Mr. Wolstenholme in the Chair]

During that campaign, the people of Alberta listened to us. They listened to the programs we presented for the next term. The people judged us on our performance. They looked at our eight-year record and made some decisions. As we travelled through the constituencies, in both urban and rural Alberta, the people listened and presented their verdict. The results

of that verdict are pretty visible.

In my campaign, Mr. Speaker, I presented three programs to the people: one, agriculture; two, roads; and three, quality of life. I spoke on agriculture because it's still our number one industry. We needed some improvements, and I asked for improvement, expanding of our grazing reserves and grazing leases. In my area, probably as much as the rest of northern Alberta, we need more research in the gray-wooded area. We must maintain and improve farm income. We must present new programs to entice our young people to become involved in agriculture, not leave the farms and become involved in eight-hour jobs.

I presented something that I hope we will look at: interest loans to young farmers based on income, a program we initiated for housing. I think we could start with low interest of 5 per cent, and as the income increased you could increase the interest rate. If the income did not increase, of course it would remain at that level. Now more than ever, we must look for markets, as we have in the past. We're all aware that 85 per cent of what we produce has to be exported outside the province. That's very crucial to the farming industry.

One other thing that bothers me today is that we do not have the capacity to make loans available to a son who wants to take over the family farm, if the father's assets are beyond \$500,000. I don't think that's right because \$500,000 does not go too far today, at the rate of inflation, the cost of land, and the cost of machinery. So I urge the minister to look at these restrictions and see if we can have some changes.

The next program that is very important in my constituency is roads. I'm pleased that we have a significant budget increase. It'll mean more construction, more paving, more oiling and gravelling, and better maintenance.

I want to just lay out an example of what this means in just one area, ID 14. They will have approximately \$1.3 million more for road construction, gravelling, and oiling. On top of that, Mr. Speaker, they will have the municipal debt retirement program of \$3.8 million, because they are debt free. Resource road funding is something I've stressed for a number of years. I see it's a reality, and I'm pleased that \$1.3 million is allocated to ID 14 alone. That is essential in northern Alberta because of the oil traffic, the seismic exploration, and the many more units that are heavier and more active throughout that area.

We hear about the municipal debt retirement program, and some think it's not that great. To me, Mr. Speaker, it's a great program. It means millions and millions of dollars to communities. I want to leave with you three examples. The county of Lac Ste. Anne, which is debt free, which has had some hard times, is now starting a heritage fund. They will have \$3,293,000. I think that's pretty significant. ID 14, as I mentioned, will have \$3.8 million. The town of Whitecourt will have \$220,000. Mind you, there might be some debts in some of these communities, but the amount of money they have left over will certainly be a great asset to them. If they want to, they can reduce their taxes. But if they don't, they can start new programs or pay off their debts. Certainly that will be a way to keep taxes down.

The third item I want to speak on, Mr. Speaker, is quality of life. I think that's pretty important to each of

us. My number one priority is our senior citizens, the pioneers who made this country what it is today, made us able to stand here and represent them. So none of the things we do for them are too much. Mr. Speaker, I'm sure the grant of \$2,000, the new lodges, the renter rebate, are our ways of saying thank you for leaving this country for us the way you have.

The next point in quality of life, Mr. Speaker, is our handicapped. I'm sure we all dread to see them, but they're around us. The \$35 million allotted in the budget for assured income is something that should be there.

Housing: we must have housing for our low-income earners. I was pleased to see in our budget that the interest rate would be as low as 4.5 per cent. We'll now be able to construct more hospitals and have better health care. We'll have no extra costs for health care, and new construction will commence in a number of places immediately.

In education, we have given more autonomy to the local school boards. We've provided additional funding, and we're providing expanded programs.

Another item that's pretty important to all of us is jobs for our families, our neighbors, and those who come into the province. At this time, I just want say a word of caution to the government. We must consider jobs for small operators. When I say that, I'm thinking of our timber reserves, and we'll have hearings on them pretty soon. Let's not forget they were here long before big industry, and they're pretty important to us. So let's bear in mind that if they can provide a job for six, seven, 10, or 12 neighbors, that's pretty important. When we allot that timber, we must also consider one-industry towns. I'm sure the hon. Member for Edson is thinking of Grande Cache. I too have a one-industry town, Fox Creek. We must consider that.

The income tax reduction for low earners will benefit some 260,000 people. I hope we don't have to use that program, but it's unfortunate that we're not all high earners and some of us have to benefit. But wouldn't it be so much better if we didn't have to use that program, and we were all on a pretty stable income where we could make a decent living.

We have new programs for our towns in water and sewer, street and sidewalk, land banks, street paving, and lighting. These are the kinds of things we've done and can do, through our fund in the budget.

[Mr. Speaker in the Chair]

Mr. Speaker, I now want to speak about my department. As Minister of Recreation and Parks, I'd just like to spend a few minutes on what we have done in recreation. In 1978-79, Mr. Speaker, the MCR program was some \$23 million; in 1979-80, another \$23 million. What has that provided? In 1978-79: 18 arenas, 13 curling rinks, 10 golf courses, six swimming pools, and seven tennis courts. This year: 11 arenas, four curling rinks, four swimming pools, and four tennis courts. Mr. Speaker, the quality of life in Alberta must remain and advance to a higher level. Through these kinds of programs, I hope we can achieve that.

Some 100 recreation associations make application for grants. In that department, we have provided some \$1.2 million. When we talk about these 100 recreation associations, I have some concern, and I'm looking for some advice. Do we need these 100 associations? Could they not band together and perform in a much more

efficient way? Let's look at them over the next year, let's see who they are and what their purpose is.

Next, where should we be going in recreation? I've initiated a study, chaired by the hon. Member for Vegreville, Mr. Batiuk. I've asked him to look at a number of things. I've asked him to see if we have possible duplicate funding. How much information is required, are the definitions of the projects clear, is the intent of the program clear, is the amount of information required by the government overburdening the communities, is the government taking too long to process these applications, and what should the level of funding be? There are a number of questions, and I'm sure that under the capable leadership of my hon. colleague we shall get some answers.

We're asked — and I was asked this question the other day — where are we as far as recreation funding goes in Alberta? Some say that in direct aid we're as low as fifth or sixth in Canada. They might be right. I don't have that answer. But I do have the answer that if you look at direct aid and the facilities we've provided, we are number one by far in all Canada. I say that we must consider these programs, that we provide the funds, the training, and the leadership for our amateurs. I really don't think the professionals, the top-notch athletes, need our help. My motto has always been: let's help the needy. You know, money alone cannot make an athlete. He must have some personal pride, desire, and the old words we use back home: some guts, intestinal fortitude. Mr. Speaker, that is the kind of person I'd like to support.

I also want to say that I appreciate the volunteers I've talked and listened to, who have been to my office. Really they're the ones the whole recreation circuit in the rural communities and the cities rotates around. I want to say very clearly to them that I will listen to them. I want to hear their views, and my door is open to them. Mr. Speaker, a number of times I've said to these communities, and to some organizations, that they'll find me pretty firm but they'll also find me very fair.

Our MCR funding regulations, as I read them, state that 25 per cent must contain a cultural component. Now I've had some requests, and I look to you and the members here for some advice. Some communities say, don't burden us with that, we can get by without it. We've joined together, and we don't really need another building because the cost and the operating expenses are too high. We might consider that the word "must" could be changed to "may". Let's give that some thought.

There are also some people who say — and I don't know if it's true — that there's been some freeloading on governments. Well if there has and I find out, it's going to stop. And if there's any expectation out there that it's going to continue, they'd better forget it. My aim and desire is to work with these groups and not against them, but they must also work for themselves.

Mr. Speaker, as I've mentioned before, the volunteer is important. There's just so many ways they should be involved. We in this House are volunteers also. Many of our young people, our senior citizens, the handicapped, the underprivileged: they're the ones we should reach out and help, because right now they don't have the ability to help themselves. We have an obligation to knit these programs together. Bringing people and funding together will do this. This is our challenge. For the betterment of all, Mr. Speaker,

we'd better not fail.

This year we're hosting the Summer Games in St. Albert, and we've allotted some \$200,000 to them. But I want to take my hat off to the city of St. Albert. That's not near enough for what they're going to need and spend, but they've gone out and are working day and night as volunteers, and they're going to make this one of the greatest shows in Alberta. For the first time we have programs for the seniors, the handicapped, and there's a cultural component in this year's games.

We're now, proceeding and preparing to try to promote the Winter Games in Grande Prairie. We have allotted them some money, and they're proceeding. I'm sure that Grande Prairie will be talking to St. Albert, will learn from their mistakes, if they have any, and will work out a program for the winter of 1980 that we as Albertans will be proud of.

I'd like to move on now, Mr. Speaker, and talk about parks, the other portion of my department. We have some 55 provincial parks. The smallest, Ma-Me-O Beach, is four acres. I was there on Saturday on my tour. Kananaskis, the largest, is 124,315 acres. We have some 500 camping sites in our parks. It is my desire in the course of this year, if possible, to visit each and every park. To date I have covered 11 such parks. I do this for a number of reasons. I want to see what we've got, talk to the people, see what we need, and I also want to know how we do it. As we move into the '80s I know the demand for parks or recreation areas will become greater and greater. It's my desire to work with my colleagues the hon. Associate Minister of Public Lands and Wildlife and the hon. Minister of Tourism and Small Business. In working together we can and will provide the best facilities anywhere in Canada.

We need a new program, Mr. Speaker. I think we've talked about it already, and I've announced it. It's in the throne speech. We have a great need for recreation areas. What I mean by that is not a provincial park, but a recreation area [with] a few picnic tables and a restroom, where you can bring in a hundred campers, where people can get away from the city and have a weekend out.

I say this because as I travelled to Pigeon Lake on Saturday, I stopped in a recreation area. They could accommodate some 150 units. They have a few rest rooms. The grass is cut. There's a place for the kiddies to play ball. There are some trees. These are the kinds of things we need. It's fine to have provincial parks and the things that go with them. But many Albertans and many tourists want just a place to camp, to relax, and have a quiet evening — a boat dock, such as the Member for Little Bow is suggesting.

As I travel these parks, I talk to people and ask them: where are you from? Over 90 per cent come from the cities or the bigger centres, even though we have Fish Creek Park in Calgary and Capital City Park here. The way the economy is structured, the people have the facilities and the ability to move out of the cities. And that's what they want to do.

I know there's a need for these recreation areas in the cities. I'm going to look at that too. But as you drive the country roads from here to Jasper on Friday afternoon, and you approach a park gate, the sign is up: campground full. That tells me one thing: we're not providing the kind of service we should. I don't say we need more provincial parks. But we certainly need something where they can drive off, park their unit,

have a beer, have a picnic lunch, but be away from the traffic and noise they so want to get away from. So members, I'll be asking for your support when I bring in the amendment so we can do just that. Because at the present time the legislation will not permit the spending of park funds on anything but provincial parks.

We have a pretty large budget for parks this year, Mr. Speaker. Work is progressing or will be commenced in some 26 parks. I'd just like to read them off for the record: Aspen Beach; Beauvais Lake; Big Hill Springs; Carseland; Cold Lake; Crimson Lake; Cypress Hills; Dillberry; Gregoire Lake; Hilliard's Bay; Kakwa, a new one where we will do some planning; Kinbrook Island; Lesser Slave Lake; Midland, a new park in Drumheller; Notikewin, which I intend to visit next Wednesday; Queen Elizabeth; Saskatoon; Young's Point; W.A. Switzer; Sylvan Lake; Taber; Tillebrook; Vermilion; Writing-on-Stone. Mr. Speaker, it's a large budget. In my estimates, I'm sure the members will ask the amount of money we will be spending in each location.

The last one I'd like to talk about, and the most exciting of all, is Kananaskis. It's just tremendous. I toured that park some two weeks ago. You'll have to visit it to appreciate it. The areas such as Fortress Mountain, Spray Lakes, Kananaskis Lakes, Highwood Valley, Ford Creek, Canyon Creek . . .

Mr. Speaker, I hope to finish within two minutes, but would you allow me one or two over if I happen to need it?

SOME HON. MEMBERS: Agreed.

MR. TRYNCHY: Mr. Speaker, I'm sure a number of members have been in Kananaskis and some are willing to go. Last year alone [there were] over 2 million visitors to that park. Last year alone, 4 million people visited our parks, and one-quarter of those, 1 million people, had campers. As I've mentioned before, there's a crying need for stalls. The 5,000 stalls we have don't even come close to accommodating our own people.

We're moving very quickly, on schedule, on budget, in a number of areas in Kananaskis. I want to name a few. Three of the day-use areas are being worked on: Interlakes, Smith-Dorrien, Highwood, Barrier Lake. We're working on background trails and the golf course. One of the things that will make Kananaskis so great is that it'll be a park for everyone. Provisions are there for the handicapped. We're providing a pond stocked with fish, where a person in a wheel chair can go right up to the railing and fish without leaving the wheel chair. I think that's pretty important. We're making trails for the handicapped. And accommodation will be made in such a way that handicapped people can make use of this facility.

Mr. Speaker, we hope to have approximately 1,000 camping stalls available this summer in Kananaskis. As we work on the budget and approve it — and it was a tremendous budget — I know we can make this park the finest in the world, for all people.

Mr. Speaker, in closing, I'm sure Albertans are excited over the budget, just as I am. I urge everyone to work together with us and support the programs presented, because the end result is what we all want: a happier, healthier, and more meaningful life for our fellow man.

Thank you.

MR. LITTLE: Mr. Speaker, May 19, 1976, stands out in my memory as one of the highlights of my career in this Legislature. That night, together with many of the members sitting here today, I stood up in support — a distinct honor for those of us who had the privilege — of a Bill unique in North America, if not the whole world; that is, The Alberta Heritage Savings Trust Fund Act, a heritage we can bequeath to our children, our children's children, and many generations to follow. I would say that Bill graphically illustrates the fiscal responsibility, the fiscal performance, of this government: responsible and responsive stewardship of the non-renewable resources of this province. To quote one of my favorite persons, Mr. Speaker, the late and great Andrew Carnegie: "Surplus wealth is a sacred trust which its possessor is bound to administer in his lifetime for the good of the community".

Succeeding generations, Mr. Speaker, will never criticize us for creating this fund. They may, however, criticize us for not putting a larger slice of the resources into that fund. Thirty per cent of a one-time resource is little enough to save. And in spite of the apparent mind-boggling size of the fund, a sober analysis would indicate that it is not much bigger than one year's budget. Indeed last year it was approximately the same size, and if the population of this province continues to increase at the announced projections — that is, 8 million to 10 million forecast for the year 2000 — the annual budget may very well outstrip that fund in the future.

Something else I remember about 1976 was the awakening of the OPEC countries to the realization that oil was more potent than dollars in playing the game of international power politics. Of course that was the year of the first energy crisis in the United States, a crisis that seems destined to be perpetuated for some time. In '76 the economy was generally healthy in both the United States and Canada, but such is not the case today.

I was interested in the leading paragraph of the market report from Toronto last Friday night, which stated:

Canadian stock markets, hypnotized by the power of oil and gas stocks, are paying no heed to signs that the economy is in trouble. One would expect a poor performance in the face of rising energy prices, a poor Canadian trade balance, and a slowing economy in the United States

Yes, there are signs, Mr. Speaker. April was the worst month for the balance of trade in the history of the Canadian economy. We look forward to better things in view of the recent election. A falling dollar, a frighteningly falling dollar; however, it has its good side in that it increases international trade. If we had the worst balance of payments on record in April, I shudder to think what we would have with a par dollar.

Inflation throughout the western world, and all the world for that matter, is once again mind-boggling. I understand the state of Israel expects a 90 per cent inflation rate this year. And in spite of what appeared in the budget about an 8 per cent inflation rate in the United States, my favorite program, *Wall Street Week*, predicts double-digit inflation for the United States this year. Of course the most frightening of all is that fast-climbing gold: \$289 last week and a prediction of \$300 before the end of this year. I would say \$289 last week indicates \$300 long before the end of the year. Purchase of gold is very disturbing at any time, be-

cause gold does not produce revenue or dividends. Buying gold indicates a lack of faith in paper currency throughout the western world. The purchase of gold is not an investment; it's a hedge against disaster. However, that's the bad news.

I thought the media was very good to Alberta last week. We got the United Nations' conference on the oil sands and heavy oil: 350 delegates from 34 different countries and a most optimistic outlook for the future of our oil sands, Mr. Speaker. Gateway announced its inaugural flight hooking up Edmonton, Jasper, and Vancouver. If they could only include Banff in their itinerary, it would be an overnight success. And a further announcement that the Edmonton-Calgary air corridor is the second busiest in this country — second only to Toronto-Montreal. So all the news of last week indicates that the vibrant economy of Alberta is set to continue for some time.

Mr. Speaker, critics will of course point to our great fortune in having and finding the resources of this province at the right time. I don't think anyone will deny that it's an accident of geology and a political decision; that is, the 1931 amendment to the BNA Act that gave us sovereignty over our own resources. However, many areas of the globe have resources equal to, if not in excess of ours. Alberta's good fortune is also good management, and that is bound to be tested in the next few years.

I was interested in one of the headlines in our local newspaper last Saturday night: "Budget Goodies Reveal Signs of the Tory Conscience". I would suggest, Mr. Speaker, that Alberta's concern for the seniors, the sick, the handicapped, and those who are unable to look after themselves did not start last Friday night. I have compared notes with contemporaries in other jurisdictions. I have read of conditions in Canada, the United States, and overseas. We have corresponded with relatives and friends there. I would suggest that our seniors, our disadvantaged are looked after in Alberta as well as any other place on the globe. And I couldn't be more pleased that they are.

Mentioning the senior citizens for a moment, I heard the hon. Leader of the Opposition state this afternoon that it appeared the members of this Legislature were reluctant in their support of the home care program a year ago. I would suggest, Mr. Speaker, that he look over *Hansard* for that debate, because I quite distinctly remember speaking of the senior citizens who were in my constituency at that time; that is, the Inglewood area, which is so ably looked after today by the Member for Calgary Forest Lawn. I know of no area where the seniors have a fiercer attachment to their particular area. They want to stay in that area and in their own homes. Our senior citizens' renter assistance program and the \$2,000 projected home improvement plan are going to make those dreams come true for those people.

Of course when we speak of seniors, our health care programs are totally tied in with them. No increases in premiums for '79; the operating costs for auxiliary hospitals and nursing homes increased by \$99 million: all good news for the seniors.

I'm particularly pleased, Mr. Speaker, to see that \$300 million has been assigned for the medical research foundation in Alberta. I hope we can look forward to having a second Mayo in our time in this province. Of course our continuing dedication to research in the fields of cancer and cardiovascular disease is a great

credit to our province.

I was also quite happy with the announced 10 per cent increase in workers' compensation payments and will be pursuing the minister on this one to determine what the minimum and maximum pensions shall be.

The assured income is a great stride in the care of the handicapped: \$35.6 million assigned for this fund. I would respectfully suggest, Mr. Premier and members of the Assembly, that it adds dignity to life to receive a pension rather than the previous type of payments.

Aids to daily living program, wheel chairs, respiratory equipment, ostomy supplies — once again I will be approaching the minister on this to see if we can't include the care and feeding of seeing-eye dogs under this heading.

Municipal debt reduction is of particular interest to my constituency, Mr. Speaker. A very large area known as the Properties contains first home owners, young Couples. Protection against increases in property tax is most important to this area.

The transportation grant of \$750 million for urban transportation will obviously improve the quality of life, but it is most needed in developing areas in the northeast of Calgary. I sincerely hope the city of Calgary will see its way clear to assigning some of the early funds to the improvement of McKnight Boulevard.

It is impossible, Mr. Speaker, to go over the complete budget. One would feel almost like a kid in a candy store. But I am also very heartened to see the corporation income tax reduction from 11 per cent to 5 per cent. Improvements such as this are essential for the long-term healthy economy. As stated in the budget, "The private sector is the engine of our vibrant economy". Our high standards of living and quality of life are connected in no small way to the efforts of the entrepreneurs and the private sector in this area of the country. We as a government have a distinct responsibility not only to encourage, but to nurture and assist free enterprise, particularly in the form of small business, the backbone of our economy.

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

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, this evening the House will be dealing with second reading of Bills. I move we call it 5:30.

MR. SPEAKER: Before calling it 5:30, could I ask hon. members if they would kindly leave on their desks, if not now then tonight before they go, their copies of *Standing Orders*, so that the good fairy from the office of the Law Clerk may come along and put in the amendments that have been adopted by the Assembly.

[The House recessed at 5:29 p.m. and resumed at 8 p.m.]

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 21 The Municipal Debt Reduction Act

MR. MOORE: Mr. Speaker, I move second reading of Bill No. 21, The Municipal Debt Reduction Act.

Mr. Speaker, before I begin with respect to benefits that are provided in this legislation in municipalities across this province, I'd like to review very briefly where we came from. The British North America Act sets out the powers and responsibilities of the government of Canada and the several provinces of Canada, including Alberta, which make up our country, together with the Territories.

Each level of government has responsibilities and powers, among them the power to tax. In the case of our government, our powers of taxation are equal to other provinces in Canada, different in many respects from those of the federal government. In addition, through the Natural Resources Transfer Act in 1931, we were provided the responsibilities for the ownership, management, and stewardship of our natural resources.

Perhaps more important to our discussions this evening, Mr. Speaker, through the delegation of power to this province in the British North America Act, we were provided the power, authority, and ability through this Legislature to provide legislation that would allow for the development of other forms of government. In our case, as is the case right across Canada, we opted to introduce legislation that would provide for a local form of government. In the case of Alberta, that local government is largely governed by The Municipal Government Act and is provided a resource base by way of our municipal taxation legislation.

Mr. Speaker, if you look back to when Alberta first became a province, property tax traditionally provided almost the total base for municipal finance. In addition to providing that total base, property tax and the operations of municipal government provided a great deal more of the services than is traditionally appropriate or is the case in 1979.

For example, in the beginning, and until recent years, there was no such thing as unconditional grants. There was little or no sharing at the provincial level with regard to costs of hospitals and of schools. Many programs of social assistance were provided by the local tax base, with little or no cost sharing by the province. The cost of local road construction was borne almost entirely by local governments through that property tax base.

Mr. Speaker, you could go on with respect to the responsibilities local government had before 1979. I think we've moved fairly dramatically over the course of the last eight years in particular, in accepting greater responsibilities as a provincial government for some traditional services which were provided by our local governments.

For example, we got involved in things like street assistance — some \$750 million in major urban transportation grants over a five-year program in the most recent one announced. We got involved in financing to almost 100 per cent the cost of constructing, paving and, in some cases, even maintaining a network of secondary highways across this province, many of which lie on rights of way that were the total responsi-

bility of local MDs and counties before 1971. There have been grants to every single municipality in this province, to improvement districts in the rural areas, to the special areas, the MDs, and the counties for the work they necessarily have to carry out today in maintaining their local road systems. For the large part those have been unconditional with respect to the manner in which municipalities utilized them to improve their transportation network.

Mr. Speaker, in 1972 we moved to providing 100 per cent of the costs of constructing and operating hospitals in this province. We moved as well in terms of reducing the burden on provincial property tax payers, with the introduction again in 1972-73 of the Alberta property tax reduction program, with the entire 28 mills of school foundation levy on residential property and farmland removed.

I could go on, Mr. Speaker, to talk about very extensive programs that never existed prior to 1969 with respect to the Department of Environment in assisting and developing water and sewer services. I don't even know the figures for 1979-80, but I know the Minister of Environment will be quoting those during estimates. They're pretty extensive. We're moving more rapidly all the time into cost sharing a very substantial portion of those services.

The Department of Housing and Public Works and the Alberta Housing Corporation are involved extensively in things like land assembly and assistance in developing residential and commercial serviced lots. In practically every community in Alberta that department and the Alberta Housing Corporation are at work doing things that used to be done totally by local government with the local tax base from the property tax payers. Extensive agriculture service board programs; major recreation facilities grants, again introduced in 1973-74, of \$100 per capita: I never heard of those kinds of things, Mr. Speaker, when I was growing up in rural Alberta. Anything we built we had to build on our own or from what meagre amount we could get from the local property tax.

The list goes on and on, not to mention pretty extensive unconditional grants in 1979, more than \$70 million in this year alone with no strings attached, provided on the basis that those who are in need get greater treatment in terms of those per capita grants than those who have a large, more appropriate, and flexible assessment and taxation base.

Mr. Speaker, I open this debate on Bill 21 with these comments, because I believe in 1979 and since our election to office in August 1971 the government of Alberta has not in any way been ungenerous with respect to assuming some of the burden that local government had assumed over the years previous to that — not ungenerous even without the \$1 billion municipal debt reduction program we're talking about now. Surely if you compare 10 years ago with the situation of 1978 in terms of municipal assistance, it's clear to everyone, and it takes time to analyse it, that the province's share of municipal government spending has rather dramatically increased every single year.

Mr. Speaker, coming to the question before us tonight in terms of The Municipal Debt Reduction Act, I want to say that the decision to provide \$1 billion to 349 municipalities across this province is perhaps not so important. Perhaps what is far more important for members of this Assembly and citizens of our province to understand is how it came to be that this

government had \$1 billion of revenue to distribute.

It would be pretty tough in 1979 had we not taken those hard decisions in '72, '73, and '74 to demand and speak strongly for a return on our natural resources for the people of this province. It would indeed be extremely difficult. It would be impossible to make a decision to transfer dollars of this magnitude from one level of government to another, had it not been for that stewardship, that resourcefulness, that dedication to ensuring that Albertans should receive a fair return for what belongs to them, what is rightfully part of Alberta.

Mr. Speaker, I want to close my remarks by talking about the future. In the two months that I have had responsibilities in Municipal Affairs, for this legislation, and for municipal financing, some suggested to me that, oh yes, in 1982 or 1983 you'll come up with another billion-dollar program; maybe we can just go on going in debt, not really caring that much about what we spend or what kind of value we get for our money. I think it's incumbent upon me tonight, Mr. Speaker, to assure Members of the Legislative Assembly that there is no intention, no likelihood, probably no possibility that any program of this magnitude, on a one-shot basis, to repay municipal debt, will ever occur again. It's never occurred before in any province in the history of Canada. I'm unaware that it has occurred anywhere in the world, when you consider a transfer of that amount of funds on a largely unconditional basis to another level of government, without some kind of standard agreement.

So the message to the 349 municipalities in this province and the people who elect and support them really should be to be careful over the course of the next several years in the management of their funds; to be careful with respect to the demands for additional funds citizens might place on them because they know the province will come in and pay the bill. That isn't going to happen, Mr. Speaker. I would like to think that in the next four years every municipal government in Alberta would continue their operations in terms of responsibilities in financing, collecting taxes, and providing services the same as they might have had we not had this program.

Be frugal. Be careful. Be good managers. There's a wave of thinking across both our country and our neighbors to the south that governments spend too much, that when we get into the stage of spending what's equal to 40 per cent of our national economy, we're heading into a situation that cannot do anything but bring us bad news down the road. So I think we should enter and close this debate with the thought that it will be the last one in this Legislature on a \$1 billion program of transferring funds to municipal government.

On the other hand, Mr. Speaker, a considerable amount of work is to be done over the course of the next couple of years. In terms of different methods of sharing the growing assessment base in this province, the Provincial-Municipal Finance Council has been meeting for almost four years and has finally completed its report — copies of which will be made public toward the end of this month, when we have sufficient copies to provide for everyone — that indeed deals quite extensively with the question of property tax, assessment, and the sharing of industrial and commercial property assessment in Alberta.

We have in this province the fastest growing industrial and commercial assessment base in Canada. It is

indeed a very lucrative source of revenue to municipal governments. But we do have a situation where, through no fault of their own, some municipalities are not able to share in the growth of that industrial and commercial property assessment base.

In my view, it's incumbent upon us to consider various ways that might make it possible for us to share some of that growth that is largely the responsibility of decisions, the private sector makes, in co-operation and discussion with our government, to invest in some very large, world-scale, petrochemical, oil sands, and other kinds of plants; decisions that may to a large extent be made in other countries, where pipelines play a very significant and important role in the local assessment base.

After the conclusion of this program, which leaves our municipalities to the large extent almost debt-free, we'll be looking at ways in which, without any more programs of this nature, we can ensure that four or five years from now we can look back and say: that program paid off that debt municipalities had accumulated over a number of years, and since then we've been able to manage well enough in terms of property tax sharing, in terms of being good managers and, I think, in terms of being responsible with respect to the level of spending and the services we can provide to our citizens. Four or five years from now we'll find that we don't have that extensive debt load that had accumulated until 1979.

Mr. Speaker, I would like to ask all hon. members to support second reading of The Municipal Debt Reduction Act and in so doing to recognize that tonight you're discussing something unique in the history of Canada, perhaps unique in any country in the western world. It's an opportunity we have as legislators, not because of an accident but because in the election of this government in 1971 we undertook a very strong commitment and responsibility to obtain a return for our natural resources deserving of the people of Alberta, the owners of that natural resource. Through 1974 and '75 we moved under very difficult conditions to put back into the oil industry some confidence in this province, in this government. That provided us with some very, very extensive revenues, the large part of which are going into this legislation. The sale of land and oil and gas leases allowed us to do this.

Mr. Speaker, I urge all hon. members to support the legislation.

MR. R. SPEAKER: Mr. Speaker, one of the things I learned a number of years ago was good advice from my mother, and I thought it was a very appropriate saying. As I sat here listening to the introduction of Bill 21 by the minister, it again rang very loud in my ears. She said that self-praise is no recommendation. As I listened to the minister stand there in his place and attempt to tell us here in this Legislature that the wealth of Alberta started in 1971, that he has provided for the municipalities a one-shot deal that they shouldn't ask for again — that he could stand in his place and say in a threatening manner that they have to be responsible I think, Mr. Speaker, just isn't acceptable. That type of attitude of this government to the citizens of Alberta and, through Bill 21, to the municipalities prevails: a government and a minister attempting to praise himself about what is being done without giving some due credit to the citizens of Alberta. Mr. Speaker, I really didn't intend to speak on this Bill,

but that alarms me very, very much.

Something else inherent in this Bill for the municipalities of Alberta is also alarming. We believe, supposedly as free-enterprisers — and our only member of the NDP is not here this evening — that local people have initiative, are responsible, can make decisions, and can do it as individuals or in a group. But if we don't provide them the dollars and the trust to do that, there is no way they can act as responsible citizens in this province. The minister has said that over \$1 billion will be provided to municipalities to reduce their capital debt structure. That's correct, and they appreciate that. It's given to them for that purpose. They may make some decisions about what is left over.

But there are some pitfalls in that whole area. One, we repay loans that are at a lower interest rate than the loans they will have to make for new capital structures, future capital debt and capital money. Did we really help them in that area?

We look at the minister praising himself and the government about providing money to municipalities to help them. They have to be responsible, and they should control their taxes and be careful in their expenditures. At the same time we have the Minister of Education acting in a niggardly manner with the local school boards, who in turn pass on their responsibilities to the counties or municipal councils. Because of that very fact, we find that taxes are increasing across the province. I hear of 10 per cent, 8 per cent, 9 per cent, and 12 per cent tax increases across the province, when this debt reduction Act we're now passing was supposedly going to alleviate that. Sure, it reduced some of the capital debt of the municipalities, but it certainly didn't do anything to relieve the taxpayer at the local level.

We talk about giving responsibility to local authorities. Most grants that come from the Department of Education tie the hands of the local school committee. To try to meet their ongoing budget to pay for teachers and operate schools, they've had to increase taxes to their local taxpayers.

Mr. Speaker, we talk about all the great things we do here at the provincial level, the praise they lay on themselves. Well, the only time I could see any self-praise is when the minister could stand up and say: the people at the local level have been given dollars and the opportunity to make some independent decisions, determine where local governments are going, set some of their own priorities, and be able to spend the money and the wealth of this province — wealth that has come from oil and gas, royalty revenue that certainly wasn't discovered by the Minister of Municipal Affairs, any other minister, or the Premier of this province. They had very, very little to do with it. They lucked in, to become government when we were sitting on the wealth of the world.

Mr. Speaker, the way that presentation was made here this evening is just not acceptable. I think that was totally irresponsible, in light of the responsibility of the Minister of Municipal Affairs to local governments and local taxpayers of the cities in this province. Sure, municipalities appreciate the \$1 billion, but it didn't allow them the flexibility that was necessary. It certainly isn't a very responsible approach to the Bill when the minister makes those kinds of speeches lacking in humility.

I wanted to add that remark, and I do have some

specific questions for the minister in Committee of the Whole.

MR. MUSGREAVE: Thank you, Mr. Speaker.

Sitting on this side, one of the problems is that sometimes we tend to think we're part of the opposition.

AN HON. MEMBER: Speak for yourself.

MR. BATIUK: There are a few empty chairs there, if you want to go.

MR. MUSGREAVE: No thanks, John.

Mr. Speaker, I'd like to make a few comments. I'm always amused when I hear the hon. Member for Little Bow speak, because I have the advantage that some members of this House don't have. I was a city alderman when he was a minister — I'm not sure of the department, I think it was human resources. I was a city alderman begging them for money so we could keep our Meals on Wheels program going. But now that I'm an MLA, unfortunately I can't agree with the Minister of Municipal Affairs that perhaps we have all the knowledge and those chaps down at city hall, or those ladies looking after local affairs, are not acting quite as responsibly as they should. Mr. Speaker, I don't think that's the situation at all.

Speaking now from both sides of the fence, or both sides of my mouth, I think the constant cry for revenue sharing is really not a cry for revenue sharing, but is actually a cry based more on greed than on principle. When I was a city alderman, I did not support the idea of revenue sharing. But I do support the idea that responsibilities of local levels of government should be clearly defined, and the ability to raise money to look after those responsibilities should be clearly set out.

I sympathize with the municipalities of Canada when they say that if the constitution is rewritten, we have to look at these city states, or whatever we choose to call them. They are a very important part of our society. We are now living in an urban society where two-thirds of our people live in these centres. They're not living on farms and in small villages and hamlets like they were a hundred years ago, when the constitution was written. So these voices are going to have to be heard. Unfortunately, it's going to be very difficult for these voices to penetrate the halls of power, because no politician likes to share power. Let's be honest; it's going to be a great struggle. It's already a struggle between the provinces and the federal government, and likewise it's going to go on between the cities and the provinces.

Mr. Speaker, when I was an alderman for seven years, it was great sport to criticize Edmonton for being insensitive. We could always blame them: they were rich, they wouldn't listen to us, and that was the end of it. But I always was concerned too that the province had such a low profile in our cities. We didn't really know who they were. We hardly knew who the MLAs were. It didn't matter if they were members of Executive Council or not, we never heard about them, particularly in Calgary.

Many of the things they are responsible for under the British North America Act also have been delegated by the province. For example, the local board of education looks after educational needs; granted, the department lays down principles, but still the local board

does the work. Likewise we have our local health boards and local hospital boards. In earlier days, higher education was started by local religious groups.

So the province, as such, was not a high profile in our communities. Frankly, I think it should be. This is why I support, for example, the improvement of the grounds in Edmonton. I disagree very strongly with the Leader of the Opposition. If you don't do it now when times are good, good grief, when are you going to do it? If we listen to him today, back in 1905 — or whenever it was that this building was started — they wouldn't have built the building, because they should have done lots of other things in those days; they certainly shouldn't have built this beautiful building.

Mr. Speaker, the province is responsible for many areas: health, environment, education, and social welfare, to name a few. But as I mentioned earlier, MLAs can talk about the day care program, they can talk about the home care program, they can do any number of things, but they will not get a word in the paper. Even if they're a member of the Executive Council, it's not likely they'll be heard. Yet a local alderman can do anything, silly or responsible, and he'll get his name in the paper; it will be reported.

I happen to think that the local level of government is tremendously important in our nation. Believe it or not, Mr. Speaker, they are the people who determine the kinds of roads you have and what kind of condition they're going to be in; they decide whether your garbage is going to be picked up weekly, every two weeks, once a month — it may be a minor thing, but it's damned important when it isn't picked up. They determine the kinds of parks you have. They determine how your streets are going to be lighted.

For example, in the city of Calgary we determined that we didn't like the ambulance service we had, and we changed it. We brought in our own service, and it's costing us millions of dollars. It's one of the best in North America. As I've said many times before, I think it should be paid for by the province of Alberta, because, in my view it's a health service. These are the kinds of things the local level of government can do.

Mr. Speaker, I agree with the minister that the province has not been ungenerous. On the other hand, the province has had the capabilities to be generous. But I think we should be striving for a definite clarification of powers. I would urge the government to consider, that we should work in this direction. As for the debt reduction program, I think local governments in our province have shown good stewardship. I would suggest that the hon. minister take a look at the debt we have incurred in the city of Calgary. He would see that it was substantially below what we were allowed under the provincial Acts. I'm not commenting on the city of Edmonton, because they had a unique situation. They had utility debt we didn't have, and obviously needed larger amounts of capital. I would suggest to you that the number of homes seized for non-payment of taxes is practically nil.

I don't think we should be lecturing the local level of government, and I suggest to the hon. minister that's how it came through to me: a lecture about good stewardship. We all need that lecture. We all need to be a little more frugal. When I see this huge volume of reports coming through; beautifully printed on glossy paper in a variety of colors, I think: good heavens, we could start a little frugality right

here.

I agree governments spend too much. We have too many on staff. Perhaps we should do as the federal government is doing: freeze the civil service. That might be a way to start.

Mr. Speaker, I'd like to come back to the Provincial-Municipal Finance Council, which the minister touched on. If nothing else, I think we should tax wealth in this province, no matter where it is located. Whether it's on the farm, in the city, in businesses, in transmission lines, or wherever, it should be taxed; it should pay its fair share. I would suggest to you, Mr. Speaker, this is not the case today. I think the idea of ensuring industrial development, particularly future industrial development in the cities, is excellent, and should be carried out on a pool basis.

We should be looking at means whereby cities can raise their own money. I don't agree with members of the opposition that local municipalities have difficulty raising money. That's absolute nonsense, because many municipalities in the province of Alberta don't even have debt. I suggest to you, Mr. Speaker, that situation exists in very few provinces in Canada. In my seven years at city hall, we never seized one property for non-payment of taxes. As a matter of fact, most tax bills were paid up far in advance, and people were earning interest on prepayment of taxes. If citizens are poor, as some people would have us believe, why are they paying their taxes in advance? More important, why do so many have title-free homes? They're paying their taxes themselves, not through the mortgage companies?

Mr. Speaker, one other point I'd like to make is kind of interesting. No one's touched on it yet. Of this \$1 billion we are putting out, approximately \$760 million is going to flow back to the province. Perhaps people are not aware of this. What's going to happen is that, in effect, their local debt is going to be eliminated, and the savings on that debt are going to be passed on to the citizens of Alberta. Those municipalities that were fortunate enough not to have debt — by the way, Mr. Speaker, I don't agree that a municipality that has no debt is necessarily one with good management. Quite frankly, they should be building their roads and doing the things they should do. This idea of not spending money and not having any debt is not necessarily good stewardship, particularly in inflationary times.

My city, Calgary, will save about \$25 million a year. That's roughly 18 mills. I think that's worth something. I'm a little concerned that it's not going to be passed on to me. I think they said it was going to amount to about \$2, because the school board has raised the ante they want. Be that as it may, Mr. Speaker, we are supporting local autonomy.

This is one of the things that happens when you pass out huge sums of money: \$250 million of debt written off the city of Calgary. But what are they doing? They're spending hundreds of millions on LRT. We support local autonomy. I know the government's position is, let them do it if they want to. This happens to be one member of government who thinks they're doing the wrong thing.

Mr. Speaker, I'd like to make one last point. I heard a radio program this morning. I think the city of Calgary's share for our civic centre is roughly \$160 million. They were asking people on the street what they thought of this, and one chap said, why worry,

Uncle Peter's going to pay the bills. Mr. Speaker, that's what worries me. The hon. minister can say this is a one-shot deal and we won't be pressured into a future commitment at this time. I wish I could be as assured as he feels, because I do have my doubts. Having made this commitment, I can see them knocking on the door again in the future, unless we delineate the responsibilities carefully, tell them the areas in which they can tax and then let them have at it. Otherwise we are going to have this continual harangue and harassment down through the years, with the opposition using it as a battle cry.

I always like to applaud the opposition, because I think they are partly responsible for our heritage fund. I remember the day on city council when they cut off our share of the revenues. A few years later when the price of gas and oil skyrocketed, we were able to take the excess revenues and put them in the heritage fund. But if we'd still been locked into the program they had, we would have no heritage fund today.

Thank you, Mr. Speaker.

MR. LYSONS: Mr. Speaker, I'd like to say a few words in support of municipal debt reduction. I think it's timely and great that we were able to have this money available, and to use it in such a manner. It seems the opposition members are attacking, when it wasn't just more than a few months ago that they were saying we should be using our heritage money and our revenue money for this type of thing. Now, because the minister had done such an eloquent job presenting the Bill, they are attacking him on the way he did it.

This municipal debt reduction plan is giving our rural governments some needed breathing room and some latitude they never dreamed possible. In most cases, particularly rural municipalities, they're going to have some extra money available and an opportunity to feel themselves out and feel how people will react to their having extra money. As the minister said, with the new assessment municipalities are going to have, with the extra growth in our rural areas, it's only going to be a matter of a few years until they won't have this particular pressure on them for new services. Generally, the rural counties are in a good financial position. The smaller towns have generally had the problem with sewage and water, garbage collection, and so on. But with the different programs in place through the minister, these won't be such a hardship.

I really wonder if the hon. Member for Little Bow understands that this particular debt reduction Bill isn't affecting normal grants and programs from the departments of Municipal Affairs, Recreation and Parks, Environment, and all the other various departments. In the way he approached this this evening, perhaps he feels this supersedes or is going to change some of these other programs. It's clear in this Bill that municipalities have to pay off debt costing over 8 per cent interest. I believe if we look very carefully, our normal loaning practices from the municipal corporation is around 8 per cent. I don't know where he arrived at his figures. When the minister sums up and closes debate, he should probably clear the air on that.

MRS. FYFE: Mr. Speaker, in speaking in favor of this legislation, the magnitude of this transfer of funds is unparalleled in our history, as has been pointed out, and I think should be treated in these terms. This program is extremely significant for municipalities

and in supporting the concept of local autonomy. For one who has gone through the local government process, I have, like the hon. member to the right of me, a very deep and healthy respect and understanding of the local government process, one that I think should be encouraged and supported.

Local governments have traditionally been dependent upon the property tax, which has been termed a regressive form of taxation *per se*, as it does not take into consideration the ability to pay. For example, the person living on a fixed income is unable to raise his or her source of income to cover increases in taxes. There's been a deep concern by elected local government officials over the last years for stability in the property tax. In fact these bodies have petitioned senior government to assume more and more fiscal responsibility, until in cases such as health units or hospitals, the province virtually controls or pays 100 per cent of the budgets. Many people are now concerned that this abdication of financial responsibility has also meant a loss of local autonomy. Mr. Speaker, this Bill, The Municipal Debt Reduction Act, contributes greatly to local autonomy. These funds allow new flexibility for planning and relief from debt burdens unknown for many years.

Alberta is facing a most challenging time in our history. Traditionally, local government was responsible for a limited range of services, as the hon. minister pointed out. These were often the hard services: water, sewer, and roads. But in recent years our society has moved from a predominantly rural-oriented society to an urban one. With it, there has been a resultant change in life styles that has provided a great deal more pressure for all levels of government to provide new services. I believe the greatest problem we face is the responsible management of our revenue in Alberta, together with the concern for the long-term commitments that our descendants will have to face.

To say that the province of Alberta has been frugal in its budgets or its allocation of funds to the education authorities is false. The province now pays two-thirds of the education budgets of local jurisdictions, and I certainly don't consider that frugal. To take that two-thirds and change it to 100 per cent simply puts the boards of education in the same position as the hospital or health unit boards. I use these examples only to show that there has been a shift of financial responsibilities from local to provincial levels.

I welcome this program, Mr. Speaker, not as a one-time program, but one in response to the problems faced by Alberta municipalities, a program that will assist municipalities in their struggle with inflation and the continual pressure for increased and improved services. The benefits of this program rest not only in the 1979 fiscal year, but in a relief of debt load that will free property tax dollars for future years.

MR. OMAN: Mr. Speaker, I think it's been an axiom of many years that two things were inevitable in life: one was death and taxes. If you live in Alberta long enough, maybe the last one will be eliminated, if things keep on the way they are.

My colleague from Calgary McKnight has stolen some of my thunder, because we sat next to each other on council for a good number of years. Nevertheless, I have to agree with him, in the sense that I take off my hat to municipal elected officials in our province. I know the kind of hard work they do, and the kind of

blood, sweat, and tears they go through every time budget rolls around.

I recall the first year I was chairman of finance and budget in Calgary, we struggled with what looked like about a 13 per cent to 15 per cent increase in local property taxes. It was interesting that when we got it down to somewhere around 10 per cent, there was an editorial in the local paper which said: it's a strange world in which we live, when we can say with relief that our taxes are only going to go up 10 per cent this year. Of course, that was in the midst of radical wage increases and so on.

However, I don't think we realize at this level the kind of target the local elected official is when it comes to the setting of taxes, because he's seen there right in the front line. He sets the property tax that hits the man right directly in the pocketbook. So there is a kind of accountability at that level of government which I don't think those of us in this area really realize.

I've said for a long time that I don't really think property tax is a particularly fair tax. I'm not sure there is such a thing as a fair tax. First of all, it certainly isn't inflation responsive. To some extent, property values and assessments have been readjusted in the last years, but not in the same sense in which inflation has taken place.

The other thing is that property taxes are not geared to the ability to pay. Now you can say that if that's the case, you should move to a cheaper house. But particularly our older people, our senior citizens, have lived very close to the inner cores of our cities, where property values, particularly land prices, have increased remarkably over the last few years. I know we've made some adjustments. But still I recall some of those people going through some real hardships because of increases they couldn't really afford to pay.

I still remember — I think it was about the third year, my last year, as chairman of finance and budget in Calgary, when the province loosened the purse strings considerably. I can't recall the figures exactly. That year as well our income was more than we thought. I guess we felt a little like the proverbial Little Jack Horner — obviously not the one we know — who, eating his Christmas pie, had stuck, in his thumb, pulled out a plum, and said, hey, what a good boy was I, because we got it down to about 6 per cent.

I suppose at this level of government we have a tendency to think this is our money. Certainly we are responsible for it, and we are here to handle it wisely. We're trustees. But obviously the money belongs to all the people of Alberta. I think it's fair and right that we should share in what, I have to say, is a very generous gesture to our sister level of government, the municipalities in Alberta. Maybe it's not totally what they mean, or what I foresaw, as revenue sharing; but certainly it's sharing of revenue. Undoubtedly it now gives our municipalities the opportunity to tackle some very necessary projects which they have wanted to do for some time, and should have been doing. I think of the civic square in Calgary, which has been a great need for that city for a number of years and which they will now be able to undertake. Again, I think there's a real temptation — when I first heard this mentioned in the election I thought, oh boy, this is going to be a licence to spend money on the municipal level like you've never seen before.

Therefore, Mr. Minister, you should make your statement again and again. At the same time, I rejoice

at the opportunity this gives to municipalities, to be able to come up with no tax increase this year. Certainly no municipality in Alberta should have a property tax increase.

So I applaud the government of Alberta. I urge municipalities to responsible action. Mr. Speaker, I think it's a fine gesture; I'm glad I'm here to support it.

MR. COOK: Mr. Speaker, if I might speak to the Bill as a representative of the city of Edmonton. We have some rather unique features in the political scene here in the city that I might address.

I think this Bill is one of the most generous and forward pieces of legislation the government has introduced. It's a showpiece and a recognition on the part of the province that urban areas have undergone a great deal of growth. The province has recognized, in a sense, its responsibility for some of that growth.

I think this has to be one of the most promising pieces of progressive legislation being introduced this year. But I'd like to look back in terms of the history of municipal debt in the province, and I hearken to the minister's introduction.

During the Social Credit years, as I understand it, Mr. Speaker — being a younger member, those years are somewhat distant for me — there was a time when municipalities received a fixed percentage of income from the General Revenue Fund of the province. That was fine when royalties were relatively small, when they were not an incredibly large percentage of the province's general income.

The point I'm trying to make is this: when royalties are extremely low, as they will be in the distant future when our revenues run out, or when they're extremely high, as we have them now, we get into a situation where an easy balance cannot be struck. I think we have a fairer system now, where the province is recognizing responsibilities in the funding of hospitals, schools, and social services, has taken away from the municipalities responsibility for funding those, and on top of that has assumed responsibility for funding some of the capital costs incurred over the last few years by municipalities providing services.

The municipal debt reduction program provides a grant of \$500 per capita and \$1 billion in sum to the municipalities of the province. It's going to be a program that will continue to pay dividends for the next 25 years, as we would normally have paid off the capital and interest on the loans that are being forgiven by the province or being paid off by municipalities. In effect, it's a revenue-sharing program for the next 25 years by the province with the municipalities.

If I might just address a couple of political problems in the city of Edmonton, we have a council that has accumulated about \$2,000 debt per capita. That compares with Calgary's debt of about \$1,000 per capita. If you want, the city of Edmonton has accumulated more or less twice the debt of the city of Calgary. That's a real credit to the hon. member who spoke just before I did, who was chairman of the finance committee of the city of Calgary.

MR. MUSGREAVE: Don't get carried away.

MR. COOK: It's amazing, though, to compare Calgary's record to Edmonton's. I suppose this is where the Minister of Municipal Affairs has wisely ad-

monished city administrations and, I would suggest, Edmonton in particular, to watch well the expenditure of their money.

Perhaps if I can single out one alderman in the city of Edmonton. I'm concerned about an individual, Mr. Speaker, who wants to take \$64 million that the city cannot wipe out, paying off its debts. This particular individual would like to have all municipal taxes forgiven for this year. It's perhaps a credit to the other 11 aldermen and the mayor, who have chastised this individual and suggested that it's highly irresponsible.

But what we really have is a small heritage savings trust fund for the city of Edmonton of some \$64 million. They've paid off most of the city's debts, other than those accumulated by utilities, and they have an extra \$64 million which they are going to use to pay off capital costs for this budget, things like roads and sewers. Mr. Speaker, if you look at receiving a return of perhaps 10 per cent per year, that means in effect that the province would be doling out an extra \$6.5 million a year to the city of Edmonton in terms of interest alone on the fund that the city has surplus to its needs today.

I was interested to look at some of the property taxes that are imposed by municipalities across the country on their taxpayers. It's interesting to note, Mr. Speaker, that in 1977 Edmonton's taxes were \$496 a year. That compares with Winnipeg's charge of \$752 and Vancouver's charge of some \$639. Ottawa hits \$708 per capita per year. I think that's very interesting, because it suggests Alberta municipalities are among the most generously treated in the country.

I close, Mr. Speaker, by noting that when the program was announced during the election, of all municipalities the city of Edmonton was the most vociferous in criticism, saying it wasn't enough. It's interesting to note that since details of the program have been announced, members of the Edmonton city council have seemingly been converted on the road to Damascus. They haven't been critical at all. They've been very pleased, I think.

When you take that into account with the \$750 million program for municipal transportation over the next six years and the \$300 million fund of the Minister of Housing and Public Works to help service residential lots, and you see the province funding additional hospital services in the city of Edmonton — I see the General Hospital is under construction — I think the record of this administration is one of generosity.

I might make one final point. The minister also noted there were some cases where municipalities did not share in the general prosperity of the province, perhaps because of accidents in nature, because they did not have a large tax base; for example, pipelines were not in the district or industrial assessment was not available. He showed some sensitivity to their concerns as well. I just close by saying that this administration has shown a remarkable amount of generosity and sensitivity to local needs, and recognition of the rapidly growing province and the problems that creates. I think Bill 21 stands well in the administration's general record. I'm very pleased to speak in favor of it and look to its adoption.

MR. HYLAND: Mr. Speaker, as I rise to take part in this Bill, the words of the Member for Calgary McKnight brought back some memories of the days he was on council in Calgary when revenue sharing ceased under the former administration. At that time I

was on council in Bow Island. Granted, we were dealing with budgets of considerable difference in total dollars, but in proportion to what it was costing the taxpayers. It is some fairly great shock when you're about half way through your budget and figuring on the grants you're going to get, when bingo, all of a sudden you find out: nothing coming, boys. How much do we get? The word comes back, well, we don't really know, but maybe — maybe — the same as last year.

I'm sure any other members who were involved in municipal politics well remember that time. You weren't sure if you were going to get any grants, and indeed if you were going to get them; what you were going to get.

The hon. Member for Little Bow said in his remarks that we should supply dollars, trust, and responsibility to local people. Well, in those days they supplied trust, not too many dollars, but a lot of trust and responsibility. They forgot the one thing that really makes wheels go around — the dollars.

Mr. Speaker, something has been said toward the school foundation program and that raising taxes has resulted from the cost of schools. The hon. Member for St. Albert brought this up. If it wasn't for the school foundation program started a few years ago and paid for out of provincial coffers, just think how high the school tax would be. It may be high now, coming from the supplementary requisitions, out of the taxpayer, but it would be considerably higher if that program hadn't been put into effect.

Another thing said was something about the . . . You know, Mr. Speaker, I'm going to have to improve my writing, because as I write it down quickly I have trouble reading my notes afterwards.

The member said something about, back in '71 or '72 we lucked in and were just sitting on it before that, or words much to that effect. He is very right in one respect: they were just sitting on it. It wasn't necessarily wealth that started in 1971, Mr. Speaker, it was good management.

This government came to power on a platform of fair market value for its natural resource. This program is a result of obtaining fair market value for our resource; it assists the people of Alberta with their tax burden.

Mr. Speaker, I urge all members to support this Bill.

MR. D. ANDERSON: Mr. Speaker, I am honored today to have the privilege of supporting this very significant and historical piece of legislation, which I believe will benefit Albertans, the citizens of Calgary, in particular the citizens of Calgary Currie, to an extent unparalleled in the history of my city and, I am sure, most urban and rural centres throughout the province.

In making my comments, Mr. Speaker, I would like to refer to some of the comments made previously by members giving their presentations this evening. In particular, I'd like to start with the hon. Member for Little Bow, who presented a very sincere case regarding our need to be humble, to make sure we understand that we were dealing with the money of the people of Alberta, and not to be arrogant in that kind of approach. I support that particular aspect of his remarks, Mr. Speaker. Indeed, it is the money of the citizens of Alberta that we're here to deal with. Indeed, we should be humble in representing our constituents and realizing that we sit here as representatives and not

as individuals in making those decisions.

But I take a great deal of exception to the suggestion that this kind of approach, this kind of planning, through good management and, indeed, through some luck with resources, has allowed us to create this atmosphere for the cities, towns, and municipalities in Alberta. I don't believe I heard the threatening remark the member alleged that the minister had made in his remarks. I recall him assuring municipalities that indeed they had to be responsible with their planning, and I would say the same to the members of this Legislative Assembly. Indeed, we have to be responsible, and we have to take on our shoulders that kind of frugal planning for future years. I find nothing threatening in those kinds of remarks, and I am somewhat disturbed that the hon. member would see fit to term his remarks in that way.

The Member for Little Bow also indicated that we are free-enterprisers, and as such we should be giving to municipalities the money, the control, and the ability to spend that money. I think he said — and I'm paraphrasing, Mr. Speaker — that the only time there should be self-praise on the part of this government is when the money and authority is given to the municipalities to spend. I certainly fully support the point of view that municipal officials are responsible, dedicated, and able to deal well with the problems of their communities. But we have to understand why a provincial government exists. A provincial government is here because we have an overall viewpoint of the future of this province, of the economy, of the planning that must take place, and of the kind of direction we should be establishing. No one municipality, no small town, no large city, can see our overall economic direction and plan accordingly.

MR. R. SPEAKER: Tell Joe Clark that.

MR. D. ANDERSON: Indeed the kind of remarks the hon. member is making now with respect to the current Prime Minister of the country indicates his lack of understanding of how one level of government relates to another and how one kind of plan leads to another. We have to clearly understand that. It's lucky with that kind of attitude that the hon. member is no longer on this side of the House. I would just like to say that the hon. Member for Little Bow and the opposition parties in the last election indicated there should be continual revenue sharing, a kind of cutting up the pot and putting it out to the people of Alberta. Indeed, if that were practical, I don't think we'd require a provincial government. If that kind of philosophy and approach were essential, I don't think there would be a place for the kind of overall economic planning we need to do.

In closing, I would just like to quote again some of the statements made by the hon. minister, which I don't find arrogant. After they're made, the hon. member opposite may indicate that he feels differently. He said that in the future there is no intention, no likelihood, probably no possibility of this happening for a second time. I think that's necessary to lay on the table. That's honesty. That is being straightforward and direct with municipalities, so they understand what they are doing and can plan and use the kind of responsibility the hon. member has suggested they should use.

The hon. minister indicated that we must be frugal, careful, and good managers. I can't imagine how anyone would take exception to those kinds of remarks,

especialy a free-enterpriser, Mr. Speaker. The minister said that this is something unique in western Canada, probably in the history of the world. Indeed I think that's true. In this period of world-wide inflation, we can see municipalities not increasing their taxes and, in many cases, decreasing them.

I think it's a responsible program. I'm honored to support it, and I call upon all members of this House to vote for it in second reading.

MRS. OSTERMAN: Just a few remarks, Mr. Speaker. In addressing myself especially to the comments of the hon. member of the opposition, I'm really not sure what word would most aptly describe how I felt after he had spoken. I guess I was very appalled at his remarks. After having spent some formative and adult years under the previous administration, and having been somewhat active politically and trying very hard in an unpolitical way to get a response in many areas from the previous administration — I might add, with absolutely no success — I was very surprised, and I suppose "appalled" would be an appropriate word, at his remarks.

I would have to agree with almost all the comments made here so far this evening, Mr. Speaker. I believe it was the hon. Member for Calgary North Hill who first said that indeed the money we're talking about belongs to all the people of the province. The hon. Member for Calgary Currie described very eloquently, as he always does, the different levels of government and their responsibilities.

I have to remind everyone, and myself, that I'm a novice at this, even though many times I consider myself an expert. But it occurs to me that the role of the provincial government, as I see it, is certainly responsibility for all the people of this province, and at any given time there are going to be areas that are adversely affected, for whatever reason. I don't really understand how anybody can be a proponent of the kind of revenue sharing the hon. Member for Little Bow is describing and still maintain the overall view one must have of the province in order to redress whatever imbalances occur over time. Certainly when it comes to planning for the whole province — and in the course of the election I believe we fairly presented our programs and the options, and the opposition also fairly presented theirs — the people indeed showed they were happy and felt fairly positive with the kinds of programs and planning we had done. I don't think that indicates a lack of support for their municipal officials, but certainly I see that there's a pretty fair distance between the two levels of government. It's not necessarily that one is more responsible than the other, but in fact each of us has different responsibilities.

I really have no more comments, other than to reiterate that I certainly was in agreement with the way the minister placed his case in support of his Bill when he made his initial comments. I didn't have a problem with the way he stated that case. I felt it was very positive, honest, and straightforward. I'm delighted to be supporting this Bill.

DR. C. ANDERSON: Mr. Speaker, I'd like to rise at this time to speak on behalf of this Bill, the municipal debt retirement program. I'd like to take this moment to dispel some of the comments that have been coming from our official opposition.

The official opposition has said this was their pro-

gram, that we're just giving the money over after they've told us to do it. I'd like to remind the official opposition that within the Conservative Party over the last few years, several delegations and delegates, residents of our municipal bodies, and members of our constituencies have been at several policy and platform seminars. At these seminars the delegates requested that the provincial government come to the assistance of the municipal bodies in need of help. At these seminars it was brought up that probably one of the best ways of helping out the municipal bodies was to offer a one-time debt retirement program.

That recommendation was taken to caucus. From caucus, under the able management of the previous minister from Lethbridge East and the present administration of the hon. minister from Smoky River, we had this program brought down. It was kept in strictest confidence until the election, and was announced at that time.

This program is going to help every municipal body and every taxpayer in Alberta. In my own constituency, for example, the county of St. Paul No. 19 has been through a number of bad years with a bad debt load. The problem came to the point where the province had to establish a controller. At that time the province even funded an extra \$100,000 a year to bring the county out of its troubles. With that program and this, the county will be debt free for the first time; not necessarily debt free, but will be to the point where it'll be able to establish its own mini-trust fund.

Even so, there's still the problem of areas wanting more. Now that we have our surplus, the county still wants their \$100,000 a year, regardless if they're out of debt. They're not satisfied. There's still a problem of one division and one councillor fighting and bickering over the funds already given. So we still have to caution our municipal bodies to be careful and to be realistic in their requests.

Mr. Speaker, I'm in favor of this program. I too feel it is a once in a lifetime program and that municipal bodies can't expect to be getting it every four or five years. I don't believe it was strictly a campaign tool. I believe it was done in the best interests of all citizens of Alberta. I'd like to encourage every member of this Assembly to vote for second reading of this Bill.

Thank you.

[Motion carried; Bill 21 read a second time]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **GOVERNMENT BILLS AND ORDERS** (Committee of the Whole)

[Mr. Appleby in the Chair]

MR. CHAIRMAN: The Committee of the Whole Assembly will come to order. We have certain Bills for consideration.

Bill 5 **The Libraries** **Amendment Act, 1979**

MR. CHAIRMAN: Are there any comments, questions, or amendments to Bill No. 5?

[Title and preamble agreed to]

MRS. LeMESSURIER: I move that Bill No. 5 be reported.

[Motion carried]

Bill 9
The Public Lands
Amendment Act, 1979

MR. CHAIRMAN: Are there any questions, comments, or amendments?

MR. MANDEVILLE: Mr. Chairman, in 14.(1) "The Minister may, in a disposition, prescribe terms and conditions to which the disposition is subject". Could the minister indicate if that means where a lease is being assigned or somebody is assigning a lease to someone else? Also where they're putting in the word "mortgage" in Section 42, I'm wondering if that means that at the present time Alberta development corporation and Farm Credit can register mortgages on leases. Does this mean that other mortgages be registered on leases?

MR. MILLER: Regarding the adding of "mortgage", lending institutions specifically wanted that aspect so they would be able to grant credit to the young farmers trying to purchase land in which a large part of the transaction was leased land. If the hon. member recalls, he brought this to my attention, I think in April or May, and I referred to that aspect when I said that would be coming forth in this legislation.

Section 14 will permit the inclusion of terms and conditions in disposition of public lands to ensure good land-use practice, as well as the protection of wildlife, Mr. Chairman.

[Title and preamble agreed to]

MR. MILLER: Mr. Chairman, I move that Bill No. 9 be reported

[Motion carried]

Bill 10
The Public Lands and Wildlife
Statutes Amendment Act, 1979

MR. CHAIRMAN: Are there any comments, questions or amendments?

[Title and preamble agreed to]

MR. MILLER: Mr. Chairman, I move that Bill No. 10 be reported.

[Motion carried]

Bill 15
The Attorney General Statutes
Amendment Act, 1979

MR. CHAIRMAN: Are there any comments, questions, or amendments?

[Title and preamble agreed to]

MR. CRAWFORD: Mr. Chairman, I move that Bill No. 15 be reported.

[Motion carried]

Bill 17
The Workers' Health,
Safety and Compensation Statutes
Amendment Act, 1979

MR. CHAIRMAN: Are there any comments, questions, or amendments?

[Title and preamble agreed to]

MR. DIACHUK: Mr. Chairman, I move that Bill 17, The Workers' Health, Safety and Compensation Statutes Amendment Act, 1979, be reported.

[Motion carried]

Bill 20
The Department of
Tourism and Small Business Act

MR. CHAIRMAN: Are there any questions, comments, or amendments?

[Title and preamble agreed to]

MR. ADAIR: Mr. Chairman, I move that Bill No. 20, The Department of Tourism and Small Business Act, be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole has had under consideration Bills 5, 9, 10, 15, 17, and 20, and begs to report the same.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, it's not proposed that the House sit tomorrow evening.

MR. SPEAKER: Before adjourning the House, could I mention again to any members who have not had their *Standing Orders* brought up to date by the staff of the Law Clerk of the Assembly, would they please leave them out so the amendments that have been recently adopted may be inserted in them.

[At 9:28 p.m., on motion, the House adjourned to Tuesday at 2:30 p.m.]