

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, April 16, 1981 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SPEAKER: I have the honor and privilege this afternoon of introducing to members of the Assembly, Senator the Hon. Dr. Wahid Ali, who is president of the Senate of Trinidad and Tobago. Dr. Ali has held this position for the past 10 years, and during that time has played a prominent role in the affairs of the Commonwealth Parliamentary Association as well as in political and community affairs of his own country.

In the country of Trinidad and Tobago the president of the Senate, the position Dr. Ali holds, represents the head of state when the head of state is not there. I should say in passing that Dr. Ali has informed me that in the elected House in Trinidad and Tobago it is the custom to allow one supplementary. I would ask the Assembly to join me in welcoming Dr. Ali.

May I also draw the Assembly's attention to a former and respected colleague of ours, the former Member for Drayton Valley, Mr. Rusty Zander, who is also in the Speaker's gallery. Perhaps he would acknowledge our welcome.

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

MR. BRADLEY: Mr. Speaker, I request leave to present the report of the special committee appointed to prepare lists of members to serve on select standing committees of the Assembly.

head: INTRODUCTION OF BILLS**Bill 30****The Tobacco Tax Amendment Act, 1981**

MR. D. ANDERSON: Mr. Speaker, I request leave to introduce Bill No. 30, The Tobacco Tax Amendment Act, 1981. In principle, the amendments included in this Act will do two things: first, propose ways in which officials may be better able to investigate possible evasion of the tobacco tax; second, make stronger the penalties which may be applied to persons who purposely evade such taxes.

[Leave granted; Bill 30 read a first time]

Bill 34**The Dairy Industry Act**

MR. FJORDBOTTEN: Mr. Speaker, I beg leave to introduce Bill No. 34, The Dairy Industry Act. The intent

of this Bill is to update the present Dairymen's Act. The new Dairy Industry Act more accurately describes the scope of the industry covered and consolidates under one Act most of the scattered regulations covering dairying.

[Leave granted; Bill 34 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 30 and Bill No. 34 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: TABLING RETURNS AND REPORTS

MR. YOUNG: Mr. Speaker, as required by The Individual's Rights Protection Act, I am pleased today to table copies of the annual report of the Alberta Human Rights Commission for 1979-1980.

MR. RUSSELL: Mr. Speaker, I wish to table the annual report for the Department of Hospitals and Medical Care for the 1979-80 fiscal year.

MR. McCRAE: Mr. Speaker, I would like to table the annual report for the Alberta Department of Government Services for the fiscal year 1979-80.

MR. ADAIR: Mr. Speaker, I'd like to table the annual report of the Alberta Opportunity Company for the year ended March 31, 1980.

head: INTRODUCTION OF SPECIAL GUESTS

MR. PAHL: Mr. Speaker, on behalf of my colleague the hon. Member for Edmonton Belmont, it is my privilege this afternoon to introduce to you, and through you to the members of the Assembly, grade 5 students from McLeod school in Edmonton Belmont constituency. They are accompanied by their teacher Mrs. McKeen and capable bus drivers. They are seated in both the members and the public galleries, and I'd ask them to rise and receive the welcome of this Assembly.

MR. TOPOLNISKY: Mr. Speaker, I'm delighted this afternoon to introduce to you and to members of the Assembly 21 grade 9 students from the Radway school in the Redwater-Andrew constituency. They are accompanied by their principal, Mr. Gunderson, and bus driver Mr. Andruchow. They're in the members gallery, and I ask that they rise and receive the usual warm welcome of the Assembly.

MR. HEIBERT: Mr. Speaker, I'm pleased to introduce to you and to members of the Assembly 50 grades 5 and 6 students from Capilano school in Edmonton Gold Bar constituency. They are accompanied by their teacher Glen Munro and are in the public gallery. Would they rise and accept the traditional recognition of the House.

head: ORAL QUESTION PERIOD**Constitution**

DR. BUCK: Mr. Speaker, I would like to address the

first question to the hon. Attorney General. Has the minister had an opportunity to speak to the Premier to give us an update on what is happening with the premiers in Ottawa?

MR. CRAWFORD: Mr. Speaker, I presume the hon. member speaks of the meeting held today in Ottawa involving eight premiers. That question should normally be directed to either the Acting Premier or the Acting Minister of Federal and Intergovernmental Affairs.

DR. BUCK: Mr. Speaker, then I would like to direct that question to whoever that person may be.

MR. HYNDMAN: Mr. Speaker, acting I guess in both capacities today . . . I think at the appropriate time the House will hear from the Premier and/or the Minister of Federal and Intergovernmental Affairs and, on the next occasion on which the House meets, be in a position to answer questions with regard to what has been happening down there. Doubtless, members of the House and of the public of Alberta tuned in to the live broadcast this morning. Since that time there is nothing further I can report.

MR. R. CLARK: A supplementary question to the Acting Premier. Is the hon. gentleman in a position to indicate to the Assembly that the package the eight premiers put together and forwarded to the Prime Minister in fact was somewhat less than the package developed in Vancouver some months ago, and that for a province to opt out, rather than a two-thirds majority in an Assembly, it has to be a simple majority?

MR. HYNDMAN: Mr. Speaker, I think that's a proper subject for discussion. However, I think it would be premature to make those comparisons and judgments at this stage, with members and the public not having the detailed document which was agreed upon by the premiers. I would anticipate that when the House meets again, appropriate documentation will be tabled so that details of what the premiers have arrived at will be made known. I think that is probably the time to compare, balance, weigh, and assess those proposals with those of previous proposals in the last two or three years.

MR. R. CLARK: Mr. Speaker, one further supplementary question to the Acting Premier. In light of the fact that the Assembly will not be meeting until six days from today and that the matter is certainly on the mind of everyone in this province today, I would put this question: in light of what I understand is the rather uncereemonious rejection of the proposal of the eight premiers by the federal government, is the Acting Premier in a position to indicate whether the Premier will be going to London, in fact, to make direct representation to members of the British Parliament?

MR. HYNDMAN: Up to this time, Mr. Speaker, I have no official word as to the response of the federal government in the matter. Therefore I think it would be inappropriate as well to add anything at this time to those statements made in the past by the hon. Premier or the Minister of Federal and Intergovernmental Affairs with regard to that possibility.

Heritage Fund Logo

DR. BUCK: Mr. Speaker, I'd like to ask a second question of the hon. Provincial Treasurer. It has to do with the Tory blue and orange Heritage Savings Trust Fund logo.

SOME HON. MEMBERS: It's gold.

DR. BUCK: Oh, it's gold. Sorry, Mr. Speaker.

MR. R. CLARK: No, it's a pale yellow.

DR. BUCK: I realize the orange is fading a little, Mr. Speaker.

MR. NOTLEY: Part of the rainbow.

DR. BUCK: Can the Provincial Treasurer indicate how many firms were involved in the bidding to develop the Heritage Savings Trust Fund logo?

MR. HYNDMAN: Firms were not involved in the bidding in this case, Mr. Speaker, because the contract for that was given out on the basis of an Alberta firm which was known to have talent, to be able to provide what I think has resulted in a logo of which Albertans are very, very proud. A bold logo that indicates that Alberta initiatives are taking place. I might mention as well that the communication plan, of which the logo and symbol are part, follows strong recommendations, unanimous I believe, from the Heritage Savings Trust Fund committee.

DR. BUCK: Mr. Speaker, just so there's no mistaking the answer of the hon. Provincial Treasurer. The Provincial Treasurer says the invitation did not go out to public bid. It was just invited by Baker Lovick, or a firm. Yes. Just for a point of clarification, was that the same firm that ran the Tory campaign?

MR. HYNDMAN: Well, I guess success is found in many ways, Mr. Speaker.

DR. BUCK: And the compensation also, Mr. Speaker.

Mr. Speaker, can the hon. Provincial Treasurer indicate to the Assembly how many different choices were available to the committee or the persons who selected the colors in the logo? How many choices were presented to the selection committee or the selection person?

MR. HYNDMAN: Quite a number of choices were available, Mr. Speaker. But certainly the deep blue, reflecting the color of the Alberta flag and the skies of the province, and the gold, reflecting the agricultural prominence of wheat and grain, were found to be a pretty fair reflection and resulted in the kind of bold symbol that, in seeing those hopper cars at night in reflectorized form and on the sidings across the province, Albertans increasingly feel was a very good investment of the heritage fund.

DR. BUCK: Mr. Speaker, in light of the fact that we have a legislative committee on the Heritage Savings Trust Fund, can the hon. Provincial Treasurer indicate to the Assembly what consultation took place between that body and whoever selected the colors and the logo?

MR. HYNDMAN: There wasn't consultation, Mr. Speaker, because that is not within the ambit of the

committee. The committee, quite properly, has been set up as a policy committee. It's a committee representative of part of this Legislative Assembly, which very properly said that they felt there should be greater communication of what the heritage fund was doing for typical Albertans. They gave that mandate on two occasions, suggesting I should carry it forward and that the government should do that. The government has been responsive in following that up, as the record will show it has been with over 80 per cent of the recommendations of the committee. It was a government decision, though, with regard to the very bold and effective symbol that was finally chosen.

DR. BUCK: Mr. Speaker, I believe the Provincial Treasurer indicated that the logo was developed and presented to the government by a firm in Alberta. Is that what the Provincial Treasurer said?

MR. HYNDMAN: Well, the decision on what the symbol would be was a government decision.

DR. BUCK: Mr. Speaker, is the minister in a position to indicate if the art work and everything was done in the province, or was it contracted out elsewhere?

MR. HYNDMAN: I don't know the answer to that, but the firm that did it is certainly an Alberta firm. I think certainly the symbol itself is very reflective of the province of Alberta. I don't know the exact answer, though I would imagine it was all done in Alberta.

DR. BUCK: Mr. Speaker, just another supplementary question to the hon. minister. In light of the fact that there is a fair amount of maintenance on railroad cars, can the hon. Provincial Treasurer indicate to the Assembly what consultation or discussion there was with people who are involved in rolling stock — CN, CP, NAR — as to what colors are most economical to keep down the service costs?

MR. HYNDMAN: Mr. Speaker, there were discussions, of course, with my colleague the Minister of Government Services insofar as his ministry and that department are involved daily with the acquisition and review of possible government services. The final decision was made to go with the colors developed there. Certainly I think they are very bold and effective.

I might indicate that some of the suggestions which had been put forward by my hon. friend opposite as to the cost of the symbol betray a very minimal knowledge of arithmetic.

DR. BUCK: Mr. Speaker, I don't remember putting any cost, but was the cost of developing the logo and the colors \$50,000?

MR. HYNDMAN: I don't have the figure exactly in mind. It may be useful for a return, Mr. Speaker. But the cost of development of the symbol itself was, as I recall, under 5 per cent of the communications program. Well over 50 per cent of the general communications program expenses have been to the weekly newspapers of the province.

DR. BUCK: Mr. Speaker, if the hon. Provincial Treasurer remembers the 5 per cent, maybe he can remember the exact figure of what was paid without any public tender going for it?

MR. HYNDMAN: No, I don't, Mr. Speaker, but I would welcome a question or a motion for a return so that the information can be put forward. In terms of responses I've been getting, though, Albertans certainly feel it was a very good investment.

MR. SPEAKER: A supplementary by the hon. Member for Olds-Didsbury, followed by the hon. Member for Lethbridge West, the hon. Member for Calgary Buffalo, and the final supplementary by the hon. Member for Edmonton Whitemud. Hopefully they'll all be brief, because we're running out of time.

MR. R. CLARK: Mr. Speaker, having regard for this a very few days just before Easter — the colors aren't quite comparable.

But I wonder if there are any other facets of the communications program as far as the heritage trust fund is concerned, that the minister would care to enlarge on at this time — not care to enlarge on, but in addition to the advertising program and the logos on the various projects. Is that the extent of the communication program, or are there some more rabbits to pop out?

MR. NOTLEY: And will there be tenders?

MR. HYNDMAN: The communication program is ongoing, Mr. Speaker, as I think the heritage fund committee wished. I think this is probably a subject we will explore in much greater detail when the Heritage Savings Trust Fund committee meets, and I'd welcome that. The communications program will be ongoing during this year and will be not only in print form but perhaps in other forms, therefore making it a comprehensive program. It'll be within Alberta, and we'll be indicating on a very regular basis the way in which the heritage fund touches the lives of each and every Albertan.

MR. McCRAE: Mr. Speaker, I wonder if I might supplement the answer of the hon. Provincial Treasurer with regard to the question asked a moment back about the extent, if any, of conversations or discussions with advisors as to the paint situation. I gather from the question that there was some inference as to the durability of the beautiful blue or the ...

DR. BUCK: No. The maintenance.

MR. McCRAE: Right, the maintenance and durability of the paint.

MR. NOTLEY: You haven't answered a question in a long time.

MR. McCRAE: Departmental people and I had discussions with Canadian National and Canadian Pacific railways, who advised us on this very question. We're assured that the paint was as durable and as non-suspect in quality as any other paint combination. Of course, there are certain paints that would fade quicker than others, but we think the gold and blue are a very sound investment and will have a very long life.

MR. GOGO: Mr. Speaker, a supplementary question to the hon. Provincial Treasurer, arising from the question by the Member for Clover Bar. The minister mentioned that part of the communication package was that the logo would be found on virtually all heritage fund projects and

that perhaps specific heritage fund projects would be printed on the logo. I wonder if the minister would clarify that point?

MR. HYNDMAN: Yes, Mr. Speaker. Through the leadership of my colleague the Minister of Government Services, and the Bureau of Public Affairs, those entities throughout the government which have received or are in the process of receiving funding from the Heritage Savings Trust Fund, will be involved in the use of logo. I would welcome suggestions from the members of the opposition as to the many projects in their ridings which have been individually involved and supported by the heritage fund, where we could make that symbol visible and available on a daily basis in the months ahead.

DR. BUCK: Just one short supplementary to the hon. ...

MR. SPEAKER: I'm becoming quite concerned about the length of time on this question. I have a considerable number of members who undoubtedly wish to ask questions before the House recesses for Easter. I would ask hon. members to consider their colleagues by adopting the utmost brevity.

DR. BUCK: Thank you, Mr. Speaker. As the hon. Provincial Treasurer indicated, there were many choices of logos and colors. Can the hon. Provincial Treasurer table that information in the Legislature?

MR. HYNDMAN: Mr. Speaker, as the hon. member knows from his experience, it is the final decisions taken by this government which he is entitled to and on which I would welcome comment of any kind. The decision-making and the options that went into any decision, be it a public policy decision or otherwise, are not something with which a Legislative Assembly should be concerning itself. If he has alternative symbols, though, I'd like to see them.

DR. BUCK: Mr. Speaker, on a point of order. The hon. minister said ...

MR. KNAAK: Mr. Speaker, on a point of order ...

MR. SPEAKER: The hon. Acting Leader of the Opposition on a point of order, followed by the hon. Member for Edmonton Whitemud.

DR. BUCK: Mr. Speaker, on a point of order. I believe the hon. Provincial Treasurer said when I asked if there were choices ... Surely what those other choices and other color combinations were is in the public interest. In any government or private sector there are choices, not just one. I'm asking the minister if he can table that information. It's that simple.

MR. NOTLEY: We'll just have to get it as a leak from the Tory caucus again.

MR. KNAAK: Mr. Speaker, on my point of order. I believe I was recognized with my supplemental before the hon. member jumped up. I thought *Standing Orders* said that the first to rise shall be recognized by the Speaker as the next to speak. I notice that we've been very kind to the opposition in that respect.

DR. BUCK: Oh, thank you, Peter. You're whining again, Peter.

MR. KNAAK: I certainly defer to your judgment, Mr. Speaker, but I'd like to make that point.

MR. SPEAKER: Does the hon. member wish to ask his supplementary now?

MR. KNAAK: Yes. Thank you, Mr. Speaker. I'm wondering if the hon. minister or the Provincial Treasurer could identify to what particular buildings the logo has now been attached and confirm whether or not they'll all be the same color, notwithstanding that the actual building color may not be compatible with that color? The other question I have is, will the logo be attached only to the capital project investments of the Heritage Savings Trust Fund, or possibly be expanded beyond that?

MR. HYNDMAN: Mr. Speaker, basically the two understood colors will be the ones used, although those can be used in a series of shades of black, white, and gray, or they could be used in two or three dimensions.

With regard to the second question: no, it would not necessarily be confined to the capital projects division but used with regard to each and every activity of the heritage fund.

MR. SPEAKER: The hon. Member for Calgary Forest Lawn, followed by the hon. Member for Spirit River-Fairview.

MR. ZAOZIRNY: Mr. Speaker, my question is to the hon. Minister of Transportation ...

MR. SINDLINGER: On a point of order, Mr. Speaker. I'd just like to note that I was also recognized for a supplementary on this question.

MR. SPEAKER: I apologize. Would the hon. member proceed then with his supplementary.

MR. SINDLINGER: Thank you, Mr. Speaker. It's my understanding that government policy is that when a bid or contract exceeding \$10,000 is put out, bids would be asked for that contract. Inasmuch as Baker Lovick was paid \$50,000 for this project, which far exceeds the \$10,000 guideline, why weren't bids called for the project?

MR. HYNDMAN: Mr. Speaker, I don't think the hon. gentleman is right in his assumptions, or therefore the answers.

MR. SINDLINGER: A supplementary, Mr. Speaker. It is a fact as far as I know. It's been publicly stated that the fee paid to Baker Lovick was \$50,000. It's public fact. It's a matter of record.

MR. HYNDMAN: Mr. Speaker, the procedure in obtaining the bids and the whole process was done totally within the laws of the Assembly and regulations of the province.

Urban Transportation

MR. ZAOZIRNY: Mr. Speaker, my question to the hon. Minister of Transportation arises from a recent report by the city of Calgary transportation department of January

1981, outlining that notwithstanding the generous urban transportation program put in place in 1979 the needs of the city of Calgary between now and 1987 will be far in excess of the present funding. Given this information, can the minister advise whether or not consideration is being given to a new program of enrichment for urban transportation to assist our metropolitan centres of Calgary and Edmonton, in which the majority of the citizens of this province reside?

MR. KROEGER: Mr. Speaker, we have increased the funding for transportation in the city system, including all 12 cities, by 26 per cent. That's within the operating parameters of the department. As recently as yesterday I had a meeting with one of the mayors of the two cities, where I invited co-operative planning with the city engineers, the city planners, as well as those from our department, to see if we could make good, close projections of what would be required. I realize a lot of work has been done already, but I think a reassessment should be done, notwithstanding the fact that there was a very substantial request for increased funding that would also be outside the ability of the department to respond to.

MR. ZAOZIRNY: A supplementary question to the minister with respect to the LRT program in the city of Calgary. Given the present position of the Department of Transportation that the south leg of the LRT must be operational for some time and then an evaluation conducted before the province would consider funding a further leg, can the minister advise whether or not a time frame has been established by the province, prior to an evaluation being conducted?

MR. KROEGER: First of all, Mr. Speaker, we give the cities a lot of latitude on how they approach this kind of planning and development. We do not prescribe a precise time, although we've had some experience with the Edmonton operation. They set a target of their own and have slightly exceeded it in the period that the operation has been going on, which is something in the order of about two years, but still doesn't come up with a good yardstick for justifying further expansion. So we're inviting a reasonable time. A reasonable time could be two years.

MR. ZAOZIRNY: A supplementary question. Given the fact that the province has imposed this requirement for evaluation, can the minister advise whether the province has established criteria by which to measure the performance of an LRT leg? I ask the question in light of concerns raised that a one-legged LRT system is never going to have the degree of ridership that a full system would have, and thus that might prejudice any results of an evaluation.

MR. KROEGER: Of course, you could expect that the ridership would increase if there were a leg from the southeast part of Calgary, as it's now in preparation of being put into operation, in conjunction with another one in the northeast reaching McMahon Stadium, NAIT, or the university area. Nevertheless we can't premise the judgment on the fact that everything out of the extreme end of southeast Calgary would wind up in the extreme end of northeast Calgary. There has to be a general premise that they will start from the outer edge and move into the centre of the city. That's partly what the city's planning is based on. But I wouldn't have any difficulty

agreeing that it would increase the percentage if there were extra arms, legs, added to it.

MR. ZAOZIRNY: But if I could ask the minister for his response to the question about criteria. Have specific criteria been established to measure performance?

MR. KROEGER: Sorry, I missed that, Mr. Speaker. Not really, but you have to relate an operation of any kind to percentages, I suppose. The only experience we can measure in Alberta is the one in Edmonton where they're using about 15 per cent of capacity, which wouldn't seem to indicate that we should move too rapidly.

MR. ZAOZIRNY: One final supplementary if I might. While the figure of 15 per cent reflects actual ridership — and I gather that is a percentage of capacity if every seat were being used every moment of operational time — can the minister advise what percentage would be considered satisfactory? Have studies been done in terms of other rapid transit systems throughout the world or just North America to determine what percentage or range of percentages is acceptable?

MR. KROEGER: Mr. Speaker, I wouldn't have the exact percentages that would be acceptable, but in my discussion with Mayor Purves yesterday morning, we discussed this very thing. He's sending some people from his department over to test the systems in Munich, Rotterdam, and London to get a feel for that kind of thing, to come back, and then we'll get together with them and help plan a long-term program. This is the approach we are taking. On their own they will be checking what is happening in other places, keeping in mind there seems to be a great nervousness now with this kind of transportation south of us in the U.S., where the federal government is taking themselves out of the funding of this kind of transportation. We have to evaluate what that means, along with getting information from out of the country, and we are doing that.

MR. ZAOZIRNY: One final supplementary, Mr. Speaker. With respect to the broad question of urban transportation, not just confined to LRT, and bearing in mind the minister's apparent willingness to work with the metropolitan governments on this matter, can the minister indicate any time frame by which the government would expect to be in a position to move with a decision with respect to increased funding?

MR. KROEGER: Mr. Speaker, we as a department will be working on an extension of the six-year program as it was designed specifically for urban transportation. If we were to go out of the bounds of the prescribed six-year period — and I'm not suggesting the government might not decide to do that — keeping in mind that the escalations will be built in ... There's a two-year ongoing review. That kind of decision would have to be a total government decision.

MR. MUSGREAVE: Mr. Speaker, I'd like to ask the Minister of Municipal Affairs a supplemental question on the matter of financing LRT. In view of the difficulties faced by the cities in achieving their objective to build complete systems, I wonder if the minister could advise if he is considering introducing legislation whereby the municipalities could introduce a gasoline tax that would

accrue to them, so they could get extra funds to build these facilities.

MR. MOORE: Mr. Speaker, not at the present time. We have a committee involving members from the Alberta Urban Municipalities Association, the Association of MDs and Counties, staff from my department, and the Provincial Treasurer's office who are currently studying the fiscal relationships between the government of the province of Alberta and our urban municipalities. Whether or not it would be feasible and practical to introduce a municipal gasoline tax is one of the matters they have under consideration, but there is no intention to move, at least in the spring session.

Trappers' Compensation

MR. NOTLEY: Mr. Speaker, I'd like to direct this question again to the Associate Minister of Public Lands and Wildlife. It's a follow-up to questions I asked the other day about the trappers' compensation program in the province. What specific steps is the government undertaking at this stage to insist that seismic companies give trappers proper notice?

Mr. Speaker, I ask this question because I have in possession a letter dated February 2, to a trapper in a very remote community where the seismic operations were going to commence on February 5. The gentleman didn't get the notice until three weeks after. My question to the hon. minister is very clear. What specific steps are going to be taken so that seismic operators give proper notice to trappers before operations are commenced?

MR. MILLER: Mr. Speaker, the best I could say is that this was an omission on the part of the seismic company in not getting the information out to the trapper in enough time ahead so he was able to remove his traps, knowing the line was going to be going through his specific trapping area. We endeavor in every case to have the seismic companies give due notice and let the trappers know they will be coming. In this case there was an omission.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. In view of the fact that the form indicates trappers must be prepared to pay all sorts of costs if their application is incorrect, will there be any provision for penalties, to companies in this case, where there is a clear omission and an irresponsible intrusion on the rights of other people without proper notice?

MR. MILLER: Mr. Speaker, the way the compensation award is made is that if damage is done by the seismic company and it can't be identified, the claim is made to the compensation board, and compensation is awarded.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the minister in a position to advise the Assembly why the program established is limited at this stage to conventional oil activity, without reference to non-conventional megaprojects, forestry and other resource development projects, including roadbuilding? Why has it been restricted at this stage, and what plans does the minister have to expand it to other types of industrial activity that come in conflict with the trapping industry, bearing in mind the importance of the trapping industry, which employs some 8,700 people?

MR. MILLER: Mr. Speaker, we fully realize the importance of the trapping industry, particularly to native people in remote parts of Alberta. It's our impression in many instances, in fact the great majority of instances, where we have megaprojects, that these companies are sitting down with the trappers and allowing for the disturbances which will be caused. They're also giving outside benefits which have not exactly a monetary value but do have definite value. It may be in the form of some sort of employment opportunities the trapper wouldn't ordinarily have.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The question is not what may in fact be occurring in some instances but whether or not the government has any clear plan at this stage to expand the role of the trappers' compensation scheme to include other types of industrial activity beyond the exploration of oil and gas, where there is a conflict between the rights of the trapper on one hand and people who are undertaking industrial activity of whatever kind outside the activity already designated.

MR. MILLER: As I mentioned, Mr. Speaker, historically the forestry, industry, for example, has made their own settlements with the trappers to their mutual benefit. This is an ongoing process. Where the megaprojects are occurring, they are sitting down with the trappers and coming up with suitable settlements.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. In view of the requests I've heard and received as a member of the Legislature, including a meeting not too long ago in Peace River country, by a large number of Peace River trappers, my question is whether or not the government has any intention of extending the scope. All sorts of good, voluntary arrangements are made, but the point is whether or not the government has any plan to extend the scope of the trappers' compensation board, as recommended even by certain members of the board itself.

MR. MILLER: Mr. Speaker, we have the resource evaluation and planning committee, which is structured within the departments. They sit down with the user groups and help them come to some amicable settlements.

MR. SPEAKER: Might this be the final supplementary.

MR. NOTLEY: Mr. Speaker, my question to the minister is whether the government has any intention at this stage of expanding the scope, not of other agencies within the department but of the trappers' compensation board itself and the right to obtain compensation; whether or not that is in the cards beyond the amount already designated. As part of that question, in view of the long-standing efforts of trappers to get a board, why has the minister seen fit to dismiss all claims for compensation pre-dating August 19, 1980?

MR. SPEAKER: The first part of the question is the second repetition of a question asked twice previously. If the hon. minister wishes to deal with the second part, the Chair has no objection.

MR. MILLER: First of all, Mr. Speaker, the private industry of Alberta has acted responsibly in dealing with trappers. Secondly, we had to have some date when the

program was to be implemented, and this was the date we arrived at.

Stanley Cup Playoffs

MR. KOWALSKI: Mr. Speaker, I have a question on communications to the Minister of Environment in his capacity as the Acting Minister of Recreation and Parks. Tonight, in two cities in another country, two outstanding hockey teams from Alberta will enter a series of competitions which will see the Stanley Cup final held in Alberta later this spring. Has the minister sent telegrams of encouragement to both the Edmonton Oilers and the Calgary Flames on behalf of all Albertans?

DR. BUCK: Thanks, Barrhead.

MR. COOKSON: Mr. Speaker, as acting minister I don't think I can verify at this time just what the minister of that department has done.

MR. KOWALSKI: A supplementary, Mr. Speaker. Perhaps the real minister has gone to the game. Would the acting minister consider sending telegrams within the hour to both teams, expressing our support for them? I'm sure all members of the House would join me in encouraging the acting minister to do so.

MR. COOKSON: In response, I'll certainly do that, Mr. Speaker. With the concurrence of the opposition, I'll charge the expenditure to the Minister of Recreation and Parks.

MR. R. CLARK: If we could only get the cheques for the water and sewer program that quickly.

MR. OMAN: A supplementary. When the two Alberta teams meet in the final, what kind of telegram will the minister then send?

MR. SPEAKER: I suppose it would be very, very courageous of the Chair to suggest that that question is hypothetical.

MR. APPLEBY: A further supplementary question.

AN HON. MEMBER: The Chair doesn't know hockey.

MR. APPLEBY: Mr. Speaker, I wonder if the acting minister would inform the Assembly if he's placing any bets.

MR. COOKSON: I don't think I could comment on that question, Mr. Speaker. But I can assure you that the observation that's been made may not necessarily be hypothetical. We just have to wait and see.

Herd Maintenance Program

MR. STROMBERG: Mr. Speaker, has the Minister of Agriculture made representation to the Ottawa government on behalf of Alberta farmers who are eligible for the federal herd maintenance program and are kept in the dark by the federal government as to eligibility and exact boundaries of the program?

MR. SCHMIDT: No, Mr. Speaker.

MR. STROMBERG: A supplementary, Mr. Speaker. In view of the federal government now making plans, if there is another year of drought on the prairies, will you make representation to them that if another drought occurs, the herd maintenance program be administered as the wildlife damage fund is by the Alberta Hail and Crop Insurance Corporation?

MR. SCHMIDT: Mr. Speaker, we certainly hope another drought program is not necessary. But in the event that we form part of a drought committee, if needed, we certainly would have the opportunity to review what happened this past year. If some problems have existed in federal programs, we would be happy to bring them to their attention and offer whatever assistance we could.

MR. STROMBERG: A supplementary, Mr. Speaker. In view of only \$35 million spent of the \$60 million allotted to the program, will the minister demand of Ottawa that Alberta producers taking a loss on cows that the federal government told them to maintain — to readvertise what townships in Alberta are eligible for the herd maintenance program?

MR. SCHMIDT: Mr. Speaker, about a year ago when the first signs of the need for a drought program were indicated, the three prairie provinces, with representations from each department of agriculture, met to band together and arrive at what they collectively thought would be a reasonable drought program. After that meeting one of the programs, announced by the federal government under Senator Hazen Argue, came as a herd maintenance program. That program was announced and communicated in the usual way. Some announcement followed later, closer to the fall.

Because of the doubt of many Albertans whether or not they qualified, the Alberta Department of Agriculture carried out an announcement program, using the local press in areas where it was felt that producers would qualify. That was followed with information made available to us, to the various offices of Agriculture scattered throughout the province. So to the best of our ability, we carried out and made information available to producers who felt they were eligible. Those individuals have made their applications to Regina, and at the present time some have been accepted. Some of those who have been accepted have been paid; some of those who have been accepted have not received payment as yet.

The program is still in progress, Mr. Speaker. If we find that a problem still exists, on behalf of producers, we would certainly do whatever is necessary to try to speed up any help we can, either in payment or in the application to the federal government.

MR. NOTLEY: Mr. Speaker, a supplementary question. The hon. minister indicated the government would be prepared to assist producers in speeding up payment. However, would the minister advise the House whether his good offices would be made available to make representation with respect to the boundaries? There have been some problems with the boundaries themselves: some areas covered, other areas not, but basically farmers facing the same problems. I think that's a large part of the concern. Would there be a commitment to make representation with respect to extension of the boundaries, and can this in fact be done at this stage?

MR. SCHMIDT: Mr. Speaker, because it is a federal program, the extension or setting up of the boundaries would certainly be the responsibility of Agriculture Canada. We have made and will be willing to continue to make information available to help them in establishing or extending the boundaries, because the program is based on average yields and average rainfall. The information we have would certainly be readily available to them to help them either establish definite boundaries or to expand those that are needed.

MR. NOTLEY: My supplementary question to the minister, Mr. Speaker. Where information is available — and I know of a particular instance where there's a good deal of dispute over the average rainfall. Would the minister be prepared then to make representation directly to the federal government, not simply pass on information we have, but make representation with respect to the boundaries themselves?

MR. SCHMIDT: Mr. Speaker, that information was offered and is available. Our offer is still available.

Land Titles

MR. FJORDBOTTEN: Mr. Speaker, my question concerns metric measurement of land and is directed either to the Attorney General, in his responsibility for land titles, or the Minister of Government Services, who is responsible for the metric conversion branch. Could either minister advise whether the Land Titles Office records titles in acres, hectares, or in both? If in both, which one is first on the title?

MR. SPEAKER: It would appear to be a matter of public knowledge. The Land Titles Office operates quite openly, but perhaps if the question could be answered very briefly ...

MR. CRAWFORD: Mr. Speaker, my memory is that for parcels over 10 acres — I don't know what that is in hectares — it is recorded in both, and for parcels under 10 acres, it is recorded only in hectares or portions thereof. As to which one comes first on the title, I suppose that depends on whether you read it from the beginning to the end or the other way around.

Rental Accommodations

DR. CARTER: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs with respect to a number of senior citizens having to be on the move in Calgary and with the escalating rent situation in Calgary and damage deposits taking up one or two months' rent. This really means considerable actual amounts that are quite significant. Is the minister considering any legislative action with regard to fixing an interest rate that's more appropriate, about 12 to 15 per cent?

MR. KOZIAK: Mr. Speaker, while I'm on my feet I should perhaps respond to a question that was put by the hon. member yesterday relative to the conversion to condominiums in the city of Calgary. At that time I had undertaken to find out whether any complaints in this area had been received by our Calgary regional office. I've made such inquiries and found that no complaints have been received by the Calgary regional office of the Department of Consumer and Corporate Affairs relative

to the conversion of apartments to condominiums.

The question put today was with respect to the interest paid on damage deposits. Mr. Speaker, first I would like to clear away any misunderstanding as to the amount. The Act specifically limits the amount of a damage deposit to a maximum of one month's rent. So it can't be two month's rent.

The member is accurate in indicating that the interest rate is lower than the figure he suggested. The present rate provided for in the Act is 6 per cent, which is payable under penalty of an offence under the Act if it's not. The suggestion that it be raised to 12 or some other per cent is something that has been raised with me on a number of occasions. My largest concern in changing the rate of interest is the fact that it is a figure that is becoming well known. Since failure to pay the interest is an offence, it's important that people know what the law is. If we have a fluctuating or sliding rate, there is a greater tendency that people will not be aware of the law and will commit offences without knowing that.

The second thing is that if you look at the source of a landlord's earnings, it's the rent that the tenant pays. If you increase the interest a landlord must pay the tenant, what will probably happen is the landlord will increase the rent. If you take that to its logical conclusion, the only real beneficiary will be Revenue Canada, because the additional interest would then be taxable in the hands of the tenant but the additional rent the tenant pays would not be deductible.

RITE System

MR. MUSGREAVE: Mr. Speaker, I'd like to address my question to the Minister of Government Services. Non-profit day care centres that are funded wholly by the provincial government have enjoyed the use of the RITE telephone system, and now this is being denied them. I'd like to know if the minister has issued an order that this method of operation was to change, or is he aware of it? If he is aware of it, what is he prepared to do about it?

MR. McCRAE: Mr. Speaker, the question of day care and non-profit organizations using the RITE system was answered by our policy determination back in January. That was that non-profit, voluntary community organizations were eligible to use the system. To the best of my knowledge, all day care organizations that qualify as non-profit, community, are using the system. If there have been individual misunderstandings between the operator and a day care operation, hopefully this dialogue today will help clarify that.

Mr. Speaker, while I'm on my feet, a couple of days back — I think it was Tuesday — the hon. Member for Drayton Valley asked whether the Zenith number, the RITE number, was directed only at 427 numbers or to all government services. I took the question as notice because I wanted to assure that the practice had caught up with policy. I'm assured it has and that all government boards, agencies, and commissions can be reached through the use of the RITE system. That would also be applicable to the day care operations.

MR. MUSGREAVE: A supplementary question, Mr. Speaker. Would the hon. minister then advise the responsible people in his department that the day care operators in Calgary who have been refused the opportunity to use the RITE system in the last month — that this order will be rescinded?

MR. McCRAE: Mr. Speaker, I can assure the member that a little Easter bonus will be access to the RITE system.

MR. SPEAKER: The time for the question period has elapsed, but two hon. ministers would like to deal further with some matters raised in previous question periods. If the Assembly gives unanimous consent, perhaps we could do that instead of having the matters stand over until after the Easter recess.

HON. MEMBERS: Agreed.

Faculty Turnover Rate

MR. HORSMAN: Mr. Speaker, yesterday in question period the hon. Member for Olds-Didsbury asked a question with respect to faculty turnover rates at the universities in the province. I supplied the information for the University of Alberta. I can advise the Assembly today that the turnover rates in the faculty at the University of Calgary have been 4 per cent and at the University of Lethbridge under 3 per cent per annum.

Bankruptcy Investigation

MR. KOZIAK: Mr. Speaker and members of the Assembly, thank you for this opportunity.

Yesterday during the course of questions directed to me with respect to Dial Mortgage, a supplementary was put by the Member for Calgary Forest Lawn. I undertook to provide a response. The question was whether officials of the department or I had been in communication with the Alberta Mortgage Brokers Association relative to the matter of trust funds and the investments of investor clients with mortgage brokers. I've had the opportunity to pursue the matter and can reply that, as a matter of fact two days before the question was put, on April 13, representatives of the association were in fact meeting with representatives of the Department of Consumer and Corporate Affairs to discuss the form of regulation of mortgage brokers in the province and the form of regulation of trust funds.

MR. SPEAKER: The hon. Minister of Government Services would also like to deal further with a matter arising out of a previous question period.

MR. NOTLEY: He's a veritable chatterbox today.

Heritage Trust Fund Logo (continued)

MR. McCRAE: Thank you very much, members. Mr. Speaker, what I want to supplement is the answer of the Provincial Treasurer to the Member for Calgary Buffalo dealing with government policy on tendering advertising contracts. I believe the statement was made that, as a matter of policy, anything over \$50,000 had to be tendered. I wanted to clarify the record as soon as possible, Mr. Speaker . . .

MR. SPEAKER: The hon. Member for Calgary Buffalo on a point of order.

MR. SINDLINGER: Just so your response is accurate, I'd like to advise you that the number was . . .

MR. SPEAKER: In his points of order, would the hon. member please resort to the third person.

MR. SINDLINGER: May I please advise the minister, Mr. Speaker, that the figure I quoted was \$10,000, not \$50,000.

MR. McCRAE: Well, Mr. Speaker, I suppose if you're going to be wrong, you might as well be wrong in the extreme. Anyway, policy has been developed by the bureau in consultation with the advertising industry. Our normal policy is that we feel entirely proper and within the ambit of our policy in not tendering matters up to \$75,000, where an agency has a particular competence or expertise.

DR. BUCK: And the right political stripe.

MR. McCRAE: Certainly I think there's no doubt that the Baker Lovick agency had the competence and expertise in the area of the logo. I think it's fair to say the industry is entirely happy with the relationship and the policy the bureau practises.

AN HON. MEMBER: So is Baker Lovick.

MR. McCRAE: I hope the members here would accept that as being a normal and appropriate way to do business.

ORDERS OF THE DAY

MR. HORSMAN: Mr. Speaker, with regard to questions and motions for returns on the Order Paper, I move that Question 111 stand and retain its place, and that motions for returns 113 to 119 inclusive stand and retain their places on the Order Paper.

MR. SPEAKER: Are hon. members clear concerning the numbers the hon. Deputy Government House Leader is dealing with?

HON. MEMBERS: Agreed.

[Motion carried]

head: WRITTEN QUESTIONS

110. Mr. Notley asked the government the following question: What was the total cost to the government of the Hudson Institute, Inc., study entitled A Question of Economics, released in February 1981?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Is someone on behalf of the government agreeing with the question?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: I take it the hon. Deputy Government House Leader has agreed. As I understand it, it's a matter of record, because a question which has been agreed to then has the status of an order for a return.

112. Mr. Notley asked the government the following question:
- (1) What was the cost to the Alberta Energy Resources Conservation Board of office rental space in the 1979-80 fiscal year?
 - (2) What was the cost to the Alberta Energy Resources Conservation Board of office rental space in the 1980-81 fiscal year?
 - (3) Who owned the office space occupied by the Alberta ERCB in the 1979-80 fiscal year?
 - (4) Who owned the office space occupied by the Alberta ERCB in the 1980-81 fiscal year?

SOME HON. MEMBERS: Agreed.

head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

203. Moved by Mr. Knaak:

Be it resolved that the Legislative Assembly recommend that the government of the province of Alberta give consideration to undertaking a study into the feasibility of collecting the personal income tax presently collected by the Ottawa government.

MR. KNAAK: Thank you, Mr. Speaker. I'm pleased to be able to rise on this historic day. I'll be commenting briefly on the events in Ottawa, but only as they relate to my motion.

I had the opportunity to watch the premiers and Mr. Chretien on television. I think it's fair to say that the eight premiers present represented the opinions of not only the citizens of their provinces but of the majority of Canadians throughout Canada. Then we had Mr. Chretien respond, and he seemed to suggest he was disappointed in this historic occasion, because they didn't include all the items the federal government had in their proposal. He tended to suggest, which I think is dishonest, that the premiers were in fact trying to create fiefdoms throughout Canada.

I must say that as a Canadian I was disappointed to listen to that kind of response. It's because of that kind of attitude and approach of this federal government that I thought it would be worth while at this time for this government not necessarily to collect its own personal income tax, but at least to consider a study to see whether it is feasible and what the benefits and costs of moving in that direction would be. The benefits would of course result in permitting this government to use the personal income tax system as well as the corporate income tax system as an economic tool in achieving its objectives of strengthening and diversifying the Alberta economy.

Mr. Speaker, the constitutional jurisdiction for levying its own personal and corporate income tax is clearly within the province. Section 92, the section that sets out provincial jurisdiction, expressly states that direct taxation is an exclusive area of jurisdiction for the provinces, and corporate income tax and personal income tax have been held to be direct taxation by the Privy Council. So it's absolutely clear that the levying of personal and corporate income taxes is a provincial jurisdiction. The British North America Act therefore envisaged that the provinces use taxation as a possible economic tool in achieving their own objectives.

For over three decades the province of Quebec has collected its own income tax. If my understanding of the development is correct, it was a matter of convenience and to save expense that the federal government began

collecting provincial income tax for the other provinces. It was also a time when economic theory and the understanding of the functioning of the economy had not developed to the same point it has today. We know that the tax system can be used to develop our economic objectives.

The reason a study is necessary is that the federal government has at least implicitly indicated they're not prepared to collect Alberta provincial, nor were they prepared to collect Alberta corporate income tax if this province were inclined to use our tax system for the purpose of achieving economic objectives and in fact changing, even slightly, from the federal system. Hon. members of the Assembly might be interested in knowing that as far as the personal income tax system is concerned, the provincial tax is a percentage of the federal tax payable. That seems to suggest that if the federal government changes its tax policy with respect to personal income tax, we automatically follow suit and, in other words, reduce our tax payable and automatically support their tax policy. It's not certain whether we should continue to do that, especially in light of the kind of Liberal Ottawa government we have today.

Let's briefly look at the performance of the Liberal Ottawa government whose tax policy we are automatically following. I'll go back over a few years. Five years ago — and the Liberal government was different then than it is today. It has changed; it's more akin to a socialist, technocratic government than any other Liberal government in the past.

AN HON. MEMBER: A dictatorship.

MR. KNAAK: That as well.

In the last five years the Canadian dollar has dropped from a premium to the U.S. dollar to somewhere in the neighborhood of 83 to 84 per cent. We have an interest policy that's tracking the American policy, not because there is some automatic relationship but because it's argued that the high interest rate is necessary to keep up the value of the dollar. Well, it is. But why is it necessary to keep up the value of the dollar? Because the Liberal government in Ottawa has imposed policies which put downward pressure on the dollar.

The national energy program is driving investment capital to the States. That puts downward pressure on the Canadian dollar. The low price of oil and the punitive taxes have shut down marginal wells. Not only has that led to increased unemployment in Alberta, it is also increasing the necessity to import foreign oil, again putting downward pressure on the Canadian dollar. In its enthusiasm, the Foreign Investment Review Agency has prevented needed foreign risk capital, again putting downward pressure on the Canadian dollar. Generally speaking, there has been a lack of confidence in the Canadian economy because of the astronomical federal deficits, with no sign of them coming under control. That's why we have a high interest rate.

Some people — even some people in the federal government — believe that by having a high interest rate, foreigners invest in Canada. This is nonsense. What they do is deposit money in our banks, on which they earn a high interest rate. This does in fact keep the value of our dollar higher than it otherwise would be. But in order to stimulate employment and capital investment in productive plant and equipment, it requires businessmen to borrow those funds from the bank and invest them. Generally businesses aren't confident, other than in the

province of Alberta and the west generally. They're going broke. They're not prospering with that kind of interest rate.

So, our personal income tax is tracking the federal income tax. It's tracking their policy. In Alberta, what's our record? The question is: should we rely on our own judgment? Should we become independent of the federal government with respect to personal income tax? Should we use the constitutional jurisdiction we have, notwithstanding — and it's admitted that it will increase the cost to the government and to the businessmen. But they're also intended to benefit. By business I mean individual business people.

Let's look at Alberta's record. I looked at the numbers, and having studied quite a bit of economics and economic performance, I find them phenomenal. Real gross domestic product increases since 1971: average annual growth of 4.5 per cent in real terms. National gross domestic product provincially: 20.3 per cent per year on average. Investment has increased. This shows the confidence businessmen have shown in the Alberta economy. We're not talking here about money investment; we're talking about investment in plants and equipment of 23.2 per cent per year. That is phenomenal. That shows the kind of people we have in Alberta: confident and prepared to take risks. It also shows the kind of confidence investors have in the kind of government they have from this particular Conservative administration.

Mr. Speaker, the salient point on these numbers is that investment has run at 23.2 per cent and gross domestic product at 20.3 per cent. There's certainly a relationship between the increase in per capita income, the increase in total income, and the investments. The reason for consideration is because personal income tax can be used as a tool to induce increased investment when our conventional oil and gas industry weakens at some point in the future.

Alberta's population is now somewhere around 2.2 million people; our gross provincial product is in the area of \$42 billion. The argument that the administration of a personal income tax is too expensive may no longer be valid. It will take a study to make that assessment.

[Mr. Appleby in the the Chair]

In conclusion, Mr. Speaker, I'd like to say that up to this point this government has been forced to bring home its own corporate income tax Act. We now have it in place, and the province of Alberta is collecting its own corporate income tax as a first step in implementing a tax incentive system on a selective basis. It was done because the federal government was not prepared to permit flexibility. As well, it does not permit flexibility in the personal income tax area. The members of the tax and tax incentive committee have listened to submissions, and I believe we have concluded that because the present Alberta corporate tax is low, the tax incentives that can be merely provided through the corporate tax system, although substantial, can be enhanced significantly if these were transferred to the personal income tax system as well. I think most of us, or maybe speaking for myself, have concluded that in terms of inducing venture capital funding the personal income tax system would be a much more potent tool than the corporate tax system alone, especially since those individuals who could not earn income through an incorporated body would be disadvantaged if we merely had it in the corporate entity. Mr. Speaker, I am not now suggesting that we begin

collecting our own personal income tax. There are some benefits and some costs, and I urge members to seriously consider this resolution for an assessment of those two aspects.

Thank you.

MR. PAHL: Thank you, Mr. Speaker. In addressing Motion 203, I would first very much like to commend the hon. Member for Edmonton Whitemud for his very timely introduction of this motion. Inasmuch as we are in the first year of the enactment of the Alberta corporate tax Act, it is quite timely to look at the logical extension of tax collection: to move from corporate tax collection to personal income tax collection.

In the course of reviewing, with some of my colleagues, the opportunities for strengthening and diversifying the Alberta economy through use of the Alberta corporate tax Act collection and resultant corporate incentives, we found that the opportunity to strengthen and diversify the economy was somewhat limited, first of all by the very fortunate position we find ourselves in, in Alberta, with the lowest corporate tax rate in Canada. We have a very favorable climate of investment in Alberta and an overall positive climate for business with an absence of sales tax. Similarly we found there was a lack of prospects and opportunities for, in effect, improving the investment climate and the reinvestment climate in Alberta, simply because of the lack of prospects for co-operation with the federal government.

Now relating this to personal tax incentives, over the years there's been a marked lack of sensitivity demonstrated to the needs of western Canada, and Alberta in particular, with respect to the federal tax system. One example would be the cancellation of MURBs. I think MURBs stands for multi-unit residential building subsidy which, in effect, provided a tax rebate to investors who were prepared to invest in a certain type of multiple-unit structure. Well the rate of the housing development in central Canada, Ontario and Quebec, was diminished and therefore the federal government made, in their view, the quite reasonable conclusion that the MURB was no longer needed, without any regard for the developing need shown generally in western Canada and particularly in Alberta, with a population growth in excess of 3 per cent over the last five years and plus. To their credit they have reinstated the MURB system, but it shows the lack of sensitivity to the needs of this end of the country.

A second example of the lack of sensitivity of the federal government in this area is the lack of opportunity for the investor in Alberta to invest in Alberta. At present there's no mechanism. Certainly he can invest in the fireman's savings plan of west New York, or whatever. But there's no real way to put savings to work in Alberta in an effective way. In effect, that's the supply side.

In introducing the motion, the hon. Member for Edmonton Whitemud talked somewhat about the macro-view of the need for reinvestment in the economy. I would like to concentrate more on the micro-view with respect to the needs of small businesses in Alberta. Certainly the need for investment or equity capital in Alberta is very pressing for the small business person. Equity investment in a small business is really the deep pocket of a small business. It does not have to be serviced as a debt load, and in tough times it provides that back-up required for operating capital and for capital investment purchases. Certainly we all know the effects of inflation, not only on households but in terms of small businesses. It deepens even more the need for equity investment.

Notwithstanding the very excellent job the Alberta Opportunity Company has done in Alberta with its base rate loans of 12 per cent — that's 1 per cent over what municipalities are able to borrow in Alberta. For special circumstances they have a lower limit of 10 per cent, and an upper limit of 15 per cent interest on loans — a good spread between that and what most businesses have to borrow at, which is prime plus 1 or 2 per cent, very, very close for all intents and purposes to being at the 20 per cent cost of capital. Twenty percent cost of capital means that you're buying your money about once every five years. The point to remember with AOC, notwithstanding its meeting a need in the market place, is that it is a lender of last resort. Being a lender means that that money has to be repaid. So for the small business it is not equity capital, it is debt capital. And debt capital has a cost to it that has to be met in a period by period obligation. Similarly, the Alberta Opportunity Company has demonstrated by mandate some deficiency in serving the needs of businesses in the urban areas, where reduced opportunities to access the reduced rate capital present themselves. Similarly, for a variety of reasons, native Albertans have not had a good deal of access, or have only accessed in limited numbers, the funds available through the Alberta Opportunity Company. So there is a need for a supply of equity capital to small business persons beyond what seems to be available in the market place today.

My point is that a personal income tax system collected in Alberta would provide the mechanism and the means to provide an incentive for private-citizen investment in the provincial economy. The question might be, does Alberta need it? It's been said that we're an overheated economy. Well, with a 69.4 per cent participation rate in the labor force, and in Edmonton Mill Woods that means a lot of families where both partners work, there is a demand for jobs. As I mentioned before, we are growing at a rate in excess of 3 per cent per year in our overall population, and over half of that population is entering the labor force. So we need the jobs. It has been demonstrated time and time again that small businesses are the major provider of jobs in our economy. So there's no question that the need is there.

However, we must ask ourselves: if we established a personal income tax collection system to satisfy that need, would it do any good? In asking and responding to that question — I happen to be a fan of Doonesbury, the Trudeau cartoon, and I have to draw on that example. Several days ago, Mr. Speaker, the cartoon related to the tax and investment cuts proposed for the United States. One cartoon character was explaining to another in great detail how, if these tax cuts went into place, he would have an additional \$27 a year left over. The question was posed to this individual, I think his name was Zonker, what would he do with it? Zonker immediately reacted that he'd probably take in a movie and have a meal. The other guy said, no, you'd invest it in a steel mill. So the question is, will the \$27 really have an impact on the economy?

Another question is raised by the performance of the offering of the Alberta Energy Corporation. Those shares were subscribed to by 65,000 investors in Alberta. That represents less than 10 per cent of the labor force, or people who are earning money in the economy. Certainly that's a pretty small number, although that's not to depreciate the fact that the investment sector of our economy is a very narrow range, particularly when you're dealing with individual taxpayers. But that's not to de-

preciate from the fact that those investments are a very important stimulus in our free-enterprise economy. Nothing happens until that first dollar is invested, and that starts the chain.

I think a few other questions should be raised on the con side of Alberta establishing a personal income tax system. Certainly it's worth reflecting on the fact that of the 79,000 new jobs that were created in Alberta in 1979, 11,000 were created in the financial services sector. If we all have to cope with another set of forms, I'm sure that not only will our civil service complement inevitably increase, we'll also have some growth in the private sector responding to that further requirement. I think it's also fair to point out, Mr. Speaker, that if a personal corporate income tax system were in place in Alberta, we would be faced with an additional level of civil servants, because at the federal side they would still continue to collect personal income tax. So you have the situation that is in Quebec, where there are two sets of forms that really pull from the one income. That has to be somewhat of a disadvantage. I suppose the fact that Quebec has a system — I don't know if that's a plus or a minus. I think that as Canadians, we in Alberta would not want, to create with our corporate and personal income tax system an artificial stimulus to attract capital and investors here beyond those attractions that we would fairly say are the natural strengths of Alberta in terms of our strong work force, our assured supplies of energy, and a rapidly growing and diversifying economy.

In summary, Mr. Speaker, I would like to again compliment the hon. member for raising a timely topic. I certainly support the need for the study. I would seriously suggest, though, that along with the pluses there are some very, very definite minuses, and that that study should be fully prepared to weigh in the balance the result, and hopefully, I guess reflecting my biases, seriously explore other means to stimulate the economic engine of Alberta as well as the option presented.

MR. MAGEE: Mr. Speaker, I rise today to endorse Motion 203, proposed by the hon. Member for Edmonton Whitemud. I support this study even though there will likely be additional expenses, this being, I suggest, part of the study to determine the present costs and what they will likely be if we collected under our own collection plan.

Another factor of expense will be that of an individual having to complete a separate tax form for submission to our Treasury Department. Of course in addition no doubt there are some other problems I'm not aware of at this point which must be looked at, which one could say should be tallied up on the debit side of the ledger. However, in my opinion, on the credit side of the ledger there are numerous advantages to be gained.

Today I'm following two learned colleagues in this debate, the hon. Member for Edmonton Whitemud and the hon. Member for Edmonton Mill Woods, who have both studied economics and are much more conversant with the finite problems and factors involved in the tax system. I only know from my personal experience, having started two successful businesses before coming to this House: one when I was 28 years of age, which I sold at age 32; and another which I started some 15 years ago and divested myself of about four and a half years ago. As a business person I know the struggle in trying to raise capital, and I have very acute knowledge of the struggle of paying income tax, whether it be corporate tax as a small business or as a personal tax factor. As I go along I

want to address some of those practical, day-by-day concerns small businessmen everywhere have in meeting their tax obligations, whether through the corporate tax structure or the personal tax structure.

Mr. Speaker, what immediately jumps to my mind in this motion is the degree of flexibility that could be available if we had our own tax collection system. In dealing with the Ottawa government in the present situation, in contemplating any change whatsoever in the percentage rates relative to the federal tax rate, I am sure any changes the provinces wished to make would be the subject of a great deal of debate between this government and the Ottawa government before implementation could take place.

I am also sure that if this government came up with some unique tax credit systems to payers of personal income tax, even though it is advantageous within our opinion, it would be subject to great scrutiny and debate as well as being very time-consuming. Certainly this has been the case of late in dealing in other matters with the federal government. So it leads one to be somewhat apprehensive about leaving our tax dollars in the hands of Ottawa, with money tied up until such time as the transfers, grants, and other programs take place between Ottawa and Edmonton.

You know, Mr. Speaker, when a province is developing as rapidly as Alberta, oftentimes decisions have to be reached quickly, and often opportunities are lost which would have been of great benefit had action been taken quickly. The old adage, strike while the iron is hot, is still very relevant when economic issues are at stake. One has only to cast back one's memory to numerous cases we're all aware of, where there have been great increases of costs due to time delay in the completion of projects in these high inflationary areas. So, flexibility of money supply is important to the building of this province and, I contend, the ability to deploy personal tax moneys promptly is certainly one of them.

I draw hon. members' attention to the most recent estimates of our budgetary review, presented to this Assembly this past Tuesday evening by the Provincial Treasurer, in which the 1981-82 estimate of personal income is \$1,098 million. You know, Mr. Speaker, it is interesting to note, too, that the estimate of corporate income tax is \$389 million, of which we do have our own collection system in place. This represents a tremendous pool of available money, at least part of which could be deployed in various ways if we had unlimited flexibility and could make rapid use of it.

In the venture capital field, for instance, certainly the use of personal income tax revenue should be studied as part of the available funding by which Albertans can build this province into becoming much more diversified in its economy, particularly in the areas of small business, manufacturing, and resource processing. For instance, I think of the need for capital to launch and develop agricultural processing. This government can lead the way by providing expertise and making research facilities available.

But surely the philosophy of this government is not to operate in the free-enterprise systems and businesses of this province. Just imagine the number of small business enterprises that can spring from the knowledge gained from the food processing development centre at Leduc. Surely capital will be needed by many persons to develop new food products, to improve and expand product lines, and to develop better packaging, et cetera. Isn't it feasible that we should study the personal income tax pool of

money to determine if a system of tax credits can be devised to permit some of this money to be reinvested by individuals now paying hundreds, and in some cases, thousands of tax dollars, and divert them instead from general revenue into venture capital investments to build and develop small manufacturing food-processing plants to develop agriculture in this province, and therefore make this province more self-sustaining in its food supply to its citizens?

What about coal, Mr. Speaker? Last Tuesday night in the budget speech, a coal research facility was confirmed for Devon. What will be the need for venture capital for small businesses to become involved with the manufacture of the many by-products developed from the initiative of this government in creating this facility? Surely, Mr. Speaker, venture capital will be required. Isn't a pool of money also readily available for these developments from the personal income tax pool? Where is the money to come from to launch a diversified coal industry so that small companies will be part of it? What about the spinoff industries to come about if capital is available in our increased emphasis in forestry products?

One more industry coming at us in leaps and bounds is petrochemical manufacturing and process. Sure big business is involved in the initial stages of its evolution in this province. The extraction plants and refinery processes are gigantic enterprises which require tremendous amounts of money that no doubt has to be raised on international markets or wherever. But some materials will be made available shortly to small businesses, and those base products can be converted into many, many other end-user products. I can see on the horizon a whole myriad of end products which will be developed by small business. I ask, where is all that money going to come from to develop these small businesses?

Mr. Speaker, in my mind the study of the feasibility of having Alberta responsible for collecting personal income taxes from Albertans is every bit as logical as our recent studies undertaken prior to the recent decision being reached to collect corporation taxes, particularly when one considers that personal income tax revenues are nearly two and a half times greater than revenues derived from the corporation tax field.

Mr. Speaker, in drawing to a close I would like to remind hon. members that this province — all provinces, in fact — have the power of direct taxation under the BNA Act. However, our present arrangement with the federal government is by a series of five-year agreements going back to World War II days, allowing the federal government to collect provincial portions of direct taxation. However, this arrangement is not carved in stone. In fact Quebec did not enter the agreement in those war years when those decisions were reached. From all the information I have read, there is a much greater degree of flexibility in their province in reaching their economic goals.

For example, if the Speaker will permit me, I cite a short paragraph which is a review of developments in the venture capital field by one Michael Lavery, C.A., of Deloitte, Haskins and Sells of Toronto, which everyone recognizes as a firm of accountants and tax experts probably unexcelled in all Canada:

In June 1979, the Quebec Taxation Act was amended to implement what is billed as Quebec's most recent incentive for venture capital which, if nothing else, will add yet another acronym, QSSP [Quebec Stock Savings Plan], to the tax practitioner's buzz-word vocabulary. At the time of intro-

duction, of the original Bill, the Quebec Finance Minister expressed the hope that this Plan would encourage the expansion of risk capital and the retention of head offices . . .

which of course they wanted

. . . in the province of Quebec.

Broadly, the QSSP permits an individual, within limits, a tax deduction for investment in eligible securities in arriving at taxable income for Quebec purposes.

It goes on to explain the program in much greater depth. Having that sort of flexibility, I contend, would create a great pool of money for our needs.

Therefore, Mr. Speaker, I agree that Motion 203 should be instituted. If the results are judged beneficial to Albertans, then further steps should be taken by this government to give us back our original responsibilities for collection, which we once had, and create incentives for Albertans which would be tailored to our own economic environment.

MR. L. CLARK: It's a privilege for me today to take part in the debate on Motion 203, which simply recommends that the government do a study on the feasibility of collecting personal income tax presently collected by the Ottawa government.

I guess I've never really been a fan of the income tax department. [interjections] I might add that the feeling has been a little bit mutual. Outside of that, I really believe we're very fortunate in Alberta to have the lowest provincial income tax in Canada. We have no sales tax and the lowest proportion of government spending as a proportion of the economy than any other province in Canada.

One of the things that I suppose every government — and all governments in agricultural provinces like this — would like to see a diversification of the economy. I suppose there are many ways of doing that. In that respect, I believe this government has a very good record, especially if you take into account that we have only two main industries, agriculture and the gas and oil industry. Both these industries are competing aggressively for the work force within this province. I believe it is a little more difficult to diversify an economy under these circumstances. When you add to that all the related industries that go along with agriculture and the gas and oil industry, it takes up a very large proportion of the labor force and a large part of the financial capability of a province. However, that doesn't mean something can't be done in this respect.

I believe our province has tried to do that by bringing balanced growth across this province with its decentralization programs. Also, it has encouraged industries to come into Alberta. When they come into Alberta, it has encouraged them to settle in areas where the economy needs a boost. That doesn't mean we have a grant system whereby we more or less buy these industries or give them grants to come to this province. We have advantages in Alberta that, we like to think of as natural advantages. Of course one of them is cheaper energy costs — the lowest in the western world. We also have the lowest taxation of any province in Canada. I believe one of the main incentives we have is a guaranteed feedstock of energy from reserves of gas, oil, and coal that will guarantee energy supply for many years to come. This gives any industry that comes into this province a great advantage.

Whether or not we should increase this advantage by going to the collection of our own income tax, I believe

would require study. As I said before, there are two sides. Just to mention a couple: when you start collecting your own income tax, I suppose you have to set up a tax department. When you set up a tax department, you run into guys — somewhat like me — who are a little unwilling to part with it, and we have to have a collection department. You would have to go out and twist a few arms. It would be a very significant department. It would take a lot of money to set this up. At present I understand we pay 1 per cent of our tax to the federal government, and they collect it and return it to us. I believe this is one of the disadvantages we would have to look at in this study, to see if it would pay to set up a department this large.

Although it would have the effect of diversifying the economy, I suppose another disadvantage would be that relatively few people could take advantage of this. If we took such a move as this in Alberta, it would also raise some concerns with the other provinces about tax competition. Of course you have the advantage of being able to encourage industry or diversify the economy. With the design and administration of a system, the province could set goals, provide incentives, and create an atmosphere more directly suitable to the provincial economic environment. But to do this does not mean we cannot diversify the economy without going this route. It just means it would be one more avenue we could have a look at.

I'd like to go into the agricultural field a little. In the agricultural field we have diversified the economy somewhat by taking a large amount of capital from the Heritage Savings Trust Fund and putting it into irrigation, so that we diversify the crops grown across Alberta. Rather than concentrating on straight grains — wheat, oats, and barley — we now raise specialized crops in the southern part of the province. We have another natural advantage here. We raise the largest amount of barley of any province in Canada. We also have the greatest number of cattle. With these natural advantages, there's no reason we can't have a very aggressive feeding operation in Alberta. In fact there's really no reason we couldn't be number one. But I guess this hasn't happened.

I believe this government should be looking into the feeding industry. It not only helps the cattle industry, but is of great benefit to the grain farmer because it assures him of a market. I believe it's even greater for the grain farmer than it is for the feeder, because he wouldn't have to depend on the transportation system. We wouldn't have to ship all the grain down east, then ship all the cattle down there to feed it to. It would take the pressure off our transportation system. Greater emphasis on the feeding industry would also take the pressure off the quota system. Mr. Speaker, if there is any way we as a government can see some advantage, some way of collecting our own taxes here in the province that can give a boost to some of these industries, then I think that is maybe the right way we should be going.

As an example, today Quebec is the only province in Canada that collects its own income tax. It has offered a great many incentive programs and grants to the agricultural industry. One is the beef program that is just now coming into effect. In that program Quebec is shooting to become self-sufficient in beef. It's modelling these efforts after those that made it the leading hog producer. They have put into Quebec a wide assortment of subsidies, a cow-calf operation that virtually takes all the risk out of the operation as far as the cost of production is concerned. They have guaranteed grants of \$100 per head to the feeders, to a maximum of \$40,000, to build a feedlot

and expand into feeding. They are also looking at a cow-calf operation where they will give a grant up to \$40,000 to a cow-calf operation to buy 100 head of cattle. I use these examples because they show the ways incentive programs can be used, if that's the way the government wants to go.

Mr. Speaker, at first look I could say maybe that's the way we should be going, that if Quebec can subsidize the cattle and hog industry, Alberta with all its natural advantages and financial position should be able to do the same. But what are the dangers of this? It could trigger a subsidy war between the provinces that I believe would be detrimental to the taxpayers in Canada and to the industry being subsidized. Although I don't approve of this method, I realize that along the line, as a province, in order to save a very important industry in this province, some sort of incentive programs must be put in place. On the other hand, if we set up a large bureaucracy, I certainly don't want to see it take away every advantage we might gain by setting up a plan. I would hate to see us set up a bureaucracy that took away all the advantages of collecting our own tax.

I'm really in favor of a study being done, because I'd like to see what advantages we could have by collecting our own income tax, and just what programs could be set up in this province that would maybe help our industry, especially agriculture. Mr. Speaker, for that reason I urge members of this Assembly to support this motion.

Thank you very much.

MR. D. ANDERSON: Mr. Speaker, in rising to participate in debate on this motion, I'd first like to congratulate the hon. Member for Edmonton Whitemud in bringing this issue to the attention of the House and giving us an opportunity at least to express some initial points of view on this important topic. I think the reason this has come to the fore at this time — and that was evident in some of the remarks by the hon. Member for Edmonton Whitemud — is indeed the frustration we in this province are facing with the Ottawa government. The member outlined in some detail the concerns that business and the people of Alberta in general have with Ottawa, the frustrations faced with the current economic situation which in my opinion, and I believe the opinion of most members of this House, does not encourage but rather discourages investment, incentive, and imagination in this province, discourages the entrepreneur, the Albertan who is trying hard to use his imagination and evolve this economy to a high point. For that reason, I believe we have to investigate every means possible to deal with the problem we face with the federal government, and to encourage our citizens to use all their resources.

Perhaps the most impressive point made by the mover of this motion was that the federal government sets the tax policy and that we indeed only follow by applying a percentage of the tax payable. I think that was an excellent point and perhaps the one that has persuaded me, in being fairly open in this debate, that we probably do need a study into the tax system and the possibility of collecting our own tax. I think the caveats placed on that by the Member for Drumheller, who just preceded me, are important in making sure we recognize at all times that we can't set up a bureaucracy that causes us more harm than does us good.

Having said that, I support the gist of the motion, and say that not that issue alone should be investigated but perhaps every means by which we can assist our citizens to deal properly with the market place as freely as possi-

ble, and try to keep away from what we believe to be negative policies of the national government. In doing so, I certainly don't want to suggest that we would in any way circumvent the constitutional rights we have. Unlike the Prime Minister, I believe we have to stay within our own boundaries, but we should be able to use all of those. As the hon. Member for Edmonton Whitemud so appropriately pointed out, it is our constitutional right to collect the taxes within the province of Alberta.

Having said that, Mr. Speaker, and noting the time, I move to adjourn the debate.

MR. DEPUTY SPEAKER: Does the hon. Member for Calgary Currie have permission to adjourn debate?

HON. MEMBERS: Agreed.

PUBLIC BILLS AND ORDERS OTHER THAN GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 202

The Consumer Purchasing Power Index Act

MRS. CRIPPS: Mr. Speaker, it gives me a great deal of pleasure to introduce Bill 202, The Consumer Purchasing Power Index Act. The purpose of this Bill is to establish a realistic assessment of the consumer's relationship to the market place. The Bill takes into consideration:

- (3) The Bureau shall determine and [establish] the manner of calculation of the average cost of living which shall be based on such factors as the Board considers appropriate, but shall include
 - (a) income taxes;
 - (b) cost of shelter including expenses in respect of:
 - (i) rent;
 - (ii) property taxes;
 - (iii) maintenance;
 - (iv) utilities;
 - (v) interest on home financing;
 - (c) food;
 - (d) clothing;
 - (e) consumer goods including service and financing charges incurred in their purchase;
 - (f) transportation;
 - (g) education;
 - (h) entertainment;
 - (i) recreation;
 - (j) health and personal care;
 - (k) vacations.
- (4) The average earnings shall be expressed before deduction of taxes.
- (5) The Bureau shall determine and publish a purchasing power index in respect of urban residents and in respect of rural residents based on their respective average earnings and average costs of living.
- (6) The Bureau may determine and publish purchasing power indices for subdivisions of the population other than those described in subsection (5), based on geographic, occupational, economic or other factors.

At the present time, Mr. Speaker, a monthly consumer price index is issued by Statistics Canada. I have no great

quarrel with the consumer price index, but the figures released do not in fact accurately relate the consumer purchasing power. I'd like to outline the consumer price index so that the Assembly understands the difference between the consumer price index and the consumer purchasing power index.

The consumer price index makes a comparison only between the cost of goods in 1971 and the cost of goods today. It is based on a market basket of goods and services, which is intended to represent the purchases of an average Canadian family of four. This kind of average does not take into consideration regional differences such as Albertans having to drive further than people in Toronto, or people in Edmonton having to pay higher fuel costs than people in Vancouver because of different climatic conditions. The index also distorts the real cost of living to people who make above or below the average income. For example, a person who makes \$12,000 may spend far more than 21 per cent of his income feeding a family of four, but this is the weighting factor food is given in the consumer price index. Similarly a person making \$25,000 may spend far less than 21 per cent, and the cost of food will be overestimated for him. As a result, the consumer price index does not accurately reflect changes in the actual cost of living for the non-average family. When the costs of necessities rise, it overestimates the actual costs for the wealthy and underestimates them for the lower income brackets.

Rather than the 1971 dollar value, the consumer purchasing power index would make a comparison of consumer purchases and their buying power; that is, their earnings today. If the life style of each and every family depends entirely on their ability to purchase necessities and then the amenities, both are related to the wages the family earns, not to the 1971 dollar.

I want to make a comparison of the consumer purchasing power in some of the items in Section 2(3). I'm going to let my agricultural roots show for a few moments and discuss food first. This is the area of the consumer price index that always makes me so angry, because 1971 food prices cannot be fairly equated with 1980 food prices. If I can take the consumer price index for November 1980, according to Statistics Canada the CPI rose by 12 per cent in November to 220, on the basis that 1971 equals 100. The increase from November 1979 to 1980 was 11.2 per cent. The food index increased by 1.1 per cent in November, primarily due to higher prices for cereal and bakery products. Higher prices were also noted for selected cuts of beef, sugar, eggs, and dairy products. Mr. Speaker, invariably the consumer price index says that the cost of food is one of the culprits in the increase in the index. I maintain that for an hour's wages you can buy more food today than you could ever before in history. But I guess that's another story.

I'd like to make some comparisons with the real purchasing power. Again I'm going to let my agricultural roots show. Let's take bread, for instance. When bread was 5 cents a loaf, the consumer or wage earner earned \$1 a day if they were on the high scale, and \$2 a week if they were at the lower end of the scale. That means that for a week's work you could earn 40 loaves of bread. Compare that with the amount of bread you could buy with a week's work today. On the other hand, if you compare bread at 5 cents, 67 cents, 89 cents, or \$1.13 a loaf if you're buying these specialized, eight-grain breads, no additives et cetera, it appears that bread is very expensive. Expensive compared to what? Compared to the price at 5 cents? Not really, compared to your earning power. I

guess that's what we have to compare it to. Purchasing power of the consumer is really the key.

Another example raised with me recently was meat prices. Hamburger is a staple, so I'll use that. A butcher in Drayton Valley said he came to Canada in 1954. At that time, hamburger was 35 cents a pound. His wages were 75 cents an hour. He thought he'd come to the land of milk and honey. He could buy two pounds of hamburger for an hour's work. Yet today — I checked yesterday — the price of hamburger in Drayton Valley was \$1.49 at Block's Store. So if the same comparison were made, wages for meat cutters should be \$3 an hour. I think wages today for meat cutters range from \$9 to \$13. Today the meat cutter is far better off, comparing his purchasing power to his purchasing power at that time.

Some examples of consumer purchasing power which might be of interest, along food lines, too: in 1950, eggs were 54 cents a dozen, and it took 38 minutes to purchase a dozen. In 1980, eggs were \$1.11, and it took 10.7 minutes to purchase a dozen — almost a third of the time. In '54, T-bone steak was 65 cents a pound; it took 46 minutes to purchase it. Today it's \$4.15 a pound; it takes 39.1 minutes to purchase a pound of T-bone steak. Potatoes, at 39 cents, took 28 minutes to purchase. Today, at \$1.47, it takes 13.8 minutes to purchase 10 pounds of potatoes. The purchase of food is a very visible item. It is a necessity, and therefore must be purchased regardless of income level. This is the fallacy of any method which would try to base indexes on averages. The consumer earning \$3.50 an hour has to purchase exactly the same food items as the consumer earning \$10. When I say exactly, I mean the basics. Certainly the lower income group would be more selective.

In the CPI the various components are weighted. Food is given a weight of 21.49 per cent. Again this is unrealistic, because a family of higher income level may spend only 12 per cent of their income for food. Item 3(b) relates to cost of shelter. The comparison of homes in Lethbridge was — I'm going to compare 1954 with 1980. Rent in Lethbridge in '54 was \$80; took 2.34 weeks to earn. In 1980, \$310; takes 12 weeks to earn. An average two-bedroom house, \$5,730 in '54; took 3.2 years to earn. In 1980, \$51,000; took 3.85 years to earn. So actually the cost of housing has remained fairly stable over that period of time.

[Mr. Speaker in the Chair]

The major difference, I believe, is the cost of money. Interest rates have made the cost of housing prohibitive, inflating the actual purchasing power by at least twice. Interest is a cost factor which isn't even considered in the CPI, yet it is one of the determining factors in the affordability of housing. Interest rates in 1971 averaged 4.75 per cent; March 1980, they were 15.5 per cent. That's a 325 per cent increase. Nineteen eighty-one, at 18 per cent, would be a 375 per cent increase in interest rates. So interest has a definite effect on the cost or availability or affordability of housing.

Rather than going into each of the factors in 3, I'd just like to take the liberty of making a few comparisons of earning power. Plane fares: Calgary to Vancouver, \$39.95 in 1954; it took 47 hours to earn that plane fare. It was \$84.25 in 1980; 13.2 hours to earn the plane fare. A standard, four-door car: \$1,775 in 1954; took 12 months to earn it. In 1980, it cost \$8,900 and 8.6 months to earn the same car.

I left till the last the area of income taxes: cost of

government. The cost of government isn't included in the CPI either, yet it has a considerable impact on the buying power of today's consumer. In fact, an article, *Finding flaws in the CPI as the 'right' measure*, says it

... is not difficult. After all, it was not designed as the best tool for determining wage scales, pension levels, tax rates or any one of its most familiar applications. It was — and remains — a statistical measure, pure and simple.

It was not meant to be used the way it is today.

The CPI 'basket' does not reflect the cost of income taxes, which are the single biggest expense for many, if not most, Canadian families. Nor does it reflect interest costs for loans or consumer credit. It ignores certain aspects of home ownership costs.

From the Lethbridge article, if I can go back to taxes: in 1954 the average tax was \$26.64. It took four days for the average consumer in Lethbridge to earn it. In 1980, average taxes — this is all taxes, including hidden taxes: \$4,571, and it took 17 weeks to earn the taxes. Seventeen weeks to earn the cost of government, and it's not even included in the consumer price index. There's been an erosion of the purchasing power of consumers due to taxation by governments. This has remained relatively constant since 1969, relatively steady at one-third of the yearly earnings.

This is very disturbing when one considers that 17 cents out of every tax dollar collected federally is used on interest payments for the federal deficit. That means you're working three weeks to pay the interest on the federal deficit. Not only has the taxpayer's earning power been reduced by 30 per cent over the last 30 years, but the federal government has increased the debt load. Again, according to Statistics Canada, Alberta ranks second-lowest in terms of spending in its own economy, as a per cent of the gross domestic product. Certainly Albertans pay less taxes than [in] any other province in Canada. I would point out that this is the only government which has reduced its per cent of the economy. When discussing government expenses, consideration must be given to benefits, provided free, which were not relative in 1954: medicare, free hospitalization, old age security pensions, and child allowances.

Consideration also has to be given to the lower income groups. Let's compare the minimum wage in 1947. It ranged from 30 to 55 cents, and a weekly wage minimum was \$25. Today's minimum wage is \$3.50, and I'm not sure whether the \$3.80 came into effect April 1 or May 1. The people I felt would really be suffering were the senior citizens living in the city. I was familiar with the position of senior citizens in rural areas and in my constituency, but I had misgivings about not knowing the position of senior citizens in Edmonton. So I visited the Strathcona senior citizens' advisory committee to discuss their problems and to find out if my interpretation of the consumer purchasing power was right.

Generally speaking, they were in the same situation as senior citizens at Drayton Valley. Those in government-subsidized accommodation make out fine. Those in their own homes, especially if they're single, are generally in a tight financial situation, but again they said they made out. They felt the senior citizens' tax reduction plan was a great benefit to them. Single senior citizens in high-rental units are the hardest hit, but said the increase in government rent subsidy made up for the increased rent. The group in the most difficult situation seemed to be the ones living on pensions from other countries. The difference [between] Canadian dollars and foreign currency

puts them in a very tight situation.

Someone tells me the Mercedes is — if you're going to send me a note, you should write so I can read it — \$32,000 today, as opposed to \$2,500 in 1950.

DR. BUCK: Only the Conservatives know that, Shirley.

MRS. CRIPPS: Well, I'm afraid I'm too conservative for that.

MR. COOK: Dentists should know that, Walt.

MRS. CRIPPS: Again, pensioners were in different situations, depending on whether they had Canada Pension, their own pension, or were totally reliant on old age security. The lowest that any pensioner should get, though, would be \$480, if they're single. In 1951 a 70-year-old individual would have received \$40 per month.

The comments were nearly the same as I've heard in Drayton Valley. When I was discussing this with one gentleman he said, well, I remember when I spent a month's wages on a pair of rubber boots when I was working in the bush camps, went out the second day, the axe missed, and I chopped a hole in my boot and had to wear it for the rest of the month because I simply couldn't afford another pair of rubber boots. Now I don't know what the price of rubber boots was at that time, but I daresay they were probably under \$5, so you know what his month's wages were.

The comments I heard from these senior citizens were these: we're so much better off than we ever hoped to be; we feel as if we're a spoiled generation. They thought it was a luxury at their age to be able to live in their own home. By the way, this lady was well into the 80s. And, if they couldn't live in their own homes, there were lots of alternatives. The alternatives suggested were senior citizens' homes, individual apartments, and nursing homes, if that had to be the case. One of the reasons, though, that they felt they were satisfied was that they felt their expectations were realistic. Maybe they should have as much right to high expectations as the rest of us. They really did have some misgivings about the expectations of today's generation. So, today's generation: please take heed.

The other low-income group I assessed were social assistance recipients. In 1951, social assistance recipients — mother and two children — received \$478 per year, or \$38 a month. In 1980 the average benefit was \$735 per month. They also have other considerations such as day care and bus passes. And one must remember that people on social assistance receive dental, medical, and educational costs, which are all picked up by the government.

Since a major portion of the work force is government employed, I also obtained these figures. In 1971 the average wage for permanent, full-time government employees was \$7,300.27. In 1980 it was \$19,901.51. Those are averages.

I'm not trying to say that everyone is well-off. But generally speaking, I would say we are in a better purchasing power position than ever before in history. Look at the number of cars, boats, campers, trailers, et cetera, on the road. Look at the number of holidays taken. Thirty years ago only the rich could afford a holiday, and they didn't even have time at that.

The problem with trying to reach criteria for any type of index is that the people at the low-income levels have to purchase exactly the same consumer items that the ones at higher income levels do. There is absolutely no

rationale for relating the consumer price index to the 1971 dollar, nor is it reasonable to ignore interest and taxation. It should be a consumer . . . Beg your pardon?

DR. BUCK: Mr. Speaker, I was saying to the Minister of Labour that he gave the hon. member the wrong speech.

MRS. CRIPPS: I told you yesterday, Walter, I do my own work. I beg your pardon, Mr. Speaker. I told the hon. member for . . . wherever . . .

AN HON. MEMBER: Clover Bar.

MRS. CRIPPS: . . . Clover Bar yesterday that I write my own speeches.

It should be a consumer purchasing power index, based on how many hours of labor are required to purchase a commodity, or the wages per hour divided by the cost of the item. The purchasing power index certainly won't improve the position of the consumer. It would only give a realistic basis with which to compare the consumer's position today. I hope everyone will support this Bill.

MR. KOWALSKI: Mr. Speaker, Bill 202 is an interesting Bill. I'd like to congratulate the Member for Drayton Valley for her initiative and imagination in drafting the Bill and for her eloquent introduction of the Bill.

I have a rather long speech I want to give on this subject. In listening to the eloquence of the Member for Drayton Valley, she repeated a series of phraseologies that I think are very, very important and made me take some degree of recognition of the important evening we're in. The Member for Drayton Valley talked about the family on a number of occasions and related the need for her Bill to the finances in the family unit. In sitting and listening to the member and being impressed by her eloquence, it reminded me that all members of this Assembly have families . . . [interjections]. . . save one or two. We're now on the eve of perhaps the most important Christian weekend of the year. Even for Albertans who are non-Christians, the weekend we're coming upon is extremely important for the family. On that basis, Mr. Speaker, I wonder if I might have permission to adjourn debate at this point so all members might be able to be closer to their families several hours from now.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. YOUNG: Mr. Speaker, on behalf of the acting House leader, in recognition of the observations just made by the hon. member and other messages which have come to my attention, I move that we call it 5:30.

MR. COOKSON: Mr. Speaker, before we vote on that, could I rise on a point of privilege and get permission from the House to read into the record a telegram to the two outstanding hockey teams playing tonight.

HON. MEMBERS: Agreed.

MR. COOKSON: It's to Mr. Glen Sather, Edmonton Oiler Hockey Club, Holiday Inn — Westbury, Long Island, New York, and Mr. Al McNeil, Coach, Calgary Flames Hockey Club, c/o Spectrum, Patterson Place, Philadelphia, Pennsylvania:

CONGRATULATIONS ON WINNING PRELIMINARY ROUND STANLEY CUP VICTORIES. ON BEHALF OF THE GOVERNMENT OF ALBERTA, BEST WISHES FOR CONTINUED SUCCESS IN THE UPCOMING QUARTER FINAL ROUNDS. HON. PETER TRYNCHY, MINISTER, RECREATION AND PARKS. Edmonton, Alberta.

MR. SPEAKER: Now, having heard the motion made on behalf of the Deputy Government House Leader, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: May I wish all members of the Assembly a very happy Easter.

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