

## LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, May 21, 1981 2:30 p.m.**

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

## PRAYERS

[Mr. Speaker in the Chair]

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

MR. KNAAK: Mr. Speaker, as chairman of the Private Bills Committee, I'd like to report that the committee has had under consideration certain petitions which did not comply with Standing Order 77 in that they were completed after the filing deadline, and recommends to the Assembly as follows:

That Standing Order 76(2) be waived to allow the petition by the Sisters of Charity of Providence of Calgary, Salvation Army — Canada West, the trustees for the Children's Fund, and the Widows and Orphans of the Police and Fire Brigades of the City of Calgary, for the Burns Memorial Trust Amendment Act, 1981, be presented to the Assembly, and for the petition to be proceeded with during this sitting.

That Standing Order 76(2) be waived to allow the following petitions to be presented to the Assembly, but that they be dealt with at the fall sitting: the petition of John Falconer, Frederick L. Fenwick, Ronald D. Ghitter, Douglas Martin, Howard P. Miller, Hayden E. Smith, W. Rees Taprell, and Alexander Fraser for the Calgary Foundation Act; the petition of Colin Taylor, Larry T. Andrews, John F. Hunt, Robert L. Brintnell, and Kimberley Israel for the Richmond Gate Trust Company Act, the petition of Gordon D. Wusyk, Ed Tonn, Karen Brust, Hugo Witzke, and Harvey A. Brust for the North American Commercial Trust Company Act.

Mr. Speaker, I also wish to report that the Private Bills Committee has had under consideration Bill Pr. 10, The Alberta Bible Institute Amendment Act, 1981, and recommends that it be proceeded with. The committee has also had under consideration Bill Pr. 9, The Paramount Life Insurance Company Amendment Act, 1981, and recommends that it be proceeded with, with certain amendments.

Mr. Speaker, I move that the Assembly concur in the reports of the Private Bills Committee.

[Motion carried]

head: **INTRODUCTION OF BILLS**

**Bill 52**

**The Banff Centre Amendment Act, 1981**

MRS. OSTERMAN: Mr. Speaker, I request leave to introduce The Banff Centre Amendment Act, 1981. The purpose of this Bill is to bring The Banff Centre Act into a position consistent with other legislation governing postsecondary institutions.

[Leave granted; Bill 52 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 52 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill 233**

**An Act to Amend  
The Police Act, 1973**

MR. COOK: Mr. Speaker, I beg leave to introduce An Act to Amend The Police Act, 1973.

The Bill provides for the creation of an Alberta provincial police force. This in no way reflects on the fine job the RCMP are presently doing for the province of Alberta, but it reflects growing concern over the difficulty of attracting sufficient officers to police, a growing need in Alberta for police service, as well as reflecting concern about the vastly increased costs charged by the federal government for the provision of RCMP services.

[Leave granted; Bill 233 read a first time]

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. HIEBERT: Mr. Speaker, I have the privilege of introducing some special guests in your gallery. We have the pleasure of introducing to you and members of the Assembly the newly elected president of the PC Party of Canada, Mr. Peter Blaikie. Peter is accompanied by Marion Morstad, a national director for the party and a constituent in Edmonton Gold Bar. Will you give them a warm welcome.

MR. KOWALSKI: Mr. Speaker, I'm pleased this afternoon to be able to introduce to you and members of the Legislature 26 young people from Covenant Canadian Reformed school at Neerlandia, Alberta. They're accompanied by two teachers, Mr. Jake Hoekstra and Mr. Cor Aardappel. Neerlandia, approximately 12 miles north of Barrhead, is an extremely productive agricultural area. I would ask that the group rise and receive the warm welcome of the House.

MR. KNAAK: Mr. Speaker, it gives me great pleasure today to be able to introduce to you and to my colleagues in the Assembly 45 students and their band director, Phyliss Deeks, from the Fielding Drive school in Ottawa. I might just mention in passing that I was pleased to learn today that Phyliss Deeks and my wife went to the same high school in Ottawa.

The students are on an exchange program with 60 students from Vernon Barford junior high, a fine school in my constituency. These students are in the gallery as well. These students have their band leader, Marlene Norquay, present. The following chaperones from Ottawa are also present: Donna Collins, Jeanette Scott, Eunice and Glenn MacLeod, and Ken Gollans. The Edmonton chaperones include Judy Hayman, Anne Filipchuk, Barbara Jones, Virginia Jaster, Mary Masterton, and Adina Krawchuk.

Mr. Speaker, I think it's a great event when we have students in this age group spending time together and, I presume, living at each others' homes. The Edmonton group was in Ottawa for a week, and the Ottawa group is

in Edmonton for a week. I'd ask them to stand and receive the warm welcome of this Assembly.

head: **ORAL QUESTION PERIOD**

**Energy Negotiations**

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Energy and Natural Resources is with regard to the energy negotiations that may or may not be going on at present — not in public anyway. The minister indicated that in late May a meeting was proposed to be held with the federal minister. At this point, there seems to be no indication of that meeting. Can the minister indicate whether a May meeting has been established or not?

MR. LEITCH: No, Mr. Speaker, we have not established a date for the next meeting. I'm hopeful that such a date will be established in the near future.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. In earlier remarks in the Legislature, the minister indicated that he would be in contact with the federal minister shortly after his return to Ottawa. Has that contact been made, and is a target date for a meeting being established?

MR. LEITCH: Mr. Speaker, I haven't been in personal contact with Mr. Lalonde since the April 13 meeting, but discussions have been going on between personnel from each of our offices.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Could the minister indicate whether this indecision and lack of communication, maybe on the part of both Alberta and Ottawa, is an indication that the energy negotiations have bogged down, and the results are slower than ever?

MR. LEITCH: Well, Mr. Speaker, I accept none of the implications in the question of the hon. Leader of the Opposition. The situation is pretty well as we'd anticipated it would be following the April 13 meeting, which was that there would be some discussions at approximately this time, regarding the time and place of the next meeting. Discussions are going on between representatives of our respective offices, but we've not yet arrived at fixing a time or place for the next meeting.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Can the minister assure the Assembly that a meeting will be held at least in June of 1981? May is finished. Will there be a meeting in June?

MR. NOTLEY: They can't even agree on a meeting date.

MR. LEITCH: Well, Mr. Speaker, to the extent that I have control over such matters, there will be a meeting in June.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. The minister indicated in his remarks in *Hansard* that there's urgency to this meeting and he would do everything in his power to set that meeting date. The minister has indicated now that he has made no contact with the counterpart in Ottawa. Will there be

immediate contact by the minister to arrange for that meeting?

MR. LEITCH: Mr. Speaker, I am amused by the agitation of the hon. Leader of the Opposition.

DR. BUCK: Promises, promises. Get the show on the road.

MR. LEITCH: I just said to him that there has been contact between our two offices. We are discussing the location and time of the next meeting.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Will the next meeting be in June, and is that the proposal of the provincial minister to the federal minister? As well, have discussions been held with the Esso Resources group as to problems they will have to confront or decisions that will have to be made in June?

MR. LEITCH: Mr. Speaker, there have been no recent discussions between me and representatives of the Esso group. As to the first part of the question of the Leader of the Opposition, I don't know that I can add anything to the earlier answers I've given.

MR. NOTLEY: A supplementary question to the hon. minister. In view of reports attributed to the federal minister that he's not optimistic about an agreement for some time — I believe the end of the year — has there been any consideration of further discussion of a meeting between the Premier and the Prime Minister over the next period of time?

The minister has indicated he wants to have a meeting in June. What's the obstacle? Is it reluctance on the part of the federal minister to meet? Is it the logistics? What are the problems of arranging a meeting, when a few weeks ago we were advised that the end of May would be a reasonable target date?

MR. LEITCH: Mr. Speaker, the hon. Member for Spirit River-Fairview refers to an obstacle about a meeting in June. I don't know where he draws the implication that there is an obstacle to that meeting. I was asked by the hon. Leader of the Opposition whether I would assure the Assembly that a meeting would take place in June. Obviously I can't assure the Assembly that I'm going to meet with someone else during a particular time, simply because I don't have any control over what the other party to the meeting may want to do.

I've said that as far as I was concerned, I was looking toward a meeting certainly no later than June. We've been discussing dates and possible places for a meeting and just haven't arrived at one yet. I don't regard those as obstacles. It's a matter of fitting schedules together. I think that is the appropriate response to the first portion of the question of the Member for Spirit River-Fairview.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Obviously one meeting is hardly going to do it. In view of the problems, the obstacles that the minister has indicated in terms of fitting schedules together, what consideration is being given now to meeting dates over the next period of time between the government of Alberta and the federal government? Is the minister in a position to give the Assembly any indication of what the government of Alberta sees as a feasible time for an energy agreement?

MR. LEITCH: Mr. Speaker, there were about three questions to respond to I guess, including the earlier one with regard to a possible meeting between the Prime Minister and the Premier. Certainly I haven't been involved in any discussions about such a meeting. At this time, Mr. Speaker, we wouldn't be considering future meeting dates or places. I think we can only consider that during the course of the next meeting. Because during that meeting we will have a better feel for the need for and the timing of any additional meetings.

Mr. Speaker, one further question was asked, and it has slipped my mind at the moment. Perhaps the hon. member could repeat it.

MR. NOTLEY: Mr. Speaker, we've had some reports attributed to the federal minister of an agreement by the end of the year. Is the minister in a position to give the Assembly any indication at all as to whether the minister's impression is that an agreement can be reached by the end of this year?

MR. LEITCH: Well, Mr. Speaker, there is certainly no way that I would want to give the Assembly any assurances as to when an agreement might or might not be reached. Frankly, I don't know how you can do that. As we proceed with these meetings, we will only know whether an agreement will be reached and when it can be reached, if in fact we can come to an agreement. But to pick a time frame and say, this is when I anticipate we'll know that we can't reach an agreement or, this is when I anticipate we will be able to reach an agreement, is certainly something that couldn't be done.

[Two members rose]

MR. SPEAKER: A final supplementary by the hon. Leader of the Opposition, followed by a supplementary by the hon. Member for Edmonton Mill Woods.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. In light of the fact that June 1 is the second phase of the cutbacks and, secondly, that July 1 is the deadline date for Esso Resources, what are the obstacles to an early meeting with the federal minister? Has the minister cleared his own timetable so that his schedule is open from now till the end of June or whenever an agreement is signed, so that he is on call to the federal minister, if that's the person setting the meeting date?

AN HON. MEMBER: Is that how you operate, Ray? [interjections]

MR. R. SPEAKER: Mr. Speaker, the minister said the fault lies with the federal minister, that he is available for meetings. If what I said isn't accurate, then the minister had better correct it, because if the meeting date rests with the provincial minister, why isn't there a meeting? It's as simple as that. This minister and government have promised to get the negotiations . . .

MR. SPEAKER: Order please.

MR. LEITCH: I'm always amused, Mr. Speaker, at the little speeches of the hon. Leader of the Opposition during question period. But I want to assure him that, unlike the previous government, we're not on call to any federal government.

SOME HON. MEMBERS: Agreed.

MR. LEITCH: And I want to give him a second assurance, Mr. Speaker, that my schedule has been cleared, and I have been available and will remain available for a meeting.

MR. R. SPEAKER: Mr. Speaker, if . . .

MR. SPEAKER: Order please. A final supplementary by the hon. Member for Edmonton Mill Woods. If there's time, we can come back to this topic later in the question period.

MR. PAHL: Thank you, Mr. Speaker. I wonder if the Minister of Energy and Natural Resources would confirm to the Assembly whether the second scheduled reduction in production will go ahead on June 1.

MR. LEITCH: Yes, Mr. Speaker.

#### Referendum Legislation

MR. R. SPEAKER: Mr. Speaker, I have a second question, equally as important. To the Attorney General: the strategy of this government is never revealed.

One of the Acts that was a strategy or whatever, was The Referendum Act of the previous Legislature. I'd like to ask the minister whether this Act, or a modification thereof, will be introduced in this spring session of the Legislature?

MR. JOHNSTON: Mr. Speaker, I'll respond to the question of the Leader of the Opposition. As I recall that was asked some time ago, and I said I would be introducing the Bill in the session. That includes the fall session. I imagine it would more likely be the fall session.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Federal and Intergovernmental Affairs. Would the minister indicate whether there will be a significant number of amendments in the legislation? Is that one of the reasons for the delay into the fall session?

MR. JOHNSTON: Mr. Speaker, I can't, contemplate what amendments would take place. I will be introducing a Bill, however.

MR. NOTLEY: A supplementary question to the hon. minister. Is the minister at this stage contemplating the introduction of a Bill modelled on the rather poorly drafted Bill introduced in the fall session of the recent House?

MR. JOHNSTON: Mr. Speaker, the Member for Spirit River-Fairview will just have to wait and see.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister.

That's the normal answer we're getting out of this government. They'll answer tomorrow or next year. Why don't they know what they're doing? [interjections]

MR. SPEAKER: Order please.

MR. R. SPEAKER: Mr. Speaker, if the minister is aware, able to make a decision, and give some direction, will one of the amendments possibly proposed for this

legislation provide financial support for various groups that wish either to oppose or support a resolution that may come through a referendum?

MR. JOHNSTON: It would not be my place to remind the Leader of the Opposition that this would be a question which would be debated when the Assembly sees the legislation itself. I would only advise the Assembly, Mr. Speaker, that several options are open to this form of legislation. There are two principal items. One would be the form in which the rules are formed and made, and how this Assembly has input into those rules, and of course there would be the second range of questions which would deal with the way in which the plebiscite itself would be conducted. Of a subset of the second item would be such questions as funding. I'm sure that when the legislation is brought back those will be fully and properly dealt with. I can assure the Leader of the Opposition that we'll provide leadership, as we have in the past.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Federal and Intergovernmental Affairs. Given the experience of other jurisdictions, particularly the province of Quebec, including for that matter the Parliament in Great Britain, where legislative hearings by an all-party committee took place, is the government determined at this stage that the Bill will be strictly a product of the Conservative caucus, or is the government prepared to look at a referendum Bill which is drafted as a result of an all-party committee?

DR. BUCK: Are you kidding?

MR. JOHNSTON: Mr. Speaker, as I indicated several models are available. If the Member for Spirit River-Fairview is giving me a recommendation, I'll take it as that. But I think it would be proper for the government to take the leadership once more and bring the legislation forward. We'll take that responsibility.

MR. KNAAK: Mr. Speaker, a supplementary to the minister. There is a high likelihood that the federal government may not be successful in its unilateral moves with the constitutional amendment. In the event that the eight premiers representing the majority of Canadians are successful in stopping this unilateral move, will the minister reconsider the need to introduce the referendum legislation?

MR. SPEAKER: The hon. member's question is clearly hypothetical.

#### Truck/Train Collision

MR. HIEBERT: Mr. Speaker, my question is directed to the minister responsible for Disaster Services. It emanates from an incident in southeast Edmonton this morning where, around 4:30 a.m., a number of citizens were aroused from their sleep with a series of explosions related to a 45,000 litre tanker truck collision with a train on an uncontrolled intersection or crossing at the Edmonton-Strathcona boundary. Within minutes, I was at the scene of the accident. I noted a prime response from the Edmonton fire department.

SOME HON. MEMBERS: Question, question.

MR. HIEBERT: Mr. Speaker, the hon. Member for Clover Bar took my time with his amendments, and I'm just trying to indicate why . . .

DR. BUCK: Mr. Speaker, I would like to remind you the rules apply to both sides of the House. [interjections] The member is making a speech.

MR. SPEAKER: Under the circumstances, with great respect to the hon. Member for Clover Bar, I have very much in mind the application of the rules to both sides of the House. Thus far, I would have difficulty in finding fault in the latitude shown by the hon. Member for Edmonton Gold Bar, as compared with latitude which has occurred in previous questions.

DR. BUCK: We're not interested if he got up at 4:30 or 5 o'clock.

MR. SPEAKER: Order please.

AN HON. MEMBER: It's just the pot calling the kettle black.

MR. HIEBERT: Mr. Speaker, I know the member over there is very sensitive about the boundary situation.

MR. COOK: Annex him.

MR. HIEBERT: My question to the minister is: as a result of the Edmonton fire department, Edmonton city police responding, along with the county fire department, and having the potential of a Mississauga, could the minister clearly indicate to the House and the Edmontonians of that area, who is responsible for taking charge or command in that type of emergency and in that type of jurisdictional question?

MR. SPEAKER: With great respect, that would appear to be a question seeking a legal opinion. Unless it can be related in some way to government policy, it wouldn't be a question for the question period.

MR. HIEBERT: Let me put the question another way, Mr. Speaker. Do we have a policy with regard to such a situation?

MR. NOTLEY: We're waiting for Ottawa.

MR. MOORE: Mr. Speaker, there clearly are some responsibilities when such accidents do occur. Disaster Services, by the way, is there in the role of a co-ordinator, not necessarily on the scene, but having been involved previous to such occurrences occurring, ensuring that each community has a disaster plan. In the particular instance the member cites, there is a responsibility on behalf of the police and the fire department, in whose jurisdiction it lies. Indeed the railways have a major responsibility in that regard, and as far as I'm concerned, generally are active and well prepared to deal with such emergencies. In addition to that, we often have a nearby MLA on the scene immediately.

MR. HIEBERT: A supplementary question, Mr. Speaker. In light of the debate yesterday on annexation, there was a concern about Edmonton's capacity to supply power and water to the heavy industrial area. I would like to know if the minister could assure that there is adequate

water supply to the heavy industry area located in Strathcona county, by the city of Edmonton?

DR. BUCK: Why don't you ask the mayor?

MR. SPEAKER: With great respect, might I suggest that the question be transferred to Edmonton city council.

MR. PAHL: A supplementary question, Mr. Speaker. It is my understanding that the Alberta Disaster Services warehouse is located in the constituency of Edmonton Mill Woods adjacent, to both the refinery and other industrial areas of the city. I wonder if the minister could advise whether that strategy was somehow put in jeopardy because of the location of that accident at 39th Street and 92nd Avenue?

MR. MOORE: Mr. Speaker, I'm not sure I've caught the import of the question. Perhaps I can be helped by a rephrasing of it.

MR. PAHL: Mr. Speaker, my information indicates there was some danger to the Disaster Services warehouse and the ability of that warehouse to respond to an emergency. I wonder whether the strategy of locating that in Edmonton close to the refinery could be subject to some review.

MR. MOORE: Indeed, Mr. Speaker. I should say to the hon. member, however, that the resources of Disaster Services and the resources assembled throughout the province to respond to such emergencies are spread far and wide. Of course it is necessary to ensure that services of that nature are provided close to areas where there is a potential for such incidents to occur. But there are indeed other warehouses in the region that could well serve in the event that one of our locations of emergency equipment might come into contact with such an incident.

MR. PAHL: A supplementary, Mr. Speaker. Including the crossing where the accident occurred, there are 14 level crossings within Mill Woods where refinery products move from the refinery past Gold Bar, Avonmore, and through Edmonton Mill Woods to destinations both south and west. I wonder if the minister could indicate whether there are contingency plans, in addition to Lambton Park warehouse, along those routes within the city of Edmonton.

MR. MOORE: Mr. Speaker, I have to take that question as notice and perhaps get some further clarification from the hon. member as to whether he means contingency plans by the city of Edmonton fire department or police department, Alberta Disaster Services, the Canadian National Railway, or the CPR. I know a variety of contingency plans exist for accidents of that nature. Perhaps the hon. member could outline to me from what area he's looking for those answers.

#### **Hazardous Chemical Spills**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Environment. It concerns a matter brought to my attention by the McMurray Independent Oil Workers Union concerning a transformer explosion and suspected PCB spill on March 4, 1981. Has the government received a report of this particular incident?

MR. COOKSON: Mr. Speaker, I'm not sure [which] area the member referred to. In addition, I would have to refer to the department to see if the report has come in.

MR. NOTLEY: Mr. Speaker, by way of explanation, it occurred on March 4 at the Suncor plant in Fort McMurray.

Mr. Speaker, my supplementary question on this matter to the hon. Minister responsible for Workers' Health, Safety and Compensation: is the minister in a position to advise the Assembly whether the department of occupational health and safety worked with the company in administering blood tests to workers at the site who were involved in clean-up of the spill?

MR. DIACHUK: Mr. Speaker, I must share with my colleague the Minister of Environment. I would have to take that question on notice and respond more fully. I don't have before me any information on that incident, nor do I know if it has been reported to my officials.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What is the policy of the government with respect to notification — in this case where a spill has occurred — to the bargaining agent of the workers involved? The matter was brought to my attention today by the McMurray Independent Oil Workers Union. Apparently tests were conducted. When tests have been conducted, is it a policy of the department that the union representing the workers is advised?

MR. DIACHUK: Mr. Speaker, it's not only the policy; to my recollection it is in the statute that the worker who is examined must be advised of the results of the examination. With regard to the particular union, I'd have to check and advise the member more fully whether this is in the policy.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. It flows from information brought to my attention by the bargaining agent in this incident. What test does the department of occupational health and safety use in this province with respect to suspected PCB contamination? Is it a blood test, as was administered to these workers, or is it the test consistent with standards of the national institute of occupational safety and health, which is more complex?

MR. DIACHUK: Mr. Speaker, I would like to take that too on notice and respond more accurately and fully.

MR. YOUNG: Mr. Speaker, if I may supplement the answer. I would point out to the hon. Member for Spirit River-Fairview that in his original question he asked what reports government receives. The electrical protection branch would receive a report if the explosion was of any consequence. It is the practice and policy of that branch to follow up on all electrical incidents of this nature, to examine whether a pattern is developing over a period of time and whether there needs to be a review of any particular form of equipment.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Labour. In view of the minister's answer and that I'm advised that two weeks after the incident on March 4 Kinetic Contaminants had a clean-up crew on the site, what report has been filed with the Department of Labour at this time?

MR. YOUNG: Mr. Speaker, I would have to check to determine that. I simply wanted to point out that it is the practice and responsibility of the electrical protection branch to follow up in case there are situations which could indicate that equipment needs to be examined. I know they watch very carefully for arcing in transformers. I judge from the way the question was phrased that that's what occurred in this instance.

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

MR. NOTLEY: Mr. Speaker, a final supplementary question to the hon. Minister responsible for Workers' Health, Safety and Compensation concerning the clean-up of the spill. I'm told by the union that the original transformer is still in the cage and hasn't been removed yet. The concern expressed to me is that workers in the powerhouse are working in very close proximity to this transformer, which hasn't been moved. What kind of policy does the department have with respect to protection of workers working in an area where there has been a suspected PCB spill? Are there any clear instructions to the company from the department of occupational health and safety, which would prohibit work in the immediate area without proper clothing?

MR. DIACHUK: Mr. Speaker, The Occupational Health and Safety Act is quite explicit in that if the worker is aware or if it's brought to the worker's attention, it is the responsibility of the worker or workers not to enter an unsafe site. If that occurred in that incident, as the hon. member alludes, it will be part of the answer I'll provide when I check into what I took earlier as notice.

#### **Oil Workers' Overtime**

MR. WEISS: Thank you, Mr. Speaker. My question is to the hon. Minister of Labour. In view of the recent issue pertaining to overtime between Suncor and McMurray Independent Oil Workers in Fort McMurray, I wonder if the minister would advise the Assembly if he's had any discussions with Mr. Don Marchand, the MIOW president, and/or Suncor officials?

MR. YOUNG: Yes, Mr. Speaker. I had at least one telephone conversation with Mr. Marchand, following advice from the hon. Member for Lac La Biche-McMurray of concerns expressed to him over the weekend by members. I can also advise the House that the situation was left that if there are outstanding concerns, Mr. Marchand should call me back. I haven't heard from him in the last 36 hours.

MR. WEISS: A supplementary, Mr. Speaker. Has the Minister of Labour or his department ever approved any overtime previously in subsequent years?

MR. YOUNG: Mr. Speaker, I believe I should divulge a few details of the situation at the Suncor plant in Fort McMurray. The operation we're discussing has many different parts: one is a mining operation and the other a refining operation. The nature of the refining process is that the refinery has to be taken down, serviced, and goes through what is called a turnaround. This occurs about every two years. In 1979 and 1977 when that occurred, Suncor asked the Department of Labour for permission to work six consecutive days at 10 hours per day. At that

time, employees made representation through their union to work five days at 12 hours per day. The work schedules were followed, as approved, at six days per week, 10 hours per day, for the short term of taking the plant down, out of production. The reason is that it becomes a question of safety.

In the particular instance that occurred just recently, with respect to the process part of the operation, which is a 24-hour a day operation, when it was determined that the plant had to be taken down for turnaround on a somewhat emergent basis because of problems with the flare stack, the company determined that the safe way to do it, in the interests of the health of the workers and the safety of the plant, because it does involve gases, et cetera, was to double team or have two employees in the process area rather than one as in a normal working situation.

They requested the employees to work six days, 10 hours per day. Some of the employees did; others did not. The result was that there was some disciplining of, I believe, four employees, who did not consider that they should respond, in the interests of safety and the urgency of the situation. Mr. Speaker, much has been said about the legislation. The former statute provided for an urgent situation for the employer to require employees to work longer hours, and the situation is no different today.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification . . .

MR. SPEAKER: Possibly the hon. Member for Lac La Biche-McMurray might pursue the main question and then a supplementary.

MR. WEISS: Thank you, Mr. Speaker. A final supplementary. What is the overtime situation now, and were some 1,000 employees ordered back to work overtime?

MR. YOUNG: No, Mr. Speaker. In terms of process, the overtime involves a rather small crew of, I believe, approximately 18 persons at any one time. In the turnaround, in examining the jobs it was felt were critical and should have two persons attending them, I believe that was reduced from 18 to about 10. In terms of a take-down of the operation, the turnaround was completed in about six days. At that time the process operations went back to a five-day, eight hour schedule. They will not be going back to an extended hours situation until the refinery is ready for start-up. I'm advised by the company officers that when that occurs, they will be requesting, in the interests of the safety of the men on the site and the safety of the plant, that again these certain positions be double manned for about six days, and that will necessitate some overtime.

#### **Kinbrook Island Provincial Park**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Recreation and Parks. Have any officials from the minister's office had recent meetings with Eastern Irrigation District officials with regard to the high water level in Lake Newell and the effect it's having on cabins in Kinbrook Island Park?

MR. TRYNCHY: No, Mr. Speaker. As far as I know, I don't think we have.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Is it the intent of the government or the parks department to purchase more cabins at Kinbrook park?

MR. TRYNCHY: Mr. Speaker, it's hard to say whether we will continue the policy of removing cabins, but that will be taken up with the advisory board now being appointed at Kinbrook Island. I'd have to check that question and advise the member later.

MR. MANDEVILLE: One further supplementary question, Mr. Speaker. Could the minister indicate whether they're going to continue to provide overnight camping at Kinbrook park, or are they eventually going to use it for day use?

MR. TRYNCHY: Mr. Speaker, as we're all well aware, some few months ago I was at Kinbrook Island, and we set up an advisory committee of local people. I hope they would meet and make some recommendations to us, and we would follow their recommendations as best we can. My understanding is that we will have it as overnight camping for now, and if we expand to another area, we would make it into a day-use area. We're working with the committee and, hopefully, their recommendations are the ones we would follow, if they fit park policy.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Has the minister had any contact with the Eastern Irrigation District with regard to purchasing more land for overnight camping at Kinbrook Island Park?

MR. TRYNCHY: No, Mr. Speaker, personally I haven't been involved.

#### Signal Flares

DR. BUCK: Mr. Speaker, I'd like to ask a question of the Minister of Transportation. This has to do with signal flares and flags on vehicles. Just a brief background for the minister. In the case of vehicles abandoned because of mechanical failure — in this one instance, the vehicle was abandoned; a vehicle tail-ended it, ricocheted across the road, and nearly hit an oncoming vehicle. Is the minister in a position to indicate to the Assembly what the differentiation is between which vehicles must carry flares and which are not required to carry flares?

MR. KROEGER: Mr. Speaker, I don't know that there's a differentiation if we're talking about trucks specifically. The requirement for flares is there for all trucks, but it hasn't been actively pursued. Recently there has been no change in the way the traffic Act reads. Because of the implications of a commercial unit, even though it's the same sized unit, perhaps tending to carry tools, having wider bodies — not exceeding width but having wider bodies than a standard half-ton truck, for example — the insistence is that commercial units have to have flares.

DR. BUCK: Mr. Speaker, then can the minister indicate to the Assembly the reasoning, or is it a reason or just a misapprehension that half tons having commercial plates must carry flares but half tons not having commercial plates are not required to carry flares? Is this just a misconception in the minds of the public, or is this a fact, Mr. Minister?

MR. KROEGER: To make sure, I want to check, Mr. Speaker. I don't think there's any difference in the Act. I think the Act covers all units. That's what I meant earlier. I suppose in the enforcement of it — and perhaps the Solicitor General want to comment — the emphasis has been on commercial units.

DR. BUCK: Mr. Speaker, is the minister in a position to indicate if he or the Solicitor General is considering all vehicles being required to carry flares. You're just as dead if you run into the back of a car and ricochet into the oncoming lane, as you do into a half ton or truck. Is the government considering that approach?

MR. KROEGER: No, Mr. Speaker. We haven't discussed, this, but I think it's a subject worth pursuing.

#### Emergency Utility Restoration

MR. PAHL: Mr. Speaker, my question is to the Minister of Utilities and Telephones. It relates to the collision and fire at the boundary of Edmonton Mill Woods and the county of Strathcona. My understanding is that there were power and telephone outages in the city and the county of Strathcona, and these outages were repaired by Edmonton Telephones and Edmonton Power.

Would the minister advise the Assembly whether there's a policy by his department requiring the utilities involved to restore power to those areas that might be deemed to require it first, in this case, perhaps a residential area?

MR. SHABEN: Mr. Speaker, as the hon. member knows, there are a variety of utilities within the province, including municipally owned utilities, rural electrification associations, and investor-owned utilities in those cities that distribute power that they purchase wholesale. Within each utility they establish their priorities and policies, and generally those policies reflect the view put forward by the Member for Edmonton Mill Woods, that residences are dealt with quickly. They have a variety of emergency programs where persons who are highly dependent on power are registered with the utility company, and arrangements can be made to supply that power or provide alternative methods of making energy available to them.

MR. SPEAKER: The hon. Associate Minister of Public Lands and Wildlife would like to deal further with a topic raised previously.

#### Odyssey Project

MR. MILLER: Thank you very much, Mr. Speaker. I notice that the hon. Member for Olds-Didsbury is not in his place today. However, I would like to respond to some questions he has asked on two different occasions. On May 13 part of the question he asked was: "Is the minister prepared to make available copies of the conditions attached to the conditional approval" of the Odyssey project? At this time I would like to file four copies of those conditions with the Legislature Library.

Furthermore, Mr. Speaker, if I might respond to some of the questions he asked yesterday. One was:

Is the minister in a position to indicate to the Assembly what conditions there are in the agreement that will guarantee that a hotel strip or a new town won't be developed in the area adjacent to where the

Odyssey project is being developed?

Mr. Speaker, I would refer members to the Eastern Slopes policy, which is the guidelines under which the Odyssey proposal is being developed, and indicate to the Assembly that the Odyssey development is located 35 miles west of Nordegg on Highway No. 11, about 8 miles from the Kootenay Plains. It is located within the general recreation zone, which is covered by our Eastern Slopes policy, and residential development is not allowed in the recreation zone. We would not entertain any form of population centre in the vicinity of Odyssey. This is controlled by refusing to issue any permits or leases for residential development.

I should also point out that between the Odyssey development and Nordegg there is a small facility zone area in which a motel development is presently located. The department is presently working with the developers to see if staff cannot be accommodated in Nordegg. It is expected that only a small number of essential staff will be accommodated within the development.

The second question was:

Can the minister assure the Assembly that in fact in the conditions granted to the Odyssey project people there is a condition which will protect against the development of a population centre in the area adjacent to the project?

I have partially answered that. However, Mr. Speaker, I should point out that the lease that was granted was subject to five conditions. Number one states that: "The lessee shall, before commencing any development, submit for approval, all development plans and specifications for improvements." Further, only a bare minimum of essential staff will be allowed to live on the site, and their accommodation would be part of the tourist facilities. No significant staff accommodation facilities will be allowed on the site. As well, under no circumstances would the department approve any leases adjacent to the Odyssey site which might lead to the development of a village, hamlet, or community in the area. Finally, Mr. Speaker, the Alberta Forest Service has identified an existing industrial campsite at the Bighorn dam, which was used for the construction of the dam. This site could be utilized for the construction staff who will be working on the Odyssey project.

Thank you, Mr. Speaker.

## ORDERS OF THE DAY

MR. SPEAKER: May the hon. Member for Barrhead revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. KOWALSKI: Thank you very much, Mr. Speaker. For the fifth time this week it gives me great pleasure to introduce to you and to members of the Assembly a group of bright, young scholars from Littleport school, located in the hamlet of Tiger Lily, which is 12 miles west of Barrhead. The 10 students in the members gallery are accompanied by a very competent teacher, who formerly spent time working in this building and is now a very good friend and confidante of mine, Mr. David Bouyea,

and by their bus driver the Rev. Dan Dressier, pastor of the Barrhead Church of God. I ask the scholars, Mr. Bouyea, and Rev. Dressier to stand and receive the recognition of the House.

### head: WRITTEN QUESTIONS

MR. HORSMAN: Mr. Speaker, I move that questions 133 and 134 stand on the Order Paper.

[Motion carried]

### head: MOTIONS FOR RETURNS

125A. Dr. Buck moved that an order of the Assembly do issue for a return showing the estimated total cost of completion of every capital project proposed in the 1981-82 budgetary estimates where funding will be required to complete the project in subsequent fiscal years and where the proposed 1981-82 appropriation for the capital project exceeds \$200,000.

DR. BUCK: Mr. Speaker, I believe the minister has amendments to make to 125 and 126.

MR. CHAMBERS: Mr. Speaker, perhaps I could cover both at the same time. The amendment to 125A would add "other than for the Department of Hospitals and Medical Care" at the beginning of the motion, and that "\$200,000" be changed to "\$1 million". Perhaps I'd better stop there.

[Motion as amended carried]

126. Dr. Buck moved that an order of the Assembly do issue for a return showing both the original estimated total cost and the current estimated total cost to completion of every capital project administered under the budget of the Department of Housing and Public Works where the proposed 1981-82 appropriation for the capital project exceeds \$200,000.

DR. BUCK: The same thing applies here. The minister has an amendment to make.

MR. CHAMBERS: Mr. Speaker, the amendment to 126 would delete "both the original estimated total cost and the current", and further that "\$200,000" be changed to "\$1 million".

[Motion as amended carried]

131. Mr. Notley moved that an order of the Assembly do issue for a return showing any reports compiled by the Department of Environment since January 1, 1974, concerning PCB spills at the Procter & Gamble paper mill in Grande Prairie, including results of any monitoring of PCB content in the Wapiti River and in fish in that river.

MR. NOTLEY: I should just point out that we already have the Department of Environment monitoring study on the 1978 spill, Mr. Speaker. I gather that the minister has an amendment to make.

MR. COOKSON: In accepting Motion for a Return 131, Mr. Speaker, I would like to have the Assembly delete



"including" and replace it by "and". I ask for this change because it very well may be that in reading it originally, unless the two reports were combined into one, it would exempt a separate report. So it really broadens the request.

[Motion as amended carried]

132. Mr. Notley moved that an order of the Assembly do issue for a return showing a list of all hazardous chemical spills reported to the Department of Environment in 1974, 1975, 1976, 1977, 1978, 1979, and 1980.

MR. COOKSON: Again, Mr. Speaker, I'm prepared to accept the motion. I just want to put on the caveat that when you go back to 1974 there may not be any reports, but we'll certainly make available any information we have.

[Motion carried]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

217. Moved by Mr. Mandeville:

Be it resolved that this Assembly urge the government to accept responsibility to provide additional protection for Albertans from intolerably high interest rates so that Albertans can continue to afford housing, farmers can continue to farm, and businessmen can continue to conduct business.

MR. MANDEVILLE: Mr. Speaker, I think it's one of the most serious areas we're facing today. For the last nine weeks in a row, the Bank of Canada interest rate has increased. Today it went up to 19.06. Something has to happen or bankruptcies are going to be looking at us, and we're certainly going to have problems in this area. Interest rates are going to have an effect on everybody in Canada. I'm really concerned that they're going to break the economy without controlling inflation if they continue increasing at the pace they're going. There's no way I can agree that we're going to control inflation by increasing interest rates to the height where the consumer just can't accept them. We're fuelling inflation by increasing interest rates and getting them out of line. Our belief is that we have to control credit if we're going to control inflation. For example, if one is going to go out and purchase something, I think we should put a certain percentage down before we are able to purchase automobiles, snowmobiles, and such.

Recently we have heard so much on the constitution and the energy policy. I think they are serious as well. But if we don't do something to control our high interest rates or to protect Albertans, maybe the constitution and the energy policy aren't going to be that serious. I certainly think interest rates are just as serious as either the constitution or the energy policy. Possibly we're going to iron out the constitution and the energy policy as well. But if we don't get to doing something about interest rates, we're going to go back to the 1930s. I can see them coming, Mr. Speaker. I can see it very serious.

I agree interest rates are not an Alberta problem. They're a federal problem. The federal government is trying to keep up with the Americans, the U.S. interest rates. I would say let them divorce themselves and stay across the line, and let us control our interest rates here in

Canada ourselves. Our federal government is saying, well, we have to bolster the Canadian dollar. Mr. Speaker, I agree that the Canadian dollar is depressed; it's down around 83 cents. But maybe we shouldn't be so concerned about the depressed Canadian dollar. Canada is an export nation, and if the dollar is depressed it's not going to hurt us that seriously over a short period of time. I certainly don't think we should be looking at all at increasing interest rates to stabilize our dollar. I do think Alberta definitely has a role to play at the present time as far as our interest rate situation is concerned.

I look at the consumer report that just came out, indicating bankruptcies over the past few years. Bankruptcies rose 17.5 per cent in Canada last year, whereas in Alberta they rose 26 per cent. Why? Because we're a productive province, and that's what interest rates are hurting — a province like Alberta that is productive. I see here that the bankruptcy figures have been increasing consistently. But that's not going to stop there. I look at another report that just came out. In March 1981, bankruptcies in Canada were 25 per cent higher than they were in the comparable month a year ago. They're going to get worse than that. At that rate it's going to create a panic amongst Canadians. I can see our investors pulling right out of the market and a panic beginning, and going back to the 1930s.

Who are interest rates going to hurt, Mr. Speaker? Just about everyone in Canada. But what amazes me is that almost always it's the middle-income people who are hurt the worst, who get the impact and are affected the most as far as any of these policies are concerned. Certainly interest rates are going to hurt the middle-income people as well as the low-income people and big business. The ones who are going to get hurt as well are the small lenders. Some of our mortgage and small lending companies have loaned out money at a low rate of interest, and they're going to be finding themselves in problems now that term deposits get 15, 16, and 16.5 per cent. So it's certainly going to hurt small lenders, small business, and small farmers. Some of our people in the low-income bracket are going to be able to work their way out, because at the present time they have subsidized interest rates.

Who is going to control the monetary system? The people who have the dollars. Dollars are the best investment you can have today. What else can you invest in? I try to invest in cattle. I sure can't invest in the cattle industry or any business and have it as profitable as if one had his money in term deposit in the bank. So who is going to have control when it's all over, if interest rates stay like they are? It's going to be the banks; it's going to be the lending agents. They're going to have control. Purchasing power is going to be lifted from the hands of consumers after it's all over.

I'd like to put some examples before the House. I'll start with our small oil and gas producers. When the 8 per cent of net revenue went on, I have to agree it was certainly a deterrent to their operations. However, it wasn't as serious as the interest rates. Interest rates are certainly hurting our small, private gas and oil companies in western Canada, especially in Alberta. I know that many of these small companies have wells capped. Several years ago, when these wells were capped and they were not able to market them, they borrowed money. I have a chart here on what they were paying, say, in 1976. The bank rate was 9.29 per cent in 1976. Where is it at today? It's 19.06. Some of these small oil companies I have mentioned borrowed money back in 1976 at 9.76 per

cent. What are they paying for that same money today, with their wells capped? They're paying 20 per cent, 21 per cent. If you don't think that hurts, you'd have to be in the oil industry to really appreciate it. The cutback we have in this province is certainly not going to help these small companies because, especially in gas, we have a surplus now. The cutback is certainly not going to help these small oil and gas producers in any area.

I was really pleased that the depletion allowance part of the budget was abolished. Who was getting all the depletion allowance on tax credits? It was the major oil companies. The small companies I'm speaking of never got any of the depletion allowance, so they were hurt there. So the small oil and gas producers in Alberta have certainly had their drawbacks. It's the same old story, Mr. Speaker. The big companies — we can look at Cities Service and Gulf: they borrowed several million dollars from the province at 8.5 per cent. Hydro Quebec borrowed \$300 million at a preferred interest rate. I think we have to start looking at providing some assistance to some of these small companies, through the opportunity company, and cover them as far as interest rates are concerned. Let's not forget about our small business men and small producers.

Another example is agriculture. Agriculture is certainly going to get hurt as a result of interest rates. We do have the direct loan program. Looking at the report of the direct loan program, we have 4,482 direct loans and 621 guaranteed loans. Well the direct loans are good, and are working out well. But the guaranteed loans are certainly having a problem, and it's a small percentage of the farmers in Alberta. Statistics Canada, February 6, 1981: we had 58,500 farmers in the province of Alberta, and 4,489 were on direct loans. We have to expand the ADC program and help these farmers who are on guaranteed loans. They face exactly the same problem the small oil and gas producers are facing. They borrowed money back in '76, or whenever, at 9 and 10 per cent, and now they're paying 20 and 30 per cent. Don't tell me that some of them are not going to go bankrupt, because I know they will when they have to service that type of interest rate and debt. They're certainly going to have some problems: I would like to see us take these guaranteed loans and transfer them into direct loans in many cases where the farmers are facing real problems. If not, we're certainly going to see that this 29 per cent increase is going to be a lot more than that in the future.

We're talking the world price as far as gas and oil are concerned. But when gas and oil go to world price, or even 75 per cent as recommended by this government, we're going to put oil and gas out of reach, especially to our farmers in this province who are using lots of oil and gas. It's not only the farmers, it's all our consumers. As far as putting our oil and gas up to world price in Canada is concerned, I think we've got to put some type of shielding program in place for all Albertans.

One of the areas that's really getting hurt at present is the cattle situation. I can express my views because I'm in the business. In many cases, cattle feeders are losing from \$100 to \$150 a head. With this high interest rate, it's just impossible to feed cattle. It's been the same for the last two years. Where's the end going to come? What's happening right now is that cattle prices are dropping. Why are they dropping? They're not dropping on account of short supply; they're dropping because of high interest rates. People don't want to put cattle out on grass; they want to put them in the feed lot, sell them, and put their money on term deposit. That's what's happening to our

cattle prices right now.

What's going to happen for the few ranchers who can hang on? Our tonnage is down because we're marketing light cattle. I was talking to one of the packers today. They're starting to move heavy cattle across the line today. What's going to happen with slaughtering light cattle in Canada? We're going to have a short supply of cattle down the road, and the consumer's going to pay for it. And a lot of ranchers are not going to be able to hang on. They've been able to hang on at present, because they've got a capital gain on their ranch. They've been able to go into the banks and borrow some money as a result of the capital gain they've had on their land. However, that capital gain is no good unless you can have the cash flow to go along with it. That's what's happening to some of our cattle ranchers in the province today.

Home mortgages are another area that I think we're going to have to take a really good look at. Because before the interest rates started, mortgages started escalating. It was really hard for one to qualify for a mortgage, because the income wasn't high enough. Well what's it going to be like if this interest rate keeps climbing? Some of the analysts tell me that it's going up to 24 or 25 per cent. Who's going to be able to qualify for a mortgage? What about the poor individual who's already bought a house, has to renew his mortgage, and can't afford his payments? Here again, I think all we're doing when we increase this is putting fuel on the fire. If you increase the mortgage, your house payment goes up \$400 or \$500 a month, or whatever, and you've got to have more money. There's got to be more money available. So the interest rate certainly isn't controlling inflation as far as we're concerned.

I agree that many of our house purchasers are people who bought houses in the past. They have a capital gain. Here again, that capital gain is no good to you unless you can dissolve it into cash. How many couples are going to be able to meet their mortgage payments after these interest rates escalate any more, or even at the rate they are today? And there are many more. There are just dozens of business in the same position.

Mr. Speaker, how do you control inflation? I certainly hope we don't control inflation by breaking the economy. Inflation's not going to be a factor after we break the economy. As I said, we have to start controlling credit. I think we have to start right here in the province, as far as getting a number of programs is concerned. I don't think we need all the programs. We need something to help people who are in trouble, not as a result of poor management but of high interest rates. The largest contributors to inflation are all levels of government. We have to take responsibility. Look at the Canadian government. They handle 40 per cent of the gross national product. They spend 40 per cent. That's the government. What have they got? This year they have a deficit of \$13.7 billion. As individuals and businessmen, we've got to pay interest on our own business. On top of that we have to turn around and pay interest on the debt the federal government is accumulating.

MRS. CRIPPS: [Inaudible] . . . cents out of every tax dollar.

MR. MANDEVILLE: That's right. It's a pretty small tax dollar. I agree.

As far as the provincial government is concerned, we've increased our spending 22 per cent. I think we have to

take a good look at that. Many of our municipalities and counties have increased their taxes 25 or 50 per cent. So a lot of the inflation factor lies within the governments themselves. I just can't see how we can service our own debt without servicing debt that has been accumulated by government.

Mr. Speaker, no one can tell me that just because interest rates are high, you've got to start borrowing money. I'm in the cattle business. I can't just quit because I'm losing some money. I have to continue putting money in there. If you're in a clothing business, what are you going to do? You're going to keep borrowing money and keep your inventory up, but you're going to reflect it back down to the consumer. In the end, the consumer is going to pay for it. People are still going to borrow money whether or not interest rates are high, because you have to stay in business.

I can recall in the 1950s when I used to buy my light deliveries — I could never afford a car. I'd buy a light delivery, go to the finance company, and finance it. What would I pay? Twelve, 13, or 14 per cent. That's back when interest rates were 5 and 6 per cent. I thought, just so long as I can make that payment, the interest rate isn't all that significant to me. So long as I could make that \$182 a month payment, that's what I was concerned about. I think there's the same attitude today. Credit is a way of life in the world. With interest charges at 20 per cent, it's not going to be a way of life for many people. They're going to be on social programs.

In conclusion, Mr. Speaker, I think we have to prevent what's happening as far as interest rates are concerned. The questions have been in the House the last week or ten days. The Provincial Treasurer says he's monitoring interest rates; the Department of Agriculture is monitoring interest rates. But that's not good enough. It's not good enough to continue to monitor them. We've got to do something about them. If interest rates are more than 2 per cent above inflation, we're going to have problems. We have to keep them in line with our inflation rates.

I'm not saying we should expand any programs. I think we should delete some programs. But some of the people who are in trouble; for example, ADC — let's get in there and help people on guaranteed loans. Let's help some of the people who are renewing mortgages. Let's give them some assistance where they're in trouble. After all, we put \$1.2 billion into other provinces to help them overcome some of their problems. I'm sure they had deficits they had to pick up, and came to Alberta to borrow money. So let's put some of this money into Alberta. Let's invest in Alberta while we have some money. Because some day somewhere down the line, maybe we're not going to have any money to invest. I'm getting a bit dubious now that we're getting too much money invested. We don't have enough money available to go out and help our people in these types of programs.

Mr. Speaker, I would like to get some support for this motion, and I think it's something the government has to take a good look at, before we break the economy of Canada and Alberta.

DR. PAPROSKI: Thank you, Mr. Speaker. This motion is very timely, considering the high interest rates. It's very similar to Motion 206 from the hon. Member for Drayton Valley, that was debated the other day and not concluded — I intended to speak on it:

Be it resolved that this Legislative Assembly recommend to the government of Alberta that representation be made to urge the federal government to

change its harmful economic, energy, and interest rate policies ....

Mr. Speaker, reading the motion of the hon. Member for Bow Valley, frankly I was initially disappointed because I thought he implied the provincial government. With the comments he's made today, I think it's clear that he's zeroing in and rifling in on the federal government for their responsibility in that regard. Clearly the Alberta government has taken the responsibility to provide additional measures for additional protection from high interest rates for Albertans across the board, regarding housing, farming, and business in general. The government has already gone so much further than any other province, or the federal government, that in fact there's no comparison. I know that the hon. Member for Bow Valley would agree with that.

It's certainly not true that the provincial government hasn't taken steps to cushion and help the citizens of Alberta. I know that the hon. Member for Bow Valley did not mean to point the finger at the provincial government exclusively, but I'll agree that all governments are responsible to some extent. Frankly, Mr. Speaker, the hon. member in all sincerity brought this motion with good intentions. He articulated the problem, as has been done so often. The problem is here. We are all aware of it — very sensitive — but the solutions are extremely difficult. He indicated that he would control credit. Mr. Speaker, that is the Bank of Canada solution — controlling credit by high interest rates — and it's far from being a solution. I agree with him that one of the major problems of inflation in all countries of the western world is governments. But more important than just spending is deficit financing, and the hon. Member for Bow Valley indicated that in an oblique way.

He indicated that he would delete some programs. I'm sorry he didn't say what programs he would delete. Having said that, Mr. Speaker, measures have been taken by the Alberta government to shelter our citizens in a way unprecedented in the history of any province in Canada. It's precisely one of the reasons we're having so many problems with the federal government and other provinces. The federal government says it's not equitable that we have so much in Alberta, even if it's non-renewable resources that have brought our new-found wealth for a period of time. The feds say, it's out of balance. The federal government says we must share with other provinces. What does the Ontario government say? I repeat, "the Ontario government", not the Ontario citizens. Essentially they echo the comments of the federal government. The hon. members know, as I'm sure other hon. members know, that they are looking at us very, very carefully. If we bring in any further measures, I really wonder what would happen.

[Mr. Appleby in the Chair]

So as I rise to speak on this motion, in essence I'm speaking on the motion we talked about the other day. Because we are actually making representation and should continue to make representation, and maybe bring other reforms to counter the harmful federal economic, energy, and interest rate policies so that farming, business in general, and the individual and family in Alberta can continue to exist and grow as they should. Mr. Speaker, it's a motion which in fact has been carried out; that is, making representation to the federal government. It is being carried out. Today we've heard that the hon. Minister of Energy and Natural Resources is available, and has

cleaned his slate ready to deal with the federal government at a minute's call. Of course I would be happier to see that the other motion indicated also that we continue with vigor. In fact it was implied.

In either case the motion is very timely, in view of the actions of the federal government in Ottawa. What have they done? They've disregarded the wishes of the majority of provinces regarding the constitution. Mr. Speaker, the constitution has caused uncertainty, an unrest with business in general. They have disregarded the rights of the provinces specifically regarding ownership of energy. One of our greatest strengths in Canada is energy, and they have caused uncertainty there. They have disregarded the impact of causing such uncertainty by hurting industry, small business, big business. Big business spills over into small business and vice versa, because there is a multiplier effect, on business in general and farming also.

Obviously they have disregarded high interest rates. They don't recognize the fact that individuals, families, small businesses, farmers, and home-owners literally cannot tolerate that high interest rate. What have they done in Ottawa? What do they say, Mr. Speaker? They just say, well, this is the policy. We know who's been in the federal government for the past 10 or 12 years. As a matter of fact, over the past 35 years, except for two occasions when the Conservatives were in government for a short period of time, it's been the Liberal government. If we in Alberta are to continue to make representation to the federal government regarding these harmful, insensitive, bungling activities of the federal government regarding economy, energy, interest rates — and specifically regarding the national energy policy and the constitution — we must ask ourselves what else we can say that we have not said already.

Let me cover the areas, Mr. Speaker. Let's talk about high interest rates for a minute — a very timely topic. In Canada at this time, we have the highest interest rates ever, 19.06, and that is prime. As we all know, when a person borrows money it's prime plus 2, 3, or 4 per cent. So it's a lot higher than that. We have unprecedented unemployment, not in Alberta but in Canada. We have regional disparity like we've never seen before. We have a very high federal deficit, some \$14 billion. Mr. Speaker, through the Hospitals and Medical Care and Transportation estimates, we've passed over \$2 billion through this House during an evening. Just to get a perspective, because I'm sure all of us forget what a billion dollars means, it's throwing \$1 every second for 30 years. So \$2 billion would take that throwing \$1 every second for 60 years. That's what we've done. Then we talk about a federal government deficit of \$14 billion.

The problem is not merely a deficit, Mr. Speaker, but deficit financing. We do not — I repeat, we do not — have to follow the United States' interest rate as we're doing. Simply put, the Bank of Canada is doing what the federal government has directed it to do. They have no sensitivity at all, in spite of the fact that the profit of the federal government's first quarter earnings is 60 per cent higher than the first quarter last year. Actually in the past two quarters the earnings of Canadian banks have been higher than ever before. Mr. Speaker, it's very difficult for the individual, family, or small business man to understand that. They're making a 60 per cent higher profit than the same time last year, and people are losing their businesses, going bankrupt, farmers are suffering, and home-owners are in jeopardy. Of course in addition to that, as I've said, we have unemployment, regional disparity, federal deficit, and high inflation. That high

inflation also has been unprecedented at the 10 or 12 per cent level. Yet in spite of this, that federal policy continues and the circumstances causing those harms are not being changed. They're thinking about it. Day after day in the federal House, the federal Conservatives have been asking the question and recommending and suggesting — and they're considering it.

Well, by anyone's standards we know how difficult it is to maintain a mortgaged home with those high interest rates, especially if you have to remortgage. What happens to the individual and family? The facts speak for themselves. The individual and family, the small business men, who are the pillars of our society, frankly reject this economic circumstance. The fact that they do — we as a government have a responsibility to continue to press, and we have an obligation to press all those who are responsible. Yes, even the provincial government is responsible to an extent.

The argument will continue, Mr. Speaker, that there are international forces out there that we have no control over. We've heard that from everybody. There are international forces, but we have a responsibility to face the reality that we as a country, or a province, if you wish, are able to do something from within. I'm going to suggest some of those items later in my remarks, if I have enough time. Alberta can do only so much on the short-term basis, considering our non-renewable resources which are depleting very rapidly. When we hear another province like Ontario bringing down a budget where taxes are higher, and we haven't raised our taxes and yet our budget has gone higher, we have to really take note of the relative position we're in, in Alberta.

So what does the federal government do while this unprecedented high interest rate continues? They cause small business to go out of business. They cause farmers to suffer. They pay less and less attention to the effect they have on those interest rates. They continue to cause constitutional upheaval and energy disruption, economic uncertainty, and persist with federal deficit spending like never before. Let me just give an example of what I mean by persistence of federal deficit spending, Mr. Speaker. It's not the ordinary spending. We know that senior citizens' and veterans' allowances have to continue. But we're talking about buying Petrofina — \$1.5 billion. To do what? To do something that free enterprise was already doing, at a time when we as a country can ill-afford to do that.

What are the solutions, Mr. Speaker? I'd like to be as definitive as possible: they're not the ultimate solutions; they're short-term. Long-term solutions take a lot of time to resolve a problem. Number one, we should announce that new gas exports to the United States. This would keep our trade deficit down, increase incentives to small business and explorers, increase inflow of capital, and offset the trade deficit federally. Number two, frankly I just can't buy that the Bank of Canada or the Canadian banks should make such a high profit at this time. I for one am not in favor of wage and price controls. But at this time in our society, when the individual and family, people who have homes with high mortgages and have to renew them, small businesses and farmers — somehow it just isn't right. It's almost immoral that they should make a profit from individuals during this very, very difficult time.

Mr. Speaker, the federal government should remove the wellhead tax. It would increase exploration activity, and then we'd have the 20 times multiplier effect. In my opinion we should drop interest rates, even for a short

period of time. Without articulating that completely, I know it would change the Canadian dollar in either case, and there is a risk with that. Maybe that shouldn't be done. But some measure will have to be taken if interest rates persist and those other measures do not help. We should cushion select groups by tax deduction on mortgages. Mr. Speaker, the federal Progressive Conservative Party advocated that. That action will surely help the individual and family with mortgages, stimulate housing construction, and keep the individual and family at home, where they in fact want to and indeed deserve to be. If the Canadian dollar did float — and a 1 per cent drop in the Canadian dollar is said to increase the cost of living by 0.4 per cent. Maybe we have to take that risk. But we will produce more, we'll have to be more competitive, and employment will increase. If inflation continues to be an issue, let's have the federal government stop spending so much. Petrofina was an example.

That's a key point, Mr. Speaker. The hon. Member for Bow Valley suggested that. But this has to be not only in the federal government, which at 40 per cent is of course the greatest spender of the gross national product, but provincially, municipally, and in schools and hospitals. But to what degree? What programs should be cut off? It's a difficult decision, as we all know. But if there is deficit spending and we have a deficit without ability to repay it — in a deficit budget, that is — then I'm sure we're going to get into trouble, and we are in trouble as a result of that. I'm suggesting that the federal government has a great responsibility to decrease their budget and spending, because they haven't got the dollars to cover the expenditure. In summary, this is certainly a more viable alternative than to allow small business, the individual, the family, and farmers to just drift into oblivion, go bankrupt, and dissolve. As I said before, we should develop a proper and very aggressive policy for natural gas, but for other products too, as we have been doing with the Alberta government's Department of Economic Development — International Trade.

I conclude, Mr. Speaker, that the problem is largely federal. As a matter of fact, regarding interest rates it's exclusively a federal problem because they set the rates. We do not. Regarding inflation of course, the problem is a combination of the federal, provincial, and municipal governments, including school trustees and those in charge of hospitals. So the solution is to cut back, not spend as much, unless we are willing to accept inflation and the problems that go with it, including high interest rates. I don't know what we're waiting for. Yesterday I said, are we waiting for Proposition 13's across the country? I think we are. We probably need that at the steps of the Legislature, in municipal halls, and in school trustees' offices, to remind us that citizens are sick and tired of non-essential expenditures.

Mr. Speaker, what have we done in Alberta? The hon. Member for Bow Valley covered some of them — you know, fuzzed over them — so I thought I'd repeat them. In just 15 minutes I got about 25, but I'm not going to spend very much time on them: Alberta Opportunity Company 12 to 15 per cent interest rate for small businesses — the lowest in Canada; Agricultural Development Corporation 5 per cent interest rate [on] up to \$200,000 for beginning farmers, at a time when interest rates are 22 or 23 per cent. We have the lowest rate by far in Canada for first-time home-owners: 12 per cent, 5 per cent down. You can earn up to \$31,000 and get into that program. In addition to that low interest rate, if you earn only \$13,000 you can have a subsidy up to \$300, provided

you're married or a single parent.

We're subsidizing municipal borrowing down to 11 per cent, and municipal governments are complaining. Can you imagine? Interest rates are 20, 22 per cent, and municipal governments say that's too high because we're subsidizing it from that level to 11 per cent rather than 9 per cent — a \$40 million subsidy. There's a 1 per cent rebate for Treasury [Branch] business loans — literally a forgiveness — another \$4 million.

How about the lowest property tax in Canada by far — \$400 to \$600 for senior citizens now; \$600 rebate per year for property tax for senior citizens. Rental rebate of \$1,000 a year for senior citizens. The lowest personal income tax by far, the lowest corporate tax, and no gasoline or sales tax: it's almost unbelievable when I go over these things. I mentioned the municipal tax reduction plan and the natural gas price protection plan.

Mr. Speaker, the hon. Member for Spirit River-Fairview is smiling. These are the result of people programs that we're targeting to give them a hand. The natural gas price protection plan means that every homeowner in Alberta who receives a natural gas bill recognizes that that bill would be one-quarter higher — last year it would be one-third higher — if it wasn't for this plan. It costs millions of dollars. If that home-owner would slip into Ontario for a minute, he'd realize that natural gas heating for his home would be twice that price. And if he went to the Atlantic provinces, it would be three or four times that.

We pay 100 per cent of hospital and social services costs. We have jobs like nowhere in Canada. I can't understand anybody saying they can't find a job, providing they're willing to take any job. How about the Alberta family home purchase program — I told you already, 5 per cent down, 12 or 13 per cent interest rate. How about the pioneer repair program for senior citizens: a grant up to \$2,000 to repair their homes. How about land assembly, to allow municipalities to assemble land to decrease the cost of lots? How about trunk servicing for lands to decrease the cost of lots, again funded by the Department of Housing and Public Works. How about the special deduction for apartment builders, providing that half the suites are rented at a lower rate? How about the self-contained suites for senior citizens, who pay only 25 per cent of their income?

I could go on, Mr. Speaker. That isn't all. What it amounts to is that a family of four — husband, wife, and two children — living in Alberta actually saves \$3,000 to \$6,000 every year. These figures are approximate, but I'm sure it will be closer to \$5,000 by living in Alberta. If you live elsewhere, you would lose that.

I want to target in on one item. At a time when rates are 22 and 23 per cent, the mayor of the city of Edmonton wrote a letter to the government indicating he was very upset about the fact that the municipal debt reduction plan rate was increased from 9 to 11 per cent. Gee, what a hardship. No other government in Canada does this. He says:

The impact of current inflation on the taxpayers of  
The City of Edmonton is partially reflected in the  
financing of our Capital Projects . . .

Indeed it is. It is uncontrolled in many ways. When we talk about the convention centre going from \$32 million to \$84 million and, as I understand, no tenders . . . The hon. Member for Bow Valley knows, and I know, and members know, that if we as private entrepreneurs did that just once, we'd be buried. How about the waste and overspending from time to time? And we're all — provin-

cial, federal, and municipal — responsible for that.

Mr. Speaker, I love that note. I won't comment on it.

The natural gas export tax, the stifling of development and exploration, and the failure to recognize the need for industry to have profit to offset the high risk that exploration takes, are all a responsibility of the federal government. They have failed terribly, and they don't even recognize the multiplier effect of other industries that benefit from this, not only in Alberta but in eastern Canada. I think it's gradually sinking through.

What have we done in Alberta regarding energy? Let's zero in on that. I mentioned the cost of heating a home is three-quarters what it ordinarily would cost, twice as much in Ontario, and three or four times more in the Atlantic provinces. We've subsidized the petrochemical industry. Why? Because it produces jobs; it diversifies our industry. Those individuals and families are working, making money, and able to counteract high interest rates. There's no gasoline tax — we're speaking about energy now. There's farm fuel allowance — that wasn't mentioned — again, a benefit and advantage over other farmers in Canada. There's relief for small drilling companies, high employment, and how about the 1,000 hopper cars we produced so western grain can be shipped to the coast and sold? Again, the hon. Member for Spirit River-Fairview is laughing at that. He has difficulty that we've subsidized and provided those cars to help western grain farmers. [interjection]

We continue to press for co-operation with the federal government to take the pressure off the Canadian dollar internationally by developing these critical items of energy. Our energy in Alberta is immense. Coal value in Alberta is equal to the tar sands. I don't know if hon. members really recognize that coal energy value is equal to the tar sands — and that's a lot of money. There are strengths, and the federal government should be helping us develop.

How about the harmful effects on our economy in general? There is a need to reassess and arrive at a satisfactory energy policy — I've indicated that — develop pricing policies acceptable to the federal and Alberta governments, and get on with the supply problem. We provide dollars to foreign countries at \$40 and \$50 a barrel, and we pay Albertans 40 per cent of that. So we're actually doing exactly what we should not be doing; that is, giving money to foreign countries for something we have here. It's unbelievable.

Mr. Speaker, I have difficulty stopping in one minute, but I'm going to have to try because you've given me a note. I come to conclusion by saying that with all the things we've done to shelter our citizens — and we shall continue to do that — I hope the citizens have the wisdom to realize that this costs many millions of dollars, and we only can do it because of our depleting natural resource. I recommend another item, a temporary measure: for existing conventional business and farm loans up to \$100,000 or \$200,000, a rebate shielding up to 5 per cent for one year only to get Albertans over the hump because of the unprecedented interest rates, and not go below 17 per cent — a shielding of 5 per cent for one year as a temporary stopgap measure essentially for farming and small business. Number two, for home mortgages up to \$50,000 or \$75,000 where people have to renew their mortgage at the new ridiculous rate, I recommend that the government also consider 5 per cent shielding for one year, no matter what the term or condition is, to get them over the hump. Again, they're for renewed mortgages only, and where citizens are actually living, not a new

one. That would give them breathing room. Mr. Speaker, I know there are arguments for that. I conclude my comments: this adds many millions of dollars, maybe \$100 million or \$200 million. We've already done a lot and taken many measures to lower the tax burden on citizens. I know we can give arguments for and against that. We're not an island unto ourselves, but I recommend that in view of the terrible circumstances we're under right now.

Thank you, Mr. Speaker.

MR. NOTLEY: In entering the debate today, I was certainly intrigued with the modesty of the hon. Member for Edmonton Kingsway in outlining the government's record. Something that one always notes when government members speak is the self-effacing nature of most of their comments, you know, that humility that sort of comes through, over and over and over again.

Mr. Speaker, in addressing this particular subject I was interested in the observation of the hon. Member for Edmonton Kingsway that one thing we might do is eliminate certain types of unnecessary expenditure. Perhaps the hon. member might start right here in Alberta with the \$920,000 we are spending to flaunt our role in London. If we want to start with unnecessary expenditure, the hon. Member for Edmonton Kingsway talked about the convention centre going from \$34 million to \$80 million. No question about that — very disturbing. But then hon. members in this House should look at Kananaskis going from \$40 million to \$210 million. Mr. Speaker, if we're going to be the kettle calling the pot black, I think we're going to suffer a real credibility gap as far as most Albertans are concerned. The hon. member mentioned Petro-Canada and the payment made for the acquisition of Petrofina, but neglected to point out the 56 per cent over the closing average that the Alberta Energy Company paid for the Noranda share of B.C. Forest Products.

Mr. Speaker, when one looks at the resolution before us, one area I agree on with the hon. Member for Edmonton Kingsway — and I certainly compliment the Member for Bow Valley for introducing the resolution — is that there is no doubt at all about the negative impact of high interest rates on farmers, small business men, and home-owners in this province. But despite all the assurances of government members, if a mortgage is being renewed at a substantially higher interest rate, that's small consolation to that young couple who suddenly find they're paying \$900 instead of \$700 a month, or \$1,000 instead of \$800 a month, or small consolation to the small business man or the farmer who find the working capital that they have to borrow has gone up to exorbitant rates.

The hon. Member for Edmonton Kingsway talked at some length about the debate in the House of Commons. Again, it would be a little more impressive had it not been for that nine-month interregnum when the Tories were in office, when Mr. Crosbie, the then Minister of Finance, echoed almost every statement the governor of the Bank of Canada made and defended the position of the Bank of Canada, not only with respect to artificially maintaining the value of the Canadian dollar but also high interest rates, because high interest rates began to develop as a serious problem in this economy some time ago, including the nine months the Conservative government was in office. So there was no break, if you like, from the tight money policy of the preceding Liberal government, the succeeding Conservative government,

and the succeeding Liberal government. For the last number of years, we've allowed the Bank of Canada to carry on this insane policy of attempting to control inflation through higher interest rates.

Mr. Speaker, one thing this government should be doing — and the hon. member mentioned the profits of the banks. In this period of high interest rates, there is absolutely no doubt that there are winners and losers. Some of the obvious winners are the major chartered banks, whose profits have gone to record heights. There's absolutely no question about that. The five largest banks have more assets than the 200 largest known financial corporations rolled into one. Since 1970, assets of the five big banks have increased 480 per cent, from \$43 billion to \$206 billion. If one looks at the most recent figures, the first quarter of this year compared to the first quarter of last year, we find Bank of B.C. profits up 87 per cent, Bank of Montreal up 69 per cent, Bank of Nova Scotia up 55 per cent, Bank of Commerce up 54 per cent, Royal Bank up 83 per cent, and the Toronto Dominion Bank up 79 per cent.

It seems to me that one thing the provincial government should be doing is making very strong formal representation to Ottawa to simply say that if there are going to be winners and losers in this business of higher interest rates, some of the winners' windfall should be shared more equitably. Talk about the deficit the federal government has; it's a matter of serious concern. One reason we have a deficit is that we aren't collecting money from some of the people who should be paying their share of the corporation tax, and that — top on the list — includes the chartered banks. Let's look at an excess profits tax to deal with the windfall profits of record size that all the major banks are enjoying as a consequence of these interest rates going up time after time after time.

I challenge the government. Where has this government been? It's fine to talk about the adverse features of the Liberal government's and, before it, the Conservative government's high interest rates and tight money policy. But let's look at what can be done. One thing the federal government should be doing, and should have the support of the provincial government of Alberta, would be an excess profits tax on the record profits of the banks.

Mr. Speaker, in the three or four minutes left before we get into discussion of private members' Bills, I want to deal with the question of what should be done in this province. The Member for Edmonton Kingsway and other government members can recite various programs we have in place. But the fact is that these programs, useful as they may be — the Alberta Opportunity Company, programs under the Agricultural Development Corporation — could be a good deal better if they were more adequately funded. I look at the balance sheet of the province of Alberta, including our heritage trust fund. I find that we could move some of the money which is now in marketable securities, some of the money we have in the accumulated cash surplus of the province, which is in marketable securities, into already established agencies — we have the home mortgage program, the Alberta Opportunity Company, and the Agricultural Development Corporation — so we could get more loans out to people, not just lenders of the last resort but more loans to people who need it.

I'm not convinced we should be bringing in shielding programs to prop up the profits of the chartered banks. It seems to me that all we'd be doing in that instance is taking Alberta dollars to subsidize the interest rates the chartered banks are charging, thereby guaranteeing them

a profit. Frankly that is one of the problems. If we're going to be using Alberta heritage trust fund dollars, we should be following through on some of the programs we already have in place with some of the vehicles which are in place, so that in fact that money is being used by Albertans for Albertans and not simply funnelled through banks, which I might add, Mr. Speaker, for the most part are totally controlled in eastern Canada.

Mr. Speaker, I look also at some of the practices of the banks. The hon. Member for Edmonton Kingsway talked about the fact that the average person pays 2 or 3 per cent above the prime interest rate, which this morning reached a record level of 19.06 per cent. But what wasn't pointed out is that most corporate borrowers, both in Canada and the United States, get their money from the banks at substantially under prime interest rate. One recent study in the United States, for example, shows a disparity of as much as 4 per cent between the so-called prime interest rate and the rate [at which] corporate borrowers are getting money from the banking system in that country. It appears that a similar spread exists in Canada. Frankly, Mr. Speaker, I find it a little difficult to rationalize to the average small business man or farmer in this province who has to go to a bank and pay interest at a rate of 21 or 22 per cent or in that neighborhood, that isn't directly shielded by the government, why they have to pay that kind of interest rate when a large corporation can get money for anywhere from 4 to 5 per cent below the prime interest rate.

Mr. Speaker, in view of the time, I beg leave to adjourn debate.

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

HON. MEMBERS: Agreed.

head: **PUBLIC BILLS AND ORDERS  
OTHER THAN  
GOVERNMENT BILLS AND ORDERS  
(Second Reading)**

**Bill 221  
An Act to Amend  
The Municipal Election Act**

MR. OMAN: Mr. Speaker, I'm pleased to be able to comment on the Bill, which is an amendment to The Municipal Election Act. First, I'd like very briefly to indicate what I would like to see accomplished in this Bill. There are basically three sections: one having to do with the limit to the amount that can be spent by either a mayor or a councilman in a given election; second, this Bill would limit the amount of any donation that would be made to a candidate either by an individual or a corporation; and third, this Bill would require disclosure of any gifts over a certain amount. Let me go into the details.

As far as a mayor is concerned, this Bill would limit expenses in a mayoralty campaign in a municipality in the province of Alberta to \$20,000 or [\$125] per 1,000 population in that district. That works out to a maximum of about 12.5 cents per person or, in a city the size of Calgary or Edmonton, approximately [\$7,500] to \$8,000 by their populations today. With regard to a councilman, there is a separate limitation: a ceiling of \$10,000 per ward or \$50 per 1,000 population in that ward, which

works out to an expenditure of 5 cents per person.

As far as the limit to the amount of donations is concerned, any corporation or individual would be limited to a donation totalling not more than \$2,000 to a mayoralty candidate and not more than \$1,000 to a councillor or alderman. As I indicated, the Bill also requires disclosure, not of all gifts, but of all gifts that would total over \$100. Those could either be in money or service in kind. By that I mean that if someone donated office space for a headquarters or printing or whatever, that would have to be evaluated and declared. Those would have to be published — given to the city clerks of the various municipalities, and laid open to public exposure for anyone who wanted to investigate.

The question then comes up: why these limitation? First, it's interesting to note that almost all governmental levels in Canada, provincial and federal, have brought in these kinds of limitations or controls. With the exception of Quebec, and probably Saskatchewan in the not too distant future, these controls have not been placed on municipalities. It would seem that what is good for one level should certainly be good for another. These controls or limitations on the municipalities are very similar to those on the provincial government, of which we here are a part. The only basic difference is the limitation on expenses. In provincial elections, there is no limitation on expenses. There is some validity for the difference. In a municipal election, it's not impossible that it could happen, but for the most part you do not have a party system that raises funds for you. The individual candidate is on his own. I've been there. I know some of the pressure that is faced in raising the amount of funds involved.

The "why" also comes out of my own experience, and the experiences particularly of our major cities, Edmonton and Calgary. I know of one candidate in the last civic election in Calgary who spent over \$150,000, and other candidates who came close. In fact, one candidate, Mr. Phil Elder, who had earlier declared, came to the point where he felt himself under tremendous pressure. In the election process, there comes a point when you feel you have to keep up with the Joneses. That means committing yourself to advertising expenses, sometimes 5 or 6 weeks in advance of the actual times so you can get those time slots. The candidate has to put himself out on a limb and say, we're going to go or, we're not going to go.

I recall from personal experience that when I ran for mayor in Calgary some three and a half years ago, I was personally indebted and had to write a note to my bank for some \$40,000 in order to make the commitment for television and newspaper advertising rights. If a person doesn't have some sense of financial standing, it is something that could absolutely ruin you if things didn't pan out. It was not a particularly comfortable feeling and almost caused me to reconsider whether or not I should continue. Last fall in the city of Calgary, Mr. Elder had to face that decision, decided he could not take the risk, although I think he had some viability as a candidate, and therefore dropped out of the race. Even the former mayor, Mr. Alger, who had conducted a very expensive campaign, said before that election was over that some kind of limits should be placed and give some sense of reason today to campaign expenditures, at least within our major cities.

What has happened? What is likely to happen is that the type of candidates will be determined either by their own personal assets — in other words, they are financially independent and can take the loss if necessary — or by special interest groups, who will fund candidates who

may look favorably upon their particular interests, or we find that the risks are too high for the alternative candidates. Mr. Speaker, I'm really trying to open it up so that you at least have the opportunity for a number of candidates of different shades, colors, assets, and so on, to be able to participate in the elective process of our municipalities.

The limit on gifts runs very close to the limits on expenses, but I know that in the city of Calgary questions have been asked: when we are spending \$150,000 or as the case may be, where is it coming from? And if it is coming in rather large sizes from particular interest groups, is not an indebtedness automatically incurred to do special favors? Those questions have been asked. I think that by and large they have been without foundation. I certainly would accuse no candidate I know of on the political scene of succumbing to temptation or being bought. But the fact is that the questions are being asked. They are being asked by individuals and by some news media people.

It seems to me that if we make reasonable limits — I know you can say that if a man is going to be bought, he can be bought for \$100. Nevertheless there is a bit of difference between a \$1,000 or \$2,000 gift and a \$10,000 or a \$20,000 gift. Unconsciously that association is put within the mind. If you can spread that sort of responsibility over a great many donors, it is a much safer way to do things, as we have seen fit to do within our own constituency of the province.

Finally, there has been great pressure to disclose where these donations have come from. With the kind of package I am proposing, where at the same time you have a limitation on expenses and donations, and a requirement for disclosure of all gifts or services over \$100, those questions will be answered. At least there will be exposure, and one doesn't have to wonder if there are hidden forces here. They will be out in the open. Any relationships there might be will be known. I think it's a simple matter of common sense, that this is a safe way to conduct elections.

After the recent situation we've had in Calgary, *The Calgary Herald* had an editorial on election funding:

Money may not be able to buy the mayoralty office, but it's a bigger factor than it should be.

Phil Elder, a university professor who pointedly aligned himself with communities fighting adverse effects of growth, dropped out of the mayoralty race last week because he couldn't raise enough money for even a modest campaign.

That's a pity. Even if his chances for winning weren't very bright, he had been intent on focussing on policy issues.

Mayor Ross Alger, in expressing sympathy for Elder's plight, conceded that money is a bigger factor in the election process than it should. At best, the mayor was only partially correct when he went on to suggest that putting up financial support "is, in effect, voting for a candidate and when a candidate doesn't have funding, it tells you something about the candidate."

It also tells citizens something about the nature of those who contribute to general election campaigns. Given Elder's opposition to many current development practices, it does not come as a big surprise that he was not a successful fund-raiser.

The ordinary citizen doesn't get very involved in election campaigns — about half the eligible voters don't even bother casting ballots. This gives extra



clout or extra "votes" to business firms and developers contributing to mayoralty and aldermanic campaigns.

The system isn't working in the best interests of citizens when a relatively small group can decide which candidates will be able to wage expensive, high-profile image campaigns.

Mayor Alger has suggested the province should set limits on campaign spending. Reform should go a step further. Candidates should be required to provide audited financial statements, along with the names of major donors.

It's a matter that deserves careful study by municipal councils and the provincial government.

That's why I bring it here today, Mr. Speaker.

Let me say something with regard to comparisons of what is being done. I'll not go into too much detail. The province of Quebec now has on its books very, very limiting legislation with regard to all phases. It is all-encompassing on all municipalities within the province. The province of Ontario is a little bit of a question mark, because their legislation seems to be somewhat contradictory.

Nevertheless the city of Ottawa, under what they thought was permissible, passed a resolution in council in 1978, I think, which limits election expenses, and the guidelines are as follows: alderman may not exceed \$3,000 for expenses — I'm giving them considerably more leeway here; mayoralty candidates may not exceed \$20,000 for expenses; any person who gives a donation exceeding \$100 to an alderman must have a listing submitted — all goods, services, and advertising and printing fall under the term "donation"; each candidate must meet a stipulated deadline before which he must submit his expenses to the city Clerk, who will then submit this information to the chief commissioner and, finally, the city council itself for review; there is a \$1,000 penalty for anyone who contravenes this by-law; within the provincial Election Act there is a section which gives authority to municipalities to pass the aforementioned by-law.

As far as I know, Mr. Speaker, that's the only city that has gone whole hog at this point under that permissive legislation, although the city of Toronto has required that each candidate must file his expenses with the city Clerk's office six months after the election has taken place. I mentioned that [Saskatchewan] is presently reviewing its municipal elections, and it is expected that in that package will come a series or a package of limitations such as I have proposed for Alberta. But that's still up in the air.

When I first introduced this Bill in the fall sitting, Mr. Speaker, it was purposely done rather late so that we would have notice of it and then give opportunity for response. I sent a letter to the mayors of all the cities in Alberta and asked them to look at the Bill and to respond. I got replies from most cities; there were a couple that did not. I would like to pass on to the Assembly some of the replies I got. Some were positive for the most part; some were negative. The city of Wetaskiwin writes as follows.

MR. DEPUTY SPEAKER: I regret to interrupt the hon. member. I have allowed some latitude already in the reading of extracts from printed materials. Perhaps he could summarize and give his own idea of what was in the letters, but not read directly.

MR. OMAN: Fair enough, Mr. Speaker. The city of Wetaskiwin passed a motion unanimously endorsing Bill

210. The city of Fort McMurray, in a letter dated January 9, passed a resolution supporting Bill 210. The city of Medicine Hat, on December 15, passed a resolution to receive the information, and said it would not have any direct or adverse effects on the city's candidates. I also got a letter from one of the aldermen in Medicine Hat who apparently didn't think that enough communication had been made and so he said, I think you're trying to kill a flea with a sledge hammer. The city of Grande Prairie also said that this legislation wouldn't particularly affect them because of their size, and suggested it would have particular effect on the two larger municipalities.

[Mr. Speaker in the Chair]

The city of Red Deer, in a letter of December 29, passed a resolution:

RESOLVED that the Council of the City of Red Deer hereby support in principle the proposed revisions to the Municipal Elections Act as submitted by Mr. Ed Oman, including amendments to same as provided by the City Clerk.

The city of Camrose did that in principle. They had some concerns with regard to the original Bill because it was based on electors rather than population, which would require them to take a census every year, and they didn't want to do that. For that reason I changed the new Bill and based it upon total population rather than electors.

The mayor of the city of Calgary wrote me a letter on December 10, in which he says I have his full support on this Bill. I believe the Edmonton city council passed a motion petitioning the provincial government to bring in at least a disclosures requirement Act. I bring these forward to indicate that on a general basis, there is rather wide support for the thing I'm trying to do here today.

Finally, I would like to say that there is another way we could use to approach this, and that is by way of permissive legislation whereby we could grant to municipalities the right to impose these kinds of limits upon themselves should they like to. That's one way to do it, Mr. Speaker. The problem we might run into there is the matter of uniformity across the province; you would have all kinds of different stipulations and limitations in various municipalities. It also seems to me that there is the possibility of some conflict of interest in the councils' voting on their own regulations, although that could also apply for the province in the way we do it here.

In closing, I simply suggest that we take the initiative. We have felt this is necessary for our own regulations. My own experience and the experience that has taken place in our municipalities indicates that something needs to be done. I urge that we take action.

MR. COOK: Mr. Speaker, I'd like to support the Bill proposed by the hon. Member for Calgary North Hill. It has a good fundamental base behind it. At its heart it is, I think, an attempt to further the democratic spirit at the municipal level. It attempts to require candidates to disclose their sources of funding. I think that is essential. The fact is that our two major cities, Calgary and Edmonton, are becoming big business.

I have a quick outline of the budget for the city of Edmonton in 1981. In this fiscal year, the city proposes to spend about \$550 million on capital expenditures and another \$350 million on operating expenditures. It comes awfully close to \$1 billion. When one reads over The Municipal Government Act and starts to appreciate the

broad range of responsibilities that municipal governments do have, and when one appreciates that the cities of Calgary and Edmonton are becoming increasingly sophisticated and very competent, it seems odd that we don't have disclosure of campaign contributions. As my hon. friend from Calgary pointed out, a number of candidates in the last civic election found difficulty trying to raise the funding necessary to run in a very competitive civic election race.

Mr. Speaker, my own interest and involvement in this issue comes from my activity in a civic party in Edmonton. Hon. members might know that I've been active in URGE. It tends to be a party that emphasizes community involvement. It's a civic political party. The Urban Reform Group of Edmonton has at its heart an attempt to . . .

DR. BUCK: You should run for mayor, Rollie.

MR. COOK: My hon. friend from Clover Bar suggests that I should run for an office in another place. But I think that's only because he appreciates the contributions of government backbench members, and feels a little intimidated by the impact of the upperbenchers.

Anyway, my own interest stems from my involvement in the Urban Reform Group of Edmonton. Last time, we fought an election campaign and succeeded in electing four members to council. But our campaign emphasized grass roots involvement, and did not have a lot of cash. It was a very difficult race to fight. Unfortunately, as my friend from Calgary points out, interest in civic politics is not all that great, although it should be. Basically, the development industry falls or rises on the decisions made by a 13-member council. Hundreds of millions of dollars are at stake. It's not uncommon for that business community to make some contributions to candidates. Earlier this year, Olive Elliott wrote in a column that people have a right to know where money comes from. If a candidate is primarily financed by a particular special interest group, it's important that the people know that, so they know where that individual is coming from as he votes on matters of civic importance.

Mr. Speaker, elections are becoming very expensive and competitive. To run an effective race in a large ward in the city of Edmonton requires some \$10,000 or \$15,000. To run an effective mayoralty campaign, it can cost up to \$100,000 or \$150,000. I think our democratic spirit tries to provide for equal opportunity for candidates to express their views, make their points with the electors, and then ask the electors to use their best judgment to pick the right person and, as a result, influence decision-making at council, the legislative level, or in Parliament.

The concept that my friend from Calgary has brought before the House today has been adopted by this Assembly for its own purposes. In this Chamber, we all recognize that it's important that there be disclosure of contributions. It's thought to be fair and just. The public good demands not only that there be justice, but that it be seen to be done. I'm not suggesting for a moment that councillors at the municipal level are prone to temptation with donations, and then having that influence their decision-making. But I do think it's important, for the good of public perception, that we move in the direction of Bill 221 and try to take away the shadow that haunts a lot of our councillors as they vote on some very large projects, having hundreds of millions of dollars at stake and developers anxious to press their case.

I think the Bill has a good foundation, Mr. Speaker. It does concentrate on contributions and disclosures. I think it's important that in the future we give greater consideration to the rise of civic parties. We're certainly seeing that take place in Edmonton. I think the experience of URGE is a good example. The Urban Reform Group provided basically all the sign materials and brochures, a lot of volunteer back-up, and actually assisted in the renting of office space, because we wanted to make sure that our campaigns were effective in all the wards.

I think it would be important to note where the civic party derived its money as well; not just the candidates, but civic parties. Because of the success of URGE and another political party, I think we're going to see alternatives being developed in the next civic election in the city of Edmonton. In that kind of competitive race — party versus party, and candidate versus candidate — party contributions and disclosure are going to be an important facet of civic political life.

Mr. Speaker, politics is essentially community decision-making. I think it's important that we make community decision-making at the municipal level open, and seen to be open. As I've mentioned, the city of Edmonton is becoming a big business, very sophisticated, and quite responsible. I think it deserves the opportunity to have a mature political campaign conducted in an open and democratic way. As proposed by the Member for Calgary North Hill, this Bill goes a long way to meeting that need. It has the broad support of a number of municipalities, including the city of Edmonton. A majority of the alderman on this council are in favor of this. The mayor of the city of Calgary and the mayors of other cities and towns in the province are supportive.

I'd just like to reiterate my support of the Bill and suggest that the only real deficiency I can see is that it doesn't consider the rise of political parties at the civic level. It's going to be an increasingly important phenomenon. So with that, I'd like to ask all hon. members to support this Bill, and encourage the member to continue his fine work.

MRS. FYFE: Thank you, Mr. Speaker. I'd also like to make a few comments related to Bill No. 221, proposed by the Member for Calgary North Hill.

I see some merits in the aspect of the Bill, particularly in the larger cities. But I must say that I have a few reservations about its application across the province. One objective of municipal elections is to allow rate-payers of a municipal corporation to have the democratic right to choose a person or persons who represent them on council for a period of about three years. I believe it is becoming more and more difficult to encourage responsible people to run for public office. I believe there are probably a number of reasons for this. Firstly, one very strong contributing factor has been conflict-of-interest legislation that has been broadly interpreted by the courts. It's not the legislation that I have concerns with, but in certain decisions the interpretation has disqualified, for indirect pecuniary interests, persons sitting on municipal council.

Precluding many individuals from seeking office because they have a particular business or because they're involved with a particular profession, means that very qualified people who are very interested in local government, very worth-while people are simply not eligible to become involved in local government decisions, if they want to participate in a full way, without divesting themselves of some of their personal interests. I think this

has contributed to many people not being able to get involved in public office.

Secondly, I think another factor related to the discouragement of some very qualified and interested people relates to the public demand for increased government services. There's a desire on the part of the public to become more and more involved in the decision-making processes, and this has certainly changed the way in which many decisions are made. I'm not opposed to public involvement; I think it's healthy. But I do think it has had an effect on encouraging people to get involved in the public arena.

As the media covers many council and municipal meetings, which were basically handled behind closed doors in the past — decisions were made without the involvement of the public — I believe that the citizens of our municipalities are much more aware of what happens at meetings now than they used to be in the past, and I feel that many of these people have made a conscious decision that it is a controversial way of life. I think many people have said that they do not feel they have the time and energy to devote themselves to many controversial aspects of decisions that have to be made at the local level. As mentioned by the previous speaker from Edmonton Glengarry, municipal business has become large business, and that's true. The municipal corporation carries on fiscal expenditures and has to make financial decisions that have very far-reaching repercussions.

However, related to this Bill specifically — and I have listed a couple of areas that have discouraged or precluded certain people from becoming involved — I would say that there are very different problems between rural centres and the large urban centres. For example, the city of Edmonton has approximately 125,000 people per ward. That requires a campaign much different than a campaign that would be carried out in the city of St. Albert, where there are no wards but representatives elected from the whole community; or different from a small town such as Bon Accord, or a rural municipality such as the municipal district of Sturgeon, where there are wards and the residents of that municipality are rather spread out.

I believe there is some argument for limiting the funds spent in large urban areas, simply because there is a tremendous reliance on electronic and other media. As those of us who have been involved in campaigns know, this type of advertising, this type of campaigning, does not come easily. But when you're facing a ward of 125,000 people and you must cover that yourself, it's literally impossible to get to even a tenth of the individuals on a one-to-one basis. So there has to be a reliance on different media. Obviously this would provide an advantage to the candidate who is able to receive larger contributions.

For the person who is a very serious candidate, I think there is something to be said that that person should be encouraged to develop a well-organized campaign that encourages many of his fellow ratepayers to become involved and to assist in the organization of that campaign. Without that type of organization, it is very difficult for one person acting on his own to seek election. But the argument that goes against limiting funds is that it encourages candidates who perhaps are not serious. As I said previously, we have found that a number of people are not able to seek public office or are discouraged. If we encourage people who aren't serious, would this seriously affect the quality of people who do seek office at the local level?

There may be some justification and merit in the aspect of the Bill that requires public disclosure of expenditures in an election. I think it would be very helpful to have this type of disclosure. It would ensure that money donated to a particular candidate or campaign at the local level, was utilized in a way that supported that individual and not for any other purposes. I'm sure that in the vast majority of campaigns, most of the candidates end up making a sizable contribution from their own resources, and very seldom do they cover the cost of their expenses by contributions made to them.

Before being able to give support to Bill 221, I would like to see much more discussion from other municipalities involved, rather than just the large cities, because I think that an application such as this Bill would provide concern for many municipalities where it may not be a great advantage to candidates who are running. I certainly have no difficulty in accepting the public disclosure aspects. I ask that the mover of the motion, in his wrap-up or in his final comments, perhaps address the question I had, related to the penalty that might be involved if this Bill were passed. I understood that the member mentioned a penalty for legislation elsewhere — a \$1,000 fine, I believe. I don't notice in the Bill what penalty he would foresee for candidates who have spent many more thousands of dollars than this limit sets out.

With those brief comments, Mr. Speaker, I think it's a worth-while contribution for the member to bring this Bill forward, and I look forward to the rest of the debate.

MR. BORSTAD: Mr. Speaker, I am pleased to speak on Bill 221, An Act to Amend The Municipal Election Act, brought forward by the Member for Calgary North Hill. Having run in a few municipal elections myself, I know what he's talking about, and I know what's happening even in some of the smaller centres. He talks about a larger centre, where the costs are tremendously more than they are to run in a small municipality. During the '60s in the city of Grande Prairie, I know that an alderman could run for a few hundred dollars. A few newspaper ads and that type of thing was all that was expected. There were no door-to-door campaigns, no television: none of those things. But as we moved into the '70s, the costs increased considerably. If you look at the costs today, with a mayor running even in one of the smaller centres, it is quite costly if that person has to take that money out of his own pocket in order to run. It seems to me that in many cases, no matter who wins, the only winners are the advertising people. They seem to be able to come in and end up to the benefit, you might say, because of the terrific costs of advertising to carry out a blitz to run for public office.

In many of the smaller centres, I suppose things have not been quite as sophisticated as you would run them in some of the larger centres like Edmonton and Calgary, where you have blitz campaigns, support, and a party system working with you. Consequently a large number of good people say, so what, I'll continue to do my job and business, and let John do it. This is happening more and more in our society today. People get frustrated with the system and leave it for someone else to do. It's happening in politics, sports, and in many other aspects of our private life today. Volunteerism is fading fast. Today each time we ask someone to do work in the community, they usually have to be paid in order to do it. Volunteerism seems to be sliding, and it seems to be gone, along with some of the other things I just mentioned.

If we want to see our municipal offices filled with

people interested in serving their fellow man, I believe we have to put a lid on expenses and the amount that a candidate should spend to get elected. This would give everyone the same opportunity to serve. Sure there are going to be those who will say this is going to allow a number of frivolous candidates to enter, and I suppose that's possible. But I think you might be able to set a higher deposit, which would be returnable if the person got a certain percentage of the vote. I think this would probably cut out some of the frivolous candidates. A number of ways could be looked at.

Although I agree in principle with the intent of the Bill, it would have to be tightened up and refined. As many of you already know, this type of legislation has been passed to date in Quebec, and currently in Saskatchewan they are conducting a review on similar legislation. I do not think this should deter us, though, from looking at some form of legislation to stop a person from buying an office. Ontario has a section in its Municipal Act which states that a municipality may pass by-laws to limit expenditures of candidates and require disclosure of contributions. I believe we could pass permissive legislation which would allow municipalities the opportunity to pass by-laws if they wished. As I mentioned earlier, Quebec has a very comprehensive Bill which limits the amount of donations, and donations only from those residing in the municipality, goods and services must be accounted for, a list of names of donations over \$100, media time cannot be counted if donated to all candidates, public audit of all accounts, and a list of donations and accounting of all campaign costs. Quebec also lays out the total amount of dollars to be spent by the mayor or alderman, according to the electors. Something similar could be worked out for us in Alberta.

In looking at the Bill, there are some basic arguments in favor, which would give an opportunity to those who may be willing to run for office but are limited because of the dollars they have to run that campaign. Precedents have already been established by senior levels of government as far as limiting contributions and expenditures, and requiring disclosure. I believe the city of Edmonton recently passed a resolution urging the provincial government to require disclosure.

Under this Bill, there could be some frivolous candidates, but I believe we could encourage more good candidates to run for public office. I personally do not agree with political parties, especially in the smaller centres, although I realize that will happen in the cities of Edmonton and Calgary, in the larger centres. I believe that in the smaller centres a candidate can do more for his constituents as a single man than as a political party. I think that that's a long way down the road for some of the smaller centres.

This Bill does not make provisions for, or limit, political parties, which I believe should be more explicit. Campaign contributions are not defined enough, I believe, and leave too much to interpretation. An aggregate total should suffice for small donations, otherwise you could have an accounting nightmare. Donations should be limited to a candidate's electorate, and not from another city or maybe even from outside the province. Proper record keeping should be set out in the Bill. I can see nothing in the Bill which sets out proper disclosure verified by an auditor. Finally the Bill does not set out the penalties for those who fail to comply.

Although I agree with the intent of Bill 221, presented by the Member for Calgary North Hill, I believe the Bill needs some refinement. The member has been an alder-

man, and I know his concerns. I appreciate his bringing this Bill before the Assembly here this afternoon. I believe there is general support for the intent of the Bill, but in my view it needs more research.

DR. REID: Mr. Speaker, in rising to speak to Bill 221, presented by the hon. Member for Calgary North Hill, I'd like first of all to say that I feel he's made a sincere attempt to exert some control over municipal election finances. Having said that, of course I'm now going to give the other side of the coin, in that I have several concerns about the proposed legislation.

Mr. Speaker, the electoral process as we know it is vital to the democratic process. It must not be corrupted in any way by the buying of candidates or the buying of votes. It also must not be restrictive on the ability of individuals to run for elected office. Of course there should be no significant obstructions to running either because of unreasonable qualifications or financial restrictions. Over many centuries, the electoral process has been criticized for several reasons and in several ways. But the essentials of the democratic process have remained unchanged because they have stood the test of time. I'm not saying that all the criticisms have not been valid. Indeed there have been evolutionary changes over those centuries.

In regard to municipal elections in particular, several doubts have recently been expressed about the electoral process. One has been the doubt about what are referred to as frivolous candidates. Indeed it has been suggested that deposits should be increased considerably to try to prevent frivolous candidates. I'm very unhappy with that suggestion. What we're trying to do is prejudice who is a valid candidate and who should be allowed to run. As I said earlier, it's basic to democratic process that there should not be significant obstructions to running for office. Indeed in The Election Act, 1980, although we raised most penalties and other financial matters, it should be noted that we did not increase the deposit for a candidate running for provincial election, and that was done after some thought and with some intent. The right to run for elected office is just as basic to democracy as the right to vote.

There is of course the converse: if you are not going to restrict who may run, then surely you should not restrict the spending of funds that can be raised on behalf of a candidate or a party, if those funds are raised within reasonable parameters. In other words, if a candidate or party can raise sufficient funds by having a broad base of support, surely it is equally reasonable that they be allowed to spend those funds. For that reason I am somewhat unhappy about having restrictions on the amount spent. I like the principle of having restrictions on raising funds and on the disclosure of where the funds came from if they're of significant size.

I mentioned reasonable parameters, and this leads me to compare the proposed legislation with the provincial election finances and contributions Act. In this province we've had a general election and a by-election run under the provisions of that Act. There are no limits on expenditures in that Act. It's interesting that in spite of there being no limits on expenditures, the amounts spent in both the general election and the by-election were, I believe, reasonable. If my memory serves me right, the highest expenditures were in Calgary Currie, and the highest individual candidate's expenditure was some \$25,000. This was with limits of \$1,000 on donations or contributions to any one candidate from any one contri-

butor, and \$5,000 in total contributions to candidates by any one contributor. Later I'm going to compare these with the proposed legislation.

In the provincial legislation there are also limits on amount the individual can contribute to his own campaign. This prevents any very affluent candidate from having an unfair advantage over another candidate who does not have that degree of affluence. Contributions made in the last provincial general election were also reasonable in size, in that most candidates had only a few contributions over the disclosure limit of \$250.

In the proposed legislation for municipal elections presented by the Member for Calgary North Hill, there is no limit to the total funds raised by the person himself from his own funds. There are limits for the total spent and for total donations from any one source. But there is one significant defect; that is, under the proposed legislation it is quite possible for a contributor in certain circumstances to give 10 per cent of the total expenditures by a candidate for a mayor and 10 per cent of the total expenditures by a candidate for a councillor. Those contributions can be made to every mayoralty candidate and every candidate for councillor. That leaves me with considerable concern, because it indicates the possibility for an undue influence on the subsequently elected council.

I have several other concerns. There is no mention of funds raised or expended by groups or, as the Member for Edmonton Glengarry called them, municipal parties. There is no apparent restriction on raising or expenditure of funds by such groups, which means that groups of candidates could have considerable financial advantage over individual or independent candidates.

As I mentioned, there is the obvious comparison between the proposed legislation and the provincial legislation. For the reasons I've given, I cannot really support the proposed legislation in its present form. This does not mean I feel there is not a problem in municipal elections or that we should not look for answers to those problems. I commend the hon. member for the type of legislation he has suggested, for the intent behind it. What I quibble with is some details in the legislation.

If I may make a suggestion to him, I commend the provincial Election Finances and Contributions Disclosure Act. Rather than introduce amendments to The Municipal Election Act, I suggest he should come back, perhaps next year, with a municipal election finances and contributions disclosure Act correcting some of my concerns and those expressed by other members. I would then feel I could give him my whole-hearted support.

Mr. Speaker, in view of the hour, I suggest we adjourn debate at this time.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, this evening the House will resume debate on Motion No. 1 on the Order Paper.

[The House recessed at 5:25 p.m. and resumed at 8 p.m.]

#### head: GOVERNMENT MOTIONS

1. Moved by Mr. Moore:

Be it resolved that the Legislative Assembly give consideration to the Local Authorities Board Order, Report and Recommendations on Annexation to the City of Edmonton.

To which Mr. Notley moved the following amendment:

The motion is hereby amended by adding at the end of it:

"and, in so doing, urge the government to make the preservation of agricultural land its principal priority when arriving at a final decision with regard to the Local Authorities Board Order, Report and Recommendations on annexation to the city of Edmonton".

[Adjourned debate May 20: Mrs. Fyfe]

MRS. FYFE: Mr. Speaker, I'll confine my remarks tonight to the amendment. In speaking, I would certainly like to support the need to preserve agricultural land. I think the amendment says that agricultural land has to be a key consideration in any annexation or development approval. I think agricultural land should be preserved wherever possible. However, if all agricultural land is to be preserved, this same policy would have to apply to all municipalities. It would be unfair to apply it just to Edmonton and not to other municipalities and communities. The surrounding rural municipalities in the Edmonton region have recognized that Edmonton needs additional land. They have agreed to submit a portion of their jurisdictions that would become part of the city of Edmonton. Unfortunately, all land surrounding Edmonton is primarily the best agricultural land within the province.

Planning for the future related to growth, as is projected within this region, must certainly accommodate a good deal of development and people proposed to come to this region by the year 2000. If land adjacent to the city is not available, then that growth would have to take place in a leapfrog fashion. I would suggest that with the amount of land roadways use — and I believe about a quarter section of land is used for every four miles of highway development — equal land could be lost in just accommodating transporting people back and forth. So while I think the amendment has a certain degree of motherhood issues or nature to it, I am certainly a little skeptical about the precise wording of it.

Thank you.

MR. COOK: Mr. Speaker, I'd like to rise and participate in the debate on the amendment to the motion as presented by the hon. Member for Spirit River-Fairview.

I guess Lyndon Johnson probably said it best; that is, there are no absolutes in a democracy. Democracy is compromise and a matter of choices. So I'd like to move an amendment to the amendment. I have copies here for the hon. members and the Clerk. If I could ask a page to take the amendment around to the members in the Chamber and maybe to members of the press gallery, we will proceed from this point. Mr. Speaker, the amendment would remove from the motion proposed by the hon. Member for Spirit River-Fairview the words "make the preservation of agricultural land its principal priority" and replace them with the following: "give consideration to the importance of preserving agricultural land".

The point I'm making is that agricultural land is certainly a prime determinant in mapping out the future of the city of Edmonton, the metro region, and indeed all urban development in the province. But it can be considered as only one major factor among several.

I make that point, Mr. Speaker, and I brought with me

a soils map for the Edmonton region. I guess hon. members can't really see it very clearly, but the point I'm going to make is this. Around the city of Edmonton there are almost no soils which could truly be said not to be prime agricultural soils. The Canada land inventory done by the federal government in the early '70s rates soils on a scale of 1 to 9, 1 being the highest or best and 9 being the poorest. No. 1 soils surround the city of Edmonton to the immediate east and to the south, and curl around on the western boundary. No. 2 soils are to the immediate north around the Namao area. As we know, that's already taken up by the federal government's air force base. According to the Canada land inventory, the only real area of any appreciable size immediately adjacent to the city of Edmonton is a small area to the immediate northwest.

Now if democracy is in fact basically a question of choices and trying to weigh values, I appreciate the very sincere effort of the Member for Spirit River-Fairview, who has identified a problem. I completely concur with him that we have to address the issue of preserving our better soils. Unfortunately there are no absolutes, except perhaps to say that there would be absolutely high taxes under an NDP administration. But in a democracy there really are no absolutes. It's weighing competing values one against the other, and then to emerge in a compromise. So the subamendment before the House reflects that, and suggests that the government should give consideration to the importance of preserving agricultural land in the annexation decision. I'm happy to inform the House and members of the public that that indeed has been the case in discussions among members of the Edmonton and government caucus. There certainly has been a good deal of discussion on the preservation of agricultural land.

I'd like to make a couple of other points. As a province and as legislators dealing with the Edmonton annexation, our failure to address this issue would have some very serious problems over the long term. There are no easy answers, but let me make a couple of suggestions. Agricultural lands identified as Nos. 1, 2, and 3 by the Canada land inventory are much easier to produce crops from, and have a much lower production cost for. It follows that your agricultural sector would be much more efficient and healthy if we were to preserve that base of Nos. 1, 2, and 3 soils.

The city of Edmonton makes the argument that it is the best custodian of those agricultural lands because it will develop those lands to a much higher density than surrounding areas. That is the case put by the city of Edmonton. Unfortunately, the areas they have marked out in the LAB recommendation are in fact the very best lands available to the immediate south and north. In its planning, the city of Edmonton probably should be going east and west as opposed to north and south. East and west are still agriculturally productive lands, but their soils are not as good. It's just a question of weighing one against the other. They're No. 3 soils rather than Nos. 1 or 2. I think the city of Edmonton has a very poor record on this issue, because it proposes to go immediately south and north. The fact that it has endorsed the heritage valley proposal lends no credibility at all to their argument that they would in fact be the best custodians of agricultural soils, because they have mapped out No. 1 soils almost exclusively as being a major area for future development. So I don't think the case of the city of Edmonton is very good.

One more point needs to be raised. In the future for

Alberta, and the city of Edmonton in particular, I think we need to develop our cities in a compact urban form. We have to rapidly increase the density of new developments. New developments today average about 12 to 14 people per acre. That just isn't good enough, Mr. Speaker. In the United States, especially in some of the newer areas in the west, with zero lot lines and smaller houses and lots, the density can rise appreciably to 25 or 30 people per acre and still preserve detached, single-family dwellings that Albertans seem to want and demand. My point is that we should encourage our cities to increase the density of future development and therefore reduce the amount of land they require for future development. I think that has to be a key point that's raised.

Secondly, in preserving agricultural land, which is the intent of the motion of the hon. Member for Spirit River-Fairview and a sentiment I concur in, the provincial government should be reviewing its grants policies, which tend in part to encourage urban sprawl. In particular I would look at our grants for the development of areas with water, sewer, and transportation, which tend to have a centrifugal force in the population and encourage people to spread out. It means we provide free-ways, highways, water, and sewer over vast distances. That's probably not good planning and is something we should be looking at, Mr. Speaker.

Speaking to the motion, the amendment to the amendment: the hon. Member for Spirit River-Fairview has a laudable ideal. There are no absolutes. Although I pointed out one the hon. member might consider, there are no absolutes in a democracy. It's basically a competition among values. Certainly one value needs to be stressed in this debate, and that is that the preservation of agricultural land is important. The track record of the city of Edmonton is not unblemished.

I think there are other ways to tackle the issue, not simply with this annexation application before us. We need to try to encourage our cities to become more compact and raise their densities, still preserving the quality of life that Albertans seem to want and enjoy. The proposal of the hon. Member for Spirit River-Fairview is too simplistic and won't work because, unfortunately, on three and a half sides the city of Edmonton is surrounded by good quality soils. It's a question of weighing one against the other, and unfortunately there aren't many choices. The only way we can grow is to the north and west, and get into some poorer soils. We should be doing that, and I think we will be doing that. Other than that, it is just a question of choosing our most palatable alternative.

With that, I put the subamendment to the House. I'm looking forward to listening to the debate on that.

MR. KOWALSKI: Mr. Speaker, I'd like to make several comments this evening with respect to the subamendment, or the amendment to the amendment. I'd like to make those comments in my capacity as chairman of the select committee on surface rights as much as the member of a rural constituency.

A year ago, on May 22, 1980, this Assembly appointed a number of members to undertake a complete and total review of all questions and policies relative to surface rights in the province of Alberta. As part of the methodology used in obtaining information, we undertook a series of public hearings in all parts of Alberta. In fact the committee held public hearings in every rural constituency in the province save one, and held four days of public hearings in the cities of Edmonton and Calgary.

While our original terms of reference dealt primarily with the questions dealing with administration, financial matters relative to surface rights, it didn't take us very long to hear a large number of submissions from people — and again, to emphasize, people in all parts of Alberta — that really had people concerning themselves on the question of soil and agricultural productivity. Those two matters emerged as very, very important concerns of all citizens in all parts of the province. Just about everyone who appeared before the select committee on surface rights expressed views with respect to urban sprawl, agricultural use of agricultural land, and the productive capabilities of the various types of soil we have in Alberta.

In that context I found the introductory remarks yesterday by the Minister of Municipal Affairs to be of considerable interest. The Minister of Municipal Affairs is a former Minister of Agriculture, a farmer, and a landowner. In his introductory remarks he talked about a number of factors necessary to ensure agricultural production. He talked about access to markets, climate, factors such as moisture, heat units, frost free days, and drainage. Then he came to an extremely important question, and an item dealing with soil. The question of soil preservation has to be of paramount importance in the province of Alberta in 1981. Few of the citizens of Alberta who appeared before the select committee dogmatically insisted that certain types of agricultural lands must be restricted from non-agricultural uses for eternity's sake. Most who appeared before us were resigned — and I use the term "resigned" with some thought — to the pragmatic reality of life in Alberta today. Our cities and towns are growing and, I suppose, in spite of Ottawa they will continue to grow.

Hand in hand with that reality of life in Alberta came a very important question that was put forward to us. The question dealt with the proprietary interests of the landowner to utilize his or her land in the manner, fashion, and shape which he or she decided it should be used. If you take the question of growth and of who has the right of ownership and usage of that land, and then if you look at our communities in this province and recognize that they're all growing — and they're all growing around existing infrastructure because that's been the reality and the nature of the history of Alberta. When our towns, cities, and villages were located, they tended to be in the heart of productive agricultural land. Of course they spread out beyond that original little focal point and continued to grow. By the very nature of their growth they infringed upon good agricultural land.

The question of the preservation of agricultural land is a very difficult one, Mr. Speaker. Yet it's the major question that has to be addressed by this Assembly. In my view, the subamendment put forward by the Member for Edmonton Glengarry is of very, very considerable consequence. It's of historic consequence in many ways because it does concern itself with the preservation of agricultural land, but it adds to the concept of the preservation of agricultural land one essential criteria that any democratic government must have to ensure it has an opportunity to reach the greatest number of options that may be available and necessary. That word that really covers the series of options is "flexibility".

I want to give several examples with respect to the question of flexibility and the question of preservation of agricultural land. The Member for St. Albert has already alluded to one. In the province of Alberta today, we have nearly 100,000 miles of roadways. Roads are built on land. Rights of way are located on land. In the province

of Alberta today, those 100,000 miles of road take up nearly 2.5 million acres of land. Much of that is highly productive agricultural land. But if you go back to one of the criteria put forward yesterday by the Minister of Municipal Affairs, in order to have productivity on the land the landowner must have access to a market. The lands are really relatively unimportant unless there is a roadway that would allow the farmer to produce a product and take it to a focal distribution point.

Within close proximity to the Edmonton area, we have a number of members of this Assembly who, from time to time, have raised questions to the Minister of Transportation and said, look, we need improved transportation infrastructure. Little of the land within the region we're talking about is not highly productive agricultural land. The Member for Clover Bar makes a petition to have road improvements made to Highway 21 from Highway 16 to Fort Saskatchewan. When he says, look, it would sure be great to have a four-lane highway going from Highway 16 to Fort Saskatchewan, in essence he's talking about the extraction from productivity for eternity's sake of a certain number of acres that must go under a roadway.

In essence we need flexibility. The subamendment put forward by the Member for Edmonton Glengarry gives us that flexibility. It says that those who will make the final decision on the Edmonton annexation report or the Local Authorities Board recommendation — basically the amendment says, "give consideration to the importance of preserving agricultural land".

Mr. Speaker, I don't recall any session of this Assembly since 1971 nor am I aware of any debate undertaken by any government since 1905 that addressed itself to the importance of preserving agricultural land. In many ways the debate tonight is of considerable historic importance. We are talking about preserving it. We are talking about ensuring that Executive Council will have a policy recommendation from this Assembly that it has to give consideration to when the final decision on the Local Authorities Board recommendation is made. We need flexibility. I think we as legislators would be remiss if we did not support the subamendment by the Member for Edmonton Glengarry, because for the first time this Assembly will give cognizance to this very important concern being expressed by literally hundreds of thousands of Albertans, may they live in rural or urban Alberta.

One additional thing has to be considered. When we are giving consideration to the importance of preserving agricultural land, we have to be cognizant now about the future need for topsoil that may be displaced because of the inevitability of urban growth. It's extremely important that we look at and be very serious about giving total consideration to ensuring that should a quarter section of land be developed for purposes other than agriculture, the topsoil has to be stripped off and retained. It has to be stockpiled for a need that may not be three years, 10 years, or 15 years down the line, but it has to be retained. That is a concern all members must be cognizant of.

Mr. Speaker, I support the subamendment because it gives us a unique opportunity this evening to make a dramatic and, in my view, historic policy recommendation. I repeat — not to be redundant, but for emphasis — that to my knowledge never before has an Assembly here debated a question of such importance. With this subamendment, we now have an opportunity to in essence protect the agricultural heritage of Alberta.

Thank you.

[Motion on subamendment carried]

[Motion on amendment carried]

MRS. FYFE: Mr. Speaker, while I'm standing, I wonder if I could take the opportunity of introducing two more persons to the Assembly, two representatives from the municipal district of Sturgeon.

MR. SPEAKER: Does the Assembly agree that the hon. Member for St. Albert may revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

AN HON. MEMBER: Is there anybody left in St. Albert?

MRS. FYFE: Thank you, Mr. Speaker. Yes, there are still a few left in the St. Albert constituency, but many of them are in the gallery. I introduced a number last night, but it's a great pleasure tonight to introduce the Reeve of the MD of Sturgeon, who also is a former M.L.A. for the St. Albert constituency and holds the record of having served the longest term, Mr. Keith Everitt. With Mr. Everitt is one of the councillors from the MD of Sturgeon, Mr. Frank Schoenberger. I would ask them to rise and be recognized by the Assembly.

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

MRS. FYFE: When I came into the Assembly tonight, Mr. Speaker, some of my colleagues asked me if this was my speech. I assure them it isn't. I will try to be a little briefer than that.

I did come to speak about annexation. Certainly the issue has instigated by far, more than any other issue, the greatest reaction of the people of the St. Albert constituency. A petition I presented in this Legislature last year contained more than 7,000 names that were collected in a period of just a very few days. I have received literally stacks of letters and phone calls expressing opposition. I brought one folder along as an example of letters that have come directly to me, although the stack is about five times that high.

Last week I delivered to Premier Lougheed over 5,000 letters of opposition from St. Albert residents to the Premier. Representing approximately 8,000 homes, these 5,000 residents are an extremely significant percentage that are prepared to take the time to write their concerns. At the same time, a petition of 2,900 names was presented by a high school student from St. Albert who undertook to collect names of fellow students, all opposing annexation.

Another activity that took place within the constituency was beating the bounds, which attracted over 2,000 residents. This was an enactment of a traditional ceremony carried out in the Middle Ages to protect the boundaries of a parish. The revival of this old custom was organized by the surveyors of St. Albert. Many residents came out and walked the southern boundary or part of the southern boundary of the city of St. Albert to

demonstrate their very strong feelings.

I've received many phone calls expressing opposition, including people living in the city of Edmonton, and letters from many other people residing throughout the province, not directly affected by the boundaries of annexation but affected by the implications of the decision which would be like ripples on the water. I should also mention that I had one phone call that favored annexation. Pause.

AN HON. MEMBER: I was just going to say it.

MRS. FYFE: I attended public meetings in both the municipal district of Sturgeon and the city of St. Albert. The concerns of these two municipalities are quite different. St. Albert has fought for its autonomy. Being a large rural municipality, Sturgeon faced losing many parts of its jurisdiction previously and is prepared to give a reasonable portion of its land, at least as far as the restricted development area.

First, why has this issue risen? Edmonton, our provincial capital city since its incorporation in 1891, has grown through a number of amalgamations and annexations and, for the past several decades, has been requesting a determination of its boundaries. The city of Edmonton has been particularly concerned about the impact of growth outside its boundaries and, secondly, a deep concern that the city have sufficient land to carry out long-term planning both for residential and industrial assessment, in order that the present healthy tax base continue to be enjoyed by Edmontonians.

I have been personally interested in this question since the submission of the future of the city report, which was submitted to the provincial government in 1973. As a result, I have done considerable research and study into forms of local and regional government. I attended a seminar on regional government held at the University of Alberta, I believe, in 1978. Representatives from Toronto, Sudbury, and Winnipeg regions presented a variety of position papers on the results of regional government implementation. In addition, I studied local government organization and administration, which encompassed examinations of forms of local government primarily across North America.

Last year I had the opportunity to travel with a number of Edmonton area M.L.As who accompanied the Minister of Municipal Affairs to Ontario, Quebec, and British Columbia to see first-hand how the larger urban regions in Canada have dealt with growth and the provision of services. One conclusion I came to as a result of these trips is that regional government in these provinces was legislated primarily because of the burden on the property tax for the so-called soft services — the social, health, and protective services. As there is only a very small contribution from the property tax for both health and social services in Alberta, I believe there is no justification to examine another level of government to administer regional services at this time. But I do believe it is extremely important to review what has happened elsewhere so we do not repeat mistakes that have happened elsewhere and we can learn from experiences and experiments in this process called urbanization.

Making local government's systems better fitted to meet changing needs in the increased urbanization of modern society by reducing the number of units, realigning boundaries, and distributing functions is often called modernization. This is common to most western democracies, with perhaps the exception of France, the Nether-



lands, Italy, and the United States. The British process of modernization in England and Wales, established by the 1972 local government Act, has been one of the least popular enactments and is seen by many as a complete failure. This legislation attempts to join built-up areas with their hinterland and, secondly, increase the average population size of local authorities to enhance efficiency. An article by R. A. Dahl entitled *The City in the Future of Democracy* concludes that after 73 different attempts there is no worth-while evidence of any significant economies of scale in city governments for cities with a population over 50,000.

An example of a school of thought in the United States is the public-choice school. I'd like to describe this example. I'm sorry the Minister of Education isn't here to ensure that I don't confuse public-choice school with his voucher system or public school choice. This system seems to advocate the retention of the status quo in urban and rural areas and rejects the assumption of the functionalists' case altogether. The public school choice also claims a series of positive benefits that have not entered the debate on local government in either Britain or Canada.

The essence of public-choice arguments seems to be that even the pattern of existing unreformed local government is preferable to any modernized or enlarged alternative. Should there be any economies of scale, public-choice theorists are happy to create *ad hoc* bodies for special purposes, leaving the existing government structure intact. Such *ad hoc* bodies also may have overlapping jurisdictions and, if necessary, they would be private and profit making. Scaled economies could also be reaped by the larger existing local authorities which can provide central services for their smaller neighbors on a contractual basis, such as operates in Los Angeles county. Within the county, 32 of the 81 centres have services provided for them by the county on a contractual basis. This system provides wider choice and separate units of input, combats bureaucracy, and promotes democracy by denying the possibility of the abuse of power.

As a representative of a constituency where a large number of people oppose both the application and the recommended boundaries, I would like to comment on some concerns within this region. Firstly, I would like to discuss regional planning. On many occasions I have said that I believe Edmonton has a legitimate concern related to the Edmonton Regional Planning Commission. However, bearing in mind that Edmonton has its own subdivision approving authority — which most of the surrounding municipalities do not have, save Parkland and the city of St. Albert — development within the region may have an impact on other municipalities. Therefore as Edmonton has about 75 per cent of the population within the present Edmonton Regional Planning Commission boundaries, I believe it is necessary to review the structure of this planning body.

I suggest the city of Edmonton be given a larger number of representatives for regional planning, but it may be unfair to have this same weighted number responsible for subdivision planning. There is no doubt that Edmonton serves as a service centre for the region and beyond. The private sector in Edmonton derives a good deal of revenue from consumers who travel to the city to purchase goods and services. Originally the capital city developed as a result of the location of the two railroads, the CPR which came to Strathcona from the south and the CNR which came to Edmonton, and the establishment and location of the provincial government centre

and the University of Alberta, which gave Edmonton a characteristic different from Calgary or any other community.

St. Albert, which was first settled in 1861, developed as an educational and service community. The first school board in Alberta and the first Roman Catholic diocese were located in the community of St. Albert. Even though urbanization has taken place, there is a strong identification with the history and roots of the community by new residents who come from all four corners of the world and by families, descendants of original settlers, who still reside within the community.

As I have said repeatedly, I believe we must allow Edmonton to expand with balanced growth which provides a continuing mix of residential and industrial development. Edmonton's low property taxes are the envy of most North American cities. However, if annexation were to absorb the city of St. Albert, in all likelihood residential taxes would be reduced. But small business men would be seriously affected, as business taxes in St. Albert are significantly lower than those in the city of Edmonton. The St. Albert Chamber of Commerce has some very deep concerns about the future of small businesses in the event annexation takes place. This is extremely important to small businesses that compete with much larger businesses within the Edmonton region.

I would like to comment on some concerns relating to annexation which I feel were not addressed in the Local Authorities Board report and recommendations. Firstly, utilities is a significant area not addressed by the report. For some time the city of Edmonton has had the benefit of making a profit from the sale of water to surrounding municipalities and users. Natural gas is provided by a private company, which made a submission to the Local Authorities Board hearings demonstrating that as Edmonton applies a higher franchise tax on natural gas, this would certainly affect the cost to users of natural gas within this area. Power and telephones are supplied to Edmonton residents by municipally owned utilities, and changes in boundaries would have an impact that must be very carefully considered. The provision of electrical power would have the most significant impact on consumers in the surrounding distribution area if the heavy industrial market in Strathcona were to become part of the city of Edmonton.

Another area not addressed by the Local Authorities Board is the health field, both active-treatment hospital and health unit. Administration offices for large health units are located in St. Albert and Sherwood Park. There would be considerable concern if administration and delivery of service in these institutions were to be divided.

Another very important area that was not addressed in the recommendations relates to education. In the municipal district of Sturgeon, an addition to the Horsehills school was built to accommodate children primarily residing in the Evergreen mobile-home park. Changes in boundaries in this area causes great concern for the school board, which has no desire to be saddled with school debt, with the loss of three-quarters of the children and a sizable assessment.

In St. Albert the Catholic is the public school system and the Protestant is the separate system. The report gave no guidance on how the assets of the public would become part of the Edmonton separate system, should that be the case. Parents living in the St. Albert constituency are also deeply concerned about changes in boundaries which would affect the education of their children attending Winterburn school.

Mr. Speaker, I would like to briefly discuss the question of social housing. The city of Edmonton has expressed its deep concern for assuming all social housing, plus the loss of residential taxation. I concur that social housing is or should be a region of responsibility. But I ask: does each municipality have the same responsibility regardless of the industrial and commercial tax base? How feasible is social housing in communities where there is no public transit? Edmonton's tax base has about one-third of its assessment coming from industrial and commercial. This allows for greater flexibility in providing social programs. For example, in 1977 St. Albert still relied on 94 per cent of its tax assessment from residential accommodation and only 6 per cent from industrial/commercial. Today that is turned around to approximately 80 per cent residential and 20 per cent industrial/commercial. As a result, St. Albert just completed a study suggesting they are now in a position to consider a social housing program.

Another area not addressed by the Milvain report relates to provision of roadways. As Edmonton would assume a much larger highway system now supported by provincial funds, this would be a significant cost factor attached to this item and funding changes for highways within city boundaries. Also there are commitments by the province to provide needed roadways, such as 156th Street, connections of 170th Street with the westerly by-pass, and the improvement of the 137th Street/St. Albert Trail overpass. These are all needed routes. It would be unfair if they did not proceed as planned. Roadways such as these are important to the development of balanced industrial growth, and essential travel routes for workers within this region. In addition, Mr. Speaker, I am also most concerned about rural road maintenance. In the rural municipalities, local councillors are responsible for supervision of snow clearing, grading, and maintenance of the roadways. It is a very effective system that is most difficult to duplicate within urban centres.

I would now like to express my concern for the use of agricultural land, which I made a few comments on to the amendment previously. It is unfortunate that Edmonton is surrounded by the best agricultural land in the province. I have met with farmers and small-holding owners, principally from the Horsehills district, on several occasions. I share their concern and the need to retain choice farmland for the future. Edmonton officials speak of compact urban development. I believe that is precisely what must happen with much less urban sprawl, if I may use a rather overworked phrase. The compact growth I foresee in the future will have more density development and will necessitate additional recreation areas for families living in apartments or multiple family accommodations.

Mr. Speaker, while I could probably speak all evening, I would like to conclude with what I believe to be the crux of the annexation opposition. We can discuss utilities, housing, planning, transportation, and taxes *ad infinitum*, but I believe the central question is community identity, community spirit. Local government is not just the provision of basic services. It goes beyond fire, police, and sanitation. The services that deal with the quality of neighborhoods, the homes and schools, the streets, the commercial/industrial areas are what the local governments manage best, and they are the essence of the community.

In British Columbia, an amalgamation of municipalities requires at least 50 per cent of the people in the

affected area to agree through a plebiscite. We have had amalgamations before in this region — Strathcona, Jasper Place, and Beverly — but never against the wishes of the majority, who in this application have voted through a municipal plebiscite and demonstrated that 90 per cent are opposed. The reaction of the people of St. Albert was not the vocal minority, but a genuine reaction of the majority of residents at the potential of losing their choice of community and local governments. Doesn't this parallel the very debate we are engaged in with the federal government? Yes, this is an emotional question for the residents of St. Albert and Strathcona, and those affected in the other municipalities. I am sure that exchanging a council of seven accessible members for one member in a council of 20 in a region of more than half a million is an extreme loss of representation, in fact the very basis of democracy. If the rights of people in Edmonton had been threatened, the MLAs from that city would have received the calls, letters, and petitions and been asked to go to the meetings that the Member for Edmonton Sherwood Park and myself have had.

L. G. Sharpe, in an article entitled *The Failure of Local Government Modernization in Britain, A Critique of Functionalism*, published in *The Canadian Public Administration* in the spring of 1981, says that a small unit of local government is likely to be more democratic than a larger unit for at least three reasons. The first reason is that small units lend themselves to be more responsive to citizens' views because they're more accessible. Secondly, he says, a smaller unit is more democratic because a higher proportion of citizens can participate in the decision-making process. Thirdly, he says, in small units there is a greater likelihood to be homogeneous, and thus making possible more clear-cut majority issues and more popular control of leaders. If we take the most basic definition of democracy — the government acts in accordance with the wishes of the majority of its citizens — then democracy is undeniably a diminishing function of scale. To put it another way, the hypothetical advantage of pushing out the boundary must always be set against the cost of democracy in doing so.

I believe Edmonton can develop and not be left to wither, with growth taking place in its border. I believe Edmonton can grow, but not at the expense of its neighbors. The surrounding rural municipalities have agreed that Edmonton must grow, and they have agreed to an expansion of boundaries that will give the city a sizable area for future growth. In addition, redevelopment within the boundaries must not be overlooked. Not long ago redevelopment meant demolition. Dramatic revitalizations in cities such as Philadelphia, Baltimore, Seattle, Montreal, Quebec City, and Edmonton have made splendid use of solid, historically valuable buildings. Growth in the future will have to consider more seriously the availability of land. Present planning projections are assumptions and not fact. We can plan with reasonable accuracy for five years, but for 10 and 20 there is a decreasing degree of accuracy, only a longer period in which to adjust that planning. A few years ago wisdom dictated that all jurisdictions should tear up their street-car tracks, and today light rail transit is in vogue. It is interesting to note that when we met with officials in metro Toronto, they are planning for a decrease in population.

Mr. Speaker, I also believe we could resolve regional services and utilities, and we can all continue to participate in regional co-operation within one of the most

dynamic and attractive regions on this continent.

Thank you.

MR. HIEBERT: Mr. Speaker, I too am pleased to enter the debate on a very crucial, sensitive issue for the Edmonton region. I happen to represent the constituency of Gold Bar, which interfaces with Strathcona county. This particular constituency has an anomaly, in that while a greater number of residents of Sherwood Park commute to work in Edmonton, we have a situation where constituents live in Edmonton but actually work in the heavy industry area of Strathcona County. Therefore many of the long-time residents of this area are well aware of some of the key issues.

Mr. Speaker, I've read, inquired, listened, and been lobbied for and against. I suggest that maybe one should look at some general overriding observations. The public debate has become rather emotional and highly charged. As a result some of the understanding of the issues or the facts has become distorted or lost. When we see the media and the hon. Member for Clover Bar making statements like "over my dead body", we know he's getting excited. There's an attitude out there about the decision to be made, that it has to be an all-or-nothing situation. This is deepened by the intensity of the proponents on both sides. I'm wondering if there can be some middle ground on the issue at this time. None the less a decision needs to be made one way or another, because if allowed to prolong we start to pit community against community, friend against friend, co-worker against co-worker. Let's face it, the decision will not meet with the approval of everyone. So I think we need to get on with the decision. No matter what viewpoint you take or what argument you use, there are always contrasting feelings. The residents of the outlying communities feel they are losing something. Yet if you talk to Edmontonians, they sometimes regard it as suburbia getting a free ride. Those are the contrasting feelings that exist in this issue.

Mr. Speaker, the Minister of Municipal Affairs dealt with the process, so I would like to get on with some of the aspects of the annexation issue. From a balanced perspective, I support the thrust of the case of the city of Edmonton, namely orderly growth. There is a viewpoint expressed by some, namely the opponents of annexation by the city of Edmonton, that bigness isn't everything, that Edmonton is too big already, that Edmonton can't look after its own affairs, and that city council is unworkable. But I would suggest that that viewpoint can be directed to any form of government. It can be directed to any city, and it isn't solely a reflection upon what is happening with Edmonton. We've heard from the residents of St. Albert, Sherwood Park, and the counties with regard to their form of local government, their small community, their style of life, their quality of living, their educational system, whatever.

We have heard from the farming community about the encroachment upon prime agricultural land. But I would suggest that when we start talking about the issue of prime agricultural land, there is some misunderstanding. The word "prime" is usually in the interests of the owner, not in terms of what it can produce agriculturally. We have found areas of land with poor quality, and just because it's open area, there's a perception that it's prime.

The fact is that the region is not static, and there will be massive growth. At issue is the manner in which that growth will occur, how the region will develop. Should it be piecemeal, haphazard, resulting in urban sprawl, or

should it be orderly planned, well-managed, and effectively utilized? For that matter, in the subamendment the Member for Edmonton Glengarry did refer to the importance of preserving agricultural land.

Mr. Speaker, I think it's important to note that Edmonton was the only party before the LAB that did report on the impact of agriculture in the annexation proposal. And Edmonton's proposal is based on a concept which will prevent the fragmentation of good, agricultural land and prevent the waste created by urban sprawl by permitting the adjoining counties to continue in the manner they have been doing.

For example, if we look at density in terms of some of the municipal or county areas, we have approximately 0.35 people per acre. Yet when we look at the city, we have 15 people per acre. If we look at the usurpation of land, that density is a very important factor. So I would suggest that to a degree the city has been very sensitive to this particular issue.

By implication with regard to the annexation proposal Edmonton does require an expansion of boundaries for long-term growth. It requires ample raw land, and the more marginal that land, the better. It requires the land for balanced residential, light and heavy industry, and commercial use in that development.

I would like to take an example that was very close to the constituency I live in. It was the rendering plant issue, where the rendering plant was to be relocated from northeast Edmonton to the southeast area approximately half a mile from the residential area where I live. Well, the reaction was vehement. They opposed the city. They opposed the mayor very strongly. But if you look at the issue, was it really the city council's fault? If the city had had sufficient land for retaining the rendering plant, so they would not lose the assessment base yet provide a place where they could locate it outside the immediate proximity of the residential areas, the problem could have been resolved. In a way, if one looks at an issue like this in isolation, we can fault city council for attempting to do something in terms of restoring the assessment base by putting it within the city boundaries. Yet if the land had been there, that problem would never have existed to that neighborhood.

In my view, Edmonton needs to retain its position as the dominant core. Mr. Speaker, as the dominant factor in the region, Edmonton requires a greater voice or representation on the co-ordination of regional planning. We've heard a great deal about major services, and often there is a lack of appreciation in terms of what the city is in fact doing to provide regional services to the outlying communities. We can look at land zoning and usage. We can look at major water/sewer installations. We can look at selected services and utilities. Major transportation arteries and public transit are an issue for the area. We can look at environmental considerations. All these matters have to be looked at on a regional basis. Maybe an overhaul needs to be taken on the regional planning commission, but whatever, the form of regional government best suited for the area could be a matter of future study. Mr. Speaker, one thing is clear. Edmonton's representation should be reflected in terms of the population and in terms of being the dominant player in the area.

Furthermore, there must be a longitudinal commitment to the city so that local interest groups cannot completely stymie long-range planning, whereby we see situations of completion of phase one and phase two of a project, then along comes the blockage of phases three and four by some interest group. We need a longer time commitment.

We need a longer view to how we do things that affect the total region.

Of course we come down to the human side. This is the issue that has received the most critical attention; that is, the self-determination of our satellite communities, Sherwood Park and St. Albert. Mr. Speaker, I think we all recognize that St. Albert is a community of long standing tradition and roots. It is a city. And I think everyone appreciates that its origin is quite different than its counterpart community, Sherwood Park. Sherwood Park is a much more recent development. It is an unincorporated hamlet in the county of Strathcona. They have two different histories, but the arguments amplified by both have been very similar.

If we're looking at any kind of compromise, as suggested by the Member for Edmonton Kingsway, I ask whether we should be looking at those two communities in the same way, because their origins are different. They have presented their arguments with regard to quality of life, services, recreational facilities, schools, the feeling of community and identity, the kind of community they chose. To some degree, I think they're all legitimate. But I ask: should it be totally at Edmonton's loss? Because we are looking at the long-term future of the city and the region. There is always a cost involved when you look at quality of life.

Mr. Speaker, I too must express that a number of constituents support the position that there ought to be middle ground, that we should not force people against their will, and that we should be looking to our government for a political decision which is considered fair. However, a number of citizens argue that if we preserve the integrity of the two communities, there needs to be some reciprocating fairness too. For my constituency, there is a visible symbol which has been there for years; that is, the heavy industry area east of Edmonton Gold Bar, or the developments east of 50th Street, sometimes named Refinery Row. In fact it's a stone's throw from the back yard of some of the Gold Bar homes. These areas are perceived as part of the socio-economic area of Edmonton.

The incident this morning on the boundaries of Edmonton and Strathcona county certainly points out the feeling of the citizens with regard to how it impacts upon them. They feel Edmonton has to accommodate the adverse environmental factors associated with large industry. Now they recognize that that industry existed there before, and they are prepared to live with it. But they also feel that they should benefit from it to some extent. They will put up with the noise, danger, and odor. I'm putting up with the noise right now, Mr. Speaker. They have to deal with the influx of transportation associated with hazardous materials and the marketing of products through the area I and some other MLAs in this Assembly represent.

The incident today with regard to the tanker and the train points out that hazards are there for the community. The community most closely associated with the impact is the one I live in. Edmonton has to provide major recreational and cultural facilities in other venues to the region. The city has to absorb the social problems: the unemployed, the low-cost housing, the higher incidence of crime, and all the factors that go with the inner-city core of any major city in North America.

Mr. Speaker, Edmonton has to provide the general infrastructure for the region. Because that perception exists, the Edmontonians I represent expect some fair share in equity from the heavy industrial assessment. I think we

ought to keep in mind that the refineries did locate years ago, and they located in the county of Strathcona. But I don't think we should be short-sighted forever, because at the beginning the refineries came here not because of the counties but because of the city of Edmonton. Location is not the issue. After all, the objective here is fairness. As long as Edmontonians perceive, rightly or wrongly, that the quality of life, the style of living, in one of the bedroom communities is to some extent at their expense, the source of aggravation will not be put to bed.

Mr. Speaker, if a decision of compromise with regard to the Milvain report is brought down, I must strongly state my position that there needs to be a rationalization of this particular area with regard to assessment. This could be done several ways. There could be an annexing of all the heavy industrial area to the city of Edmonton, and putting into place a phasing out to the county of the tax base over a period of, let's say, a decade and thereby allowing a period of adjustment for the development of new heavy industry in the county. Another way one could look at it is by declaring the area a special zone and arriving at a formula for revenue sharing. Or thirdly, one could restructure the boundaries in such a way to produce the same effect. But my position is generally the first one.

Mr. Speaker, my position has been influenced by various factors. One of them is the constituents. Having lived in the area for 20 years, the feelings are well known. While Edmontonians are fair-minded, in return they expect a fair outcome for their citizens. Once the boundaries are struck, if we deal unfairly with the Edmontonians, you can expect a response.

The second thing that has influenced me, and one of the most important, is the history of annexation itself for the Edmonton region. I don't want to get into the details and technical merits of the various reports, but we've had the McNally report, the Hanson report, and now the Milvain study. They've all come up with the same general conclusions based on technical merit. The Milvain report had 12,000 pages of evidence and over 100 technical reports. While I too was disappointed in the Milvain report with regard to its treatment of such areas as utilities, schools, and the educational systems, in balance I have to look at it from the point of view that there must be merit and logic in the reports in addressing the issue of the long-term future of the region. It may take courage, but whatever decision is made, Mr. Speaker, we must keep in mind the objective. That is the long-range plan for the region.

My last reason for coming to the conclusion is a personal one. I moved to the city of Edmonton in the early '60s and took up residence in Ottewell, which was a new, emerging area at that time. In the course of the years, there's been phenomenal growth in Edmonton. I've known many friends and co-workers who have now moved into the two communities which adjoin Edmonton. It's a choice I respect, and I understand their feelings with regard to their autonomous existence. But, Mr. Speaker, the fact remains that the underlying reason for many of them coming to this region was not St. Albert or Sherwood Park, it was Edmonton. They came here to the mother city for employment, opportunities, and what amenities this great city had to offer. I don't think we should lose sight of that while we're going through this process.

Hence, as an Edmonton MLA, I express support for my city. But I also recognize that I'm prepared to consider the wishes and concerns of those smaller communities

in terms of their identity and integrity, provided that in the long-run and the general decision Edmonton gets a fair shake, and that possibly some restrictions are placed on the size to which St. Albert or Sherwood Park could grow, if the decision was to allow a compromise. Also I would suggest another caveat, that there would have to be some consideration given to the proliferation of acreages in the entire region, because we go back to the land usage factor and it's important that we effectively utilize the land we have available.

In conclusion, Mr. Speaker, many Edmontonians have friends and relatives in the surrounding communities. Hopefully the forthcoming decision will not destroy the cohesion and good will, the good neighborly relations, we've had in this region. If I could put it another way, I hope the Sherwood Parkers and the St. Albertans could still call their football team the "ever lovin' Esks" and the Oilers their home team, instead of reverting to the "blown out Flames" or the "next year Stampedeers". [interjections] Mr. Speaker, I was trying to find out if they were still listening.

I hope the cabinet will seriously consider all the views of the Edmonton MLAs. I wish them well in attempting to make a wise decision. I know that when the boundaries are set, there'll be many idiosyncrasies to work out. But it will take time. With time, I'm sure we can work it all out.

Thank you, Mr. Speaker.

MR. PURDY: Mr. Speaker, in rising this evening to participate in the resolution, I'm going to spend a few minutes on the motion, but more so with the area I represent, the east end of the county of Parkland, where about 43,000 acres or \$10 million of assessment are in debate over the Milvain report. I remember very significantly that in 1972 we went through the same procedure, where a portion of the county of Parkland was annexed to the city of Edmonton; and in 1974 when the provincial government brought in the restricted development area around the city, which affected me two different times.

The '72 annexation placed a large portion of land into the city of Edmonton. That was nine years ago. I look at it today and I haven't seen that much development and growth in that particular area. I look at the area south of Highway 16. It is now into a housing phase, and right off the highway you can see a number of new homes being built. But look at the area north, what I used to call gasoline row, where CFRN is situated, and these other areas. Nothing has taken place in that area from 190th Street to 170th Street, except for a small development around 170th and north about four blocks. If you look at the area west of there and north of 16, that has been in the city of Edmonton for eight years to this date, very little has happened. According to the Milvain report, they're asking for another 3 miles north of Highway 16 and 2 miles south of Highway 16 to be incorporated into the boundaries of the city of Edmonton.

So I look at it in that perspective, Mr. Speaker. It has taken them eight years to put probably four or five city blocks into productivity, commercial on the north side of the highway and housing on the south side. If they get the 3.5 miles and the 2 miles on the south and north sides respectively, how long will it be before we see any productivity that way out of Edmonton?

I've had a number of constituents make representation to me since the Milvain report was presented back in December. A number of questions have been asked by constituents who attended the hearings. In the report, Mr. Speaker, the questions are not answered. The ques-

tion most formally asked to me these days is that if the annexation is accepted by cabinet as outlined by the report, will the people now in the county of Parkland who are receiving good services receive those services from the city of Edmonton?

I will share a situation with the Assembly this evening. I look at snow removal on Highway 16. In the wintertime I drive this highway probably three times a week. I get to 190th Street and it's horrendous. You cannot move. But on anything from 190th Street west, the provincial Department of Transportation has done an excellent job clearing the roadway and making it safe for the travelling public to come into the city of Edmonton.

I ask the question because a number of other roadways could be affected if this proposal is accepted. River Valley road, which was recently paved by the county of Parkland: is that going to have the same snow removal and road maintenance it knows today in 1981? Will the Winterburn road, on the north and south sides of Highway 16, also receive the same?

The other question asked by constituents: you now have a large upgrading program going on, through the provincial coffers, on 118 Avenue. A contract was let this year to do a portion of the road from what we call the Villeneuve turnoff to north of Stony Plain on a two-lane highway. Next year it's going to be expanded to the portion from Villeneuve east into the city limits as a four-lane standard. If this annexation proposal takes place, what will happen to the proposal the Minister of Transportation now has with his staff, with my people, and the county of Parkland officials? Will that be stymied as it was with the '72 annexation, when it took a long time for the city of Edmonton to get its act together to get that particular piece of roadway done from 156th to 184th streets?

Another question being asked of me is by the senior citizens who reside in the Normandeau Gardens area. They have a lease with the city of Edmonton. They asked Mr. Milvain and his people a number of questions that still go unanswered. Will we still have the long-term leases we enjoy today so we can use our drop-in centre and our facilities there without any infringement, without any taxes, as we now enjoy?

Another question is with regard to schools. The hon. Member for St. Albert brought it up tonight. She mentioned the two schools in my constituency, Winterburn primary school and the one in Westview Village which looks after the children from grades 1 to 6. I have had no answers to that particular question I have asked: what will happen to the two schools in the Stony Plain constituency, where residents are attending from the other side of the proposed annexed area at the present time? Will they still be able to come into that facility and have the same programs provided and the same type of education they enjoy today?

Another question is with regard to policing in the area. We now have two police forces that serve that east end of the county of Parkland, the RCMP and the county. Both forces are visible out there and very busy. I look at the Westview Village situation. We have about 600 mobile homes, north of there a large industrial area. In talking to people in charge of both forces, they say they are very busy out there. I ask the question: is the city of Edmonton capable of putting in place an adequate number of police officers to cover what is now being done by the two police forces?

Another question is with regard to fire protection. The hon. Member for Edmonton Gold Bar indicated they had

a fire this morning at the edge of the city of Edmonton and the county of Strathcona. From radio reports and the information I received, Strathcona was out there to help the city of Edmonton look after that very serious situation. In Winterburn today we have a fire department that is paid for by the county of Parkland and looked after by volunteers in the Winterburn area. Will the people have that same service they have today where, if a call comes in, the response time is excellent? Or will they have to wait for a fire rig from Jasper Place, as it is normally called right now, to respond 5 miles to the Winterburn area? Or will an agreement be signed between the county of Parkland and the city of Edmonton so that this particular fire department in Winterburn today will be there to look after the citizens' needs in Winterburn and the commercial area? We had a very serious fire at Nelson Lumber about two and a half months ago. The Winterburn department, along with a number of other departments west of there, looked after that particular situation.

A question also asked of me on a number of occasions, and it is still out there with the people who live in Westview Village: what will our status be if we are annexed to the city of Edmonton? It's a residential area right now. There's some trepidation out there that that area may be rezoned to commercial if the annexation proposal is accepted. I've looked at the question a number of times, and I don't have an answer for them. Are they going to be protected or not in days to come? It's very, very difficult, and we've seen it happen before — you give notice to 600 mobile-home people living in an area that they must vacate because of a rezoning policy, and where do these people go?

During the hearings in Edmonton, the Normandeau Gardens area was brought up, which is directly south of Highway 16, just east of the Winterburn overpass. Mr. Speaker, I'd like to put into the record a question to the Milvain committee, and no answer was given.

In the Winterburn area there are a . . . number of producing gas and oil wells which cannot be shut off safely, and should not be for the same reason, as well as for energy wise. The soil in the area has a concentrate of coal in it, which transmits natural gases from related oil wells in the opposite direction of the natural water shed which is easterly, this is mainly because of coal seams, therefore, sewer lines, especially large storm sewers, should never be installed closer than one and one half (1 1/2) miles from a producing well such as the types in the Winterburn area, with soil conditions as these. There are also [a number of] producing wells in the area which are of excellent value in terms of much needed energy supplies. An abandoned well should sit at least twenty-five (25) years before it is reasonably safe to build near it, and should never have buildings erected on the immediate site. There is also a network of underground gas lines, pipe lines, and transmission lines from the producing wells in the area . . .

And we only have to remember Mill Woods from last year.

I did a survey just to see if the people making this presentation were correct, and they certainly were. The area was looked at and the crisscross and number of condensate, natural gas, and oil lines in that area of Normandeau Gardens is just horrendous. I have all the facts documented now and have presented them to the Minister of Municipal Affairs for his attention.

We also have to look at the area just south of Winter-

burn and the prime agricultural land there. I agree with the subamendment passed this evening by the Assembly, but when the Member for Edmonton Glengarry says the city should expand to the west because there is little or no prime agricultural land there, that is not factual. We have some excellent No. 1 and No. 2 soils straight south of the Winterburn school right to the North Saskatchewan River.

What about recreational areas now supplied by the county of Parkland and some private entrepreneurs in the area? Will those still receive the same attention from the city of Edmonton if it's successful in the Milvain report?

A recent survey was carried out in the Winterburn area. It hasn't been in high profile as the question from St. Albert or the Strathcona area has been, but through the county of Parkland school system and the schools there, a questionnaire was sent out through the school children. The return — on very good questions as far as I'm concerned — showed 85 per cent of the people opposed to annexation of that area because of the number of questions I have asked tonight that are unanswered.

I also look at the services now provided by the city of Edmonton west to where I represent. There is only city water, which supplies Westview Village, some of the businesses along Highway 16, and the towns of Spruce Grove and Stony Plain. I also look at the whole perspective of the annexation proposal and at Sherwood Park and St. Albert where they now get their electrical generation from Calgary Power. I ask the question: could the city of Edmonton tomorrow, if this annexation took place without Calgary Power's help, supply that electrical energy need to the whole area in question? Being in the field, Mr. Speaker, I say no, because right now they don't have the electrical generation capabilities to do it. They would be buying electrical energy from another utility.

Another area I look at in the Milvain report is on page 118, Recommendation 18, which is abbreviated to mean MAD. When I look at it, I guess I still get mad, even after the public presentation of this particular report in December. The city wants an area of authority, 8 kilometres around the proposed new boundaries. That would just about stymie any growth in the town of Spruce Grove. They'd have to have the city of Edmonton saying to them that that's what will happen in Spruce Grove. I just can't accept that concept at all, Mr. Speaker. I think this is the time we should be looking at a new planning authority for the area in its entirety for the area and looking at revamping or re-evaluation of the Edmonton Regional Planning Commission. I certainly could not and would not support Recommendation 18 of the Milvain report.

There are a number of other recommendations in the report that I cannot support. One that's really glaring to me is the annexation of Sherwood Park and St. Albert into the city boundaries. St. Albert is an old, established community in this province. It was there before the city of Edmonton. Sherwood Park grew out of a need in the area and a way of life the people of the Sherwood Park area wanted. They could have come into the city I guess, but a lot of them said no. That's the same feedback I get from constituents now living in Westview Village or on acreages in the county of Parkland. On that questionnaire done by the county of Parkland school authority, the comments coming back are: I moved out of the city of Edmonton two years ago to get away from that particular type of life, and don't let it be brought upon me again that I have to move back or be brought back into that

type of atmosphere again.

Mr. Speaker, I conclude by saying that the decision lies with the members of Executive Council. I trust they would use their wisdom so that all people would benefit from the decision.

Thank you.

MR. SPEAKER: May the hon. Member for Edmonton Belmont revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

MR. MACK: Thank you, Mr. Speaker. It is my distinct pleasure this evening to introduce to you, and through you to the members of the Legislative Assembly, a young lady who is here for the first time and very interested in the proceedings of the evening. She has spent a number of years as an elected official serving the citizens of Edmonton. I would ask Alderman Bettie Hewes to rise and receive the very cordial welcome of the Assembly.

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

MR. KOZIAK: Mr. Speaker, yesterday I made some brief comments during the course of speaking against the amendments to the motion put forward by the Member for Clover Bar. I just want to elaborate somewhat on those comments and add to the historic background being provided in the course of this debate this evening.

I mentioned that I thought there was need for the city of Edmonton to expand and that one of the areas for that expansion might be in a southerly direction into the county of Strathcona. Mr. Speaker, there is no doubt that the growth we've seen with the city of Edmonton over the last decade or two in particular projects substantial continuing growth into the next number of decades, particularly during the latter part until the end of this century. As a result there will be substantial housing needs for those Edmontonians who will be forming households and those who will become Edmontonians in the very near future.

I know I've spoken on many occasions with respect to the need to be able to provide affordable housing for the people of the province of Alberta. I'm convinced that our ability to provide that housing is expanded by providing a large life expectancy of serviceable land within the city of Edmonton. Some say 30 to 40 years of supply would provide the type of balance necessary to maintain and even stop the increase in prices of land for single-family homes. I'm sure we all support the concept that all Albertans at some time in their life should be able to realize the dream of owning their own home, whether that be a single-family piece of property, a townhouse, or a condominium. The concept of ownership is dear to all of us. Accompanying that of course is necessary industrial land that isn't required to provide the type of distributed tax base that permits a city to provide necessary services to its residents. So in addition to residential land, an appropriate amount of industrial land is required.

Mr. Speaker and members of the Assembly, the speakers before me spoke about the Local Authorities Board report and some problems raised by that report, such as

those with respect to utilities. For example, what happens in areas presently served by Alberta Government Telephones in the city of St. Albert and the hamlet of Sherwood Park? Are these to be taken over by the city of Edmonton telephone system? On the other hand, does an amalgamation of this nature mean the city of Edmonton telephone system is taken over by Alberta Government Telephones? These are very important questions that have not been answered and on which we have little direction from the report.

Others, particularly the Member for St. Albert, have raised the very important issue of school boards. What is significant here is the statutory, really constitutional, position the two school boards — public and separate — have within the province of Alberta. It's a position that we in this Legislature have no right to alter. We have unusual circumstances where within the city of Edmonton the public school district is Protestant and in the city of St. Albert the public school district is Catholic. If you were to amalgamate those, what is the answer? Does the public school district in Edmonton become the Catholic, or does it remain the [same] and the change takes place in St. Albert? There are some very significant questions. And there's a tie-in with the whole constitutional approach that hasn't been answered that gives me — and I'm sure others in this Assembly — some difficulty as we listen during the course of debates to our colleagues' words of wisdom that will assist us in reaching an ultimate conclusion.

Mr. Speaker, I want to go briefly into history because of the constituency I represent and a question put to me about the position I take on this issue. During door-to-door visits in my constituency I detected — particularly amongst old-timers, to some of whom I had the fortune of presenting a gold medallion on the occasion of the 75th Anniversary of the province — some wistful concern about a decision they made in the early part of the century when the then city of Strathcona and the city of Edmonton were amalgamated to form the city of Edmonton. It's interesting because at that time the twin cities, as they were known, were fairly fortunate. They played their political cards very well. As a result, the capital of the province was located in the city of Edmonton over objections of a larger neighbor to the south, the city of Calgary, and others such as Lethbridge, Medicine Hat, and even Banff. I understand that even the town of Vegreville was laying claims to some of the freshest air in the world, and for that reason alone to be considered a site for the capital of the province of Alberta.

But the strength was here and the decision was made that the capital should be in the city of Edmonton. The Minister of Education happened to reside in the city of Strathcona, and also happened to be the Premier of the province of Alberta. The hon. Mr. Rutherford, with the support of his colleagues, decided the university should be located in the other of the two twin cities, the city of Strathcona. So the two cities, Edmonton and Strathcona, benefited greatly from the political strengths centred in this area.

As time progressed the merchants of the two cities found that commercial transactions could be as easily performed intercity as intracity, and there was a movement to have the two cities amalgamate. Pursuant to that movement, a vote was taken and an agreement was reached. Codified in Chapter 66 of the 1911-1912 Statutes of Alberta, that was assented to on December 20, 1911, and came into effect on February 1, 1912.

That Act provided for the amalgamation of the cities of

Strathcona and Edmonton, to be known as the city of Edmonton. It set out a number of conditions for that amalgamation which included proportional representation to ensure an appropriate number of aldermen, representing the people of the city of Edmonton now south of the river, in proportion to their population represented them in city hall and that a yearly census was taken to ensure proportionate representation continued in future. It also required that civic offices be maintained on the south side for purposes of assessment and collection of taxes, light and power rates, police office and court, dog taxes, and such other important matters. At that time a very significant aspect of the discussions was the street railway. A number of clauses were devoted to extension of these services into the city of Strathcona, particularly the university and the business section along Whyte Avenue.

As I looked at the legislation, I finally found the section that probably caused the wistful concern in the eyes of some senior citizens who were there when the amalgamation first took place. It was section 20 that read:

The park purchased by the City of Strathcona from the Strathcona Industrial Exhibition Association, Limited, shall be maintained as a public park and recreation ground . . .

That's been done to this very day. Then it goes on: . . . and a reasonable sum of money shall be granted for an athletic sports and horse race meet at least once a year.

In the 35 years I've been a resident of Edmonton Strathcona, I don't recall a horse meet in that park. That may well be the reason some concern was expressed to me.

I thought hon. members would be interested in that, because the history of the city of Edmonton and its expansion did not start with Jasper Place, Beverly, or the application to annex St. Albert or Sherwood Park, but went back to right after we first became a province.

Significant enough, though, is a section of the preamble that I should share with hon. members:

Whereas the municipal corporations of the Cities of Edmonton and Strathcona by their joint petition have represented that it is desirable to unite the two corporations under the name of "The City of Edmonton" . . .

That piece of legislation amalgamating the two cities was a result of a joint petition which came forward to the Legislature following a vote. I understand that the results of the vote taken on September 26, 1911, indicated that within the city of Edmonton, 667 voted for amalgamation, and 96 against. It looks like those figures and results are fairly close to the results of the mailed-in ballot the mayor received on the feelings of the people of the city of Edmonton. In the city of Strathcona a few held contrary views, but the majority, 518, voted for amalgamation and 178 voted against. By and large one would say that the decision to amalgamate the two cities into one was a popular decision that had the support of those in both cities.

I've spoken of the need for the city of Edmonton to expand, the need to expand in terms of its residential and industrial requirements. I'm sure we all agree that's necessary. However, some difficult decisions face us with respect to the recommendation of the Local Authority Board, that the areas that be taken into the city of Edmonton include established communities such as the city of St. Albert and the hamlet of Sherwood Park. Both of these have been staunchly defended by the members

who represent those populations in this Legislature. The decision will be a difficult one, particularly when we consider the needs of the city of Edmonton on the one hand and, on the other, a principle of democracy, which I think is absolutely contrary to the view expressed earlier by one of the members in the course of the debate when he said there are no absolute principles in democracy. There is one: in a democracy the majority rules with due regard for the rights of the minority. That will be a very important consideration that we in this Assembly will have to take into account as we reach the conclusion with respect to the application of the city of Edmonton for annexation and the recommendation of the Local Authorities Board in that regard.

Thank you, Mr. Speaker.

MR. CRAWFORD: Mr. Speaker, I'm very pleased to join with the others who have gone before and direct a few remarks to Resolution No. 1 on the Order Paper this evening. Many who have spoken so far have remarked upon the lengthy history of what is involved in the proposals for the future, in the sense of the geographic size of the city of Edmonton. And of course if the names of McNally, Hanson, and now Milvain weren't very familiar before — I believe they were — they certainly have become very familiar in the last year or so.

I thought maybe it would be useful, Mr. Speaker, to look at the circumstances at the time each of these commissions, studies, or panels looked at the question of what we generally refer to as annexation, but which is actually a larger topic than the word implies. The McNally study was in fact conducted by a commission named after its chairman. That was an initiative at the time of the government of the province, who felt the need for certain recommendations as to what should be done in the question of resolving jurisdictional differences primarily between the city of Edmonton and the county of Strathcona, and at the same time addressing the needs of Jasper Place, Beverly, and Edmonton itself.

When the Hanson report came along, that was a city-motivated thing. City council decided it would be a good idea because there had not been much in the way of progress on the key issues. They decided it would be a good idea to have a study, commissioned it, and presented it to the provincial government in 1968.

The most recent work done, by the Milvain special panel of the Local Authorities Board, once again was a slightly different approach. All manner of evidence was taken and all manner of briefs received, but the approach was still slightly different because the question was always there as to whether or not the Local Authorities Board, under its new type of arrangement where the provincial cabinet agrees to, varies, or disagrees with its proposed annexation orders — that type of system involving the provincial cabinet has only been in effect for a very short time, whether it's two, three, or four years. But it did not exist at the time the Hanson report was presented to the city.

With that sort of look at what has gone before, Mr. Speaker, I thought I would just note that the remarks made by the various members and those that will be made by others, who no doubt will be participating in the debate, are once again a unique type of contribution to how the problem should be solved, how the issues should be addressed. Time has gone by and we are at the stage where, for the first time within memory, it appears that decisions are imminent. So the contribution made here in this Assembly has become a very, very important one,



and it's unique in that it has not been made in this form before.

Each of the previous attempts has to some extent "solved the problem". I put that in quotes because people look at it that way. They say, we have issues, we have differences of opinion, therefore we have a problem which must be addressed. It was addressed in part on each previous occasion. For example, from the time of the McNally report some 25 square miles were added within approximately a three-year period, bringing the city of Edmonton by the year 1961 up to an area of 69 square miles from an area of some 44 square miles. So it can't be said that nothing happened as a result of that study, and that nobody did anything. Applications were made to the Local Authorities Board. It was in their hands according to the lot that time. They granted certain applications. I think it would be of interest to note that the growth tended to be north and south, with just a little addition to the west. So the situation was pretty clear. The area where it was most difficult for that agency to concur in any annexation proposal was to the east. Therefore at that time, the late '50s and early '60s, the question of Strathcona and in particular Refinery Row was considered very difficult to address and handle at that time.

I indicated that the report was by royal commission, therefore it came to the provincial government of the day as a series of recommendations, including the recommendation that Campbelltown, as it then was, be annexed. The provincial government saw fit not to proceed with everything in between at that time. So you not only have the situation where each time a report came forward something was done about it, but also that the most prickly of the problem was by-passed. So the feeling persisted that when that was done, the solution had sort of occurred — I put it that way because it wasn't a deliberate and forceful policy of the provincial government at the time. It was really the function of the Local Authorities Board to bring about the changes that occurred in boundaries and indicate that that happened. Therefore although the results were there, they were never deemed — particularly in the minds of those who looked upon the interests of the city of Edmonton as a pre-eminent concern, the solutions were never adequate. Now those looking upon the interests and concerns of the city of Edmonton as their pre-eminent interest would of course be thinking in terms of the known and presumed future growth.

Edmonton has proven to be a city with an extraordinary amount of vitality and has fulfilled in many, many ways early predictions for a splendid and brilliant future which it continues to achieve on a year-by-year basis and, I believe, continues to have. So you're thinking, how do you manage and handle growth? And what do you do in respect to planning? Planning, just the word itself, encompasses a great deal, and it's impossible to be planning in the sense of growth and change and accommodating vitality and the booming atmosphere of Edmonton of the last 25 to 30 years, without thinking that geographic growth must occur with it and planning must encompass that.

These are very important aspects of matters that over the years city councils particularly addressed themselves to and, to a growing extent, those who also have the legislative responsibility in the sense of provincial legislation and, indirectly, in the sense of agencies such as the Local Authorities Board that operate based upon provincial legislation and whose decisions have impacted and

played such an important part over the years.

A few years ago one thing I did was take a poll in my constituency on a number of issues. This was before it was my constituency, but not long before. I got about 1,000 responses from interested citizens, and I was impressed at the interest they took in eight or nine subjects. One of them was a question: do you think there should be some limitation to the growth of Alberta's major cities, i.e. Calgary and Edmonton? That wasn't exactly the wording, but it was along those lines. I found that a large majority, well over 60 per cent of the people at that time, 1970, thought there should be some such limit. I was curious about a few things at that time: first of all, what they meant by that response I guess, and what I meant by asking the question.

I have to ask myself, how valid a question is that? How valid is it to say, do you think we should try to retain a city like Edmonton or a city like Calgary within certain constraints? Because as soon as you hear that argument made, you have to ask yourself how on earth that can be done in a physical sense. If you say that the city of Edmonton in 1970 was large enough, thank you, and everybody was happy — I was happy in my home which was built on good agricultural land fairly near what is now the centre of the city of Edmonton, but in those days was thought to be quite a way out — all these things, and you say, yes, we're comfortable and we're happy in our city of 300,000 or 350,000 people. Isn't it wonderful? So let's not grow.

Now it's the old question of course, and everyone asks it: person 350,001 comes along, and where does he go? Obviously he's going to go in or near the city of Edmonton, because in the history of the movement of populations and the growth of centres of population, there's no way it's ever happened that when people come in they are sent away. The economy is there. The desire of the person, who is a free citizen, is to be there. So if he's going to come to the city of Edmonton, there isn't any way to send him away, nor should there be, nor has there ever been.

Now, what does that mean? Does that mean that you can effectively retain small centre life styles in the core of a metropolitan area by saying we'll limit growth. The answer is, I don't think you can do that. I just don't believe it can be done. So that means that if you don't change what is a geographic boundary, the growth will occur elsewhere. But it won't be far away; it'll be either a half mile, 20.5 miles, or whatever it is, but it will be there. So as obvious as that is, it probably makes the question I asked out of curiosity a few years ago maybe just not that valuable a question to have asked about what people thought about growth.

Growth is a force of its own and will be little influenced, if at all, by artificial constraints. It can be influenced by broad policies that have impacts in the sense of economic or fiscal impacts, cause people to recoil from a certain type of economic punishment. I guess you can drive them from a certain place to some other place, but the people don't really disappear and the problem doesn't either. So you have to find the best way of handling it.

In the last number of weeks people have asked me if I've already made up my mind on what should be done in respect to the annexation proposals in regard to the city and the surrounding centres. My answer is no. However unlikely that may seem to some of the questioners, the answer is still no. I have not made up my mind as to what my precise final input will be in regard to what should be

done.

But the process is now far advanced. That is the difference from previous situations. It's not that I would come here with my mind already made up, but we all know the process to be very far advanced. We're very near the end of the decision-making process for the first time, and this debate taking place here yesterday, today, and presumably tomorrow is one of the final steps in that decision-making process. Quite frankly, Mr. Speaker, I'm sort of excited about being involved in that process, and when the final decision is made, optimistic about the way it will serve the people of Edmonton and the people of the area.

Just because it's of interest in talking about some of the earlier events though — I mentioned the McNally report was in 1956 and I mentioned a few things that happened just after that. It takes us up to just beyond the annexations of at least one of the neighboring communities, Jasper Place, and Beverly, and just a little beyond the timing of the Hanson report. But in that 15 years following McNally, the growth continued, so that by 1964 we were at 112 square miles. Therefore despite the complaints that it wasn't being handled, something like two and a half times the size of Edmonton was the result of annexations that took place in about an eight-year period. That's astounding, and it's quite a testimony to the strength of the growth here at that time.

One of the things I wanted to note about the Hanson report, because I took a lot of interest in it at the time — I guess what it demonstrates is how you learn as you go along, because one of the recommendations was of the nature of a commission, a sort of regional commission, and that interested me enough to want to remark on it to this extent. I mention it because it says in this letter of early 1969, from Mayor Dent to the Minister of Municipal Affairs at the time, that city council unanimously agreed with this recommendation. It made me realize that His Worship the Mayor and I must have both been party to that at the time and we unanimously agreed to it. So this is what is involved:

The implementation of the major recommendation to amalgamate the metropolitan area is a matter which will require much discussion and study by the provincial and municipal governments concerned. The question of the appropriate structure of municipal government in the Edmonton Metropolitan Area is a problem of such long standing that it should be referred directly to the Government of the Province of Alberta.

To this end, a representative Intergovernmental Committee or Commission on Government in the Edmonton Metropolitan Area is needed to deal with the following matters:

There are four of them, but they are very extensive:

- (a) The structure and areas of local governments in the area;
- (b) The fiscal requirements of the local governments ...;
- (c) The jurisdictions and franchises of all public utilities, pipe lines, and other public facilities in the area;
- (d) Such other matters which are relevant in promoting efficiency, equity, and progress in the conduct of government in the Edmonton Metropolitan Area.

The proposal then was that that should be a commission or committee chaired by the Minister of Municipal Affairs, with adequate representation from all the gov-

ernments involved. Mr. Speaker, the interesting thing, why I said you learn something as you go along, is that I think that was sort of reaching for a solution. It was an intelligent and well-conceived thought at the time it was made; there's no difficulty over that.

But it would have introduced a feature which I don't think is now acceptable. That is, it would have intruded the provincial government really quite strongly into the question of government of the local municipalities in the area. I think when that was not acted upon, that was the right decision. Yet by itself, as a sort of philosophy in a way of forecasting how to take the next step in a difficult situation, in theory it was not that bad an idea, as I said. In any event it wasn't done, and it would have intruded the provincial government on a long-term, if not continuous, basis in an area where it doesn't belong. It was Dr. Hanson's view that the commission would have to meet frequently and continuously to study the problems, debate, negotiate, and arrive at acceptable solutions for recommendation to the provincial government. Just looking back on it, I'm happy that was not done. Because I think we're on the threshold of some solutions to the matter that will prove to be better than that could have been.

Mr. Speaker, the only other thing I would like to say is that a decision is pending. I think there are real advantages now in being in the position we are in regard to these issues. Because just by the fact of making the decision, a number of uncertainties will disappear. Those uncertainties are ones that over the years, at least a quarter of a century, from time to time in one way or another — sometimes a little more, sometimes a little bit less — have caused some difficulties in regard to the proper interests, concerns, and pursuit of the areas of activity of residents of the city of Edmonton and the other nearby communities.

So I look to the decision which will be made, Mr. Speaker, as one which will of itself demonstrate its own fairness and consideration for the views that have been expressed by all those who have taken such an important and vital interest in the presentation of the various viewpoints to the Milvain panel and to the government directly. In reaching that point where the decision is made and in resolving at least some doubts, even though it is not of the nature of such things that it will leave everyone uniformly happy with the result, it will still be a decision that we'll be glad was made when it is made. It will be one that can be made really quite soon, and it will enable contending parties — I think this is the important aspect of it — to direct those energies to other matters and to the matters that concern us all in regard to the future of the area and end, or at least significantly diminish, that aspect of the activity of all the parties involved where there is contention, difference, and contradiction in apparent objectives.

In closing, Mr. Speaker, I'm optimistic about the result, as I indicated earlier, and believe in it as a process we've followed, that it's the correct and proper way to have reached the point we're at, and that over the long-term the result will service all our people well.

Thank you, Mr. Speaker.

MRS. CHICHAK: Mr. Speaker, I suppose one of the benefits of rising quickly after the hon. Attorney General has completed his remarks is that one can take benefit of the applause that has been accorded him and perhaps attribute that in some way to the hon. member now standing. [applause] Well thank you for that.

Mr. Speaker, I appreciate this opportunity to participate in the debate on the Edmonton annexation. I have no doubt that the Minister of Municipal Affairs and members of Executive Council will carefully weigh the report and recommendations of the Local Authorities Board headed by Mr. Justice Milvain with the important remarks of the members of the Assembly participating in this debate. The members of the Local Authorities Board conducting the annexation hearings have put forward their recommendations based on the submissions as they have interpreted them. No doubt there are other points to be made, and I'm pleased for the opportunity in this Assembly. My colleagues in the Assembly have already emphasized a number of remarks and points that I will be alluding to in my remarks. Although to some extent it may appear that there are areas that are perhaps repetitious in the course of a number of members speaking, I expect and I'm certain that in each and every case a different point of view will be put forward.

The thrust of Edmonton's proposal cannot be wholly denied, and I support it. Mr. Speaker, it might be worth while to begin by identifying what I believe to be a few of the basic issues. Some of those are in the area of growth, representation and planning, tax imbalance, social services, and public housing.

On the issue of growth: if we look back over the past three decades, Edmonton's growth from 1946 to '56 doubled from 113,000 to 226,000. I would like to use the population figures rather than square miles, because it gives us a better mental or visual picture of the kind of growth and impact Edmonton has experienced over the years. There is no doubt that a number of factors influenced this upsurge of growth during the first of the three decades I'll be referring to. Perhaps the most significant was the discovery of oil near Leduc.

This growth pressure in Edmonton of course brought the Social Credit government in 1964 to establish the McNally commission to study school and municipal services in Edmonton and area, and to bring forward expansion or annexation recommendations and, as well, the nature of government. It is interesting to note that the area recommended for annexation by the McNally report in 1956 included that portion of the county of Strathcona which lies to the south and east of the city of Edmonton, being both residential and industrial land and including that area we now know as Sherwood Park. Of course the town of St. Albert was not included in that report, but it also included the matter of school board jurisdictions.

Because of the situation, I suppose, and the pressures of the division of opinion, the government of the day did not act on that particular report and the recommendations. What resulted then was annexation on a piecemeal basis. Although it has been substantial, it did result in piecemeal annexation. Ultimately, between 1961 and 1964, the towns of Beverly and Jasper Place applied for amalgamation, even though initially in the McNally report they were to be included in the annexation. However, the industrial area to the east of Edmonton and what we now know as Sherwood Park were not allowed. Perhaps this was the appropriate time to have implemented the McNally commission recommendations, at the time when Campbelltown, which we now know as Sherwood Park, was at its birth.

The continued dramatic increase in Edmonton's growth and need for industrial and residential land — in 1967 the city of Edmonton appointed Dr. Hanson of the University of Alberta to carry out a study to again expand the city's boundaries in all directions, and to consider a

number of principles for the strongest system of urban government for the metropolitan area. You heard the speaker just before me, the hon. Attorney General, make substantial reference to various aspects of that particular report. By this time the population of the city of Edmonton had grown to 381,000. The combined populations of St. Albert and the county of Strathcona grew to 26,000. As the population increased, of course the complexity of making a decision on appropriate annexation grew. The Hanson recommendations in 1968 encompassed an area very close to that contained in the Milvain report before us today. It would appear that Dr. Hanson must have had a very forward-looking vision of what the projected growth of Edmonton might be for a great number of years.

As I've indicated, the difference in 1968 with regard to the population of Sherwood Park and the county of Strathcona and the city of St. Albert was very much smaller than it is today. However, again, for whatever reasons were present at the time, the report was not acted on; no solution to the boundary problems, even though in 1969 the county of Strathcona did agree to release a large area of land to the city of Edmonton on its southern and eastern boundaries. Whether the rejection of this offer was on the part of the city of Edmonton or the provincial government of the day is really not clear in my research material. However, I think it would have solved many problems for us today.

The population of Edmonton in the last decade has increased more than 300 per cent, to over 500,000. Again, the combined population of St. Albert and the county of Strathcona has increased by some 200 per cent, to over 74,000. Edmonton has accounted for 69 per cent of the area growth, St. Albert for 11 per cent, the county of Strathcona for 20 per cent. We expect growth in the region to continue at the same or even an accelerated rate.

This leads me to the second, third, and fourth points: representation and planning, lack of land to maintain cost control through competition, and tax imbalance. Orderly development in the entire region is essential. Proper utilization of land is essential if cost of services is to be maintained at an acceptable level. These are two points that were referred to and expanded upon by the Member for Edmonton Gold Bar.

Perhaps it is unfortunate that Edmonton, St. Albert, and the highest developed area of the county of Strathcona are all situated on some of our best agricultural land as we interpret it. Therefore minimizing encroachment on this land must be considered. That is where planning and utilization play a major part.

It is essential for integrated development of the region to have the highest and most efficient operation for provision of services. However, because of a natural trend among surrounding municipalities toward competition for industry, integrated development does not necessarily take place. It is natural that competition for industry would take place among the communities. Although Edmonton's population is the largest by far, its representation and impact on the regional planning commission is minimal. This has to be recognized as inequitable. I trust that the minister and cabinet will certainly take this very serious point as a major consideration. I say this because the city of Edmonton is forced to provide in the majority public housing and public services for the region. However, I do not believe it has a comparative industrial tax base to support such services. The result of course is a tax imbalance. What must be considered here is what balance

or imbalance exists in residential property taxes they have to pay for public housing and social programs in each respective area.

In 1979 comparative tax assessment ratios for residential and non-residential for these three areas were: the Edmonton residential tax assessment base was 66 per cent to support its services, and non-residential — that is, industrial land — was 34 per cent; the county of Strathcona had a residential base assessment of 45 per cent, with 55 per cent non-residential — that is, industrial land — to support its services; St. Albert, because of its lack of industrial land, almost entirely had a residential tax assessment base of [92] per cent to support its services, whereas non-residential was 8 per cent. But this must be balanced with the percentage or the degree of public housing and social services. It will be recognized of course that the city of Edmonton provides in a major way, as I have said, public housing and other social services and programs.

Another point alluded to by the hon. Member for Edmonton Gold Bar was that the city of Edmonton employs within its boundaries the greater percentage of residents from St. Albert and Sherwood Park. This life style has brought some major transportation problems to the city of Edmonton. However, perhaps the city itself cannot be blameless for some of the problems in the area. The matter of school jurisdictions is one the Minister of Education will have the task of resolving with the affected school boards, once boundary determinations are made. I have no doubt in my mind it is a problem that must be tackled, for surely the cabinet could not make a decision that the city of Edmonton would not grow. There is no doubt Edmonton must be allowed to expand to some considerable size. I suggest that the consideration be for a provision of expansion for a period of 30 to 40 years calculation, given at least on today's projected growth basis. The city of St. Albert has made some cogent arguments for exclusion. I cannot disagree. And perhaps the city of Edmonton may now be of a different mind with respect to St. Albert.

But in what direction can Edmonton be permitted to expand? To move extensively south, again we have the concern for quality of agricultural land and other problems. To move west and north, the possibilities appear somewhat limited if we look at the projection for a 30-year time span. To move east would provide industrial land and Sherwood Park. Mr. Speaker, this government has gone on record in past years to say that we'd hear the voices of the people in communities. Sherwood Park has objected strongly, as has St. Albert. But the industries on the city's eastern borders have a definite impact on the environment, transportation, and social fabric of Edmonton. Yet Edmonton receives no tax benefit from these industries nor has any influence over the industrial environmental development. I hear the citizens of Sherwood Park, but the dilemma is: how do Sherwood Park and the county of Strathcona survive if the industrial base is annexed? And how does Edmonton cope with its problems, without adequate industrial land and some influence over that development? Unless the minister can come up with a suitable solution to these two issues particularly, there may be only one conclusion left for the county of Strathcona, perhaps that recommended in the Milvain report.

In addition to the direct private communications I have received over the last period of time, Mr. Speaker, I recently held a meeting in my constituency to have additional input from my constituents. I am grateful to

Mayor Fowler of St. Albert, Alderman Hewes who represented the city of Edmonton, and Dr. Bryce who represented the county of Strathcona for having made the presentations to my constituents who attended the meeting. I'd like to take this opportunity to communicate what I interpreted their views and messages to me to be. Their feelings on the inclusion of St. Albert and Sherwood Park were that these two major communities, because of their extensive objection, should be respected. But problems such as public housing, utilities, social services, and transportation had to be equitably resolved. The city of Edmonton must have adequate industrial land if it is to continue to provide the major portion of social and public housing and other programs. There needs to be put in place a shift in the percentage of residential and non-residential assessment tax base. These things, if being resolved equitably, certainly St. Albert and Sherwood Park ought not to be included. There of course is the dilemma.

There is no doubt that an equitable and suitable adjustment must be worked out for any services in place in the region that might come under whatever portion of annexation might take place. The presentations from the surrounding area portray a view that all services and community identity would be lost through annexation. I simply cannot accept that. The decision of the minister and cabinet must be such that growth in the surrounding region would not, over time as well, duplicate that of the city of Edmonton, as the issue of annexation by a second giant would surely rise again.

Although in my remarks I've referred primarily to St. Albert, the county of Strathcona, and Sherwood Park, that is not to say that the counties of Parkland and Sturgeon, excluding or setting aside St. Albert, will not be impacted on. Of course they will, but perhaps to lesser degrees; that is, if the Milvain report is implemented in some measure.

In conclusion, Mr. Speaker, I ask the minister and cabinet to consider the Milvain report and the remarks of the participants in this debate. Whatever modification cabinet finds, it must make. Let it not be at the expense of Edmonton citizens or their inequity. By and large, Edmontonians have been silent because they feel confident they will be fairly dealt with. Mr. Speaker, I too think that cabinet will deal equitably with Edmonton.

Thank you.

MRS. LeMESSURIER: Mr. Speaker, I rise tonight to speak very briefly to the report of the Local Authorities Board. I understand that there were 105 days of hearings and that all interested parties were given a full opportunity to express their views. I commend the board on the fair way they conducted these hearings. The city of Edmonton and surrounding areas have witnessed a growth that was not anticipated 15 to 20 years ago. Consequently, it is essential that the city of Edmonton must have additional land covering a wide range of uses — commercial, industrial, and residential — and that it would be an adequate supply for at least the next 30 to 40 years.

Mr. Speaker, this is important for a number of reasons. The present industries must have room for expansion. Land must be available for the creation of new businesses. Also there must be land for residential development. Without this land, our prices will escalate, which in turn will mean that the home-owners and renters will face a greater share of the tax load. These additional parcels of land should also be large enough so that the service infrastructure would be an economical factor. Such serv-

ices as water, sewer, transportation, including roads, street lighting, storm sewers, libraries, and other community facilities must be considered.

Then the issue of membership on the Edmonton Regional Planning Commission — if there is to be any kind of regional form of decision-making, representation on this commission should be truly representative of the whole region and not representation by population alone.

Prime agricultural lands should be protected from the impact of urban growth and, where possible, any annexed land should be of low agricultural capability.

The integrity of developed communities should and must be maintained. Citizens have chosen to live in these areas for very special reasons, knowing full well that taxes could be higher and assured that there would be planned housing and controlled growth.

Mr. Speaker, tonight I have addressed myself only to those issues that have been expressed to me by some of the constituents in Edmonton Centre.

Thank you.

MR. WOO: Mr. Speaker, having regard for the clock, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, this debate is to continue tomorrow. A number of members have indicated a desire to speak. If there is any time in addition to what is used by this debate before adjournment tomorrow, we would deal with some few second readings of Bills on the Order Paper.

[At 10:31 p.m., on motion, the House adjourned to Friday at 10 a.m.]

