

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, April 15, 1982 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SCHMID: Mr. Speaker, I would like to introduce to you and to members of this Assembly Her Britannic Majesty's former ambassador to Tunisia and the former British social and economic minister to the United Nations. He's presently representing Great Britain on the Brandt Commission. We had the pleasure of discussing the interdependence of nations, as well as the trade potentials of the Brandt report during the last little while. He's accompanied by his wife and by Mrs. Jennifer Bocock and Mr. John Bocock, their hosts in Alberta. I ask them to rise to receive the welcome of this Assembly.

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

MR. MACK: Mr. Speaker, I'd like to table with the Legislature the report of the Chief Electoral Officer on the Olds-Didsbury by-election held Wednesday, February 17. All hon. members have received their copies.

head: INTRODUCTION OF BILLS**Bill 32****Election Finances and Contributions
Disclosure Amendment Act, 1982**

DR. REID: Mr. Speaker, I request leave to introduce Bill 32, the Election Finances and Contributions Disclosure Amendment Act, 1982.

The Bill isn't much longer than its name. It clarifies the position of the constituency association of a member of the Legislature who has no affiliation with a registered party. It reinserts the provisions for transfer of trust fund moneys in the event of a candidate not running in the next election, and clears up several items of wording.

[Leave granted; Bill 32 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 32, the Election Finances and Contributions Disclosure Amendment Act, 1982, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**Bill Pr. 1
Lethbridge Country Club
Amendment Act, 1982**

MR. GOGO: Mr. Speaker, I beg leave to introduce Bill

Pr. 1, the Lethbridge Country Club Amendment Act, 1982.

The purpose of this Bill is to amend the incorporating Act of the club by removing the limit on the maximum sale of real estate the club may hold and by expanding the power to create memberships for different privileges.

[Leave granted; Bill Pr. 1 read a first time]

head: TABLING RETURNS AND REPORTS

MR. RUSSELL: Mr. Speaker, I beg leave to table two reports required by statute: the 1980-81 annual report of the University of Alberta hospital and the 1980-81 annual report of the Department of Hospitals and Medical Care.

MR. SPEAKER: I'm pleased to be able to table the annual report of the Legislature Library for the year 1981.

head: INTRODUCTION OF SPECIAL GUESTS

MR. CRAWFORD: Mr. Speaker, I would like to take this opportunity to introduce two classes of students from the Edmonton Parkallen constituency. In the members gallery, we have some 26 grade 6 students from Malmo school, accompanied by Mr. Frizzell, Miss Ho, and Mr. Wiese. In the public gallery are 23 grade 6 students from Belgravia school, with teacher Mr. Knudsen and student teacher Miss Harmsma.

Mr. Speaker, they've had the opportunity of seeing the building today and of having the tour, and are in the galleries now to enjoy question period. I ask that both groups stand and receive the traditional welcome of the Assembly.

MR. COOK: Mr. Speaker, I have two groups to introduce this afternoon as well. The first is on behalf of the Hon. Les Young, the MLA for Edmonton Jasper Place. A little earlier this afternoon, Mr. Young met with the group of 16 students from St. Thomas More school in his constituency. He regrets that he isn't here to introduce them himself. They're in the public gallery, and I'd ask that they rise and receive the warm welcome of the House.

Mr. Speaker, it's a particular pleasure for me to introduce to you, and through you to the other members of the Assembly, some 33 students enrolled in the English as a second language program at Queen Elizabeth high school in my constituency of Edmonton Glengarry. They enjoyed a tour, and earlier this afternoon I had a little conversation with them for a few minutes. I know they're looking forward to question period. I ask them to rise now and receive the warm welcome of the Assembly.

MR. JOHNSTON: Mr. Speaker, I'm very pleased to introduce two distinguished academics who are visiting in your gallery today. It's a very great pleasure to introduce Professor Zhu from the World History Institute of Peking, who is visiting the University of Alberta for a two-month study of the history of Canada. He's accompanied by our distinguished China expert, Brian Evans, professor of Chinese history and acting chairman of the department of East Asian languages.

Mr. Speaker, you'll note that I do not pretend to have your ability in foreign languages; I will stick strictly to the

English language. [interjections] We do have another expert, I know. I asked Professor Zhu how to translate the Alberta Legislative Assembly, and he gave it to me. I won't repeat it, but he cautioned me very quickly that if you get the wrong inflection, the Alberta Legislative Assembly becomes "a convention of barbers" in Chinese. [laughter]

Nonetheless, I'm sure that does not diminish our welcome to our guests, and I ask them to stand and receive the normal welcome of our Assembly.

head: MINISTERIAL STATEMENTS

Office of the Premier

MR. LOUGHEED: Mr. Speaker, in September of 1974 the Alberta government established a royalty and incentive system to encourage the Alberta conventional oil and gas industry. This system worked exceedingly well for a number of years and resulted in successive years of record drilling and activity in the conventional oil and gas industry.

On October 28, 1980, the federal government unilaterally imposed the national energy program, based on the presumption that energy prices would continue an ever upward trend: that there would be full production from Alberta's oil fields. The underlying assumptions of Ottawa's national energy program have proven to be largely fallacious and inaccurate. Essentially, though, the federal government relied upon their jurisdiction over taxation and pricing of interprovincial trade to single out a particular industry for special treatment. Most Albertans are aware that this program has damaged a basic industry in the province.

The Alberta government, on behalf of the citizens who own the resources, responded vigorously, and *Hansard* of October 31, 1980, outlined the government's plans. During the following months, the Alberta government forced major modifications in the pricing and taxation provisions of the national energy program, by curtailing oil production and refusing to negotiate separate oil sands arrangements.

As a result of the leverage exercised by the Alberta government, a new pricing and taxation arrangement was entered into by agreement between the Alberta government and the federal government on September 1, 1981. There are many advantages for Albertans to this agreement, which I outlined to the Legislature, as recorded in *Hansard* of October 14, 1981. In particular, the September 1 agreement substantially increased the price the province would receive for the sale of its depleting oil over the schedule of prices set forth in the national energy program.

In addition, the Ottawa energy program had proposed a tax on the natural gas industry in Alberta upon export to the United States. We have calculated that over the course of the period between the announcement of the national energy program and December 31, 1986, the federal government would have collected over \$5 billion if the natural gas export tax had been sustained. By the agreement of September 1, 1981, Alberta forced the elimination of the federal natural gas export tax and relieved the industry of that burden. It further provided a much better pricing arrangement for new oil, to encourage exploration. It should be noted that at the time of signing the energy agreement of September 1, 1981, we anticipated that it would take at least 18 months before the vitality

in the industry was restored, and that natural gas market access is a key factor required for full recovery of the petroleum industry.

Mr. Speaker, the government of Alberta had been contemplating needed revisions to its royalty system and, as I stated on September 21, 1981, we contemplated other special provisions to assist the industry with its cash-flow problems. Subsequent to September 1, 1981, a series of international and Canadian factors further inhibited the confidence of the conventional oil and gas industry. These events included the deterioration in equity markets in North America and the discouraging aspects of the federal budget of November 12, 1981.

As a result, the government of Alberta concluded that in addition to the matters contemplated, there should be a substantial increase in revenues retained by the conventional oil and gas industry to encourage this recovery. As a result, Mr. Speaker, we announced in Calgary on Tuesday, April 13, 1982, the Alberta oil and gas activity program as the first and a major part of our Alberta economic resurgence plan. I will be filing with the Legislature copies of that Alberta oil and gas activity program, which have been made available to members of the Legislature.

We are very pleased that the response of the leaders of the conventional oil and gas industry, and the related service and supply sectors, to our program has been very positive. We are aware that a number of follow-up steps need to be taken, including market development for both crude oil and natural gas.

As a result of the magnitude of the Alberta oil and gas activity plan, a revised financial plan is required for the government of Alberta for the current fiscal year. The Provincial Treasurer intends to follow this statement with an announcement of such a revised financial plan for the fiscal year ending March 31, 1983.

My colleague the Minister of Energy and Natural Resources and I will be pleased to answer any questions by Members of the Legislative Assembly. I would therefore like to file copies of the proposed program with the Assembly.

Treasury

MR. HYNDMAN: Mr. Speaker, in the budget speech of March 18, 1982, I stated that the oil and gas royalty review then under way would, when completed, result in further adjustments to the 1982-83 resource revenue forecasts. As well, it was noted that special responses to the difficulties faced by the oil and gas servicing sector were being developed. The original financial plan for 1982-83 is revised to reflect the features of the new Alberta oil and gas activity program. Copies of this document will be available for distribution to members.

Total budgetary revenues drop by an estimated \$1.441 billion to \$6.520 billion. Expenditures are now projected at \$8.969 billion. This increase of \$250 million over the budget estimates results from the new petroleum service industry grant program. Supplementary estimates will be presented for this and any other additional expenditure requirements that are known at that time.

The originally estimated budgetary deficit of \$758 million increases by an anticipated \$1.691 billion, to \$2.449 billion. This will eliminate the accumulated budgetary surplus, or net assets of the General Revenue Fund, which stood at \$2.026 billion at March 31, 1982, and will leave an estimated net liability of \$423 million as at March 31, 1983.

The non-renewable resource revenue transfers to the Alberta Heritage Savings Trust Fund will be reduced by \$306 million because of the Alberta oil and gas activity program. Capital contributions and investment income of the heritage fund in 1982-83 are now estimated at \$2.963 billion.

Highlights of the effects of the Alberta oil and gas activity program on the 1982-83 financial plan are as follows:

1. The well maintenance and service grant program for the period April 15, 1982, to October 31, 1982, will increase operating expenditures by \$250 million in '82-83.
2. The further enrichment of the royalty tax credit for the period September 1, 1981, to December 31, 1983, combined with the new provision to allow monthly payment of tax credits beginning June 1982, will reduce corporate income tax by an estimated \$616 million in 1982-83. The royalty tax credit is a selective royalty deduction delivered through the income tax system for administrative simplicity.
3. The stimulus provided by the oil and gas activity program, in terms of more jobs and higher incomes, is estimated to increase personal income tax by \$40 million. The resulting increase in industry cash flow is anticipated to raise \$100 million more revenue from bonuses and sales of Crown leases. The renewed exploration activity is expected to increase the costs of the Alberta petroleum incentive program and the exploratory drilling and geophysical credits by a total of \$65 million.
4. The refinements to the royalty system are forecast to reduce crude oil royalties by \$664 million and natural gas and by-products royalties by \$392 million, from the amounts shown in the budget. Overall, non-renewable resource revenue is forecast to be \$1.021 billion lower than estimated in the budget, a decline of approximately 16 per cent.
5. The increase in expenditure and the anticipated decline in revenue are projected to reduce interest income of the General Revenue Fund by \$150 million. Investment income of the heritage fund is lowered by \$20 million.

Mr. Speaker, if and when other dimensions of the Alberta economic resurgence plan are developed to stimulate further the Alberta economy in light of external and internal economic factors, this revised financial plan may be modified accordingly.

head: ORAL QUESTION PERIOD

Alberta Oil and Gas Activity Program

MR. R. SPEAKER: Mr. Speaker, my question to the Premier is with regard to the discussions with Ottawa prior to the announcement last Tuesday. I wonder if the Premier could advise as to what consultations took place, if any. What was the attitude of Ottawa at that time?

MR. LOUGHEED: Mr. Speaker, there were not consultations, in the sense of our Alberta oil and gas activity program. This is entirely an Alberta initiative, taken to stimulate Alberta-based companies. There have been, and will continue to be, discussions between officials of the Department of Energy and Natural Resources with regard to modifications in the September 1, 1981, agreement. Members of the industry have informed me that it

is their intention to make representations to the federal government, to follow the leadership position taken by the Alberta government last Tuesday.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the Premier indicate whether any indications have come from Ottawa to make the necessary changes at this time? Are they considering it at the political level, such as Mr. Lalonde or the Prime Minister, or are there no indications that Ottawa will follow suit?

MR. LOUGHEED: Mr. Speaker, I believe it's somewhat premature to respond to that question with any degree of clarity. In discussions I've had with industry leaders, it certainly seems to me that they wish to evaluate the actions and initiatives we've taken. They believe they're positive but, in addition, they wish to use them by way of example and make submissions to the federal government for modifications by the federal government. We told them we'd support them in that endeavor and provide them with any back-up or supporting information, or support them in any other way. I think it will take the industry and the industry associations time to assess what we've done, then gather together their views and make their approaches to the federal government.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. This isn't clear to me at the present time. The September 1 agreement was an agreement between Ottawa and Alberta. Why was the federal government not consulted prior to the Tuesday announcement, in terms of some type of joint agreement coming out in Alberta, rather than just an Alberta announcement at this time?

MR. LOUGHEED: Mr. Speaker, I thought that was clear, for the reasons mentioned in the announcement on the program. But perhaps I could take a minute to attempt to make that clear. First of all, for some time we had been contemplating alterations in our conventional oil and gas royalty system. I think we've mentioned that in the House; the minister has. It hadn't been fully revised since 1974.

We stated — and I mentioned it again in the Legislative Assembly on October 14, 1981 — that because the revenue-sharing arrangements were made on a global basis, we would be taking some specific measures in addition to the measures of the royalty revisions, and we would be assessing that over a period of months in deciding what they would be. Subsequent to September 1, unfortunately there has been a series of events of a national and international nature — referred to on page 2 of the announcement of the program — which has brought us to the conclusion that we should substantially enrich and increase the revenue flow to the industry.

This is an Alberta initiative to revitalize an Alberta oil and gas industry, in terms of the difficulties that have occurred, a number of them subsequent to September 1. Perhaps I should just mention them: the very difficult problems of financing, because of the overall collapse of the equity market in North America; the restriction of demand for natural gas on a domestic basis in Alberta; the high servicing costs involved; and, of course, the discouraging features of the federal budget.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The Premier's comment at a weekend convention — I believe two and a half weeks ago — was to put Ottawa

off the front step. I wonder, is this the format that will be used to put Ottawa off the front step, where we just do it on our own and leave Ottawa out of the agreement? As I understand it, Ottawa could also give incentives to the Alberta industry at this time, by lowering royalties and lowering their take. That's one question.

Mr. Speaker, the second question to the Premier . . .

MR. SPEAKER: Possibly we could take them one at a time.

MR. LOUGHEED: Mr. Speaker, the reference I made was clearly to the situation with regard to the crude oil marketing position in this country at the moment. It seems to us — and we've said it on a number of occasions — that obviously this program isn't going to do all we hope it will do, if we have a continuation of a shut-in production situation with regard to crude oil.

My view and the expression I made — and I was asked for an example at that time — was clearly that what we should be involved in with the federal government is that, in my judgment, they are in a position of an incomprehensible policy: a situation where we're importing oil from overseas. We're sustaining the Canadian dollar with high interest rates and, by doing this, we're aggravating that problem. In that case — and I think very particularly in that case — I was referring to the view that that is an action taken by the federal government that is simply unacceptable to the government of Alberta.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. What assurance has the Premier, the Minister of Energy and Natural Resources, or the Provincial Treasurer been given that the federal government will not step in, in terms of increased taxation, and take a large portion of this royalty money from the companies it's supposed to help?

MR. LOUGHEED: Mr. Speaker, only one aspect of the \$5.4 billion is involved in that; that is, the incremental oil revenue tax provision. That involves an amount of \$200 million to \$300 million of the total of \$5.4 billion which could in any way be potentially skimmed off, if you like, by the federal government.

We read Section 14 of the September 1, 1981, agreement as very clearly putting across the position of the concept of intent. The agreement provides for maximum taxation of the petroleum industry. If we make the moves we made here on April 13, there would be no attempt by the other government involved to skim off, in fact, a portion of those revenues. So in our view, what is in dispute and would very clearly be a breach of the spirit and intent of the April 1 agreement, is that \$200 million to \$300 million involved in the incremental oil revenue tax.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier, if I may. Given the overall reduction in royalties announced on the 13th, has there been any discussion with the larger companies, in particular, with respect to guarantees that the backing off of royalties will in fact mean that that additional cash flow, if you like, will be reinvested in Alberta, as opposed to other parts of the world?

MR. LOUGHEED: Mr. Speaker, we spent a great deal of time on that very question; that is, whether we should put any strings or caveats on the funds that are going to

be provided to the industry. Most of the assessment made at this stage is that the flow of funds to the industry is very favorably at balance between the smaller and the larger companies involved. Quite obviously, by the adjustment in the old oil royalty system, some of the larger producers are going to have a benefit with regard to lower royalties.

The issue of putting strings or fences, if you like, on this particular program was considered. We received a lot of input. The view we received and the conclusion we came to is that that would be a very bad mistake, for a number of reasons. First of all, we felt and have come to a conclusion that it would be a very poor mistake, because it's just the very approach in the national energy program that is so objectionable, by the oil and gas industry, in itself: the whole concept of the question of strings or grants or programs of that nature. We did make an exception with regard to the one grant program, which I'm sure the hon. members may wish to ask about. We also evaluated the situation in the United States. We are relatively fortunate that in the United States today, activity is down significantly, and that no longer is nearly as promising an alternative for our industry.

With regard to the larger companies, we think the record of 1974 is the best answer of all. We went into that same process in 1974 — I believe the hon. member actually asked me a very similar question at that time — and we came to the conclusion that we should not do that; we should leave it to the judgment of the investment decision-making process of the private sector. Frankly, I'm confident that they will reinvest in this province. The reinvestment may have different focusses. For example, it may be reinvestment by some companies in petrochemicals; it may be a reinvestment in terms of heavy oil. I think all of that would be advantageous.

But I think interfering with that market place decision would be a mistake for us. Our record of experience from 1974, when we moved in a similar direction, reinforces our view. Granted, there will be an element of reduction of debts but, in every case where that occurs, that strengthens the viability of the entity for future activity. So that was the decision we made.

I am quite prepared to say that in total judgment, we believe that's the right way to go and that reinvestment will prove up in this province. This is where they want to be, and they want to be active in this province.

MR. NOTLEY: A supplementary question. Given the Premier's answer — and again I'm making reference with respect to the cash flow increases of the larger companies — was there any discussion with these companies, or any linking of the government's announcement of April 13 to perhaps a reassessed position on the Alsands project?

MR. LOUGHEED: Mr. Speaker, there was not. Over the weeks ahead, no doubt there will continue to be discussions with regard to the question of taxation of the Alsands project. Quite obviously, some companies involved have an improved cash-flow position which may or may not adjust their attitude towards oil sands development.

I want to add one particular point. When we make comments about large companies and small companies, we should keep in mind two aspects of the activity of the larger companies. They employ a lot of Albertans, and a lot of people in the service and supply business contract with them.

MR. KESLER: Mr. Speaker, a supplementary question. Will the Premier assure the Assembly that the province will rip up the September 1 energy agreement, which has killed the oil industry in this province, if the federal government taxes the new royalty concessions granted to the oil companies?

MR. SPEAKER: The hon. member's question is clearly hypothetical, with the very large "if it ends with. But perhaps there is an element of fact involved that could be dealt with.

MR. LOUGHEED: Mr. Speaker, obviously I would like an opportunity to debate the statement of assumption in the hon. member's question because, as I mentioned in the ministerial statement, there are some very, very significant benefits to this province in the energy agreement of September 1. In fact, to put it bluntly, we wouldn't be able to do what we are doing today if we hadn't had that energy agreement. That's the fundamental position.

In answer to a question from the Leader of the Opposition — a similar question now posed by the Member for Olds-Didsbury — I believe I stated that if they tax the benefits we are trying to place in the hands of the industry to stimulate activity, we would consider it a breach of the spirit and intent of the agreement. It's not a significant amount of money overall. But surely there is a principle here, and I think it's a very important principle. We can't see the logic — I won't use the expression, we can't "conceive" of their doing something — of their putting at risk, with Canada's economic position at the present time, a working relationship with the producing provinces, when we are trying to help economic activity.

I know I'm going on at length, Mr. Speaker, but there's another important point I'd like to add. The benefit involved here isn't just a benefit that flows to Alberta. A healthy and active oil and gas industry in Alberta is beneficial to the whole country.

MR. KESLER: A supplementary question, Mr. Speaker, and this is not hypothetical. Will the Premier undertake to refuse to grant any further exploration or production leases to Petro-Canada or any federal Crown corporation until Alberta oil men are given a fair deal by the federal government, and the incremental oil revenue tax is removed?

MR. LOUGHEED: Mr. Speaker, I was asked that question earlier, and so was the Minister of Energy and Natural Resources. Certainly we don't have such an approach under consideration at the present time. We will have to see how matters evolve.

MR. NOTLEY: Mr. Speaker, a supplementary question to either the hon. Premier ...

MR. SPEAKER: The hon. Member for Calgary Buffalo was trying to get the floor, also the hon. Member for Clover Bar, followed by the hon. Member for Olds-Didsbury. I think we should then go on to another topic.

MR. SINDLINGER: Mr. Speaker, could the minister or the Premier please indicate if any estimates of increases in production have been made, as a result of these programs?

MR. LOUGHEED: Mr. Speaker, I am puzzled by the hon. member's question. He is referring to production, if

I understand him correctly. Perhaps he could advise whether he's referring to crude oil, natural gas, or both, and in what concept of production. Then I would be happy to try to respond to the question.

MR. SINDLINGER: Mr. Speaker, I'm looking for an estimate of the increase in production for light and medium crude oil only, as a result of the implementation of these programs.

MR. LEITCH: Mr. Speaker, again, I'm having a little difficulty with the form of the question. If it's new production, new discoveries or activity, that's one area to which the question might relate. But if it's increased production from existing fields, wells, or pools, that is much more a function of the market than it is of the announcement of Tuesday. The hon. Premier alluded to that in his earlier answers.

MR. SINDLINGER: Mr. Speaker, I might ask this question: what is the objective of the government, in terms of increasing production of light and medium crude oil? Given that objective, what will the impact be on the life expectancy of reserves of Alberta light and medium crude oil?

MR. LEITCH: Mr. Speaker, if we're asking the anticipated production lifetime of known pools, wells, and fields, that would require a detailed answer and would be suitable for the Order Paper. Certainly our objective at the moment is to have a maximum production level for the wells and pools in the province, consistent with sound conservation practices. The restraining factor on that objective is the limitation on market at the moment.

MR. SINDLINGER: Mr. Speaker, quite often we are told, or have been told over the last years, that we have only 10 years of light or medium crude oil left, or we have 100 years, five years, or whatever. What is the government's intention with regard to the establishment and maintenance of a reserve ratio for Alberta light and medium crude oil?

MR. LEITCH: Mr. Speaker, when the hon. member says there is a 10-year reserve life — and I'm not sure of the exact number, but it would perhaps be in that order — what we're talking about is the volume of oil that, if we produced it all, would meet Canadian requirements for a certain period of time. Or if we could produce at last year's levels, say, it would all be gone within a 10- or 12-year time frame. But what will really occur is that the production levels from our known pools and fields will gradually reduce, and they will not all be produced within the next 10 years or so. Some of them will be producing many years into the future but at lesser volumes. To predict precisely what reserves to production ratio we ought to have, would involve forecasts as to what might be discovered by way of new oil, reserves production out of the heavy oil areas, and production out of the oil sands. Mr. Speaker, it is really quite a detailed matter. My suggestion to the hon. member is that we pursue it at some greater length when the department's estimates are before the Assembly.

MR. SINDLINGER: A final supplementary please, Mr. Speaker. Could the government indicate whether it has any intention of allowing the life expectancy of our re-

serves to drop below a 10-year level? Or when that level is approached, will it introduce production controls?

MR. LEITCH: Mr. Speaker, we do not have production controls under consideration at the moment.

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Energy and Natural Resources, or to the Premier. In the discussions that took place between the government and the oil industry, can either hon. gentleman indicate what consideration was given to the encouragement of secondary and tertiary recovery? Was that area looked at?

MR. LEITCH: Mr. Speaker, there is encouragement to secondary recovery in the changes in the oil royalty levels announced last Tuesday. Of course, there is additional encouragement in the provisions of the energy agreement with respect to pricing and taxation levels for enhanced recovery oil. In my view, that incentive would be larger than the royalty reduction announced on Tuesday, although both would be important. Certainly the royalty change would be very significant in ensuring that oil that can be economically recovered, is recovered.

DR. BUCK: Mr. Speaker, a further supplementary question. This is not to anticipate the date of the next election, but from the discussions with the industry, is the Premier or the Provincial Treasurer able to indicate when the effect of this policy will take place? Is it six months down the road, eight months down the road, or a year down the road? [interjections] When will that effect take place in the industry?

MR. NOTLEY: Or in June?

MR. LOUGHEED: Mr. Speaker, there are three elements involved in that. The first aspect of it is the special program we brought in that has a life that concludes on October 31, 1982. That's the special program to assist the oil and gas servicing industry this summer, as the hon. member is aware. That's a specific program to deal with a situation to avoid a time delay in the decision by the exploration and development sector, and to encourage them to do this work during the course of this summer. It's been well received by that segment of the industry.

Mr. Speaker, in answer to the question from the hon. Member for Clover Bar, as I said on or about September 1, 1981, we felt that the factor to get back to a recovery we thought would be reasonably sustaining in the province, in terms of vitality, would be in the neighborhood of about 18 months. As I mentioned earlier, a number of factors since September 1 have discouraged the oil and gas industry. We believe that what we have done with this program has, to a fair degree, overcome the discouragement factor. We also believe that the downturn in the United States, in terms of an alternative choice of investment, is important. So we feel fairly optimistic, although one can't measure the degree of recovery that will occur over the course of next winter and next spring, and that is the target when we would like to see a degree of recovery.

It may be that only time will tell that the activity factors we saw in the summer of 1980 were perhaps somewhat unrealistic, as a result of the natural gas marketing situation. So perhaps the really important variable, in terms of meeting the recovery dates I've mentioned in this answer, will depend upon the prospects for improved natural gas market sales into the United

States. What we can do, working with the industry, is to improve that market position. I think the degree of encouragement there will be significant. We believe the encouragement is here right now, with regard to oil exploration.

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to either the Premier or the Minister of Energy and Natural Resources. It's with respect to the question of the natural gas industry and the discussion of the feasibility of a storage facility or natural gas bank. Is either the Premier or the minister in a position to advise the Assembly where that matter presently stands, subsequent to the statement on page 7, and when we may have some further word on a natural gas bank?

MR. LEITCH: Mr. Speaker, the department and the industry are working jointly on a study of a possible natural gas storage facility. I can't give the Assembly a time frame in which that study might be completed. They are examining the technical and economic feasibility of such a facility. In the portion of the statement the hon. member has drawn attention to, we underlined the fact that we are interested in pursuing that study, and will continue to do that. We are interested in pursuing the possibility of a storage facility. But in our view, in light of the commitments made last Tuesday, unless that study indicates that a storage facility would be of economic benefit to Alberta, we wouldn't be able to proceed with it.

Mr. Speaker, certainly there are ways in which such a facility might be of real economic benefit to the people of Alberta. For example, by establishing a reserve capability, it might increase the exportable surplus from the province of Alberta. We might be able to use gas from such a storage facility as peaking gas for the export market. At the moment, my comments are speculative, because a good deal more work needs to be done before one can reach conclusions.

MR. NOTLEY: A supplementary question. What assessment has been given by both the department and the industry to a concept of prorationing natural gas, which could be a complementary program to a gas bank. I might just say that that was a program initiated with respect to oil some years back, during the glut of oil of the 1950s, by the former government.

MR. LEITCH: Mr. Speaker, that possibility was raised with me some years ago by some segments of the natural gas industry. I have to say, though, that they have not pressed that proposal. In response to the proposal at the time, I said that we'd certainly keep it in mind as a possible option.

I should say to the hon. member that it's an option that I'm sure this government would only adopt with great reluctance and in extreme circumstances, because such a prorationing program for natural gas does involve a massive increase in administration. It is much more complex and difficult to administer than the comparable program for oil, to which the hon. member refers. In addition to that, it would involve legislation setting aside certain contracts. Again, that's an action this government would only take if it were absolutely clearly of great benefit to the people of Alberta.

So the short answer to the question: as I've always indicated, it is an option. But I would think it should only be seriously considered in very serious circumstances, because of that increase to administration by government

and because of the setting aside of contracts.

In addition, Mr. Speaker, I'm optimistic that if there are additional improvements in the natural gas markets, by way of additional volumes being marketed under existing permits or new export permits, we will find an appreciable improvement in the natural gas marketing situation.

MR. SPEAKER: I'm not sure whether the hon. Leader of the Opposition has a second question, but we have spent a great deal of time on the first one, I think with the tacit consent of all the Assembly. I suggest that perhaps we might deal briefly with this one, because three more members would like to ask their first questions. We are now very much past the half-way mark of the question period. Perhaps we could come back to the hon. Leader of the Opposition if there's time left.

Legislative Assembly Act

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Associate Minister of Telephones, with respect to his responsibility for health and social service professions and occupations. Is the minister in a position to advise the Assembly whether or not, during the month of March, he convened a meeting or was present at a meeting at which a proposal for legislation pertaining to physiotherapists, represented by the Alberta Association of Chartered Physiotherapists, was discussed?

DR. WEBBER: Mr. Speaker, the short answer is yes. The longer answer is that when I assumed the responsibilities for the legislation for the health and social service occupations and professions, along with the Minister of Social Services and Community Health I met with representatives from some 20 to 30 groups, and made the commitment at that time to meet with each of them. Starting about September 14, 1981, I believe, until March 29, I completed some 27 to 28 meetings. The meeting on March 29 was with the Association of Chartered Physiotherapists of Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to advise the Assembly whether the hon. Member for Edmonton Whitemud was present at that meeting or any other meeting at which proposals for legislation were discussed?

DR. WEBBER: Mr. Speaker, in the early weeks of December 1981, through my office to the office of the president of the Association of Chartered Physiotherapists, Ms. Marian Briggs, I initiated a request for a meeting with the association, to discuss legislation or any concerns they would have with regard to legislation that might be coming up in the future. We set a meeting for March 29.

Before that particular meeting, the president of that association indicated who would be in attendance, from their perspective: Marian Briggs herself, plus the vice-president of the association, to be accompanied by legal counsel Mr. Peter Knaak; and from my office, my executive assistant and me, together with legal counsel Mr. David Elliot, along with the Member for Calgary North West in her duties as chairman of the caucus committee on social services and community health.

MR. NOTLEY: A supplementary question. Is the minister able to recollect for the Assembly whether any ques-

tions were asked of the hon. Member for Edmonton Whitemud, with regard to any proposals for legislation?

DR. WEBBER: Mr. Speaker, during the course of the meetings with different health and occupational groups, we discussed generally any proposed legislation the groups might have. At this particular meeting on March 29, we had an excellent discussion with representation from the chartered physiotherapists. Beyond that, I don't think I could add anything. We discussed some changes to their legislation they would like to see developed. It was generally an excellent meeting.

MR. NOTLEY: A supplementary question. Is the minister in a position to recall for the Legislature whether during the course of that meeting any questions were asked of the hon. Member for Edmonton Whitemud, with respect to any proposal for proposed legislation?

DR. WEBBER: Mr. Speaker, as I mentioned before, the president of the association indicated that in attendance would be herself, the vice-president, and their legal counsel Mr. Knaak. In the course of the meeting, as I said, we discussed their proposed requests for changes in legislation. That's about all I can add, Mr. Speaker. It was a general discussion of the legislation. In my view, the hon. member referred to was acting as legal counsel for the association, and behaved accordingly.

MR. NOTLEY: Mr. Speaker, a supplementary question. During the course of this meeting, did the minister give any consideration to the provisions of sections 43 and 44 of the Legislative Assembly Act, with respect to the obligations of members of the Assembly?

DR. WEBBER: I'm not sure I got the full impact of the question, Mr. Speaker. I would appreciate it if the hon. member would repeat it.

MR. NOTLEY: Mr. Speaker, during the course of that meeting at which, according to the minister's answer, proposed legislation was in fact discussed, was any consideration given by the minister — and I'm not talking about the hon. member but the minister — with respect to the provisions of Section 44(c) of the Legislative Assembly Act?

DR. WEBBER: I'll just have to repeat myself, Mr. Speaker. We generally discussed the proposed changes to the legislation that the association wished. Beyond that, I think it would be inappropriate for me to say anything in addition.

MR. KESLER: A supplementary question, Mr. Speaker. Could the hon. minister table in the House a record of the presentation by the hon. Member for Edmonton Whitemud?

DR. WEBBER: Mr. Speaker, the hon. Member for Olds-Didsbury is incorrect when he indicates a "presentation" by the hon. Member for Edmonton Whitemud. I met with the Association of Chartered Physiotherapists: the president, vice-president, and their legal counsel. The presentation was from that particular association. With regard to tabling any aspects of that meeting, I don't think that would be appropriate.

MR. NOTLEY: Mr. Speaker, a supplementary question. As frequently is the case when talking about correspondence from other groups, would the minister consult with the organization in question and, should the organization agree, would the minister be prepared to table in the Legislative Assembly all correspondence, not only from the organization but from the legal counsel representing that organization?

DR. WEBBER: Mr. Speaker, certainly I can consider it further. I don't believe it would be appropriate to do that, but certainly I can take it under further consideration.

MR. KESLER: A supplementary question. Would the hon. Attorney General undertake to provide ethical guidelines for both ministers and members, so the name of the Legislature is not put into dispute by future actions of members of cabinet and members of the Assembly who are uncertain about their responsibilities to the people of Alberta?

MR. CRAWFORD: Mr. Speaker, I don't know what uncertainties members of the Assembly may be operating under, with regard to provisions of the Legislative Assembly Act. I would suggest to the hon. member that if he has some amendments to the legislation to propose, he undertake that in the usual way.

MR. NOTLEY: A supplementary question to either the hon. Premier or the hon. Attorney General. Could either hon. gentleman advise the Assembly whether either gentleman had discussions with the hon. Member for Edmonton Whitemud, concerning the provisions of Section 44 of the Legislative Assembly Act and the meeting that took place on March 29, as reported in this House by the hon. Associate Minister of Telephones?

MR. CRAWFORD: Mr. Speaker, I'm not sure if the hon. member is asking me whether in advance of March 29, to be blunt, I provided gratuitous legal advice to any member, or whether he is asking if I've had some discussion about that section since March 29. If it's the latter, the answer is yes.

MR. NOTLEY: Mr. Speaker, a supplementary question. What consideration was given by the hon. Attorney General and the government of Alberta, with respect to the provisions of Section 44 and the implications of the meeting that occurred on March 29, specifically as it relates to Section 44 of the Legislative Assembly Act?

MR. CRAWFORD: Mr. Speaker, I think the first thing I should point out is that the government itself would have no views or considerations in regard to that section of the Legislative Assembly Act and the circumstances now under discussion. As I see it, what is involved is a question which potentially involves — if that is the way it is ultimately made to appear by anyone — a matter for a member.

Metrication

MR. ZAOZIRNY: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. Can the minister advise the Assembly whether his department is involved in any manner whatsoever with the prosecution commenced in the city of Calgary against Trans

Canada Broadloom, for advertising carpeting using the imperial measure?

MR. SPEAKER: Unless, by some very surprising coincidence, the hon. minister might have the answer to that, it would seem that that is a question of some detail which might well be placed on the Order Paper.

MR. KOZIAK: Mr. Speaker, perhaps I could respond in a general way, without lessening the element of surprise. The question of weights and measures is not within the responsibility of the provincial Consumer and Corporate Affairs Department, but is a matter of concern for the federal body. My response would be that there are days when I wish the federal and provincial departments did not share the same name. Not only does it provide for confusion, but lack of good judgment on the federal level can sometimes reflect on the provincial Consumer and Corporate Affairs Department.

MR. ZAOZIRNY: Just one short supplementary, Mr. Speaker. Could the minister then advise whether the government is giving any consideration to making representations to the federal government urging that a dual system of metric and imperial measures be permitted in Canada, rather than a metric only system?

MR. KOZIAK: Mr. Speaker, that's a very interesting suggestion. I believe we will have the opportunity to discuss that during the course of debate of the motion on the Order Paper by the hon. Member for Camrose, if it has not already been dealt with.

MR. SPEAKER: The hon. Member for Olds-Didsbury doesn't wish to proceed with his question at the moment.

ORDERS OF THE DAY

MRS. CRIPPS: Mr. Speaker, I wish to rise on a point of privilege. On page 539 of *Hansard*, in debate on a motion last Tuesday, I indicated that "Pembina Separators process an average of 16,000 barrels a year . . .". That should be 16,000 cubic metres. The mistake is substantial. Since there are 6.25 barrels in a cubic metre, it's almost 100,000 barrels a year. I want to make that correction.*

MR. HORSMAN: Mr. Speaker, I move that questions 127 and 128, and motions for returns 120 and 121, stand and retain their places on the Order Paper.

[Motion carried]

head: WRITTEN QUESTIONS

Mr. Notley asked the government the following questions:

122. What was the total amount of income tax revenues collected by the government of Alberta from Alberta's manufacturing industries, as defined by the Bureau of Statistics, excluding the petrochemical sector, for each year from 1971 to 1980 inclusive and for 1981, if available?
123. What was the total value of corporate profits attributable to Alberta's manufacturing industries, as defined by the

*See Hansard, April 6, 1982, left column, paragraph 2

Bureau of Statistics, excluding the petrochemical sector, for each year from 1971 to 1980 inclusive and for 1981, if available?

124. What was the total value of corporate profits attributable to the petrochemical industry in Alberta, as defined by the Bureau of Statistics, for each year from 1971 to 1980 inclusive and for 1981, if available?
125. What was the total amount of income tax revenues collected by the government of Alberta from corporations with oil, both conventional and non-conventional, or natural gas production in Alberta, for each year from 1971 to 1980 inclusive and for 1981, if available?
126. What was the total amount of income tax revenues collected by the government of Alberta from the petrochemical industry in Alberta, as defined by the Bureau of Statistics, for each year from 1971 to 1980 inclusive and for 1981, if available?

MR. HYNDMAN: Mr. Speaker, we agree to respond in future to questions 122 to 126 inclusive, but I want to put on the record now the fact that the answers to these five questions will not be available in the exact form requested. Statistics Canada and the Alberta Bureau of Statistics provide information pertaining to the taxable income of corporations, the number of employees in a given manufacturing sector, and the value of shipments from that sector, but not information regarding income tax or corporate profits in the specific industry sectors mentioned in the questions. As well, Statistics Canada and the Alberta Bureau of Statistics provide information on the basis of each corporation being categorized in a single industrial classification, whether or not it's engaged in a variety of sub-categories of industrial activity. So, subject to these caveats, responses to those questions will be provided.

MR. SPEAKER: I suppose we have what we might call a conditional acceptance of the questions by the government. If the questions were accepted as they stand, of course that acceptance would constitute them into orders for returns under the *Standing Orders*. I'm not sure what a conditional acceptance does to that, but perhaps it won't be necessary to deal with that.

DR. BUCK: Mr. Speaker, on a point of order. A letter has been circulated to members. I would like to know if this is of any concern to the House, or if it's just been brought to us. It's the hon. Member for Edmonton Whitemud. I just want to know if we're supposed to look at this or act on it, or what we're supposed to do with it.

MR. SPEAKER: The copies have come from me. I think it's customary when notice is given of a request for an emergency debate or of the possibility of raising a point of privilege, that notice is shared generally among the members of the Assembly. More than anything else, I sensed when I arrived this afternoon that perhaps notice had not been given, and so I shared it in the usual way. That's all I have to say about it.

The fact that a member gives notice two hours ahead of time that he wishes to move for an emergency debate doesn't oblige him to proceed with that. I assume the same thing applies to a notice of possible intention of raising a point of privilege.

DR. BUCK: On a point of order, Mr. Speaker, just some clarification in case the occasion arises for other members of the Assembly. My understanding was that a point of personal privilege is to be raised at the first opportunity the House sits. Am I incorrect in that assumption?

MR. SPEAKER: Of course the standing order, as well as parliamentary practice, speaks for itself. But to deal with a question of that kind without any facts before the House just can't be done.

MR. R. SPEAKER: Mr. Speaker, on a further point of order. One of my concerns about the distribution of material with regard to a point of privilege, was raised last fall. I understand that in your capacity as Speaker, you've done that again. According to our *Standing Orders*, there's no request for the Speaker to do that. As a member, I feel that if that practice continues, any information that goes to your office would be very minimal, not supportive as it was in an earlier time.

I'd like to know from you, Mr. Speaker, whether or not it is your intent to distribute all material we provide to you during the time we raise a point of personal privilege in the Legislature. If it is, that will certainly change the actions of the members of this Legislature, and will certainly limit the kinds of material that will come to your office.

MR. SPEAKER: I'm not really terrified of the possibility of having less material come to the office. I also suggest that the hon. Leader of the Opposition needn't have any misgivings about ordinary material coming to the office being published. But when an official notice is given to me in my capacity as Speaker, and I said that last fall, it seems to me that I'm very much in the same position as, for example, the clerk of the court when he receives a statement of claim, an originating notice, or something of that kind: public, official notice is given to me, not private notice, which wouldn't be any notice at all and would not comply with the *Standing Orders*; I'd have to treat it as being confidential.

If members wish to give me notice of something they wish to do, whatever it may be, and they want to have it kept confidential, I'll keep it confidential. But if it's a notice given under the *Standing Orders* — in other words, given to me officially in my capacity as Speaker — then that certainly is not confidential, unless hon. members wish to consider a possible amendment of the *Standing Orders* that would say that that kind of thing would be confidential unless and until raised in the House. I know we had this point raised and debated at some considerable length last fall, but I'm being consistent exactly with what I did last fall. It's an official notice. If it isn't, then of course I'll treat it otherwise.

The requirement for notice in a case of this kind is pretty serious and fairly strict. I'm sure hon. members have a great deal of regard for what happens in the Parliament of the United Kingdom. If you'll refer to Sir Erskine May, the outstanding authority on parliamentary procedure in the Commonwealth, you'll find that a notice of a complaint or possibly a point of privilege against a member may not be raised in the Assembly without giving the member against whom it is being raised notice of the intention to do that, which is another indication that that sort of thing is not confidential. In fact, the rule in the United Kingdom is so strict — and this is where we had all the fuss last fall — that if a member against whom a complaint is being made is not in the House, that

complaint may not be proceeded with and, under certain circumstances, the House may order the attendance of the member in the House so that the complaint may be dealt with. So there's the situation.

MR. R. SPEAKER: Mr. Speaker, for further clarification for the future. The notice we as members of the Legislature give would be made public, or provided for members of the Legislature. Along with that, Mr. Speaker, you're saying that information which may be supplied to you as supporting evidence should be pointed out as being confidential and for your eyes only. That kind of evidence would not be presented openly and publicly to members in the Legislature. Is that what you're saying in your ruling?

MR. SPEAKER: I was discussing the notice. I'm sorry that we're cutting into private members' time. However, this is an important point.

As I understand it, the hon. Leader of the Opposition is now dealing with supporting material that may accompany a notice. Last fall, that consisted of some 30-odd pages. I tried to make that available. In passing, I should say that the photocopy machine seems to get indigestion over points of privilege, because it broke down today and it also broke down last fall when I tried to get copies made.

In any case, if the supporting material is given with the notice, I feel that it's part of the notice and I must share it with members of the Assembly. If it is not shared with members of the Assembly and is, you might say, sprung on them when the notice of the point of privilege or the request for emergency debate is being raised, obviously that makes it difficult to deal with the point when it comes up, because it takes unfair advantage of members who have not had an opportunity to assess the supporting material.

Again in that regard, I'm being perfectly consistent with what I did last fall. I can also recall at least one occasion in the past when an hon. member gave me two hours' notice of a proposal to move for emergency debate, something having to do with housing. I immediately shared that notice with other members of the Assembly — the House leaders on both sides at least — because when it comes up in the House and is discussed, it seems less than fair that hon. members shouldn't have had an opportunity to prepare themselves to consider the question of privilege or the notice for emergency debate.

If the Assembly wishes to change its *Standing Orders* in that regard, I'm perfectly content. But it is going to make it more difficult to deal with those things summarily, promptly, or expeditiously, because something will be brought in at the last minute of which other members are not apprized and, as I say, they would not be, in all fairness, in a position to prepare themselves to take part in the discussion. So it's simply a matter of practical fairness, that's all.

DR. BUCK: Mr. Speaker, on the point of order. Either you operate within the rules of the Assembly as laid down by the Assembly, or else we amend those rules. The rule is very clear. It says:

after giving a written notice [during] a brief statement of the question to Mr. Speaker at least one hour before the opening of the sitting . . .

It doesn't say anything about notice to other members. You are making that interpretation, Mr. Speaker. Either

we amend the rules, or we don't have to do that. I raised that point initially, so that we could clarify that.

MR. R. SPEAKER: He's also making a judgment.

MR. SINDLINGER: Mr. Speaker, I too would like to ask for further clarification, please, because in regard to . . .

MR. SPEAKER: Possibly we're going to have confusion if we don't deal first of all with the point raised by the hon. Member for Clover Bar. There is nothing in the rules concerning giving or not giving this information to other hon. members. I agree one hundred per cent with the hon. Member of Clover Bar that this is a decision which, in this particular instance, I'm making myself, and I take full responsibility for it. But I'm trying to explain that it is based on good parliamentary common sense. If you take stock of what happens in the United Kingdom House, it's also based on good, practical, parliamentary precedent.

MR. SINDLINGER: Mr. Speaker, the reason I too am asking for clarification again is in regard to Standing Order 14(2)(b). According to this notice we've received, I understand that condition has been met. But it then goes on to say that once that notice has been given, after attention has been called to the alleged breach of privilege, there should be an explanation of the matter. I presume that explanation was made to the Speaker. But Standing Order 14 also goes on to indicate that there may be some debate:

(4) Mr. Speaker may allow such debate as he thinks appropriate in order to satisfy himself whether a prima facie case of breach of privilege has taken place . . .

I have two questions. First, has the Speaker decided that a prima facie case of breach of privilege has taken place? Second, if that's the case, when is the next step? When will it come before the Legislative Assembly? Because it seems to me that what has happened here is that the Speaker has decided that there is, in fact, a breach of privilege. If that is the case, it should go on to the next step.

MR. KING: Mr. Speaker, speaking to the point of order, of which there now appear to be two, I'd like to make these comments.

It lies always with the individual member as to whether or not he shall raise a point of privilege, and 14(2) says: "A member wishing to raise a question of privilege . . ." With the advancement of the rules, fortunately or unfortunately, we have created the situation in which certain things must be done prior to the members' coming into the Assembly. But it must be left with the individual member, right up to the time that Orders of the Day are called, whether or not he will raise the question of privilege.

To respond first to the comment of the hon. Member for Calgary Buffalo, no question of privilege is before the House now, because the hon. member from whom that letter came has not raised a question of privilege. There is no judgment to be made by the Speaker about whether there is a prima facie case of privilege.

Going to the first point, which purports to be about the circulation of this notice, I can only ask that we try to restrict our discussion of questions of order to those Standing Orders that we believe have been breached. I

think that would probably be conducive to better discussion in all matters of privilege before the House. Mr. Speaker, with respect, I would argue that in Standing Order 14, there is no prohibition against circulation by Mr. Speaker of such notices of intention. The *Standing Orders*, precedent, and tradition of the House clearly leave with Mr. Speaker discretion on all matters about which the *Standing Orders* are silent. Since there is not a prohibition, Mr. Speaker, my argument to you would be that you are free to exercise discretion in the matter, which I judge you have done.

MR. R. SPEAKER: Mr. Speaker, I don't argue with what the hon. Minister of Education has said. The other point I would like clarified by you is that once an hon. member meets the one-hour requirement and notice by one sheet of paper, which I think will be the normal route used from now on, the member may rise in his place in that afternoon session and raise the point of privilege without any prohibition or stoppage by the Speaker. Is that an accurate assessment of our current situation?

MR. SPEAKER: Possibly I'm going beyond what a Speaker should be doing in regard to that question, because it has been well settled in parliamentary tradition and practice for a long time that a Speaker doesn't make rulings in regard to matters that are not actually before the House. However, in view of the apparent difficulty or doubt in regard to that application of *Standing Orders*, I think it is fair to say that I'm simply sharing the notice, as I said in the beginning. If I'm told that this is confidential, then it's my view that that's not an official notice. It can't be confidential and an official notice at the same time.

I've never heard of a document . . . If I'm given notice, it would seem to me that in fairness it's my duty to share it, so that if and when the point is raised it can be dealt with properly. However, if a member wishes to withdraw the notice, I assume he's entitled to do that before the House sits. In that event, I would have to treat it as withdrawn. I don't know what effect that would have, but certainly it would indicate that he wasn't going to proceed. I realize there are differences of opinion about it, but my view of it simply is that I have received an official document in compliance with the *Standing Orders*, not a private communication between a member and me, and therefore I'm treating it as an official document and not as a private communication.

MR. R. SPEAKER: Mr. Speaker, on the point of order. I don't think you quite answered my question. According to Section 14(2)(b), Mr. Speaker is given one hour's notice. Upon giving that notice, as was done today — or may be done the very same way in other circumstances — which I accept, will the Speaker allow that point of privilege to be raised that afternoon? And are there any circumstances where the Speaker, yourself in office, would prevent that point of privilege being raised today or in future days of this Legislature?

MR. SPEAKER: It depends on what the hon. member means by raised. Once notice has been given, which is a prerequisite, and the member gets up and states that he has a point of privilege . . .

MR. R. SPEAKER: He may proceed.

MR. SPEAKER: . . . then it has been raised. Whether he proceeds or not, as the hon. member knows, there is discretion in the Speaker with regard to debate. In the exercise of that discretion, I'm hoping the debate will be fair.

I realize that the hon. leader has in the back of his mind what occurred last fall, and it's exactly the same situation here. The question is whether the debate is going to be fair, or whether we're going to have some people who are sort of in on the secret and can make remarks about it, and others who have to sit mum, wondering what's happening or what it's all about. In that event, it would seem to me that you couldn't proceed with the point of privilege. You could agree that it was raised, and that would stop the running of time, and that's what happened last fall. Incidentally, the appeal from that ruling was not an appeal from the ruling at all, because the ruling was not that the point could not be raised, but was simply that it had to be postponed. That was all. That was never appealed.

However, to come back to the present situation — and I mentioned last fall only because I realized that's what the hon. leader has in mind. If we're going to have secret notices of points of privilege and possibly even of a motion for an emergency debate — and that could well be done if hon. members wished to amend the *Standing Orders* in that way — then in exercising, as I must, the responsibility in regard to the debate, I would probably have to say, unless it were a very simple, open-and-shut point: the matter has been raised; in fairness to hon. members, we'll distribute the material first so they can prepare themselves, and we'll hear the debate later in the day or on another day. That's exactly what I said last fall, in addition to which of course the member against whom the complaint was being made had not had any notice and wasn't in the Assembly.

MR. SINDLINGER: Mr. Speaker, again, for clarification of 12(2) of *Standing Orders*, have you then ruled pursuant to Section 14(5)(a) and (b)?

MR. SPEAKER: I'm not aware that I've really made a ruling. An analysis of what I've said might indicate otherwise. I've simply indicated what I think the proper practice would be, and the practice I would propose to follow, subject to other directions from the Assembly.

MR. SINDLINGER: Mr. Speaker, the reason I'm asking is that until you've acted pursuant to 14(5)(a) and (b), a member is precluded from taking further action. So that has to be clarified prior to a member or the Legislative Assembly taking further action. I think that's why we have to make a decision here right now.

MR. KING: Mr. Speaker, I believe the situation is this: the rules provide for you to make a ruling on whether a prima facie case of privilege has been made. But such a ruling by Mr. Speaker can only be made when a question of privilege has actually been raised in this House by a member. And although notice was given of an intention to do that, it did not subsequently actually happen. There is no question of privilege before the House at this time, and therefore there is no question of privilege upon which the Speaker can rule as to whether a prima facie case exists.

If I may say, Mr. Speaker, I'm not sure that a point was ever raised which required a ruling from you. I believe that if one were raised, that ruling will be found in

the comments already made. There is not to be debate on the ruling of Mr. Speaker after it has been made, except upon a motion by an hon. member that it be overturned. I think we are on the edge of infringing the privileges of the members generally by continuing discussion over something which is essentially hypothetical.

MR. SPEAKER: May I just conclude the discussion, if I may, with one final comment, because I think this bears on some of the misunderstanding that may be apparent here. There must be a fundamental distinction, and in my opinion there is, between raising a point of privilege and debating it. It can be raised in a very simple way, adequately or not, but it can be raised and then subsequently debated. Furthermore, facts can subsequently be brought out in support of or against it, as far as that's concerned. Under 14(5)(2), the reference is — I believe it's there — to raising the point of privilege. But that does not necessarily deal with the matter of debating it.

May we proceed with Orders of the Day.

129. Mr. Notley asked the government the following question:

1. What was the value of total net income earned in Alberta by corporations with assets of over \$25 million for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?
2. What was the value of total net income earned in Alberta by corporations with assets of less than \$25 million for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?
3. What was the amount of income tax received by the province of Alberta from corporations with assets of over \$25 million for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?
4. What was the amount of income tax received by the province of Alberta from corporations with assets of less than \$25 million for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?
5. What was the number of corporations with assets of over \$25 million liable for provincial income tax in Alberta for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?
6. What was the number of corporations with assets of less than \$25 million liable for provincial income tax in Alberta for each year from 1975 to 1980 inclusive, and for 1981 if figures are available?

MR. HYNDMAN: The answer to Question 129 is as follows: neither Statistics Canada nor the Alberta Bureau of Statistics provides information based on the size of a corporation's assets. The future answers to Questions 122 to 126 with regard to taxable income, and with the caveats stated, will provide related information.

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

MR. HYLAND: Mr. Speaker, as I rise to move Motion 206 standing in my name in the Order Paper, I note that we're probably now down to about half an hour of debate on this motion. Is that right?

MR. SPEAKER: That's close to right.

MR. HYLAND: Thank you.

I would like to read Motion 206 into the record:
Be it resolved that the Assembly urge the govern-

ment of Alberta to conduct a study into the feasibility of an alternative marketing system for specialty grain.

First I'd like to outline my definition of specialty grain. I consider specialty grains to include soft white wheat, domestic feed barley, canola, flax, winter wheat, and more specialty crops not now in part or in total under the jurisdiction of the Wheat Board: sunflowers, safflower, triticale, corn, buckwheat, and the list goes on. But in general, my definition of specialty grains is those mentioned, especially the first: soft white wheat, feed barley, winter wheat, canola, et cetera; those grains that can be grown under normal farming practice with the same machinery other crops are grown with. They would not include hard red spring wheat.

Mr. Speaker, the reason for this motion is that I come from an area where a great deal of soft white wheat and barley are grown, and I think we should be looking at alternative forms for marketing those grains. I'll get into that a little later.

It's interesting to note that in 1939, Jimmy Gardiner, Liberal Minister of Agriculture, referred to the Wheat Board in the House of Commons:

It ... can be justified as the Legislation has been justified from the beginning, namely, that it is dealing with an emergency situation ... We cannot agree that there is likely to be permanency to any system of marketing farm products which is based upon price fixing.

Needless to say, his comments turned out not to be as true as he thought them to be at the time. The Wheat Board far outlived him and is in existence to this day.

I attended a Palliser Wheat Growers' meeting in Winnipeg this winter. One of the comments there was that the Wheat Board's job was basically to handle hard red spring wheat; that is what they should do. They should be looking at the marketing, assembling, et cetera, of that grain. One speaker suggested that if other grains associated with it create a problem for them, they should allow somebody else to take care of marketing those products.

Some time ago, we listened to the hon. Member for Calgary Buffalo — I believe it was in a debate on the Crow rate — outline Canada's position in 1935, with 50 per cent of the world market, and give us a breakdown of what it is today. I understand that in 1981, we exported only 18 per cent of the wheat to world markets. So things have changed vastly, and I think it's time we looked at other systems of marketing these specialty grains.

We've heard many comments about the Canadian system of marketing grains versus the American system, and which is better. I note that the Foodwest Resource Consultants group reported that the Canadian return on a bushel of grain was some 8.5 cents less than that on a bushel of American export wheat. Of course, that is a debatable point. It was debated by the Wheat Board, among others, that those figures weren't true. Mr. Speaker, I'm saying that if we don't look at some alternatives to the present system, we'll continually have reports that suggest one thing, and another report that says that's not true. And then we really won't have accomplished anything to help the farmer and the rural businessman.

In a survey in 1981, the Farm Credit Corporation had some interesting statistics that showed that gross investment dollar return in Alberta is 8.8 cents, and that the same gross investment return in Ontario is 17 cents. Ontario is not under the jurisdiction of the Wheat Board in any way, shape, or form, for any of the variety of

grains they grow. So it shows there is a need to investigate alternative methods.

Mr. Speaker, we can investigate alternative methods, but hand in hand with this must go the transportation of the product. As well as investigating methods of sale, we must include an investigation of the allotment of cars through the Grain Transportation Authority: how those cars would be loaded, how they would be allotted, and the movement of those cars to the coast so it would not create a bottleneck in the present system. We can promote sales all we want, but if we haven't backed it up by a study into what is going to happen to the transportation of that product, it is not going to help the farmer a great deal to have a market sitting out there for specialty grain and not being able to move to that market because of transportation and loading problems.

The Canadian Wheat Board really controls the marketing of grains in the prairie provinces. It doesn't control the marketing of grains in eastern Canada. It is controlled basically by the Lieutenant Governor in Council in the federal Parliament and, as an example, we see the problems when one tries to market a special commodity. I believe that last year, we in Alberta applied for an export permit to move some barley into the northern states, and were refused by the Wheat Board. Some time later, Ontario applied for a permit to export barley to the States and was refused by the Wheat Board. But my understanding is that it was then appealed to the Lieutenant Governor in Council, and they received permission to export that barley to the States. So they found a market for a product, and we were not able to find that market.

We also hear rumors that they were able to sell grain at a better price into Ontario and, because of the freight rate structure, buy grain from western Canadian farmers and make a considerable amount per bushel. All they really did was sell their own grain and buy ours to replace it. It's something we do not have, and I think this shows the need for a study to look at alternative marketing for that type of specialty grain. In the study requested by the pools and done by CanWest Survey Corporation, we note that in certain age categories, in particular the younger farmer who has a great degree of confidence in himself to market his product, as many as one-third of those surveyed thought there should be some changes to the Wheat Board.

In a report on the meat industry of Alberta, Dr. Hugh Horner suggests that:

An open market system, wherein domestic feed prices reflect world market conditions, can only exist if there is unrestricted access to the world market.

It goes on to say:

This has occurred primarily because of the limitations in the grain handling and transportation system and the priority given to the export of other grains.

Mr. Speaker, that is almost what I said earlier during the debate: that along with looking for markets, we must also look for the movement of that grain.

I would like to get into soft white wheat, that many members have heard me debate numerous times. This grain basically is grown through the irrigation district in southern Alberta. It's a high-producing wheat, and makes soft, white flour. It means a great deal to irrigation farmers, simply because it is high yielding. It may not mean a lot in the total volume of the Wheat Board, but it means a great deal to the southern area of the province, especially to my constituency of Cypress and the constituencies of Bow Valley, Little Bow, Taber-Warner, and

some of Fort Macleod. It is a small area of the total prairie provinces, but it is a very important crop in that area.

The soft white wheat association has done a great deal to promote the use and export of that wheat. They have met numerous times, almost on a yearly basis, with the Canadian Wheat Board and, in most cases, have had fairly satisfactory meetings. We are looking at approximately 200,000 acres of soft white wheat in southern Alberta. As I've said, it is very important to the economy of that area.

Supposedly, many countries of the world like to use this type of flour as a basis in their baking. But up to the last short while, the Wheat Board's attitude was to use that grain partially in marketing, but partially with the federal government in the CIDA programs where, instead of actively pursuing markets, they could move it to areas of the world that needed assistance and food. I think this theory is starting to change somewhat, and has a lot to do with the pressure the association has put forward. The association is also looking at commission status. Through their annual meetings, the feeling of growers is that they should investigate commission status so that they can promote their product even better and more strongly.

Last year the Wheat Board contracted some soft white wheat to themselves, and contracted it again this year. Previously it had been contracted either by specific milling companies or elevator companies. It is questionable how long this contract will last. It may well go on, or this may well be the last year. A contract does one thing: it puts the Wheat Board in the position that it is committed to receiving X number of tons of production. Because they have contracted for that, they are put in an export position, so that it does indeed encourage them to look for a market for soft white wheat. I think that is a plus. One can speculate what may happen. But one may speculate that if the contracts are not forthcoming next year, that if the market development has been done well enough, maybe the markets will be there and there won't be a need for a contract. This is one type of question that can be answered in the investigation of such a study.

Corn is another product that is becoming a prominent grain in the irrigation area of southern Alberta. To the present time, the growers, either themselves or as an association, have looked after their own system of marketing. I think they should be commended for that. But as time goes on, there may be a need for assistance in the international marketing of such a product. We've often heard questions about canola in this Legislature, and the problems involved with marketing and transportation, and the problem with the rail cars a few months ago. I'll leave that grain for someone else to talk about.

[Mr. Appleby in the Chair]

In summation, Mr. Speaker, I looked back on some correspondence between the Premier and the Prime Minister regarding the marketing of grain, tabled in the Legislature on May 8, 1978. In part, the Prime Minister's reply to the Premier reads:

... I understand the Canadian Wheat Board is co-operating with the Alberta and federal departments of agriculture, as well as others in the industry, in testing the feasibility of expanding the production of white wheat. The Board believes, as well, that with rapid modernization of the milling and livestock industries in Iran and the Arab countries, there is considerable potential for red wheat consumption in

that area and, consequently, the Board has provided technical assistance to encourage that development.

Mr. Speaker, I submit to you that if that particular grain were marketed by a private agent or company, they would not give such an answer. They would sell the buyer the product he wanted, and not try to change baking habits that have been developed over thousands and thousands of years, and are not about to be changed that shortly. I think that really is partly the basis of my motion: to investigate such things and see [from] the competition between private enterprise and the Wheat Board — and it can be a joint competition; it doesn't have to be one or the other — which organization moves grain best, along with the caveat that the study must also include the movement of grain to market, not just the marketing of it.

Mr. Chairman, with that I ask the other members to support this motion.

MR. THOMPSON: Mr. Chairman, I'd like to say a few words on this motion too. I'm very pleased of course that the Member for Cypress has brought it to the floor today, because it happens to be one of my favorite subjects. I've spoken on it several times in the House, and I'm delighted to have another opportunity to speak on the Canadian Wheat Board. I firmly believe that if the people involved in setting this board up had sat down and tried to figure out a way to make it as complicated and inefficient as they could, they couldn't have done a better job than setting it up on the present basis. As far as the grain farmers in Canada are concerned, in my estimation it's probably one of the biggest stumbling blocks we've had for the last 30 years.

As far as Alberta is concerned, some of the negatives with the Wheat Board are that it's basically tailored to fit the economy of Saskatchewan farmers. It concentrates its main efforts on selling hard red spring wheat, and other grains are considered a sideline. I have heard a representative of the Wheat Board classify soft white wheat as junk wheat, because it has a lower protein content than other wheat.

Another reason they feel this way is because they have one special division set up that handles all grains of which less than 5 million bushels are sold per year. White wheat of course falls in that category, so a lot more effort is needed to sell these types of grain than to go out and get a contract for 200,000 or 300,000 tonnes of wheat for Russia, China, or some other country. These specialty grains are sold in small lots of 4,000, 5,000, or maybe 10,000 tonnes. It probably takes as much effort to sell that as it does to go out here — and besides that, it doesn't get the headlines in the paper that the big contracts get. The Wheat Board basically has no particular interest in selling specialty grains.

The Member for Cypress read the motion. I'm not going to read it into the record; once is enough. But I feel that it's high time this study was made. In fact I wouldn't be surprised if, over the years, the Department of Agriculture has already studied it quite a bit. I'm sure the Grain Commission has looked into it to some degree. I feel that maybe an organized study and a report on alternatives to how we handle our special crops should be made.

We ought to consider a couple of facts. As far as wheat is concerned, 29 per cent of Alberta farm income comes from wheat; in Saskatchewan, it's 64 per cent. Another fact we ought to keep in mind is that 20 per cent of Alberta farm income comes from other grains besides

wheat. Saskatchewan of course is down to 14 per cent. I suspect these figures really do suggest to most people that specialty crops and feed barley, in particular, are far more important to the agricultural community of Alberta than they are to the Saskatchewan community.

I really feel that the Canadian Wheat Board will continue to give a high profile, as it has in the past, to the selling of Canadian red spring wheat. I'd like to give some more figures to back that up. In week 35 of the west coast traffic report, 3,682 rail cars were programmed to be loaded. Sixty-eight per cent of those cars were assigned to wheat, 19 per cent to barley, and 13 per cent to other crops. Stock on hand at the coast in week 36 was: 248,000 tonnes of wheat, 60,000 tonnes of barley, 82,000 tonnes of canola, 13,000 tonnes of flax, and 5,000 tonnes of rye.

The thing that impressed me in that report is that they are only using 67 per cent of the available space. They have from five to 11 ships waiting to load. I think that if our farming community would look at it, we've had a fairly cold but not bad winter, there have not been too many slides between here and the coast, and the transportation end is already starting to pinch a little bit as far as being able to transport our grain out there. It's basically been a pretty good transportation year. I think we do have a serious situation here, and I think it's something we should be concerned about.

The motion says we should study alternatives. I'd like to offer a couple. I think we should have either a cash/call feed exchange or a futures market in Alberta. It should handle provincial, Canadian, and off-shore sales. If it is going to be successful, I feel it would have to be independent of the Wheat Board and outside its jurisdiction. I think it would give Alberta farmers an opportunity for another way to sell their specialty and feed grains. Another alternative we should try to look at is setting up a board distinctly separate from the Wheat Board. Let them sell their red spring wheat. That's what they like to do; they're fairly good at it, I suppose. But have a separate board set up for the three prairie provinces for specialty grain and barley, give it power equal to the Wheat Board, operate in other provinces with their permission, and be responsible to the producers instead of to the federal cabinet, as is the Wheat Board. I really feel that a couple of options could be studied.

I think more people are going to speak on this subject, Mr. Speaker. I'll be very interested in hearing what they have to say. I feel it's vital that we do not continue to solve today's problems with yesterday's answers.

With that, Mr. Speaker, I thank you for your attention.

MR. CLARK: Mr. Speaker, I too would like to say a few words on this motion. I would like to compliment the member for bringing it forward. But I believe the time for the motion has run out, so I beg leave to adjourn debate.

MR. DEPUTY SPEAKER: Does the hon. member have leave to adjourn debate?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Would the Assembly also agree that we consider the time as 4:30?

HON. MEMBERS: Agreed.

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

Bill 218
Alberta Agricultural Research
Foundation Act

MR. COOK: Mr. Speaker, I'd like to introduce Bill 218 for second reading.

This Bill is enabling legislation only. It should be thought of as simply trying to promote the idea of having more agricultural research done in this province. The details of the Bill are not really all that relevant to the debate. It provides for the creation of a foundation. It nominates a nine-member board, with representatives from the university and industry communities. It provides for six other people who are active in the industry, who would be nominated by the Lieutenant Governor in Council, basically by the Minister of Agriculture. It allows the board to employ staff, purchase property, and basically to carry on research. It also requires the foundation to report to the Assembly on its programs.

Agriculture is one of Alberta's key industries. It may be odd for a city boy like me to be interested in agriculture, and some members of the Assembly have expressed that thought. But Alberta is fortunate to have a very dynamic agricultural sector of the economy. It contributes a great deal to the gross provincial product. Last year, there were \$3.3 billion in farm receipts. I don't think most city dwellers appreciate just how critical that is to the economy, if you think of the support industries, the transportation sector, and the processing industries, largely in the cities. Many of my constituents rely on farm receipts in order to have jobs and paycheques at the end of the month. I think it's very reasonable for a city boy to pay attention to one of the most important industries in the province.

Another question that might be asked is, why are you bringing this particular proposal before the Assembly? What do you want to accomplish? Mr. Speaker, I think of research and development as more an investment than an expenditure. Last week, we had a very fine document tabled by the Minister of Agriculture. It's a progress report on Farming for the Future in 1981. As members paged through it, no doubt they had the same reaction I did. Farming for the Future is a very solid program that is making real contributions to the agricultural sector. A section of the report discusses individual programs; for example, the development of a potato industry. It notes, for example, that we might spend an amount of money, but we'll get that back. I'll give you an example from the report on Farming for the Future. In poultry in Alberta, we invested money that generated returns of \$130 million in increased productivity to Canadian and Alberta agriculture. The investment had a pay-off 260 times the investment.

Mr. Speaker, Alberta and Canada have a number of opportunities and problems in agriculture looming on the horizon. Those problems and opportunities have an impact on the province, and we have to assume a greater responsibility for the research and development done for Alberta agriculture. About two years ago, I went down to Beltsville, Maryland, where the main United States Department of Agriculture research labs are located. I understand that with the Reagan cuts, there is going to be a significant decline in agricultural research work done in

the United States. We cannot rely on the United States to solve for us our agricultural problems in research and development.

Secondly, I think there is an increasing recognition that research in agriculture has to be somewhat specific to the geographic area we are operating in. Research done on corn in Iowa is probably not going to have a whole lot of impact on corn production in southern Alberta. There may be some spinoff, but any research and development done is going to have to be tailored to our specific climate and conditions. It's increasingly evident that Alberta is going to have to work on trying to maximize production from its own climatic and soil conditions. It's not going to be able to rely on the USDA or on a Canada Agriculture research station in Manitoba to solve horticultural problems here in Alberta.

We have a number of opportunities and a number of problems. A report called Research and Development for Canada's Agriculture and Food System, done in December 1981 by the Canadian Agricultural Research Council, outlines a number of priorities. I'll just briefly touch on them, Mr. Speaker, to enter them in the record. The council says that some of the major challenges facing Alberta and Canada agriculture are:

land degradation and loss to agricultural use through
 soil erosion and urbanization of our best land . . .
 those are probably familiar themes to members of the
 Assembly

. . . drought, particularly in Western Canada with
 [increasing] soil salinity problems;
 energy use for crop production and food processing,
 retailing and distribution . . .

A number of times we have heard in this Assembly that farmers are experiencing rising input costs. The way to try to cut those energy input costs is probably to do more research on how we can take a more energy-conservative approach to agriculture.

. . . pest management, agricultural waste utilization,
 soil and water pollution . . .

Food processing, new animal and plant diseases are emerging . . .

Alberta has tremendous opportunities to extend agriculture into northern Alberta. Hon. members on either side of me represent northern Alberta constituencies, both of which would benefit from the opportunities there if we seize them and do the research to develop varieties or extend the range of crops in northern Alberta.

Mr. Speaker, I should note that Alberta has a pretty fine record in research and development. Last year we spent something in the order of \$17 million — about 0.5 per cent of the \$3.3 billion contribution to the gross provincial product in agriculture — on agricultural research. It's a significant amount, Mr. Speaker, but it could be increased. I think the Minister of Agriculture deserves to be commended for the proposed increases in the Farming for the Future program. His predecessor, the Hon. Marvin Moore, who developed the Farming for the Future program, deserves credit for that. The Alberta Department of Agriculture also has some fine research stations at Beaverlodge, Brooks, and Lacombe. They're doing a lot of first-class world research. The University of Alberta has a fine record in agricultural research. The Department of Agriculture is doing some contract work. All told, Alberta has one of the better records among Canadian provinces in research and development. But more capability needs to be established in the province.

We have a couple of problems on the horizon. Each year when we crop, we lose several tons of topsoil per

acre to soil erosion. We have the opportunities to try to develop new techniques. For example, we know about zero tillage. We know about ways to try to conserve topsoil. We have to try to preserve that land base we have. It is being degraded in some ways; that's the term being used by soil scientists. The nitrogen level in Alberta soils is falling. The organic content is falling. Our soils are becoming more acidic. Last year, we instituted a lime subsidy program to address precisely that question. It's going to cost us \$50 million in this fiscal year, and we're only starting to address a very small percentage of the soil that really needs liming. It's estimated that within the next 10 years, fully one-third of Alberta soil is going to require yearly liming.

Mr. Speaker, there's an opportunity to diversify our crops. The canola developments should be instructive for all members of the Assembly and for Albertans generally on what Canadian agricultural research can accomplish. Surely that's one success story we're all familiar with. When you think of rapeseed, 20 years ago it was a minor crop with some limitations on range and productivity. Canadian agricultural research scientists went in, developed new varieties, extended the range, and increased the productivity per acre. We then marketed it and processed it, again with agricultural research at the forefront, developing new products. It's a real Canadian success story, and that was done by Canadian scientists. There's absolutely no reason we can't be doing that in a variety of other areas.

I'll give you a couple of examples. The United States Department of Agriculture made a priority of extending the range of winter wheat. I'm not a farmer, but I understand winter wheat is about 50 per cent more productive on a per-acre basis than spring wheat. It follows that if we could extend the range of winter wheat in Canada, we could make significant improvements in productivity per acre of land in Alberta. Winter wheat range has not been a significant priority of Canada Agriculture. Only now are they starting to pay attention to this area and this opportunity. The hon. Member for Cardston has instructed me well on this. He sat me down in his office and lectured me — not lectured, taught. I'm an anxious student, willing to learn. I understand that a lot of farmers in southern Alberta are growing winter wheat, and it's much more productive than spring wheat. As a priority, why don't we try to extend the range of winter wheat in Alberta, so the farmers in the Edmonton area can be just as successful and progressive as the farmers in southern Alberta who are showing the way?

The same could be said for fall rye, which has the same advantages. The same could be said for the development of legume crops, which fix nitrogen naturally. Today we're providing nitrogen for agriculture in Alberta with very expensive chemical fertilizers, all of which are energy based. As we discussed in the Assembly a little earlier this afternoon, we know that energy prices are going to rise, and rise faster than inflation. If it's at all possible, Mr. Speaker, we should be trying to assist Alberta farmers to fix that nitrogen naturally and get a cash crop at the same time, to get a return on their land and investment. We could be doing that with agricultural research as an investment, not an expenditure. As the Farming for the Future report points out, tremendous gains are to be made in productivity for a small initial investment. We could be doing that with field peas or other forms of legumes that could extend the range of nitrogen-fixing crops in Alberta.

The processing industry received a real shot in the arm

last year by the announcement of the Minister of Agriculture of a new food processing lab in Alberta. That's a good example of how we can diversify the Alberta economy using agriculture as a base. I might note that any food processing is likely to provide jobs in urban centres, Edmonton Glengarry probably included. But the point has to be made that tremendous gains are to be made there in diversifying Alberta's economy, in the nature of crops, the number of crops available, and the range of those crops. As I mentioned very briefly, northern Alberta has tremendous agricultural opportunities that just aren't being met. While the research station at Beaverlodge is doing a fine job, we should be trying to bolster their efforts.

Mr. Speaker, there are about three major limitations to expanding Alberta Agriculture's research. The first is manpower. We don't have the scientific manpower in the province to undertake a major program of trying to expand agricultural opportunities in this province. We have some fine scientists on staff here, but a lot of them are getting to the retirement age. Very shortly, we're going to face an awesome problem. We're going to lose a lot of our very top scientists, and we're not replacing them at nearly the rate we're going to lose them.

We're paying our graduate students at the University of Alberta the princely sum of \$8,000 a year. If you're going to get a Master of Science in agriculture and get a stipend at \$8,000, when your friend who just finished his bachelor's has just been contracted by the Department of Agriculture at \$20,000 to work as an assistant DA, it just doesn't make economic sense to that young guy who's worried about having a home for his wife and family. It just doesn't make economic sense to take that extra time and upgrade your skills. We need to try to expand our manpower base in research in Alberta. That means we have to make some major commitments there.

Mr. Speaker, we also lack the facilities to house a major research program that, as I said, would have enormous impact on agricultural productivity. As the Farming for the Future report points out, the productivity gains for a given dollar of investment can pay off as much as 200 or 300 times that initial investment. For an investment of \$1 of research, we can have as much as \$300. I can give you some examples. The potential gains are just awesome. In poultry, it's estimated a 260-fold gain can be made for an investment. In wheat, the research and development cost of \$40 million had an estimated productivity gain of 482 times. If I'm going to invest in something, and I expect in a very short while to get a productivity gain of 482-fold from my initial outlay, that is pretty incredible. That's why this issue is before the Assembly.

We need buildings to house a major research program. We need capital development. At our universities, there just isn't the research lab space. At our field stations at Lacombe, Brooks, or Beaverlodge, the facilities aren't in place to undertake a major program. The third item we need is capital to spark this development.

I'm not going to claim that the observations I'm making are very original. In fact, I make no bones about it: I'm basically stealing ideas from a variety of sources, among them a former member of this Assembly, Dr. Horner, who suggested, in the red meat industry report to this Assembly, that we create a \$100 million foundation to conduct agricultural research. In discussing this with a number of people at the university and in Alberta Agriculture, the suggestion has been that perhaps that sum is not really large enough to also handle the capital re-

quirements we need and to develop the manpower. It's been suggested that we really should be looking in the \$250 million range. But I'm not going to argue that case, Mr. Speaker. In presenting Bill 218 today, I'm simply trying to make the case that research in Alberta agriculture is important to all parts of the economy and to all citizens of the province, urban or rural; that tremendous gains in productivity are to be made; and that those gains can have a pay-off from 66 to 480 to 600 times, as reported in the Farming for the Future report.

We need a long-term strategy to try to bring in new varieties. We can extend the range for winter wheat or fall rye, a couple of examples I've noted. Northern agriculture is a tremendous opportunity that we should be seizing. We have some tremendous problems looming on the horizon with our agricultural land base: increasing soil salinity, increasing soil acidity, loss of natural nitrogen, degrading organic material, and increasing erosion of our topsoil.

With that, Mr. Speaker, I think it should really be a challenge or a call to action. Again, I make no bones about it: I have basically borrowed ideas from a number of sources. There is a need to try to address this question, and I think Bill 218 should be debated. I'm looking forward to hearing comments from my colleagues in the House. I think it's timely.

Thank you, Mr. Speaker.

MRS. OSTERMAN: Mr. Speaker, today it's a pleasure for me to address this quite timely Bill. Just in passing, I might note that the Member for Edmonton Glengarry obviously took very seriously the Agriculture Week slogan that stated, if you eat, you're involved; thereby, I guess, his involvement and concern about the future.

I might add that in his remarks, he explained that he considers Bill 218 to be enabling legislation. While I think the whole agricultural research area is just an excellent topic for discussion, I have a lot of concerns about the Bill. I will stay away from addressing the specifics of the Bill. I might comment that government once more getting into the act and feeling as if it has to set a further climate, if you will, for more agricultural research, concerns me somewhat.

I think we must be realistic. If we produce a lot of products, we have to have a place to sell them. Right now we have a problem with that. I know we have a duty to the rest of the world, especially with our climate and our capability to produce food. But I'm not sure how long the primary producers in this province can carry that on with the kind of prices now being paid for their products. I think that leads you to ask, will the Canadian people somehow subsidize those products so they can go on the world market?

So a number of things are in place right now that [militate] to some degree against the whole philosophy of carrying on something. Somehow the climate just isn't conducive, although it should be, to carrying on more and more agricultural research. But that doesn't really change the very, very strong view a good many people have that we must address those problems now. For if we're facing a food shortage in a number of years, at that time it will be too late to start some very serious and intensive research into, first of all, being more efficient with what we have and, secondly, possibly exploring and discovering whole new crops we haven't even conceived of at this time.

The Member for Edmonton Glengarry certainly raises some very good points. He touched on what I think is

really the number one problem we have now; that is, the number of ongoing projects we have. He touched on a number of those. We have the Farming for the Future program. We have the Alberta Research Council involved in weather modification. If that program would bear some fruit in the future, it could make an incredible difference in terms of our crop yields in this province. We have the food processing centre being developed. We have the research stations around the province. All those things involve the employment of some very, very highly skilled people.

I'll just quote one paragraph from one of the latest Farming for the Future bulletins. This paragraph comes from a paper delivered at an Agricultural Research Council meeting. The paper was entitled *The Availability of Scientific Manpower for Agriculture*, and concluded by saying that:

The supply of agricultural scientists in Alberta is at a rather precarious point. While the demand for scientific manpower is expected to increase considerably in the years ahead, there is a real possibility that the number of available Canadian graduates may not be sufficient to meet future requirements. Shortages in fact are being experienced currently in certain disciplines.

The member probably saw some of that same information, as well as the fact that in this decade a good percentage of our presently employed scientists will be retiring, or at least will be of retirement age. Coupled with that, we have a very dramatic falling of enrolments in this whole area. Those people who would be in a position to carry on with research are enticed into the work place, because their salaries are very high as opposed to what is being paid to people who continue their studies. So this is a major problem.

In his Bill, the member doesn't address that problem, and he's speaking in very general terms. I think that one of the things that's going to be very important, if there's to be a return on the dollar for the primary producers in this province, is that they will need at their disposal all the new tools that are possible. I'm told by a good many people that a lot of discoveries are being made and that that information really isn't going to the agricultural communities in the way it possibly could. We have a number of things that we could possibly do before embarking on a major new program and, therefore, may be spreading ourselves and our available manpower too thin. I think we'd have to get a handle on all the programs, whether there are any duplications and whether the manpower is available right at this moment to embark on new programs.

In my view, the private sector could possibly be encouraged — not through government involvement and government appointees, but by other means — to look at where they'll be just a few years down the road with the products they're producing, and whether they'll even be able to compete. I'm talking about the processing industries. It may well be that if they're wise and are encouraged, they'll look at the people presently enrolled in our universities and see their way clear to encouraging those people, first, to go on enhancing their skills so they can do research and, secondly, providing fellowships, scholarships, whatever they may be, to eventually come into those industries and do on-the-spot research.

I'd be very concerned with the building of a lot of new facilities. If it could be proven conclusively that these facilities are needed and, most importantly, could be manned right now, I think a lot of us would be per-

sualed. But that isn't what I hear in the agricultural community. We really must encourage those young people presently involved in our postsecondary educational institutions, first of all, to feel a duty to go on. Secondly, they shouldn't have to suffer all that much in the material things of life. I think all people who are in university realize that they do give up some things, but the hon. Member for Edmonton Glengarry made the point that salaries are very low. To be realistic, we can't really expect those people to continue with that sort of situation.

An attempt by private industry to encourage people to build their own facility and draw those possibly newly skilled people into the research area, on the spot, in programs that, very honestly, will make a dollar — because when you come right down to it, that is what we have to do. Canada does not have the population to support major agricultural research that would produce new products that would eventually feed the world unless the world, can afford to pay for those products. Basically we're talking about private industry; they are the ones who have their ear to the ground. Hopefully they should know what they might be able to make a dollar at. That sounds very crass. But unless the Canadian population is willing to subsidize, out of their own pockets, new research capabilities in a very major way, in terms of both building the facilities and paying those people we want to go on and study further, I think we're going to have a real problem.

I certainly commend the hon. member. Just raising the matter for discussion will possibly move some people to discuss it further, maybe even in their boardrooms. If they are to stay in business, they need those new products. They need people to be involved in inventing new products, if you will, and the crops that might support them. So I commend the hon. member, but I have a lot of caveats on the particular Bill that gave rise to this discussion. I think the government is already very heavily involved in a number of projects. I'd want to see a very major overview and consolidation of those projects before I would really support further government involvement in the area.

Thank you, Mr. Speaker.

MR. PURDY: Mr. Speaker, in rising to say a few words on Bill 218, I have to concur in the remarks my colleague from Three Hills made. I also have some concerns on Bill 218, put forth by the Member for Edmonton Glengarry.

I look at the Bill in its present form. While it may have some merits, I wonder about the operation of the foundation and its make-up by people from the two universities and only one from a farm group. That has some real concerns for me. I would have thought it should have been a reversal, and get some of the expertise of the farmers who are farming in this community and in the province. We have ones with a lot of good expertise in rural Alberta, who have done quite a bit in the last number of years to enhance farming in the province.

The other concern I have with the piece of legislation is that we now have in place a number of organizations that are doing this. We have one research foundation in the province right now. We also have Farming for the Future, which is a new program that has a lot of dollars infused into it. I think it is doing a credible job on a number of research projects. Various municipalities throughout the province have agricultural service boards that carry on a lot of this work through the tax dollars of the municipalities. They do various plots on new proce-

dures, maybe on some different type of cereal crop or, with that cereal crop, different fertilizing techniques and different farming techniques. We have a number of research stations throughout the province, sponsored by the government of Alberta, that are doing a lot of research work in various areas, from the southern to the northern part of the province.

I also look at the announcement by the Minister of Agriculture last year of a new food processing plant, to be located in the Leduc area. I feel that that will be quite an enhancement on research in the province of our production of foods, and so on.

One that I'm very, very close to is the reclamation taking place at Lake Wabamun and Highvale, where over the past number of years TransAlta Utilities has taken land that many people said wouldn't raise a jack-rabbit and is now raising forage crops, alfalfa, and a number of other things. In fact, last year they turned a number of acres of soil back over and have replanted it. It's interesting to note that last year, the second crop of alfalfa taken off some of the test plots out there had an excellent protein value, better in fact than in some areas that have been farmed for some time.

They have about 1,500 acres out there that have been reclaimed and are being turned back into productivity. It's being done by a firm from Alberta. I think the University of Alberta is also working closely with them to see the outcome of this. They try various aspects of different fertilizers in the land out there, different crops. It may be rapeseed one year and barley the next year, with a crop of alfalfa. They'll crop the alfalfa for maybe three or four years, and then plow that back under and do some further tests on the soil to see what nutrient factor was put back in because of the farming practice. The reclaiming of the area is kind of unique, because we also have to look at soil erosion and how the techniques of planting the crops and putting them back into production has minimized soil erosion.

It's going to be an exciting time out there. The province of Alberta, through the Department of the Environment, is looking at that operation in many ways, and they've come out with new procedures now. The company has to replace something like 9 metres of original soil in its usual state before mining can take place. It has to be stockpiled that way and then replaced. I think that would be very difficult, because the company has proven that the topsoil can be replaced and, with the various techniques we now have, crops can be grown. The topsoil, the rest of the area, the disturbed overburn, can be put back into productivity, and the land will be useful after it's had the coal taken out from under it.

Why I talked about the Wabamun situation and the TransAlta involvement is that I believe government should not be involved as much as they are. Given the opportunity and the dollars the hon. Member for Edmonton Glengarry wants to funnel in — if they'd funnel that money into the private sector, I think they can prove without a doubt that the challenge is there and they can go ahead and look at it.

I reviewed some of the background information the member forwarded to my desk so I would be able to participate in this debate. I just don't agree with some of the background information that was given to me. I'm not going to get into debate with the member as I did last fall, I guess it was, when he was talking about soil erosion and the poor farming practices of our farmers. We got into a bit of a debate on a Thursday afternoon about 5 o'clock. But the information that was passed from the

member states that we have only 5 per cent of the production of agricultural products in Canada for only 3 per cent of our population; therefore, we could have a world food pool.

I have some real doubts about that when I talk to my farmers in the Stony Plain constituency. One farmer has 18,000 bushels of grain, primarily barley, piled up in a number of granaries, and he can't move it. Other farmers have many head of livestock they can't get rid of, because the prices aren't there and there's no export market for it. They're now bringing in beef from Australia and New Zealand, and not helping our people here. So if we're going to look at research and put a lot more food products back on the market, I think we have to give very serious consideration to some of our export agencies in Canada so that, as a country from Newfoundland to British Columbia, we're exporting a lot more into the world market. As I stated, I think the farmer with 18,000 bushels of barley piled up, off half a section of land, has the capability of doing the production. But the federal government doesn't have the capability of marketing it for him. We've tried at our end, but you still have to have that common goal and denominator with the Canadian Wheat Board and other agencies to market that commodity into the world market.

Researchers have made a number of other observations, and I don't think I will dwell on them at this particular time. But, Mr. Speaker, I would ask the Member for Edmonton Glengarry to consider very seriously the impact of this Bill on the private sector, that is now doing a number of good research programs in this province, and the impact of the legislation on other government agencies, in the research centres scattered throughout the province and, particularly, what it could do for Farming for the Future in the province.

Thank you, Mr. Speaker.

MR. SINDLINGER: Mr. Speaker, I'd like to say a few words about this Bill. I thought I might have been able to say a few words about the resolution that came up beforehand as well, because the two are very complementary. The question of research for agriculture isn't new, and some members have already brought that issue up. Some of the reservations members had about research in agriculture dealt with the question of Canada having the population to support agricultural research. I'd like to take exception to an attitude like that, Mr. Speaker, because the same thing could be said about all other things in Canada. Do we in Canada have the population to support agricultural research? The question is not whether we have the population to do so, but whether there is the need to do more research on agriculture. Given the resources and the productive capability we have, the answer has to be yes, there is a need for more agricultural research in Canada, regardless of our population.

However, one of the reservations that was brought up was the question of research being done already. That indicates to me that we don't really have an idea of research in total. We can point to specific examples and situations, and say that this entity or agency is doing research now in this regard, and this one in that regard. So it would appear to me that the first step that would have to be taken before setting up any kind of scientific research foundation would be to determine exactly what research is going on today. That's not to say that if there is duplication, we shouldn't do something like this. That says that something should co-ordinate the research going

on today, so there isn't duplication. I think that a research foundation Act and an entity such as envisioned in this Act would go a long way to eliminating duplication in agricultural research.

I don't feel we can rely on the private sector to do agricultural research. Certainly they have a profit motivation but, on the other hand, more often than not they are short-term rather than long-term oriented. Like any other research, agricultural research has to be long-term oriented. Each year when they look at the balance sheet and profits and losses, managers in the private sector are judged on their performance in the short term. So their decisions will be based on short-term rather than long-term goals.

I am running the same risk the Member for Edmonton Glengarry did when he got up, by saying, what's a Calgary boy doing talking about country things like this? I can only say that as a youth, I was on the business end of agriculture; that is, on the end of a shovel in a granary bin or in the barn shovelling other things. I guess I'm not doing much different right now.

AN HON. MEMBER: Just piling it higher.

MR. SINDLINGER: Yes, just piling it higher. But certainly something like this would go a long way to helping us in the cities understand more about what is going on in the agricultural area. A while ago, I heard it said that we can have farms without cities, but we can't have cities without farms. I have to concur in something like that.

Being from the city, I sometimes hear many conflicting reports about what's going on. Earlier, when a member was speaking to the motion by the Member for Cypress, the issue of the Canadian Wheat Board was brought up. I don't really understand what's happening with the Canadian Wheat Board. I do know that it was initially established during the First World War in response to market conditions but was disbanded shortly after. I think it had a different name at that time. But in 1919, after the First World War, the first Canadian Wheat Board was established, the idea being to stabilize market prices and returns for the agricultural community. The Wheat Board wasn't much required in the '20s, because of prosperity in the agricultural sector. But when we ran into the Depression in the early 1930s, of course there was a great deal of instability in regard to farm products. In 1935, at the request of the agricultural community, as in 1919, the Canadian Wheat Board was established; that is, the producers asked for the Canadian Wheat Board, and it was a response by government to that.

But most recently I hear the producers saying that the Canadian Wheat Board isn't meeting our requirements any longer and there ought to be investigations of alternate means of marketing our products. I think that would be a good end to pursue. It seems to me that the resolution that was before us prior to this Bill addressed that particular problem. I think it would be very helpful if we could have an entity such as an Alberta scientific research foundation, exploring and analysing situations like that, so we would have the situation in proper perspective to have adequate information upon which to make a decision.

I can understand the reluctance of some members, though, in talking about research and saying that this is another instance of government involvement in our lives. Unfortunately I think this is one area where government involvement is warranted, because producers are not going to do the long-term research on their own. Nor do I

think that firms which are concerned with short-term profit maximization, are going to it either. So I support something like this, provided that the first step undertaken is to survey the situation today, and determine what agencies and entities are undertaking what particular type of research and identify means by which those efforts could be co-ordinated to ensure there's no duplication in that regard.

In conclusion, I would like to say that the agricultural community today is almost in what some people would call dire straits. It is said that they are suffering from high interest rates and that many farmers are going out of business because of high interest rates and low product cost. There is said to be a surplus in certain production areas around the world. But I recall that there's a situation now for the long term that is something like that for the energy sector about 15 years ago. At that particular time, noted researchers were saying that in the next 10 or 15 years, there's going to be an energy crisis in this world that we have never faced before, and the crisis was going to create a great deal of hardship for the people of the world. Governments didn't pay much attention then to those types of forecasts. They did not react until the crisis was upon us, and then remedial efforts were made.

Experts today are forecasting another crisis in the world for the next 10 to 20 years. But it's not with regard to just energy any longer; it's a food crisis. They are forecasting the same problem for the world that we've just gone through over the last 10 years with energy. Unless we act now, unless governments take a leading role here — and this, in my judgment, would be a leading role — we're going to be facing a situation in the future where we're reacting again, and it's almost too late.

I understand that some of the problems we had during the depression, with land being blown from Alberta to Saskatchewan and things of that nature, could have been prevented had adequate research been done prior to that particular point in time. Again, it wouldn't be incumbent upon the individual producer to foresee problems like that. They're engaged in production, not long-term production in a sense. Their objective is to maximize production in the short term.

So I think that research of this type is warranted, despite the reservations some members have expressed. If they cannot see their way clear to supporting an initiative such as this by the Alberta government, then I hope they will come up with an alternative that will ensure that research is done for agriculture in this province for the long term, to ensure the viability of this province. We prosper today on the margin because of our oil and gas industry. But long after our oil and gas industry is gone, we'll still have our agricultural base. I hope we'll all still be here to enjoy it.

MRS. FYFE: Mr. Speaker, earlier this afternoon the Member for Three Hills said to the mover that if you eat, you're involved, and that he must take that seriously. Judging by the very tall and slim stature of the mover, I guess I could be accused of being very involved. (laughter)

[Mr. Speaker in the Chair]

Development of the west came about primarily because research had been effective. If research and development of wheat that was able to grow during our rather small number of frost-free days and grain that was resistant to hazards such as rust hadn't taken place, the west would

not have developed into the agricultural economy it did. A lot of comments have been made this afternoon about the many factors involved in the development of the agricultural industry. But there is little doubt that it is an interrelated industry, dependent on many factors: what types of crops can be sown within the climatic conditions that exist, the types of markets, and the types of prices, just to name a few.

Over the last number of weeks, we've talked a lot about land and about the rights of ownership. I think it has been established without doubt that the responsibility for land and ownership is a provincial responsibility. Within the provinces, much of that responsibility for land use has been delegated to local government. Several philosophies exist in our province — and, I'm sure, in other provinces — related to agricultural land. There is the philosophy that the individual landowner has the right to maximum profits on his land for development — whether that be industrial, urban, or roadway development — or to retain it for agricultural development. But the sale of land has contributed rather significantly to inflationary effects on total land costs which, as a result, affect the market costs of the food produced.

As a member very much involved in the recent annexation discussion, within this Edmonton area land use became one factor that was a very important part of the final decision in the annexation debate and discussion. Landowners within this area who found that their land escalated dramatically in value have been able to sell and are in a position to purchase land much further away from the large urban areas, and have the dollars available to pay a much higher cost than they would normally be able to afford. As a consequence, we have pushed up the cost of agricultural land across our province. This is a result that affects the final cost of the produce the bona fide farmer has to pass on as a direct cost of producing that food.

I'm not a farmer. Like the member who spoke before me, I speak as a member who lives in an urban area. But I do represent a constituency where close to half the population is directly dependent on farmland or lives on farmland. Although I'm not a farmer directly, I rely on advice and input from many farmers within this constituency. I also have a bit of direct experience through gardening. As a gardener I know that whatever one grows, there's always an insect, a fungus, a disease, weeds, or something that affects the productivity of the seeds you put into the soil.

Is research important? Even on a small basis, research is extremely important. The Member for Calgary Buffalo asked that question and concluded it was. I don't think anyone in the Assembly or in the province would not agree completely that research is absolutely essential to the development of agriculture.

I agree with the mover of this motion, the Member for Edmonton Glengarry, that we have made a commitment to agricultural research in Alberta. We've made a tremendous commitment through Farming for the Future, which was a program designed to fund projects that will be of benefit to Alberta producers who are now unlikely to receive funding through conventional sources. Contracting out research projects is a most important function of this program. The two main objectives of the Farming for the Future program are, first, to improve the net farm income in Alberta and, secondly, to enhance long-term viability of our agricultural industries.

The Agricultural Research Council administers Farming for the Future. The council's role is one of supporting

research rather than conducting the research itself. By utilizing the facilities and expertise in existence, agricultural research has been increased without large capital expenditures. I know that earlier in the debate, the argument was put forward that there is a need for additional capital expenditure. Perhaps this is something we can look at, and I will come back to it. Farming for the Future was announced in 1977 and was given a five-year mandate. The response to the program in the first year was absolutely exceptional: in the first year, 1979-80, the program received almost 500 project proposals; 54 projects were approved at a cost of \$2.13 million. In the second year, 31 projects were approved at a one-year cost of nearly \$1 million, combined with over \$2 million of ongoing projects. In 1981, 26 new projects and another 80 projects were renewed. At the end of 1980, in addition to the original \$10 million allocated to the five-year project, the Minister of Agriculture announced \$15 million for use in this program before its mandate expires in 1984.

The benefits of research are many. The development of our economy is one very small factor. The Minister of Economic Development has said many times that one of the difficulties Canada faces as a country is not spending enough money in research which, in the sale of that technology, will have long-term benefits for our Canadian economy, and particularly our Alberta economy.

I'm not going to go on at length. Obviously the clock is running out, and I'm getting signals from across the Assembly. But I would like the member to consider that, while I do not support the concept of another government agency — other members have said that this afternoon; I think we should steer away from looking at another agency — there may be consideration of an agricultural secretariat or one that could combine/co-ordinate to review areas where there are voids, where there is research that is not being carried out by the private sector or through existing grant programs. Rather than support a new foundation, I would much prefer to see an expansion of the Farming for the Future program. As we're past the midpoint in this program, I think it's most appropriate and germane to evaluate, review, and expand the programs we already have, rather than develop a new foundation. However, I congratulate the member for bringing the subject forward for debate in the Assembly.

Thank you, Mr. Speaker.

MR. HIEBERT: Mr. Speaker, I'd like to adjourn debate.

MR. CRAWFORD: Mr. Speaker, it is proposed that the Assembly be in Committee of Supply tonight for the estimates of the Department of Housing and Public Works. I accordingly move that when the members reassemble at 8 o'clock, the House be in Committee of Supply, and that the Assembly now adjourn until the Committee of Supply rises and reports.

MR. SPEAKER: Is it agreed?

HON. MEMBERS: Agreed.

[The House recessed at 5:30 p.m.]

[The Committee of Supply met at 8 p.m.]

head: COMMITTEE OF SUPPLY

[Mr. Appleby in the Chair]

MR. CHAIRMAN: Will the committee please come to order.

Department of Housing and Public Works

MR. CHAIRMAN: Would the minister like to make some comments? [applause]

MR. CHAMBERS: I appreciate the applause. I so seldom get it. Just for that, I'll be brief.

Mr. Chairman, I am pleased to have the privilege and honor of introducing my fourth consecutive budget as Minister of Housing and Public Works. I have a few brief introductory remarks. Then I'd be happy to respond to any comments, concerns, or questions that members might have.

First of all, I should say that this is the biggest budget ever for Alberta Housing and Public Works. In 1982-83 the total capital and operating budgets of the department, the Alberta Housing Corporation, and the Alberta Home Mortgage Corporation are estimated to exceed \$2.2 billion as opposed to \$1.9 billion in fiscal 1981-82. The \$2.2 billion consists of \$1.4 billion in capital expenditures in housing, all of which comes from the Alberta Heritage Savings Trust Fund. This brings the total investment of the Alberta Heritage Savings Trust Fund in housing to about \$5 billion — then about \$400 million in public works capital expenditures; \$210 million in housing grants and interest rate subsidies; \$150 million in lease costs for government space; \$5 million in financial assistance for the Calgary Olympic coliseum; and \$4 million in departmental support services.

With regard to housing, the final statistics we have are 38,470 starts in Alberta in 1981, up 20 per cent over 1980. This represents about 22 per cent of all the housing starts in Canada. Starts were up in 1981 for two main reasons. First, the province was heavily involved and funded over 60 per cent of the new housing starts. Secondly, there was an end-of-the-year rental rush to obtain the federal multiple unit residential building certificates.

Interest rates are the most serious problem we face and the primary reason for the depth of this government's involvement in housing. After accounting for subsidies, Alberta is providing interest rate shielding on all the 24,000 housing units per year that we finance. To give you an example, the effective average interest rate after subsidies on new Alberta family home purchase loans is about 12.5 per cent. Families earning under \$20,000 per year are eligible for effective interest rates of 10 per cent or less.

This government considers Alberta's low- and fixed-income senior citizens to be among our highest priorities for housing. Of the 2,200 new self-contained units in the Alberta Housing Corporation budget, about 900 will be going to Calgary, about 900 to Edmonton, and 400 to other parts of the province. Because of the federal cut-backs, we don't expect to be cost-sharing any of these projects with the federal government in 1982-83. We're the only province in Canada building senior citizens' housing without federal cost-sharing. We will continue to encourage our seniors to stay in their own homes as long as possible. As members are aware, the highly successful pioneer repair program has benefited over 39,000 senior households to date and is expected to help another 4,000

in '82-83.

I'm very proud of our two self-help programs under which Albertans are encouraged and taught to build their own homes. This budget contains funding for 138 rural home assistance grants for citizens in the Metis settlements and the isolated areas. As a result of this program, a number of highly skilled native house builders are living in the areas in which these have been built. We also anticipate that approximately 1,000 families in all parts of the province will enrol in the co-operative housing action program. This innovative and successful program is unique in Canada. I would encourage members, if they haven't already done so, to visit any of the worksites. It's really worth looking at.

Assistance is also provided to municipalities in a major way. One of the highlights of the past year has been the enthusiastic response of municipalities to reduce their lot size guidelines in order to qualify for the Alberta municipal housing incentive program. Over \$15 million in unconditional grants was paid out to municipalities in 1981-82 as an incentive for accelerating their approval systems and approving the medium- and higher-density forms. We're hoping that municipalities will review their zoning requirements in the coming year to permit more home conversions for additional suites to be developed.

The '82-83 capital budget for Alberta Public Works provides major increases for expenditures in many areas of program delivery. The 1982-83 capital budget, \$399.1 million, represents an increase of 58.2 per cent over the comparable estimate of \$252.3 million for '81-82. These funds provide for the planning and development of new projects as well as the completion and continuation of existing projects. The projects contained in this budget are located throughout the province. They range in size from small renovations or improvement projects to major office and research facilities.

The department follows very stringent tendering procedures which ensure that every eligible contractor is given the opportunity to bid on public works projects. Every effort is made to use local contractors wherever possible, to ensure that the citizens of Alberta receive benefit from the construction expenditures as well as the long-term benefits from the finished capital facility. I believe this is particularly important in rural areas of the province where construction expenditures tend to have a very positive effect on the local economy.

Mr. Chairman, we feel that the 1982-83 Public Works budget will produce a threefold effect. First, the planned construction expenditures for '82-83 will provide the physical facilities for delivery of approved government programs. Secondly, the range of size and degree of complexity of the projects will provide an opportunity for all Albertans in the construction industry — and indeed for many outside the construction area because of a spinoff effect — to participate in the government's public works program. Thirdly, the major injection of capital spending, as mentioned above, an increase of \$146.8 million or 58.2 per cent over the comparable '81-82 estimates of \$252.3 million, will initially provide a stabilizing effect and, secondly, a stimulating effect to the Alberta economy at a time when economic conditions of other provinces and the nation as a whole indicate the requirement for this kind of stimulus.

Mr. Chairman, in conclusion, I believe the Alberta Public Works '82-83 capital budget illustrates in a very positive way our commitment toward providing modern and efficient facilities for the delivery of this government's programs which benefit all Albertans. I'll be happy to

provide details concerning this budget as we proceed through the estimates.

MRS. CHICHAK: Mr. Chairman, I would like to make just a few remarks with respect to the estimates before us on Housing and Public Works.

First of all, I'd like to commend the hon. minister for the housing programs he has brought forward in this budget for this year, and acknowledge that it goes a long way to helping Albertans cope with the housing problems we're faced with under current economic conditions. But I'd like to draw attention to a number of areas of concern and problems the citizen is having. Although perhaps there isn't something the Minister of Housing and Public Works can do to resolve them at this point, in any event I'd like to raise them and have him consider whether indeed something can be done from the provincial standpoint or greater pressure can be exerted on the federal government to recognize what is happening. Hopefully at some point all this dialogue will not continue to fall on deaf ears, as it has over a long period of time.

The problems in the housing area are many as far as the little citizen is concerned. I'm sure the hon. minister is aware of a lot of them. But I think it's important to state at least some of them, and to say: I recognize them, I hope that the minister recognizes them, and I hope that collectively we can somehow make some impact in one area or another.

The provincial government as such has put forward many programs in housing assistance for people in the lower income bracket, provided subsidization, and provided all kinds of benefits that otherwise would have prevented or precluded the family in the lower income bracket from being able to own a home. But it seems to me that we have not taken into consideration — or perhaps that's not a fair statement to make — or put into our program a recognition of a segment of our society that is not necessarily in the lower income bracket and is not in the upper income bracket, but the middle-of-the-road individual or family. The family who struggled some years ago to be able to latch on to ownership of a dwelling, a roof overhead, purchased a property of minimal size — I'm talking about 25- or 35-foot frontage, which today is not even permissible under our municipal standards — and purchased a home perhaps 30 or 40 years old. Because of the size of land and the age of the building, the inflation factor of today's times has not reflected itself on that kind of property.

The family couple is in an income bracket that in fact is within the lower level, within \$20,000 and \$25,000 income. They are not able to sell that property because there isn't enough land for any other kind of development. They're not able to sell because of today's very high interest rates. They're not able to do anything with the property they have; they can't improve it. They don't have enough to be able to refinance it to meet today's requirements. They need to refinance in order to continue to be able to live on it, because they don't have the kind of income that meets today's interest rates. So they can't sell it, they can't get financing on it, and our government programs don't help them because they bought before our programs came into effect. Our programs say: a new, first-time home-owner. I wonder if the hon. minister can somehow look at that and set some kinds of guidelines in consideration of some aspect that might zero in on those limited kinds of areas and help those citizens.

The uptake of our provincial programs has been by families from other parts of Canada. I'm not going to

indicate that we should not give that consideration and they should not receive the benefit of our programs. But I think the time factor of residency is not long enough, because it is depriving too many Albertans from being able to benefit from the programs we are providing because of the large numbers — the uptake of the funds made available. Alberta's own citizens, who have lived here all their lives, are not able to qualify because we have to make our qualifications so stringent otherwise that they don't meet them — just barely don't meet them — and get caught out. Families who come in from other parts of the country are able to benefit from our programs. What happens? The central government simply sits and does not give the recognition of what is being provided and the assistance we are giving for Canadians all across this country. They are coming here because of the kind of economy we have had for a number of years.

I'd simply like to have the minister review some kind of guideline that should give a greater degree of preference for Albertans, not removing the consideration for other Canadians, and a greater degree of consideration for those who are barely cut out from qualifying, not by their incomes but because they purchased perhaps just prior to the establishment of our programs.

I have had many representations from senior citizens. They are grateful for the programs we put in place in order that they could continue to live in their own homes. But there's a shortfall. The rapid rise in property taxes, which is not something that we as a provincial government have been able to control, has eaten up a majority of the pension checks they are receiving. The very high interest rates — and believe it or not, there are some seniors who still have mortgages on their homes, and have a real difficulty in coping with a mortgage on their home, the property tax, the increase in insurance rates. Property taxes increased as a result of rezoning, which is not within our jurisdiction or anything we can deal with. The impact of all those things. Do we now need to look at how we can put some kind of pressure on the municipalities to give some recognition for the seniors in their homes, in how they apply their taxation formula, because they changed the zoning in areas not simply in what the utilization of the land currently is but in what the city sees as an area of potential development? I think that's a very important factor, because the property tax is very closely linked to that kind of zoning.

The other program we brought into existence last year is with regard to home conversion. I think it's appalling that the city of Edmonton — and I don't know whether the same applies for the city of Calgary — has really not looked at and accepted that program with any degree of exuberance or real impact, to say that since the provincial government has put this forward, we should look at our by-laws and zoning and allow citizens in this time of inflation, high interest rates, and the difficulties many home-owners are facing in the possibility of losing their homes . . . They should have taken this program up and encouraged it. I don't think that we as a government have done enough to put pressure on the municipal government to recognize their responsibility as much as our responsibility in making funds available; their responsibility to work with the citizens and encourage them, to provide the kind of housing, at least for those couples and families who are not able to purchase, with a more reasonable rental rate for a place to live.

Mr. Minister, I think we did not do enough in dealing a little more firmly with the city when we made that funding available. It's very important that the people

should be more aware that we've made this. We've made announcements; we've put out news releases. But we really have not put pressure on the city publicly. It seems to me that we respond to public pressure. I think it's high time that we made the city respond to public pressure where we've made funds available.

In the other area I know the hon. minister has mentioned, with respect to requiring or requesting the municipalities to lower the by-laws insofar as the size of land required, lot sizes in the development of housing, I don't think we've gone far enough. The city seems to go along blindly, thinking everyone must have a 50- or 60-foot lot. They're still continuing to maintain a lot size that is not realistic with today's economic pressures and prices of land. As much as we all like to have half acreages and quarter acreages . . . If we happened to latch on to those at a time when prices were right, that's fine. If we happened to latch on to that because that was the size available, that's fine. But surely, if we as a government are going to make funds available for housing to help citizens and Albertans, we have to put a greater degree of pressure on the municipalities to respond in kind in new developments, insofar as what they say have to be the minimum standards for housing development in that area within their jurisdiction.

We're saying to our citizens that our program will provide, and we will subsidize if you're within a certain income bracket and buy a property within a certain price range. How can we keep that price range and have a suitably developed house on land, when you have more land than you really require? Under the circumstance of a subsidized housing program, land that costs three times the price of your house just doesn't make sense. I think we have been too lax. I recognize that municipal governments are elected separately and have their own jurisdiction and responsibility. But my gosh, I think there are times, circumstances, and situations when we have to publicly say to them, and put the onus on them to recognize, that they have a responsibility to the citizen who does not have the money at a higher level to cope with today's economic pressures and high interest rates.

One other area I would like to speak on briefly is with regard to government buildings and leasing. I think our budgets are very extensive insofar as the provision or requirement of government housing for offices to provide services throughout the province. Perhaps initially it would appear that leasing is the most economical direction to go, but in the long term, the long run, I really don't feel that is a more economical way for government to house the services that need to be provided to people. I think the minister should consider, if not for this current year, for the future, for the next budget, whether in fact as a government we want to continue the program of leasing properties and buildings necessary to house the kinds of services that need to be delivered to the citizens of Alberta. I'm just making that submission to the minister rather than this very expensive leasing. In the initial stages it may be more costly to own the properties outright, but in the long run I think it is far more beneficial.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Vegreville. The hon. Member for Cypress. The hon. Member for Lac La Biche-McMurray.

MR. WEISS: Mr. Chairman, sometimes I guess it does pay to be in your seat at the right time.

I would like to respond with a few comments to the minister and, in particular, pay recognition to the department. I'm sure a lot of people aren't aware that through the Department of Housing and Public Works a lot of projects are undertaken and completed for other departments. I think that shows the responsibility of the minister, and the department and staff in particular, because a lot of the projects are major developments. This year in the Lac La Biche-McMurray constituency we have the Advanced Education and Manpower student residences for the Alberta Vocational Centre in Lac La Biche for \$4.3 million. We're very pleased with that and look forward to that construction. We understand that tenders are being called for now.

The provincial courthouse in Fort Chip will be a \$490,000 project much needed for that community, a great asset as well as providing construction and labor employment within the community. We understand that the first phase of the interpretive centre in Fort McMurray is now a \$1.8 million program of the total \$6 million in the budget — all being handled through the department. There will also be a driver examination office in Fort McMurray for \$1.9 million. As well, we have the provincial building in Lac La Biche officially occupied now, and the hospital construction under way as well. I would like to recommend to the minister that they certainly should consider an official opening for that fine facility, in view of the fact that I believe it's one of a kind. The citizens of Lac La Biche are very proud of it. It's a very unique facility. The provincial building in Fort McMurray is well under way, and the courthouse as well. We hope to have those opened within this calendar year. In particular, there's a project in Fort McMurray of some \$45 million being handled through the department in Timberlea to bring on some extra housing and lots for the area.

I have some concern opposite to that referred to by the Member for Edmonton Norwood. Mr. Minister, I don't believe we should be looking at what we term zero lot line housing. I think it's created nothing but a problem, in particular to the community of Fort McMurray where we have wide open spaces to start with. The land is owned and controlled by the Crown. We go in and establish a pocket of high-density or multiple-density housing, and it creates nothing but problems. I think we should stop and reassess it, and say: gosh, if it costs X number of dollars to put that lot on stream, maybe it's worth the sacrifice to pay that extra few dollars to create — where we can now ... I appreciate the comments of the Member for Edmonton Norwood when she says that where there is density in areas of particular concern, you can't change this. I think we have a unique situation in the city of Fort McMurray. We are creating that community. Let's not be the downfall of it. Let's be the makers of something fine and exceptional that citizens can be proud of.

I am also very concerned about the programs implemented through the minister's department, one in particular through the Alberta Home Mortgage Corporation. I have great concern that the eligibility factor for some of the new potential buyers is creating a problem in that community. In particular, Mr. Chairman, I would like the minister to respond to the fact that we have a lot of eligible couples who first locate to the city of Fort McMurray for the opportunity that perhaps might afford them in life. They come hoping to stake a place, a start in life. Perhaps both are teaching. Let's use them as an example. It's hypothetical, but it's only one of many. These two people, husband and wife, are gainfully em-

ployed and go out to try to find a home. There are lots of homes readily available within the community, but then they find that the opposite happens to what would happen in urban centres such as the cities of Edmonton or Calgary. In particular, the qualifying factor of the base figure is too low to allow these citizens to qualify.

Now that might seem very strange, because to be too low their salaries have to be too high to qualify. Before you take that to the opposite extreme and say, well, they're making enough money and don't have to worry, they could save a few years and then go ahead and purchase that home, it doesn't quite work that way. Because in a rapid-growth area, in a community where there hasn't been housing readily available and affordable, it's been very difficult. To go out and rent a home, for example, is in the \$1,200 to \$1,400 per month bracket. A mobile home rents anywhere from \$800 to \$1,200. So for this couple to go out and try to save a few dollars for six, eight, 10, or 12 months to put down for a home, any savings is used up in the cost of living. Here we have a couple coming to the community. We need them, because that's what makes our community more stable — brings in the skilled worker we talk about — and we find that we turn them away. They can't stay and be part of that community. So I believe we should look at it.

Mr. Minister, we have the opportunity here to say that this is a situation that is perhaps unique to all Alberta. What we're asking is that you look at a rule by exception. This is not unusual, because in the past this has occurred. We hope to bring on these homes being developed through your funding programs, the Alberta Home Mortgage Corporation, and the Alberta Housing Corporation — that these homes would then be utilized, fully developed, and sold. We don't want to lose people who are coming to our community. We need them, and we'd like to have them remain.

Mr. Chairman, I'd like to refer also to an instance that occurred recently. I have a petition signed by some 600 residents of the Gregoire park in Fort McMurray. They have a grave concern in that their rents have increased from \$155 to \$185, and upwards now to \$200. That was a some 64 per cent increase in five months, and just latterly they've now gone — or are proposed to go on May 1 — to \$240, which is another 55 per cent increase. Well, Mr. Minister, I have a very severe problem in that I have to go back to these people and say: gosh, we're doing our bit; we're trying to make housing and lot rentals affordable for you; what we have here is the best in Alberta; and we're proud of the Gregoire recreation centre, the facilities, the pavement, the grass.

I would really like some reassurance from the minister. Are these figures a necessity in the restraint we're looking for today? Why do they have to increase in those proportions? Are they receiving a fair dollar for what they've got, or are we in turn subsidizing? I really don't know, and I encourage the minister to make the figures more available and perhaps readily available through the department. But the citizens could at least have the opportunity to have some input and some consideration into the projected rental increases. I would feel more comfortable if these increases would at least be reviewed so there would be some explanation, perhaps down the road, to know where they're going, so we don't say: gosh, it's \$240 come May 1, and just remember that come June, July, or after the legal notice has been given, they might be going to \$300. I think we have to have some protection for those citizens as well.

Mr. Chairman, with those few remarks and questions, I

will leave it with the minister and hope he can respond in that particular instance.

MR. BATIUK: Mr. Chairman, I regret that I was away from my seat before, but there's nothing lost. [interjections] In the few comments I am going to make, I would like to say that I really appreciate the programs of Housing and Public Works over the last few years. I must say that housing, particularly under the Alberta Heritage Savings Trust Fund, was a commitment of this government right from 1971. This government was elected on its commitment to reverse the trend set in the 1960s, when the Premier of the day said that 85 per cent of the people of this province would be located in the two metropolitan cities and nothing could be done. However, I sometimes wonder whether this pattern isn't changing to some extent, and I will refer particularly to accommodation for senior citizens.

I think the senior citizens — a group who have given their health — worked hard to build this country. When our forefathers came, many of them worked very hard, because they felt that someday there was going to be a strong, united Canada. I think they did what they committed to. I just wonder about the programs for housing. In the Vegreville constituency particularly, I think they have done very well; there's been a considerable amount. But what really bothers me sometimes is these smaller communities. I'm going to mention the village of Chipman, so the hon. minister can respond as to what criteria were used.

This past year has been the second time they have applied — and that's the foundation for some accommodation for senior citizens — and again, they have been declined this application. Over the weekend, I had enough time to find out, because it was brought to my attention that one of the higher officials felt the people in the village of Chipman, with only 300 people, without a drugstore, without a doctor, and so forth, would be better in Lamont. Well I still think it's up to the local people to decide. There is a foundation and, because of that, I contacted most of the directors of the foundation. I found out that there was an application with eight interested people, and the application was only for four. I contacted three, because those were the only three I was able to contact. They indicated that they would like to live in such an accommodation right in Chipman. They indicated that if it was necessary, they wouldn't mind putting a deposit on their rent. So I think somebody, maybe in housing, does not like the policy of our government. Maybe they still feel that it should be just like when Social Credit was — that these communities should move into the large centres. I think the minister will have to take a strong look at that.

Where Lamont is situated has been mentioned by the hon. Member for Clover Bar. He mentioned that he gets more than the members of the government. Maybe somebody likes the previous government very much, because Lamont is just on the boundary of the constituency. So I would like the minister to advise what criteria are used, and who makes those decisions.

It seems that another area of concern is those purchasing their homes. The portion of subsidies they get from the government is very appreciable. But if anybody working and earning only a modest salary — for example, \$20,000 — has to contribute 28 per cent of his income for the mortgage, I wonder whether enough of that 62 per cent is left for a livelihood. For somebody making considerably more, 28 per cent may be all right. But it has

been brought to my attention that it makes it too difficult to provide 28 per cent of an income when the income is low. So maybe that would be something to look at.

Otherwise I think the programs have been good. They're well accepted, whether it's the various programs or the Alberta pioneer repair program. I know the minister mentioned 39,000 — no doubt they were every bit of it, and the people appreciate it. I think that is one way of acknowledging our appreciation to those hardy people who worked so hard to make this country and this province what it is. So with those remarks, all I would ask the minister is to tell me what criteria are used.

MR. HYLAND: Mr. Chairman, just some comments to the minister on low-rental housing. This last year in Bow Island, some six duplexes were built for low-rental housing. The units are very well laid out and are comfortable. The only problem I see with them is that, to my understanding, according to our regulations we have to have the basement walls lined 4 feet down. To line a basement wall 4 feet down, they have to put either steel or wooden studs, whatever they're using, the full 8 feet. They put insulation and gyproc on the 4 feet. It seems a little ridiculous to me that for the price of a unit somewhere around \$50,000, probably another 10 sheets of gyproc at \$5 apiece, or maybe another couple of hundred dollars, plus the labor — it seems ridiculous, because our regulations say it only has to be lined to 4 feet; you don't go all the way. For another few hundred dollars, we could have the complete basement lined and insulated, and the warmth and energy loss factors would be covered.

The steel studs being bare in the basement for 4 feet has to be a risk to children playing in that area. I think that for a small extra cost we should look at totally completing these units, because, as I've said, the main floors of these units are well laid out and well built. The developer and designer of those units should be complimented, because of the housing units I have seen, they are about the best laid out.

The member from Edmonton made some comments about first-time home-owners who have bought older and often small houses, and their inability to qualify when they build a bigger unit because of expansion of family or whatever the other reasons would be — or they may have moved from a trailer unit into a house. I think we should look at that to see if we can do anything. My understanding is that they don't qualify for our loans, because they were careful when they started and had a small unit, a small trailer, or whatever. They acquired what they thought they could pay for, and then somebody else comes along who decides they want to go for the best. They go for a brand-new unit shortly after they're married, and away they go. The couple who have been working to upgrade their house and decide that maybe it's time to get into a new unit, are almost penalized for being wise and frugal. I think something like that should be looked at.

With reference to provincial buildings, I look forward to the proposed provincial building in Bow Island. It will be the first provincial building in my constituency. It will be nice to partake of the occupation I've heard many members in this Assembly speak of, in the throne speeches and the budget speeches: being able to cut the ribbon on provincial building and courthouse facilities. I look forward to that. The only comment I would make to the minister is that in towns that may not be big enough for the government to build a provincial building, would they consider renting — and I understand it's against the

policy of the department now — when the people of a town, and I think especially of Foremost, approach the minister with a proposal for a group of people to put a building up? They would put it up for that purpose, so they would have some sort of provincial building *per se* in their town, and they would be able to hold on to the people they have, because in a village of that size, one or two families makes a vast difference. I would ask for the minister's comments on that. In areas where it's too small to build a large building, why couldn't we re-examine that policy and lease from private enterprise who are willing to build for that purpose? Maybe that could even be carried over into some of the larger areas where provincial buildings, instead of being built, could be contracted to private industry.

I look forward this year, hopefully, to the construction of senior citizens' self-contained units in Bow Island, and the proposal by the community of Foremost for self-contained units in that town either this year or in coming years. Other members have talked about self-contained units in smaller towns where there may not be doctors. In this particular case there is a drugstore, but there may not be a doctor. It is hard on senior citizens to be uprooted from their communities when they find they can no longer stay in their homes. I think we should look at many of these facilities, even the smaller ones in the smaller towns and villages, that would allow the senior citizen to stay within that community for a longer period of time.

Construction in the department: when it comes to low-rental housing, provincial buildings, and senior citizens' centres, it seems that often the paperwork and inspections are carried a little to excess. I remember when the units were completed in Bow Island. People thought they were ready to move into, the local committee thought they were ready, yet the houses weren't released to the local board. I must commend the work of the minister and the people in the minister's office for putting some pressure on the housing department to quickly complete the investigations. I don't know how many investigations have to take place during building, but it seems to me at that stage the initial investigation had taken place, the buildings were completed, and they had to carry out two more instead of jumping one and going to the final completion. They had to carry out two more, and it seemed like an extra amount of time and trouble to put people through in waiting and saying to them: you can't move into your house, because it hasn't been inspected by the final inspector. I think some of these things should be looked at.

We may have four carpenters on site and two inspectors watching what the four guys are doing. That may be an extreme example, but we should look at this situation when we are contracting out, the specs are there, and the unit is to be built to the specs. Why do we need so many people looking over the shoulder of the contractor to make sure that this two-by-four is put in this spot, this nail is put in this spot, and the door jambs are insulated properly? If they're not, you tear the whole works out, just because insulation isn't put behind them because of the sound barrier. You have two inches of frame. How much sound is going to get out of that? We should look at these kinds of things.

Maybe our inspection standards are extreme. Mr. Minister, I think we should look at some of these to see if they are being carried to the extreme when a contractor builds for the provincial government under public housing. Because of all the extra bookwork, paperwork, the extra inspectors he has to put up with, and the trouble he

figures he will probably run into because they find minor things wrong, we hear rumors that it's costing us more money per square foot to build than it is private industry. I think these kinds of things should be looked at so we can see if they are indeed true.

Maybe we can look at some new incentives in an area where we can get private industry to supply such things as low-rental housing or senior citizens' accommodations, et cetera, instead of the provincial government having to build, operate, and own many of these facilities. If we could encourage in some way — whether through a task force of government, department people, MLAs, or whatever, and industry — a situation where we could investigate these possibilities, I think it would be very worth while looking at them.

Thank you.

MR. MAGEE: Mr. Chairman, I too would like to talk for a few minutes on the senior citizens' situation in our province. First of all, I would like to commend the minister for the great efforts his department has made to build senior citizens' lodges and self-contained units throughout the province. But under the present economic conditions, as opposed to two or three years ago, I'm sure there must be increasing pressure for more and more units to be supplied, particularly in the self-contained unit field. I'm curious to know to what degree we're keeping pace with the demand, because there are rumors, whether they're fact or fiction, that our larger cities now have an inordinate demand for this particular type of housing. I'd like him to dispel the rumor and possibly give us some facts in this regard.

Before leaving that subject, I would like to say that certainly my constituency, Red Deer, is most happy with the approval this past year to proceed with 150 self-contained units currently being brought to completion in our city. Our city is probably known throughout the country, certainly by many of the trade publications and so on, as the fastest growing of the medium-sized cities in Canada, with a growth rate last year of 9.7 per cent. It now exceeds 50,000 people, fast becoming the third largest city in our province. Next year we'll probably rise beyond even my expectations of it growing into well over 50,000 people.

More and more seniors are coming to that city from the surrounding community areas. While I can't ask the minister to speculate at this time, I know for a fact that three organizations are considering sponsoring up to 250 more self-contained units within our city. I don't like to have the minister placed in the position of having to guess at what might be done, because I know it all has to be sorted out. However, I would be interested in knowing what his plans to keep pace are.

As far as lodges are concerned, it's my understanding — and it might be a surprise to many members to learn — that the average age of persons living in lodges is 85.4 years or more. Many of these people have been there for 15 or 20 years now. They look on it as their home. They've become part of the total scene. Of course for them to be moved to other institutions, such as auxiliary hospitals, nursing homes, and so on, is a very traumatic situation as far as they are concerned.

I am also curious — and I am sure that members would be curious to know — if any plans are afoot in order to create some composite type of operation in the province, whereby in moving to another wing in an institution, they could move to a higher level of care without having to physically leave the location they've become so

used to in the period of 15 to 20 years of being domiciled in that community. It's literally their home, and I would like to know if there are any plans to try to avoid this trauma that takes place.

In looking through the estimates on this subject, I'm curious regarding an item noted as a senior citizens' "unique" home. It's a new word to me. I would be interested, and I'm sure others would be interested, to know why the word "unique" has been injected into that wording. Maybe the minister might be able to give us a little bit on that.

Michener Centre is so much of the Red Deer scene. Some 1,600 unfortunate people are domiciled there. Those who must be instituted because of unfortunate birth abnormalities and other factors that have developed in their young lives are now consigned to an institution. Probably many of them will be there for a lifetime, even though considerable effort has been made to rehabilitate these people and to educate the best of them to operate in a normal life style in communities through the group home program. I would like a little more elaboration on what's intended for Michener Centre in time to come. I notice that the budget is established at some \$1,780,000. I would appreciate knowing what the money in the construction field would be designed to do in Michener Centre.

We in Red Deer are very appreciative of having a courthouse being built at this stage to look after the ever-increasing regional requirements for courthouse work, because we have really outgrown the present facilities. It's really appreciated that a major effort to build it is going forward, with something over \$6 million set aside this year for an estimated total cost of some \$9.4 million, which would indicate to me that rapid progress will be made despite a recent strike. Incidentally, in listening to the Red Deer news tonight, I understand that the workers have gone back to work, so progress will once again start up. These things happen. I'm not really trying to get to the bottom of the strike or anything of that nature. However, I would just like to have some idea when that facility will be available for use, because of the growing need of the court systems in a very, very rapidly growing area.

While I've mentioned Red Deer growing, as a city, in the area of 9.7 per cent, some of the bedroom communities as close as 10 to 15 miles have increased in size by 400 per cent. Sylvan Lake, that just a very short time ago used to be maybe 1,500 souls, is now in the 5,000 person bracket. You can name seven or eight of them within that area, so we have a very high bedroom community situation in the Red Deer area. Certainly it's necessary to have this courthouse operating just as quickly as possible.

One thing I would like to ask the minister's opinion on has to do with the Solicitor General's Department. It's rather a curious situation to me. Mr. Chairman, it's noted that there are 20 types of institutions to contain people who have gone awry of the law or who are waiting for judgment to be made in some court. The situation in Red Deer is that we have a very limited amount of space to handle persons waiting for the opportunity to appear before a judge to hear their case. This rapidly overflows the capacity of our small jails, shall we say, or a holding unit within our police station. These people are transported up and down the highways to Calgary and Edmonton, but mostly to Calgary, waiting not only to go to remand because they've been remanded and there isn't sufficient space to hold them over.

We also have the situation in central Alberta of at least

180 people who are incarcerated and are located in various places around the province. Their families visit these people who maybe only have a 90-day, 120-day, or 160-day sentence. Generally young people are in this condition. They are transported to some other area, lose contact with their families, and are much more susceptible to becoming hardened criminals through their contact with people who have longer terms, up to two years in some of our institutions. The hardened types are maybe in for two or three times and have completely lost any respect for the law and for civil rights of others. To subject young people to this sort of environment is wrong. I think it is ludicrous when 180-plus people from the city of Red Deer and surrounding community areas have to be sent 150, 200, 300, 400 miles away from the city for a 90-day stretch and be removed from their families.

As a consequence of that concern, Mr. Chairman, I took a close look at this particular section under the Department of the Solicitor General. I find that of the 20 institutions being built, or in various stages of being built, there are actually eight different types of incarceration centres. To just take a moment, some of them are called correctional centres, remand centres, community correctional centres, rehabilitation centres, a correctional camp, a minimum security camp, and one is noted as a provincial correctional centre. And lo and behold, the provincial correctional centre is slated for Red Deer. Now I would like to know what comes out of a provincial correctional centre that's different from a correctional centre. I look at some of these figures that have been spent on correctional centres and I notice, for instance, that Lethbridge has \$10,950,000. From looking back through the public accounts, I know this is only part of \$32 million plus that has gone into a correctional centre at Lethbridge. But it would seem to me, Mr. Minister, that when you start to talk about a provincial correctional centre, it could be something considerably in excess of what a city correctional centre is, because correctional centres have been located at Fort Saskatchewan, Calgary, Fort McMurray, Peace River, Edmonton, Medicine Hat — which is in the planning stage I understand. Kinuso is another one in the planning centres. Mr. Minister, my question to you is: could you straighten out for me the difference between a correctional centre and a provincial correctional centre. I would sure like to know the difference there.

Thank you.

DR. BUCK: Mr. Chairman, I'd like to address one or two words to the minister. I'll be very brief, but there are a few concerns I would like to bring to the attention of the minister before we vote on this budget.

When you speak to your constituents, Mr. Minister, the message that comes across to me — and I think the government had better realize that the message is out there at the grass roots — is that the big contractors are getting all the money. That's the message out there. As I said to the Minister of the Environment, it's not what great things you're doing for the taxpayers; it's how you appear to be doing a program. The hon. Member for Calgary Buffalo suggested that when we're using Heritage Savings Trust Fund dollars, call it the Alberta Heritage Savings Trust Fund Mortgage Corporation. Let the people know. I'm surprised that the Tories, who are always so proud of their PR, have missed that opportunity for people to know that Heritage Savings Trust Fund funds are financing some of our housing. I guess the Tories, in their arrogant manner, thought they didn't need the peo-

ple of this province to know where the money was coming from.

AN HON. MEMBER: They'll find out.

DR. BUCK: Well now that the polls are down, now that the separatists are riding rampant across the southern plains especially, they've suddenly decided they'd better start doing something about PR. Mr. Chairman, the point I'm trying to make to the minister is that everybody in the housing business, the small contractors especially, make the message loud and clear to me as an MLA, and I'm sure they're making the message clear to the government. There just isn't anything left for the little contractor, the backbone of the industry, the man who builds eight or 10 houses. You multiply that several hundred times, and there are large numbers of houses built by those small contractors. What they are telling us is that all the money is going to the big boys. Well the big boys can look after themselves. The role of government is to look after the little fellow and help him out.

I want to know if this is really a free enterprise government. I made this pitch to the former government, and I am making it again to this present government. Why do we have to wait, that the Department of Public Works has to build — let's use an example of a treasury branch. They say you can't have a treasury branch because it's not in this year's budget. Has nobody ever realized there are people in this province who would like to be investors? Give the local people the opportunity to participate. Limit the amount of equity they can have. If it's a million dollar treasury branch, let the people in the surrounding area invest in that treasury branch, and then the department that's going to be using it rents it back. That's basically what we're doing with public money anyway. Let's give the people at that level the opportunity to invest. Limit the amount they can invest, because otherwise you're going to be accused of catering to the rich. Limit the amount of equity each shareholder can have, and you'd be amazed at how many people will take that opportunity to participate.

So, Mr. Speaker, this is a free enterprise government; let's see if they can let free enterprise work. If they really want the small contractor to get in the action in providing housing for our people, let's give more to the little guy and less to the big guy, because the big guy can look after himself.

MR. CHAIRMAN: If there are no further questions or comments, would the minister like to respond?

MR. CHAMBERS: Mr. Chairman, I'll try to respond to questions and concerns raised by the members. I made a few notes here, and I wish I could read my handwriting more readily than I can.

The Member for Edmonton Norwood commented first, I believe, with regard to standards in lot sizes. I tend to agree. We heard two counter views here tonight. The Member for Lac La Biche-McMurray expressed the view that he'd prefer to see lot sizes in his area stay large. I think certainly for Edmonton and Calgary — and I believe generally smaller lot sizes today, with high costs, make sense. In the past I think we've come to think about a lot being necessary, let's say a 60-foot lot in order to have it appear right and with adequate room. Yet with the innovation and technology of today's builders — I recently looked at new housing built on 30-foot lots. It looked extremely attractive and had an adequate back-

yard and the advantage of not having too much grass to cut. Certainly that can cut costs. I would go along with the member's recommendation on that one.

Residency requirements. That's a difficult area. Our current requirements were changed last fall from one out of the past five to two out of the last 10 years. I guess a subjective thing is how long you are here before you're considered to be an Albertan. I don't know what the correct answer is on that one, but it certainly is worthy of consideration.

The home conversion. I whole-heartedly agree. I've been disappointed that the municipalities, especially Calgary and Edmonton, haven't allowed that program to be taken up through taking a look at their zoning requirements. There's no question but that suites built in homes can accomplish two things. They can help the homeowner meet his mortgage payments and provide perfectly adequate accommodation. The size of households is going down in Alberta. It has over the past years. I believe it's now under three per household. Therefore we've a lot of big houses out there that could provide good, affordable accommodation quite well if the zoning were looked at and made to accommodate that. I whole-heartedly concur in that recommendation.

With regard to the middle-income people in society who are having difficulty in terms of housing, I agree that that's a difficult area. But as of this fiscal year, we'll have over \$5 billion out of the heritage fund invested in housing. That's over 40 per cent of the heritage fund in housing, directly, in capital. I guess it becomes a question of how much you can put into it and how you prioritize that. We have an upper-income limit now — a family income of \$38,000 on our family home purchase, for example — and we have certain guidelines. Again, it all comes down to prioritization. You say, where is the greatest need? We've identified that as being the lower- to middle-income people, people with families, whether single parent or couples. It'd be nice to say that we can do it for everybody, but there comes a point where you have to prioritize and say who has the greatest need and direct the dollars that way. But I certainly appreciate the comments from the Member for Edmonton Norwood. They were very useful.

With regard to the Member for Lac La Biche-McMurray, I think I've responded on the question of lot sizes to the Member for Edmonton Norwood. It's probably true to a degree that in areas where all land costs are less, a larger lot might make more sense than in a municipality where the land costs more. But a large part of the cost of the lot is still the development of that lot. There's no question but that's related to frontage feet. The smaller the lot, the more economical it is. I think the Member for Edmonton Norwood put it well when she indicated that if you're looking at a smaller house, it probably doesn't make too much sense to have a very high ratio of cost of a lot as compared to the house.

[Mr. Purdy in the Chair]

We are seeing lot sizes coming down. Our municipal incentive grant program deliberately encourages that. That program is having significant take-up now. The municipalities, not just Edmonton and Calgary but all over the province, are looking hard at that program and have been taking it up. In other words, they're looking at the densities and saying, it makes sense; we can do that. They'd like to get that grant, and they are. We have \$15 million in our budget this year. It could even end up that

more money is required.

With regard to eligibility in terms of income being too high, as I understand it, that's a really difficult situation. I'd like to talk to the member more about that. It's difficult to have one policy for one area and another policy for another area. I really think it poses a considerable difficulty to vary for one area a policy that generally works well. But I'd like to know more detail. I will perhaps sit down with the Member for Lac La Biche-McMurray and we can talk about that.

The Gregoire park has a heavy government subsidy. It's not our normal procedure to subsidize mobile-home parks. In this particular case, it happened that way. The reason for the increase is to gradually try to phase that subsidy out. For example, the total monthly operating cost per lot of Gregoire is \$330 now, yet the rent is \$240. So the subsidy is \$90 per month. I don't think you could build a mobile-home park anywhere today and charge anything close to \$330 a month. It would have to be more than that to build a new park and to have even a break-even economic rent. Another factor is that there are private sector parks there, and the government doesn't want to compete unfairly with them. I think the rent should be comparable to what the private parks are charging. The corporation doesn't anticipate any rent increases occurring more frequently than on an annual basis, now that we're through this intermediate catch-up phase.

The Member for Vegreville — I haven't yet finalized the list with regard to self-contained units. I should have that shortly. I think the member knows the way it works. Summer students are employed, and they survey the area. It's generally been found that if four people indicate they'd probably like to live in a self-contained [unit], on the average one will when the unit is completed. That's the criterion basically used to establish need on a survey.

The corporation is working with the village of Chipman to obtain more data with regard to the need in Chipman. I'll undertake to look at it further. Certainly our policy — and another member alluded to this — is that if a small community can have four units, it's important that seniors be able to live there. That's probably where they've spent most of their lives. Their neighbors and friends are there, and they want to be close to them. I think that's a good policy. As long as the demand is there and units can be filled, I believe it's fully supportive of small numbers of units going into small communities. I would undertake to assure the Member for Vegreville that if the village can support the need, I'll certainly take a hard look at that one.

As far as the 28 per cent of income, it's generally considered that 30 per cent or even up to 35 per cent of income is affordable for most people, in terms of what they spend on housing as a portion of their overall budget. I guess all of us would like to spend less. But when you get into affordability, that's generally the raise that's considered acceptable, handleable, and what people can cope with.

The Member for Cypress indicated that it wouldn't cost much more to extend the insulation from 4 feet, which is now required by the building code, down full-length, so as to have a better working base to finish your basement and perhaps look more attractive, and further insulate. I would tend to agree with him. I think it probably wouldn't cost much more to do that. I should point out that this is left to the builder. There's nothing to stop a builder from putting insulation down all the way. He just has to provide for a minimum of 4 feet down. It was my

indication in the past that the industry wasn't supportive of that. They would rather maintain the 4-foot standard. That's something that I'm sure my colleague the Minister of Labour, who's responsible for building standards, would consider and take a look at.

The question of people having equity in a small home or a mobile home and then wanting to move up to a better home is certainly a fair one, and certainly would seem on the face of it in certain cases to present a type of equity. Yet, as I mentioned earlier, you get into prioritization in terms of where you put the dollars. People who have a smaller home or property undoubtedly in most cases have some equity, often considerable equity, and therefore would normally be in a better position to acquire a home on the open market than someone who had no such equity established and was starting from scratch.

Insofar as provincial buildings, the department certainly considers each case on its own merits in terms of whether a provincial building should be built in any given community or the space required for government programs should be provided through leased space. In other words, if private people are leasing space, there's certainly no intention to build government space and then jeopardize the situation of the private builder who then would possibly be faced with empty space. That's looked at carefully. Therefore the department continues to lease space in many communities.

I think the government now owns something like 35 per cent of the space it utilizes in the province. Our policy is really to work toward about 50 per cent of the space, the idea being that that's probably a pretty good mix. You can make various arguments as to whether it's more economical to own space or to lease it. I tend to think that in the long run it is more economical — I think the Member for Edmonton Norwood mentioned this — to own space than to lease. Again that depends on the interest rates of the day, and inflation rates. One needs a fair projection into the future. Again there is no intention of damaging the private sector in terms of their leased space.

The Member for Red Deer mentioned self-contained units. Again the support list will be ready very soon. I'll then be able to identify where the units are being allocated. It is interesting that the average age of people in lodges is now 85-plus years. That's very interesting, in terms of the multi-level care type of facility. I've seen a few of those. I think they have a lot of merit, especially in terms of — and I think the Member from Red Deer referred to this — perhaps one of the couple needing nursing home care but the other could still remain in the apartment. The multi-level care approach offers, in that case, the ability of the person who can remain in the apartment to be able to visit the person in the higher-care unit. I think it makes a lot of sense, at least on the face of it. I point out that the Minister of Hospitals and Medical Care and I had some discussions on that subject, and are certainly looking hard at that area.

The unique homes: these are really homes that were privately built over the years. I think there are about nine I'm aware of, perhaps 10. They were built privately. Often I visited a few of them. It is interesting to see how efficiently they operate. Local people will bring them vegetables, for example, and support them. But in the last few years, with inflation the way it is and interest rates in the country, we've run into continuing operating difficulties. Yet these lodges provide a very worth-while service for the community. So we felt they were deserving of grants and brought in a grant program for them, I think about

two or three years ago. They are a good deal for the people of the province because they cost less in terms of subsidy than the government-owned lodges. Therefore I'm highly supportive of continuing to assist these unique homes, to keep them running and providing the type of service they do.

With regard to Michener Centre, of the \$1,780,000 the Member for Red Deer mentioned, \$550,000 is for site development, \$500,000 is for architectural and functional upgrading and planning and commencing, and \$730,000 is for planning and constructing a vehicle service building. If the member requires further details, I'd be happy to provide that. I'll have to get back to the member with regard to the courthouse, as to when it's ready. I don't have the answer to that at hand, but I'll get him that.

I think there was a question from the Member for Red Deer with regard to the need for senior citizens' accommodation. That's always a difficult area to evaluate, because it keeps changing from year to year; for example, when buildings are converted to home-ownership, that may eliminate some space. Of course people are becoming the age to get into these units every year. People move into and out of the province. We are studying the needs in Calgary and Edmonton and trying to get a better handle on what the demand is on a year-to-year basis. I would point out, though, that as well as the government-built and -owned accommodation, the core housing incentive program, CHIP, also houses a lot of seniors on the control side of the projects. In fact the estimate I have is that about a third of the controlled units are rented to seniors. That's another area that certainly accommodates senior citizens.

As far as an explanation of the 20 types of institutions, I really can't give the Member for Red Deer that information. I think we're getting into programming here that would be better asked of my colleague the Solicitor General. Public Works builds the buildings, but programming is done by the Department of the Solicitor General. I will undertake to make sure my colleague the Solicitor General is aware of the comments and requests for information by the Member for Red Deer.

The Member for Clover Bar talked about large contractors getting work. I wish he were here. I seldom disagree with my friend from Clover Bar, but I get to look at these tenders going through and a lot of small contractors are getting a lot of work. Certainly if you get into large projects, large public works buildings and structures, it requires a larger scale contractor to handle many of these projects. But in the smaller projects, you see quite small contractors indeed getting jobs. In fact we do selective tendering in terms of area. Public Works will look at an area and, in order to assist small contractors in that area, the tendering would be limited to contractors from that area. We've had good response with that particular way of operating. Many projects built for the Housing Corporation are also built by small contractors. I agree, though, that it's an area that has to be watched and is of concern, particularly with the tightening of the housing situation over the last year or so because of the federal government's high interest rate policy. I think it is important that we continue to be aware of the fact that small contractors should be involved and, to the maximum extent possible, we're attempting to see that that happens.

I would agree with the member's comment with regard to advertising. He suggested we should do more advertising of the heritage fund, as I recollect. I think that's not a half-bad suggestion.

I think that concludes the questions and responses I felt I was being asked for, Mr. Chairman. If I've missed any, I'd be happy to try to respond to them.

DR. CARTER: Mr. Chairman, just a quick question to the minister. I wonder if he'd be good enough to comment on any difficulties the Housing Corporation may have had in the past or may currently be having with respect to the city of Calgary and land availability for some of the already approved self-contained housing projects there. Is dialogue going on, and are we having any progress so we can get some of those necessary units built as quickly as possible?

MR. CHAMBERS: That's a good question, Mr. Chairman. It's true that in the past it's been more difficult to acquire sites in Calgary than in Edmonton, for example. I think we are making progress in this area. I have an idea that over the last few months more land has become available. We are making progress in that area, but it's true that it has been a difficult area in the past and, to some degree at least, has limited the number of units we could bring on stream in any given year.

MR. HYLAND: Mr. Chairman, a quick comment in relation to first time home-owners and the amount of equity they would have, moving from a trailer or smaller house. It may be true that they have considerable equity, but what equity they may have built up is quickly eroded by the subsidization those who qualify for our maximum subsidy in the good programs we have related to housing can acquire. I can think of a case of a provincial employee and of a teacher, who is not near the maximum amount of the subsidy. Because the one had a trailer before and the other one had been living in a teacherage for a good portion of his working life, he can qualify and the other guy can't. Let's use the figure of a \$300 a month subsidy. It doesn't take very long to eat up a two, three, four, or five thousand dollar equity when you're getting a \$300 subsidy per month over five years. Maybe we can look at a percentage phase-in, or something like that.

MR. MAGEE: Mr. Chairman, with your permission I would like to carry on a little bit about this correctional institution thing, because I think the minister has not completely laid to rest in my mind what I could get by way of asking further questions and explanation. When the budget speech came out on March 18, our Provincial Treasurer talked about a new multipurpose correctional centre for men and women in Red Deer and Medicine Hat. While it has been suggested that I get more information from the Solicitor General's Department, all I'm able to obtain at the moment are some comments relative to a remand centre. My question therefore is: are we going to get a remand centre as well as a correctional centre at Red Deer?

When talking about a provincial correctional centre — of which nothing has ever been described, to my knowledge, in this province — having that one word "provincial" placed in front of the words "correctional centre" brings on the connotation of size. How many acres would probably be utilized in this area? Is it more strongly built? Is it within the city limits or surrounding the city limits? Is the design of the building going to be different from a standard correctional centre? Is a remand centre going to be part of a correctional centre, which in effect then makes it a provincial correctional centre? I have many, many questions in this regard.

I'm sorry, Mr. Chairman, but when I look at the Solicitor General's responsibilities in the estimates and the elements breakdown, it only talks about services and the amount of money that would go toward services. I can understand that aspect of it, but the minister here is in charge of all the buildings related to Housing and Public Works. Frankly, Mr. Chairman, I'm not satisfied that I received all the information I would like to have at this stage. If the minister does not have this specific information, of course I would be interested in receiving same. But I'd like to get to the bottom of what's expected for Red Deer. It's laid right out in the elements: a provincial correctional centre. Frankly, as a member of this Assembly and an MLA, at this stage I would like to have a little more satisfaction and a more definitive answer than I've received.

MR. CHAMBERS: Mr. Chairman, I'd certainly be happy to inform the Solicitor General of these questions. I point out again that I'm not trying to slough off any responsibility, and I will promptly undertake to get the Member for Red Deer all the information I can. It's in the Public Works budget, because Public Works builds these structures. Nevertheless, the programming is done by the Solicitor General's Department. Therefore I'm not totally conversant with all those aspects, but I will undertake to see that the Member for Red Deer gets the information he wants as soon as possible.

MRS. CHICHAK: Mr. Chairman, before the vote is called, I just want to very briefly raise two points with the hon. minister. That's with respect to senior citizens' housing and the concern I have with regard to the quality of construction taking place. I think a very serious situation currently exists in the new facility that was built in the Norwood constituency, called the Avenwood Corner. The concerns were brought to the attention of the minister, but I want to raise the matter here because, from my observations and information, such inadequate quality of construction is not isolated to the one particular building. There have been difficulties from time to time. Although the design is attractive in the one in question, the quality of the construction is really of very serious concern.

The other point is that I hope the minister has taken into consideration the report and the examination of the facility, and will recognize and give some direction to the inspection staff of his department, who carry out — if they do carry out inspections during the course of construction, they are certainly inadequate. If the reliance is on inspectors from outside areas, then there has to be a recognition that there must be a greater degree of responsibility in the adequacy of the inspections carried out. But I have some real concern as to the situation that will develop with that building if some major improvements aren't made to the structure now — and we haven't had an official opening yet.

I regret very much to bring that forward at this time, but I think it is necessary. It's not a criticism of the minister; it's a criticism of the quality of workmanship in the construction field. If we require public notice to construction companies and workers that that kind of irresponsibility — because I think that's the only way it can be described — will be carried out, then I think it's necessary that that sort of thing be recognized publicly and be stopped in the early stages when these things are being noticed. As we go along quietly and say, look, this is not acceptable, please make the corrections, they make the corrections in one building. You go on to the next

one; you're faced with the same kind of thing. That's just not acceptable. So I hope the minister will take that aspect under consideration. In future contracts, I think there needs to be a more stringent requirement of inspection and satisfaction of the building before extensive advances of funding are made, as the building progresses.

MR. CHAMBERS: I'd like to thank the Member for Edmonton Norwood for that information. I'm not aware of that specific project, but I will certainly look into it. I think the member will agree that the quality of construction in senior citizens' homes is normally quite high. Of course there are protections in terms of holdbacks on payments, and there are inspections at regular intervals throughout the phase of the project. But as to this specific project, I will undertake to look into that and report back to the member.

Agreed to:

1.01 — Minister's Office	\$255,900
1.02 — Deputy Minister of Public Works	\$231,900
1.03 — Deputy Minister of Housing	\$126,200
1.04 — Administrative Support	\$2,400,000
1.05 — Personnel Administration	\$265,000
Total Vote 1 — Departmental Support Services	\$3,279,000

Vote 2 — Operation and Maintenance of Waterlines

3.1 — Administrative Support	\$4,513,500
3.2 — Provision of General Purpose Space	\$126,056,000
3.3 — Grants in Lieu of Taxes	\$18,617,000
Total Vote 3 — Planning and Acquisition of Accommodation	\$149,186,500

4.1 — Administrative Support	\$11,750,000
4.2 — Advanced Education and Manpower	\$26,100,000
4.3 — Agriculture	\$1,735,000
4.4 — Attorney General	\$58,290,000
4.5 — Tourism and Small Business	\$1,790,000
4.6 — Culture	\$22,025,000
4.7 — Energy and Natural Resources	\$8,590,000
4.8 — Environment	\$8,195,000
4.9 — Executive Council	\$29,140,000
4.10 — Government Services	\$2,635,000
4.11 — Education	\$12,375,000
4.12 — Labour	\$50,000
4.13 — Recreation and Parks	\$17,020,000
4.14 — Social Services and Community Health	\$27,850,000
4.15 — Solicitor General	\$29,985,000
4.16 — Transportation	\$9,345,000
4.17 — Housing and Public Works — Multiple Use Facilities	\$128,100,000
4.18 — Hospitals and Medical Care	\$3,160,000
4.19 — Multi-Departmental Services	\$1,000,000

Vote 4 — Planning and Implementation of Construction Projects

MR. MANDEVILLE: Mr. Chairman, could I just ask a question here? I see that the increases are fairly substantial as far as planning and implementing of the construction projects for the province. Could the minister briefly indicate to us: is it a plan for the government to get into

more of their own housing and get out of the leasing, not leasing as much space as they are? Is this a one-year project, or is there a planned project for one or more years for this type of expenditure?

MR. CHAMBERS: Mr. Chairman, as I mentioned earlier, we have a policy of increasing the ownership content of government buildings to roughly fifty-fifty; in other words, about 50 per cent owned and 50 per cent leased. It has been down to about 35 per cent. We don't want to phase out leasing, but we think we should have a more equitable split between government ownership and leasing.

The new capital for this year, if you like: in many cases buildings require three or four years to complete, so there will be an ongoing cost resulting from the initial construction or planning money spent this year. As far as this year, we certainly have a higher capital program. We think it's a good year to do it. I think it will be much appreciated by the construction industry and will create a lot of jobs. In addition, we are getting very favorable prices. Therefore I think it is a good year to be doing more capital projects.

Agreed to:

Total Vote 4 — Planning and Implementation of Construction Projects	\$399,135,000
5.1 — Policy and Program Development	\$1,760,900
5.2 — Housing Assistance	\$3,812,000
5.3 — Financial Assistance for Housing	\$42,808,500
Total Vote 5 — Policy Development and Financial Assistance for Housing	\$48,381,400
Total Vote 6 — Financial Assistance to the Calgary Olympic Coliseum	\$5,300,000
7.1 — Program Support	\$15,819,000
7.2 — Staff Housing	\$56,000
7.3 — Subsidized Housing for Low Income Albertans	\$53,003,000
7.4 — Land Assembly and Development	\$4,205,000
Total Vote 7 — Housing for Albertans	\$73,083,000
8.1 — Program Support	\$12,958,000
8.2 — Mortgage Lending	[\$22,400,000]
8.3 — Subsidies	\$96,675,000
Total Vote 8 — Mortgage Assistance	\$87,233,000
Department Total	\$766,603,000

MR. CHAMBERS: Mr. Chairman, I move that the votes be reported.

[Motion carried]

Department of Labour

MR. DEPUTY CHAIRMAN: Has the minister any opening comments?

MR. YOUNG: Mr. Chairman, I would like to very briefly touch upon four or five points. I think some changes have been introduced in the past year and a half which deserve some mention tonight in the Assembly. First of all, we did bring some changes to the labor relations system by the adoption of a system of mediation which replaced the former conciliation commissioner process.

You may recall that that conciliation commissioner process required the government to be involved before a strike vote could be taken and required the commissioner to assist and report himself out of the dispute, either by concluding it satisfactorily or recommending to the parties that they strike or lock out, which we did not think was a very positive approach.

I am pleased to say that the changed system has given the mediation staff more scope and, in the reports I've received, has been effective in producing more timely agreements. We have had a better ratio of agreements completed before the expiry of the old agreements than had been the case for some time before. We have had a greater degree of flexibility on the part of mediators. Some have been able to make recommendations where the parties agree, which have brought about settlement. In other situations, the mediator has stayed with the dispute even after strikes have started. This has been a great deal of help, because that individual has known the parties, has known the issues, and has been able to be very effective immediately after the commencement of strikes. So we've had a number of relatively short strikes, although I have to say we've had a few very difficult ones.

With respect to employment standards, you will recall that approximately a year and a half ago we adopted a system, and brought it into play less than a year ago, whereby any dispute between an employer and an individual employee could be referred to an employment standards officer. The officer could make a recommendation. If that was unacceptable, that could go to an umpire on a very simple process. I am pleased to say that that is proving to be a far more expeditious and a far less costly manner of dealing with differences than the previous system.

We also made some changes to increase the capability to collect employees' wages from employers who appeared to be difficult in the sense that they may have had intent to or been in the process of leaving the province and leaving behind certain debts. The system we have of third-party demands has been much more effective in getting pay for employees. Of course while it is not meeting the problems evident in today's economy with a larger number of business failures, nevertheless it has been much more effective than our previous system in terms of protection of employee wages.

I should mention that with respect to general safety services, with the adoption of the building code and some changes in the make-up of the Building Standards Council, the council is now larger and has on it more builders, as I call them, as opposed to regulators. I think that has been very useful. I can say that generally those persons who felt that the regulations were unfair or had been unfairly interpreted, and have taken their case to the Building Standards Council, have been well satisfied with that appeal. I would encourage hon. members to alert municipal officials, particularly builders and architects, to the fact that if they wish, they can appeal with very little cost to themselves. All they have to do is write a letter. They don't require a lawyer to go before the Building Standards Council. In fact they need someone who is familiar with the problem.

I encourage hon. members to acquaint builders and others in the industry with that appeal process, because through that process we will get a standard interpretation, a fair interpretation, and a reasonable interpretation of the regulations. I am dismayed at times that we have business people with a large volume of business who don't realize that if they're unhappy, a very easy and

quick solution to resolving their unhappiness generally is by going before the Building Standards Council. It's a simple process, one that I hope will become better known.

With respect to our fire prevention activities, I should note that the fire-training school at Vermilion will be completed this year in terms of the outside pits that were being developed for training and for fighting chemical fires and other large fires of that nature. That will give us a new capacity there. The training school will take on a capability of training in advance suppression techniques. In the meantime, the demand has been growing for training fire department staff from the smaller departments. We have been trying to move more of that into the local community, and have made some considerable progress in that direction. A lot more remains to be done, but I am pleased to say that the initiatives taken two years ago have been building and are very effective.

With respect to the Alberta Human Rights Commission, I would comment only on two points: first, that in the last year and slightly more, the commission has been busily engaged in meeting with many of the groups which it has identified as feeling that either the commission does not understand their problems or they don't understand the commission. I think this has proved to be a very, very effective means of changing attitudes. In my opinion, that is what the commission's first objective really is. The present chairman, Mrs. Marlene Antonio, has had the opportunity to appear on a good number of media programs, has been extremely effective in so doing, and has carried forth the objective of the Individual's Rights Protection Act.

One comment I could make about boards of inquiry: with the change in legislation, I have to express a concern that boards of inquiry have tended to involve a large amount of legal talent. Legal talent costs a lot of money. It takes a lot of time. I have to indicate here that if the pattern established over the last year and a half with boards of inquiry continues without improvement, in terms of moving more quickly and at less cost in dealing with some of these issues, some of the simpler ones in particular, I will be inclined to make some recommendations for changes at a later date, perhaps even to the extent of suggesting that the matter should simply be taken directly into the court system, and we'll do away with boards of inquiry as such. That's a concern I have. I put it before the hon. members just so they know there is a concern on my part in respect to that.

Agreed to:

1.01 — Minister's Office	\$158,146
1.02 — Executive Management	\$323,009
1.03 — Personnel	\$221,891
1.04 — Finance and Administration	\$960,713
1.05 — Systems	\$310,889
1.06 — Communications	\$53,614
1.07 — Research	\$794,254
Total Vote 1 — Departmental Support Services	\$2,822,516

Vote 2 — Labor Relations

MR. R. SPEAKER: Mr. Chairman, to the minister. Under labor relations, in terms of the negotiations coming up in 1982, I wonder if a number of contracts are potential ones for labor disputes, strikes, tension in the

labor field. Could the minister comment as to what he sees as the labor conditions for 1982?

MR. YOUNG: This will be: now for the good news. The first part of the good news is that with respect to the municipal sector, most of the bargaining for 1982 has been completed. It is my opinion that all the bench mark bargaining is completed in that area. With respect to hospitals, apart from the bargaining with nurses, with which we're all familiar, the remaining difficult one may be with the Canadian Union of Public Employees. That is proceeding. I can't anticipate too much difficulty there, but that's a possibility.

The big rounds of bargaining coming are, first of all, the construction industry, in which agreements expire April 30, 1982. That has some potential. I should indicate, though, that a council which I chair, involving the unions, the contractors' association, the construction owners, and the industrial contractors, the very large contractors, has had, I think, a very salutary effect. However, in today's economy that doesn't mean there may not be some difficulties.

The economic conditions we're facing right now have changed rather dramatically; at least the perception of them has changed rather dramatically in a very short space of time. It is a characteristic of the construction industry that the hands-on building part of it proceeds at a good pace, even after the planning for new construction has ceased. I think what we are witnessing now is a fairly high level of employment in the industrial sector for some of the trades, but a very small amount of planning going forward. So it is perhaps uncertain that the people in the trades fully appreciate the seriousness of the economic situation we're faced with. In the event that there may be a difference of perception as to what the health of the economy is like in that area, we could have some difficulty.

Meat packing is also up for negotiation this summer. Apart from that, ones which I would single out as really large groups are not remaining until, of course, bargaining with the teachers begins again late in the year and terminates at the end of 1982.

MR. R. SPEAKER: Mr. Chairman, to the minister. With regard to Bill 11, can the minister indicate whether there have been any problems since the implementation of that Bill? I raised the question a couple of weeks ago and the minister indicated there were no problems at that time. Is the situation the same?

MR. YOUNG: Yes, in terms of compliance, the situation is the same. The only concern I would register at all is that I have heard — and do not have it on good authority, and do not have it first hand — that there may be some considerable delay in getting an arbitration award. If so, that is bothersome, but I don't want to perpetuate what may be only a rumor at this time.

MR. R. SPEAKER: Mr. Chairman, could the minister indicate whether many, or any, of the nurses left their profession because of Bill 11? Are there any statistics on that matter at this time?

MR. YOUNG: I have no statistics. However, the checking I did indicated that there was no unusual level of terminations as a consequence of that dispute. Interestingly enough, the same report came to me as a conse-

quence of the transit dispute. That didn't produce any falling off of employees going to other fields of endeavor.

MR. OMAN: Mr. Chairman, this afternoon I heard some rather disturbing news, and I don't know if there's much detail the minister can give. It's with regard to proposed settlements in the construction industry. I understand there's been a tentative settlement, perhaps with electrical people, that was very, very high. I'm wondering if that would set a pattern for the industry. That seems to me to be almost disruptive.

MR. YOUNG: Mr. Chairman, I can confirm that there has been a tentative settlement. I can further confirm that the electrical contractors' association will be making some kind of decision with respect to that settlement, ratification or otherwise, on April 21, and that the International Brotherhood of Electrical Workers will be considering the same on April 24. As well, I can confirm that a total silence has been imposed upon the conditions of the settlement. Any information that I have comes to me with that stipulation, which of course has meant that there are a considerable number of rumors on the street. One can anticipate that inasmuch as there are 34 bargaining tables in the construction industry and 17 trades, and that the electricals are one of the major trades, if in fact there were to be a settlement, it would be my judgment that it would be of significance as a bench mark to some of the trades. Not necessarily all the trades. They relate in total but they also relate in groups, and I'm not at all sure that one would want to suggest that from this settlement, all the others would follow in the same measure. I've already reflected as much as I can upon the problems of the economics of the situation with the rapidly changing perceptions of the health or otherwise of the construction industry, and the fact that there are quite different points of view about what would be a fair and reasonable settlement in the construction industry this year.

MR. OMAN: Mr. Chairman, I recognize that in a free-bargaining system there are certain limits to what can be done. As a matter of observation, it seems to me rather strange that in the current economic climate of Canada a union would make such high demands, recognizing that it may eventually be cutting its own throat and that of the other industries. I just express concern, and I hope that union management would have some responsibility here with regard to the economic conditions in which we live today, and the fact that we're trying to fight the inflationary factor in our society.

MR. YOUNG: Mr. Chairman, I certainly concur in the hon. member's observations, and would simply add that anything that has been reached by memorandum has been done so voluntarily, well in advance of the deadline. I guess if one disagrees with it, one is going to be disagreeing with the bargaining teams for both management and the union.

Agreed to:

Vote 2 — Labour Relations	\$4,637,920
Vote 3 — General Safety Services	\$13,987,699
Vote 4 — Industrial Relations	
Adjudication and Regulation	\$963,494
Vote 5 — Individual's Rights Protection	\$1,092,057

Department Total	\$23,503,686
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MR. YOUNG: Mr. Chairman, I move that the vote be reported.

[Motion carried]

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

[Motion carried]

[Mr. Appleby in the Chair]

MR. PURDY: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again:

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1983, sums not exceeding the following for the department and purposes indicated. The Department of Housing and Public Works: \$3,279,000 for departmental support services; \$1,005,100 for operation and maintenance of water lines; \$149,186,500 for planning and acquisition of accommodation; \$399,135,000 for planning and implementation of construction projects; \$48,381,400 for policy development and financial assistance for housing; \$5,300,000 for financial assistance to the Calgary Olympic coliseum; \$73,083,000 for housing for Albertans; \$87,233,000 for mortgage assistance.

The Department of Labour: \$2,822,516 for departmental support services; \$4,637,920 for labor relations; \$13,987,699 [general safety services]; \$1,092,057 for individual's rights protection.

MR. DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, are you all agreed?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, tomorrow it's proposed to proceed with Committee of Supply, Department of Municipal Affairs and, if there's time. Department of Recreation and Parks.

[At 10:18 p.m., on motion, the House adjourned to Friday at 10 a.m.]