

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, March 29, 1984 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **TABLING RETURNS AND REPORTS**

MR. TRYNCHY: Mr. Speaker, I wish to table the 1982-83 annual report of the Alberta Games Council and the annual report of the Recreation, Parks and Wildlife Foundation for the year ended March 31, 1983.

MR. SPEAKER: I have the honour to table the orders made thus far by the Members' Services Committee. Copies will be going to all members.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. WEISS: Mr. Speaker, it's not very often that I have the opportunity of being able to introduce some guests two days in a row. Today I have the pleasure of introducing to you, and through you to members of the Assembly, 61 young ladies and gentlemen from J.A. Williams high school in Lac La Biche. They represent three classes of Social 10. I had the opportunity of visiting with them for a few minutes prior. I ask them to rise and all members of the Assembly to give them a cordial welcome.

MRS. LeMESSURIER: Mr. Speaker, I have the privilege today to introduce to you, and through you to members of this Assembly, two different groups from the constituency of Edmonton Centre. The first group is 22 adult visitors from the Edmonton Day Center, and the second group is 13 students who are studying English as a Second Language. The students are seated in the public gallery. I ask that they rise and receive the warm welcome of this Assembly.

MR. STILES: Mr. Speaker, it's my pleasure this afternoon to introduce to you and to members of the Assembly 30 enthusiastic grade 9 students from Cremona school in the Olds-Didsbury constituency. The students are accompanied by their guidance counsellor Mr. John Gerlach, teachers Lynn Whittle, Edna Osborne, and Jay Mills, and bus drivers Pat and Francis Kinch. They are seated in the public gallery, and I ask them to rise and receive the warm welcome of the Assembly.

DR. CARTER: Mr. Speaker, it is my pleasure to introduce to you, and through you to members of the Assembly, a special guest seated in your gallery. Dr. Karl A. Friedmann is the Ombudsman of the province of British Columbia. Prior to his appointment he was an associate professor of political science at the University of Calgary, and in 1979 he was appointed to a six-year term as Ombudsman of our sister province of British Columbia. He is in the city for three days, working with some of the papers which are held in the International Ombudsman

Institute at the University of Alberta. I hope members of the Assembly will join me in welcoming him to our province.

DR. BUCK: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, a group of seven young men from the 153rd Ardrossan Boy Scout Group. Their visit is part of the requirements for their citizenship badge. They are accompanied by their scout leader Lloyd Roberts and his wife, Eileen. They are in the public gallery. I would like them to rise and receive the recognition of the Assembly.

head: **MINISTERIAL STATEMENTS**

**Department of Agriculture**

MR. FJORDBOTTEN: Mr. Speaker, at this time I would like to make a statement about the important role the Agricultural Development Corporation plays in meeting the credit needs of agriculture, and to outline some changes in the corporation's programs and policies that are being implemented at this time.

The Alberta Agricultural Development Corporation was established in 1972. Today the corporation is a major supplier of agricultural credit in Alberta.

Through the Alberta Agricultural Development Corporation, the government of Alberta has provided a once-in-a-lifetime opportunity to over 4,300 beginning farmers. This represents the major portion of the 8,900 accounts being serviced under ADC's direct and specific guarantee loan programs. In addition, 25 percent of Alberta's farmers receive the benefit of loans guaranteed by ADC through commercial lenders. The total financial assistance extended under ADC programs to Alberta's agricultural community is over \$1 billion, of which \$842 million has been funded by the Alberta Heritage Savings Trust Fund. The multiplier effect of these significant investments in agriculture impacts favourably on the entire economy of our province.

The corporation acts as a supplementary lender to commercial credit institutions and to the federal Farm Credit Corporation. It assists those with limited assets and net worth. ADC helps establish and maintain family farm operations on an owned land base and provides assistance to agricultural processors to improve market opportunities for Alberta's crops and livestock.

The programs of the Alberta Agricultural Development Corporation are important to the well-being of the agricultural industry of this province. Credit is the key to productive, efficient agriculture. Modern agriculture is capital intensive and requires access to large amounts of capital. ADC has been and will continue to be a reliable supplier of agricultural credit.

Mr. Speaker, in this time of fiscal restraint, which affects our entire economy, it has been necessary to review the programs and policies of the Agricultural Development Corporation. That review was undertaken: first, to ensure ongoing assistance to those with energy and enthusiasm, who lack the means to embark on careers in agriculture; second, to ensure improved chances of success of those assisted; third, to improve the administration of the corporation's programs; and fourth, to ensure that assistance provided by ADC is reserved for the ongoing benefit of those who remain actively involved in agriculture.

Before outlining the adjustments to the programs affecting new loans, let me point out that all existing beginning farmer borrowers will be allowed to work off the farm for two of the first three years of their loan term without losing their beginning farmer interest incentive. This increased opportunity to acquire

nonfarm income is intended to assist Alberta's beginning farmers to meet the economic challenges of establishing a viable farming operation.

I now want to talk about the policy changes that will affect new loans. I want to emphasize, Mr. Speaker, that the changes I will now outline will affect new loans only. The policy in effect at the time existing loans were made will be applied throughout the term of the loan.

The program revisions will apply to loans where all documents required to process the application are not in the hands of an ADC loans officer today, March 29, 1984. Where an applicant has provided complete documentation by March 30, 1984, but a decision on the application has not been made, the applicant will be given the choice of proceeding under the previous or revised program.

Commencing with loan submissions received March [30], 1984, all approved direct farm loans will be reviewed at the end of each five-year term. Upon renewal, interest for the second five-year term will be at ADC's preferred farm lending rate in effect at the time of renewal, provided the borrower is maintaining a commitment to the establishment of a full-time farming enterprise. Otherwise, the loan will be renewed at the lesser of: ADC's base interest rate at the time of renewal, or ADC's average base interest rate for the previous 12 months.

Commencing with the third five-year term of the loan, interest on loans eligible for renewal will be set at the lesser of: ADC's base interest rate at the time of renewal, or ADC's average base interest rate for the previous 12 months. In this time of fiscal restraint, it is essential that the principal benefits of ADC's programs be directed to the first 10 years of the loan term while the farm is being established.

Mr. Speaker, a number of refinements to ADC's programs being introduced at this time are specific to the beginning farm program. Off-farm employment will not be a basis for denying the incentive for beginning farmer loans submitted commencing March 30, 1984. However, new beginning farm applicants will be required to demonstrate a commitment to full-time farming before the loan is approved.

Projections used at the time of application must indicate that the farm will be self-supporting within a specific period of time. The degree to which off-farm employment will affect eligibility will relate to the type and level of development of the enterprise. As in the past, a borrower's spouse may have full-time off-farm employment without affecting the eligibility of the applicant.

Other changes affecting beginning farm loans submitted commencing March 30, 1984, are:

- There will be a requirement for a minimum of two years' related practical experience, or equivalent, within recent years. Special consideration will be extended to students engaged in postsecondary education, by allowing education to replace some of the practical experience requirement.
- Next, beginning farmer applicants must have a minimum of 10 percent equity in the form of cash or net worth in productive assets.

Good record-keeping systems are essential to modern-day farming. Compliance with ADC's requirement to provide the year-end review and financial projections, will be one of the factors in determining the borrower's commitment to farming and if the borrower is eligible for ADC's preferred farm lending rate at the end of the first five-year term of the loan.

To conclude, Mr. Speaker, I want to say that the beginning farmer program is ADC's major loan program. It is a once-in-a-lifetime opportunity for young people to become established in this important industry. The increased experience and equity

requirements improve the chances of success of those assisted. These changes, along with increased flexibility with respect to off-farm employment, will place those receiving loans from the Agricultural Development Corporation in a better position to cope with the challenges and the opportunities associated with the establishment of family farming operations.

MR. MARTIN: Mr. Speaker, on a point of order. I'd like some clarification from you about the procedure for ministerial statements — whether or not the opposition should receive a copy. At this point, I do not have one.

MR. SPEAKER: It's not a matter that I could deal with as being a matter of right. It would perhaps be something which falls short of that. I don't think there's any requirement in the *Standing Orders* that that be done. I would have to leave it to the good sense of the members involved.

I realize that the statement was exceptionally lengthy and, as a matter of fact, I was giving some consideration to whether I might make some observation about it. It's given on private members' day and doesn't relate only to something that is new but is, you might say, debate in favour of what has been done in the past, and that caused me some concern. I realize that there is a great deal of latitude in the ministerial statement, but all latitude has its limits, even though they may be difficult to find.

#### Department of Energy and Natural Resources

MR. ZAOZIRNY: Bearing in mind those caveats, Mr. Speaker . . .

Nineteen eighty-three was an eventful year for Alberta's energy industry. Oil production and development prospects showed marked improvement. Natural gas production and development were affected by the natural gas surplus and uncertain markets in the United States. Commercial oil sands development went ahead for the first time since the completion of the Syncrude project.

This year, 1984, should see improvements in the prospects for all sectors of the energy industry, provided that oil prices and markets remain stable and that some of the marketing challenges facing the natural gas industry are addressed and resolved. This strengthening of our energy industry will be aided by stable, consistent government policies and programs.

The government of Alberta has in place incentive programs which have been successful in encouraging the exploration and development of our oil, natural gas, and oil sands resources. These programs include the exploratory drilling and geophysical incentive systems, the Alberta royalty tax credit, the Alberta petroleum incentive program, special royalty measures for enhanced oil recovery, and special fiscal arrangements for oil sands developments. Furthermore, the Alberta oil and gas activity program of April 1982, through major royalty reductions and enhancements of the Alberta royalty tax credit and royalty holidays on exploratory natural gas wells, has greatly assisted the recovery of our energy industry.

Two of these incentive programs, the exploratory drilling and the geophysical incentive systems, are scheduled to expire by regulation on March 31, 1984, and therefore have been the subject of a review in the last several weeks. These incentive systems, in effect since 1974, contributed to the record drilling activity witnessed in Alberta in the 1970s and have been an essential factor in sustaining drilling activity in the early 1980s.

Under the geophysical incentive system and the exploratory drilling incentive system, payments are made in support of the

eligible costs of reflection seismic activity and exploratory drilling activity. The exploratory drilling incentive system also has two other components to promote exploratory drilling: a 12-month royalty holiday on eligible exploratory natural gas wells and a 60-month royalty holiday on eligible exploratory oil wells.

In carrying out this review, the views of Alberta's energy industry were widely canvassed. In asking for industry views, it was indicated that any decisions made with respect to industry recommendations would have to take into consideration our province's budgetary situation. We received a broad range of recommendations from the various sectors of our energy industry, reflecting its diversity. An overriding concern often expressed by industry is that a climate of stability be maintained, pending an overall review of energy policy in a broader context.

Taking all these considerations into account and recognizing the importance of the energy industry to our province's economic prosperity, I am pleased to announce today a one-year extension of the exploratory drilling incentive system and the geophysical incentive system to March 31, 1985, with some adjustments, which will in the overall achieve the objective of maintaining our support for exploration activity in Alberta. The adjustments which are being made are appropriate for 1984 and will allow us to move closer toward a reward-based incentive system.

Essentially, Mr. Speaker, this one-year extension includes: first, a renewal of the component of the exploratory drilling incentive system, which defrays some of the costs of exploratory drilling, separate and apart and without overlap with our Alberta petroleum incentive program; secondly, a renewal of the geophysical incentive system, with payments for reflection seismic work on roads in the green area set at \$300 per kilometre; thirdly, a renewal of the 12-month royalty holiday on eligible exploratory natural gas wells and of the 60-month royalty holiday on eligible exploratory oil wells, both to a maximum of \$2 million per well, for wells drilled between April 1, 1984, and March 31, 1985.

Mr. Speaker, I am pleased to be able to announce an expansion of the current royalty holiday on exploratory oil wells in Alberta. Oil wells classified as exploratory by the Energy Resources Conservation Board, which are not now eligible for a royalty holiday, will receive a 12-month royalty holiday to a maximum of \$1 million per well. This royalty holiday will apply to oil wells spudded between April 1, 1984, and March 31, 1985, and will include new field wildcats, new pool wildcats, deeper pool tests, shallower pool tests, and outpost wells.

It is anticipated that, in total, approximately eight times as many oil wells will qualify for some form of royalty holiday than was previously the case. This enrichment is in direct response to industry's call for a more success-oriented incentive program, while essentially maintaining our current incentive programs. This balanced package of enhanced royalty holidays and slightly modified existing exploratory drilling and geophysical incentives will be achieved at no additional cost to the Alberta Treasury.

Mr. Speaker, the exploratory drilling and geophysical incentive systems have been successful in encouraging exploration in Alberta and have contributed to employment opportunities for those Albertans directly involved in the energy industry and for many other Albertans in related work. It is our firm view that the initiative announced today will further assist our energy industry in its recovery, an objective toward which this government remains strongly and firmly committed.

## head: ORAL QUESTION PERIOD

### Labour Relations

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Labour. Will the minister be introducing amendments to section 80 of the Labour Relations Act this session, in order to provide statutory authority for bridging or continuation clauses in collective agreements?

MR. YOUNG: Mr. Speaker, the matter in question concerns a decision rendered by a court in January. That decision is under appeal; it will be heard on April 18. Until the appeal is heard, I don't think it is timely for anyone to make a decision about whether any changes are in fact needed.

MR. MARTIN: It might be too late at that point.

A supplementary question, Mr. Speaker. What review has the minister done of sections 154, 138, and 100, I believe, of the Alberta Labour Act of 1973, which specifically provided for continuation of collective agreement provisions after the expiry of collective agreements?

MR. YOUNG: Mr. Speaker, I have not refreshed my mind as recently as someone apparently has refreshed the hon. member's, and am unable to reflect specifically upon those sections of a statute which has not been operative for at least three and a half years.

MR. MARTIN: A supplementary question to the minister. If I could refresh his mind, those [sections] provided for continuation of collective agreements, which obviously the Labour Relations Act now does not. Will the minister review the 1973 Act to see if it should be put into the Labour Relations Act?

MR. YOUNG: Mr. Speaker, it's not at all so obvious as is suggested. As a matter of fact, it has been the widespread interpretation among most practitioners of labour relations in Alberta that the existing Labour Relations Act does in fact provide for the two parties to be able to continue a collective agreement beyond its expiry date, subject to such conditions as they could agree upon and providing for certain events such as the possibility of one union challenging another to represent the employees, which is guaranteed by statute. So it has been widely understood that there was provision for continuation.

I think the judgment is surprising to most practitioners, and it may well be reversed on appeal. Until a better or more complete rationale is developed from the appeal court, it is, at the very least, difficult to anticipate how one would write a statute that would be much clearer.

MR. MARTIN: Mr. Speaker, certainly the first judgment would not agree with what the minister is saying.

A supplementary question. I have here a letter from the county of Red Deer, sent to CUPE Local 792. It announces the end of their collective agreement March 31. Inasmuch as many of the collective agreements come due at the end of this month, what plans does the government have to ensure that labour chaos does not ensue in Alberta as a consequence of the invalidity of bridging provisions?

MR. YOUNG: Mr. Speaker, it isn't the government that creates labour chaos, if that should develop; it's the attitudes of the parties, their willingness or otherwise to negotiate positively together and their desire to have a relationship, one with the other, in the future. Any employer and any union that want to

have that kind of relationship in the future will know very well, when they enter negotiations, that they should conduct themselves in a manner to maintain respect and esteem on the part of both parties. That's really what's at issue here.

In the Judge Day decision, of which we are now speaking, there is nothing that changes the position of parties, other than in terms of the time involved. And even in respect of the time, either party has it within their capacity to have exhausted all the normal bargaining opportunities prior to the expiration of an agreement, if they wish to do so. In that event, subject to their being able to strike under law or to lock out under law, either party is in a position to do so, even without the interpretation that has recently been given.

MR. MARTIN: A supplementary question, Mr. Speaker.

MR. COOK: Mr. Speaker, on a point of order. I wonder if the questions are in order. The reason I ask is that the matter is before a court of record. The question being discussed is subject to an appeal in the Alberta Court of Appeal, and the hon. Member for Edmonton Norwood is questioning matters before the court right now.

MR. SPEAKER: If the hon. member were to refer to the *Standing Orders*, he would see that the sub judice rule is not just a *carte blanche* obstacle to every kind of discussion of a matter that is before the courts. It's only in case it appears that it might be perceived by some people to affect the outcome.

As I understand it, the questions thus far have dealt with a situation arising from what was decided in the court below and as to whether something may be done pending what happens in the court of second instance. I may be mistaken, but I haven't perceived that the questions or the answers have gone beyond the limits which are set in the sub judice rule.

DR. BUCK: Back to your colouring book, Rollie.

MR. COOK: Mr. Speaker, I don't want to belabour it. I only want to observe that the hon. member inferred that chaos may arise from the decision of the appeal court, and that might in fact be considered to comment on the fair play or justice of the situation.

MR. SPEAKER: There is some merit, I think, in the hon. member's observation. Perhaps we could keep it in mind if the questioning and answering continues.

MR. MARTIN: Mr. Speaker, as usual, the Member for Edmonton Glengarry is totally wrong. We're talking about government policy here.

MR. SPEAKER: Well, I'm not sure he is.

MR. MARTIN: I accept your first ruling as being correct, Mr. Speaker.

I will continue with my question, if I may. I would remind the minister that we are talking about something that is immediate and that there are letters going out.

SOME HON. MEMBERS: Question.

MR. MARTIN: Question, question. There they go again.

Has the minister developed any staffing contingency plans so that his staff and the staff of the Labour Relations Board will be able to cope with an increase in unfair labour practice

complaints in the absence of bridging agreements? Is there a contingency plan?

MR. YOUNG: Mr. Speaker, before coming to the question about contingency plans and while we're on the subject of reminders, I might remind the hon. member that if he had reviewed in total, and especially its closing line, the letter from which he is making reference, he would note that in submitting that letter to the union, the county of Red Deer indicated that they hoped the negotiations would be completed prior to the expiry of the agreement.

With respect to the contingency planning, the answer is yes.

MR. MARTIN: Thank you, Mr. Speaker. The answer is that they have an increase in staff; that's what I asked specifically.

To refer to the letter: I agree with you that it says hope, but it says that they're terminating it on March 31. So hope is not good enough.

MR. SPEAKER: Perhaps we could . . .

MR. MARTIN: My question to the minister is: what is the policy of this government regarding the view expressed by many in the labour movement — and I know the minister is aware of this — that the absence of an amendment to section 80 will result in substantial impairment of the ability of unions to represent their members once collective agreements expire?

MR. SPEAKER: The hon. member is simply presenting argument and inviting the hon. [minister] to present counterargument. The argument having been made, I suppose the hon. minister ought to have that opportunity, but it is quite outside any sensible rule relating to the question period.

MR. YOUNG: Mr. Speaker, I'd like to take the opportunity to correct what I think has been a mis-restatement of my statement.

MR. MARTIN: You said yes.

MR. YOUNG: As I understand it, in a previous question the hon. member asked me if any contingency planning had been done for staffing necessary in the event of certain developments before the Labour Relations Board. My answer was that yes, there had.

On the matter of debate, Mr. Speaker, that's clearly a matter of opinion. I can't put it in any other respect except that it is out-and-out opinion, and there are two very different and very strongly held opinions.

MR. MARTIN: A final supplementary to the minister, Mr. Speaker. Is it then the policy of this government that there is no cause for concern and, hence, no need to act in the face of a situation which permits employers the full right to alter the terms and conditions of employment at whim?

MR. CRAWFORD: Whim, Alberta?

MR. YOUNG: Mr. Speaker, first of all, I disassociate any acceptance of the conclusions contained in the latter part of the hon. member's question. That is a statement of opinion, about which, in the previous question, we have just had a discussion concerning differences.

With respect to concern the government would have regarding any potential upset or problem in respect of collective bargaining, that is always a concern. It is one which is height-

ened when a change is perceived that can create confusion or upset among the parties. Clearly that has to be something that is of continuing interest and, therefore, is why I spend some considerable time talking with the parties and watching the situation very carefully and analyzing the legal perceptions which are possible.

#### **Health Care Premium Arrears**

MR. MARTIN: I'd like to direct my second question, Mr. Speaker, to the Minister of Hospitals and Medical Care. Can the minister confirm that upon the coming into force of the Canada Health Act, it is his intention to abandon the punitive aspects of the blue card system, that Albertans in arrears will no longer have their coverage cut off?

MR. RUSSELL: That's something we have under consideration at the present time, Mr. Speaker, because it's possible that the present program would be in conflict with the provisions of the new Act, if and when it goes through. However, that's not to say that unpaid premiums will not still be regarded as bad debts. Citizens will still be expected to pay those premiums, and follow-up actions will be taken if bad debts are allowed to develop.

MR. MARTIN: A supplementary question, Mr. Speaker. Can the minister confirm that it is his intention to return to the state of practice that was in place in this regard prior to the introduction of the blue card system? I believe that is taking citizens delinquent in their premiums to court.

MR. RUSSELL: As far as I know, Mr. Speaker, ever since the introduction of medicare into Alberta in 1969, the system was that persons who didn't pay their premiums were reminded that they had accounts owing and, in some cases, those actions did result in court action. So it's very possible that that system will continue. But the hon. member has asked me a question about a situation which, this week and probably next, will be in a state of flux.

MR. MARTIN: A supplementary question. Is the minister in a position to tell the House how many Alberta individuals and families are currently denied medicare coverage as a result of having been cut off with the blue card system?

MR. SPEAKER: The question is of a nature that certainly belongs on the Order Paper. Requests for statistics always go on the Order Paper rather than in the Oral Question Period by the very nature of it, because ministers aren't expected to carry statistics around in their heads to an unlimited extent. However, there certainly was an implication in the question which, in all fairness, the minister must have an opportunity to deal with.

MR. RUSSELL: Thank you, Mr. Speaker. I did want to deal with the implication, as you recognized. No one has been denied access to health care services as a result of not paying their premiums. They simply know now that they're not covered by insurance, and they have the choice of paying their premium or paying their own medical bills. That choice is there, and many people have exercised that choice. But no one has been denied access to services. We wouldn't do that.

MR. MARTIN: A supplementary question, Mr. Speaker. It's certainly the semantics of it. Will the minister find out and report back to this Assembly how many people have been cut

off because of the blue card system and are not covered under the medicare premiums now.

MR. RUSSELL: Mr. Speaker, I think the hon. member should put that request on the Order Paper. If he's looking for the number of arrears, that would take a little research; it's a number that's decreasing daily. But if his original question still stands — who's been cut off from access? — the answer is zero.

MR. MARTIN: You can count on getting that question.

My supplementary question to the minister is: because of the Canada Health Act, will the minister be introducing a system forcing doctors out of medicare if they continue to charge patients more than is laid down in the negotiated medicare fee schedule, the practice known as extra billing?

MR. RUSSELL: Mr. Speaker, on several occasions since the Canada Health Act was introduced and made public, we've said that the matter of extra billing was going to be watched and monitored. The term I used is that we would like to somehow get in step with the rest of the country. As of today, we don't know where that step might be. But certainly I think it's very clear that this government has always regarded the medical profession as an independent profession in the free-enterprise system and not as an extension to the civil service.

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

MR. MARTIN: I'll ask the same question again. The question very simply is: will the minister be introducing a system forcing doctors out of medicare if they extra bill?

MR. SPEAKER: Order please. The repetition of a question . . .

MR. MARTIN: He didn't answer it the first time.

MR. SPEAKER: The hon. member may have his own opinion about whether it was answered or not. He's entitled to that. But a repetition of a question certainly isn't a supplementary.

#### **Public Service Reduction**

MR. R. SPEAKER: Mr. Speaker, my question to the Provincial Treasurer is with regard to the 1,100 job cuts announced in the budget. The focus of my question is with regard to senior positions in government. Could the minister indicate whether any of the positions in range 7 or range 6, which have salary ranges from \$64,000 to some \$95,000, are included in some of those job cuts?

MR. HYNDMAN: Mr. Speaker, I'd ask the Minister responsible for Personnel Administration to respond to that question.

MR. STEVENS: Mr. Speaker, approximately 80 to 83 positions have been identified in the total of 869 positions that will be affected by the Budget Address as indicated by the Treasurer on March 27. There are none, to my knowledge, in the range levels requested by the member.

MR. R. SPEAKER: Mr. Speaker, could the minister clarify to a greater extent the categorization of those other 80? Are they senior positions, and are they in that \$64,000 to \$95,000 range that I spoke of?

MR. STEVENS: Mr. Speaker, I thought I clearly answered the latter part of the member's second question. The approximately

83 positions that have been identified to date by various departments are in management and opted-out levels of our government service.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister of personnel. It's with regard to the number of positions in the total complement of 1,100 that are now occupied by women. What is that number? Has the minister that at his fingertips?

MR. SPEAKER: With great respect to the hon. leader, we're really dealing with statistics. I realize that we've had other statistical questions in this question period, and perhaps it's not fair to intervene now, with those others having gone by. I'm sure the hon. ministers are flattered when there's an assumption made that they have those statistics in their heads. Perhaps the hon. minister could answer briefly.

MR. R. SPEAKER: Mr. Speaker, on the point of order. I had considered the remarks you have just made. The reason I raised it as a statistic is that it was in the budget announcement of Tuesday night. I'm sure it has been a matter of intense consideration by the government and, to make that statement about 1,100, I'm sure the components would be readily available in the minister's mind. So on that assumption, I asked the question. I'd like to deliver the question to the minister again.

MR. STEVENS: Mr. Speaker, the government of Alberta does not determine services to the people of Alberta by the sex of employees.

The positions that have been identified by each department, including all levels of government, are now, through effective management, involving people who will be redeployed, retrained, or provided with temporary project positions during this period of adjustment. I can advise the Assembly that to date, approximately two-thirds of the employees who received position abolishment notices have been either redeployed or have chosen to resign or retire. About one-third are still within the vesting period under our collective agreement.

#### **Social Services Staff Reduction**

MR. PURDY: Mr. Speaker, I'd like to direct a question to the Minister of Social Services and Community Health, and it's a follow-up to the question asked in the House yesterday. Can the minister outline to the House where the 162 permanent positions which will be eliminated from his department will come from, and whether services to the people of Alberta will be affected?

DR. WEBBER: In actual fact, Mr. Speaker, there were 210 positions abolished in the Department of Social Services and Community Health. Over 48 were reallocated, so we ended up with 162 positions that were cut. Of those positions, only 47 were occupied as of March 28.

I would like to indicate that most of those positions are from what we refer to as central client files, where a lot of paperwork has been done in the past. These positions became expendable because of the computerized remote data entry system. As the hon. Minister responsible for Personnel Administration indicated yesterday, every effort is being made to have the 47 people in those positions placed in appropriate places.

MR. PURDY: Mr. Speaker, a supplementary question regarding the downsizing of his department. My concern is about his decentralization plan of a couple of years ago. Will any employ-

ees — I'm thinking especially of rural Alberta — lose their jobs because of this downsizing?

DR. WEBBER: Mr. Speaker, our concentration has been on positions which have been vacant or have become redundant. Both at the central office area and throughout the regions, the utmost concern we had in looking at the positions would be that services would not be affected. So the 162 positions do come from a variety of sources, but the major criterion was that front-line services would not be affected.

MR. PURDY: Mr. Speaker, a further supplementary to the minister. Are any further decentralization plans to rural Alberta under way within the minister's department?

DR. WEBBER: Mr. Speaker, the process is almost totally complete. If there are any positions to be reassigned this year, they are not large in number.

MR. McPHERSON: Mr. Speaker, a supplementary. I may be at some hazard here, because I'm going to ask a statistical question. I hope the minister has the ability to respond. It's in relation to the Michener Centre at Red Deer being the largest single employer in the Department of Social Services and Community Health. Can the minister indicate how many of the 162 positions being abolished are from the Michener Centre in Red Deer?

DR. WEBBER: Mr. Speaker, I think he should put it on the Order Paper; however, I just happen to have the statistics at hand. [laughter] As a matter of fact . . .

MR. SPEAKER: The Chair always marvels at these coincidences.

DR. WEBBER: . . . the Michener Centre staff complement will be reduced by 65 permanent positions this year. There is no decrease in the quality of service at that particular institution, primarily because over the last couple of years there has been a reduction of 145 residents at Michener. That decline in number of residents has allowed five buildings on site to be vacated and demolished, and the positions associated therewith were also abolished. As I said, only vacant positions were abolished or people affected were redeployed — and there weren't many of them. However, I can add that nobody lost their jobs at Michener Centre. In fact, the resident/staff ratio is higher than it has been in the past. It's now at 1.04 to 1, and that's an improvement over the last couple of years.

#### **Agricultural Education**

MR. STILES: Mr. Speaker, my question is addressed to the Minister of Advanced Education and respects Olds College, the only college in Alberta whose basic focus is agricultural education. I'd like to ask the minister what the status of Olds College is in the context of his department, and the long-range plans of the department for agricultural education in Alberta.

MR. JOHNSTON: Mr. Speaker, I certainly appreciate the opportunity to explain briefly the priority which this government places on agricultural education in this province. I noted with some interest the motion brought forward by the Member for Ponoka last Tuesday, when many hon. members had an opportunity to express the concern and the priority which should be attached to education in the agricultural area in this province.

In terms of Olds College itself, Mr. Speaker, I think it will continue to be the focus of agricultural education in this province at the undergraduate and technical levels. I certainly hope that in the near term, we'll be able to provide assistance to that college to carry out that mandate.

MR. STILES: A supplementary question, Mr. Speaker. In light of the 50 percent increase in full-time enrollment at Olds College in the past three years, what plans does the minister's department have for addressing the serious overcrowding of facilities at Olds College?

MR. JOHNSTON: Mr. Speaker, over the past two years, we have made some fairly substantial adjustments to accommodate both capital and operations at Olds College. Most recently, in January this year, I did provide marginal money to the college — that is, marginal in the sense of additional money — to allow the college to accommodate additional students. That was similar to special funding which went to all colleges in this province. In last year's budget as well, Mr. Speaker, there were capital dollars to allow Olds College to renovate some of its facilities. This year there will be capital dollars included as well, formula funding, to allow the college to carry out renovations. This formula money is normally allocated on an unconditional basis and can be spent as the college board of governors sees fit.

MR. STILES: Another supplementary, Mr. Speaker, if I may. In consideration of the fact that the college's library is presently housed in a converted dairy barn and has no space for new publications, what plans does the department have for a new library facility at Olds College?

MR. JOHNSTON: Mr. Speaker, I think it would be safe to say that if we were to take an inventory of the capital proposals given to Advanced Education, clearly the Olds College library would be one of the top capital projects which would receive funding in the near term. I must say at this point that the current budget, on which I'll be able to elaborate more fully in the next weeks, does not include capital money for the library project.

MR. STILES: A final supplementary, Mr. Speaker. Has the minister made a decision respecting the immediate commencement of planning for a new library facility at the Olds campus?

MR. JOHNSTON: Mr. Speaker, several members from the Olds area have made representations to me to suggest that as an interim step to assisting Olds College, it might be reasonable for us to provide some short-term funding money to Olds College to allow them to proceed with some interim funding, moving toward the plan to develop the library resource centre. I have that under consideration, Mr. Speaker. When the budget is debated, I may be able to add more specific information to that request which has been given to me.

MR. LYSONS: A supplemental question to the minister, Mr. Speaker, if I may. With the high priority the province of Alberta has for agriculture, are you planning to expand agricultural education in its entirety through the college system?

MR. JOHNSTON: Mr. Speaker, I must of course be very careful that when I talk about the importance of agricultural education at the college level, I include all colleges which have to date undertaken to provide a very excellent level of education to agricultural students in this province. In that would be Olds,

Lakeland, Fairview, and Lethbridge Community College. All these colleges are doing yeoman duty in providing this instruction. If we had a comprehensive program to provide more assistance to agricultural colleges, all these colleges would of course be able to participate in that funding.

#### Home Care Program

DR. ELLIOTT: Mr. Speaker, my question to the Minister of Social Services and Community Health concerns the government's announcement on the major expansion in the home care program. My Grande Prairie constituency has not only the county of Grande Prairie but three improvement districts: 16, 19, and 20. These improvement districts do not always have full coverage from home care programs. I was wondering if the announcement takes these areas into consideration.

DR. WEBBER: Yes, Mr. Speaker, the announcement does take into account the fact that there are health units in the province that have not expanded home care services to the outlying and more remote areas. So in the increase announced in the budget speech, there are moneys which would allow health units, at their discretion, to expand the services with the present criteria point into these remote and outlying areas.

MRS. KOPER: A supplementary, Mr. Speaker, regarding the expansion of the co-ordinated home care program. Could you please tell the House the specific differences in this new program from the current practice in the delivery of home care?

DR. WEBBER: Mr. Speaker, as hon. members know, the current home care program has been in existence for some five years. The minister responsible at that time indicated that the program under way would be under review for the following years, with the entry point being a medical requirement. In other words, those people going into the home care program had to have a medical condition that needed treatment, whether for nursing or rehabilitative services. In addition, they could also receive homemaking and services such as Meals on Wheels, or somebody coming into their home to help them out.

As I indicated, a number of studies have been done, including the Klufas task force. Their recommendations were that we expand the entry point for the program. Henceforth, the requirement for home care would be that one had a medical condition but not necessarily requiring medical treatment. Therefore, they would be able to receive the homemaking services without necessarily receiving the nursing and the rehabilitative kinds of services.

MRS. KOPER: A supplementary. When does the minister expect these new services to come into effect, and could he tell the House who will be administering the program?

DR. WEBBER: Mr. Speaker, the health units are being informed as to the details of the program, with the 55 per cent increase in funds. We will be looking at proposals from the health units, with the idea that expansions in terms of the new entry point would begin July 1.

MRS. KOPER: A supplementary. Has the minister been successful in obtaining federal matching grants for program expansion?

DR. WEBBER: Mr. Speaker, negotiations with the federal government have been taking place in the last several years,

to try to have certain components of the home care program be eligible for assistance under the Canada assistance program. We were successful. They've agreed in principle to the support kinds of services, and we expect about \$3.8 million back this year.

MRS. EMBURY: A supplementary question, Mr. Speaker.

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

MRS. EMBURY: I wonder if the minister would consider changes in the funding policy of this program, whereby people that want to and are able to pay more for the services will be able to.

DR. WEBBER: Mr. Speaker, certainly we are looking at that area, in the sense that there is currently a cost-sharing aspect of the home care program in the province. So we will be taking those things into consideration when these proposals come in.

Another important component that I failed to mention was the palliative care component of the home care program, with approximately \$1 million of the \$10 million earmarked for expansion of palliative care for treatment of terminally ill people in their own homes.

#### Health Care Cost Sharing

MR. GOGO: Mr. Speaker, I have a question to the hon. Minister of Hospitals and Medical Care. It's a follow-up to the question I put yesterday. Now that third reading of the Canada Health Act appears to have been dealt with by the Parliament of Canada — and I understand that that Bill may well have gone to the Senate — could the minister, in view of the fact that he indicated some time ago that it may cost Alberta some \$200 million, advise the members what action, if any, he's able to take now with regard to influencing the Senate to perhaps alter that Bill?

MR. RUSSELL: Mr. Speaker, there's been a sort of constant communication among the provinces during the course of the week. As far as I know, up until today all the provinces except one have accepted the invitation to appear in front of the select committee of the Senate with respect to making presentations on behalf of their governments vis-à-vis the Canada Health Act. In addition to that, we've arranged to convene a majority of the provinces in Ottawa next Wednesday morning for a meeting of ministers. We're going ahead with our meeting without Monique Bégin, but she had been invited. Then we're going to make a joint presentation to the Senate committee that afternoon.

MR. MARTIN: You're as helpless as we are over here.

MR. GOGO: A supplementary, Mr. Speaker. As a matter of interest, could the minister advise whether he is still chairman of the council of ministers representing the provinces?

MR. RUSSELL: Yes, Mr. Speaker, that position carries through until following our annual ministers meeting this September.

MR. SPEAKER: The hon. Member for Red Deer, whom I overlooked a moment ago, followed by the hon. Member for Clover Bar.

#### Oil Industry Incentives

MR. McPHERSON: Mr. Speaker, my question to the Minister of Energy and Natural Resources stems from his important statement today. Can the minister enlarge on the government policy currently in effect to encourage activity in the Alberta oil industry, particularly as it relates to comparisons being made between the Alberta incentive programs and Saskatchewan incentive programs and royalty holidays?

MR. SPEAKER: With great respect to the hon. member, we had two lengthy ministerial statements on private members' afternoon, and I was concerned about those. It's true that our *Standing Orders* contain no expression of limits. But there obviously must be some practical limits; otherwise such statements could take up all of private members' afternoon.

We've had a lengthy statement from the hon. minister. And when I hear a question to elicit government policy and to make comparisons between the programs of two provinces, it impels me to make remarks now which I was otherwise going to make at the end of the question period. Of course, I can't anticipate how long the hon. minister's answer may be, but under the circumstances I would have to very earnestly urge him to make it brief.

DR. BUCK: They're practising their speeches for the convention.

MR. ZAOZIRNY: Mr. Speaker, the hon. member is correct in his reference to Saskatchewan's level of activity, which has improved significantly in the last couple of years, the reason being of course that the people of Saskatchewan rid themselves of the socialist government.

MR. MARTIN: That's why they have a big deficit now.

MR. SPEAKER: The hon. minister has confirmed my worst suspicions, and I would respectfully suggest that we go to the next question.

MR. McPHERSON: Mr. Speaker, on a point of order, if I may. I had a very serious question to ask the minister in response to what I think is a very important ministerial statement today. The minister has shortened his answer in response to what I think is an important question in relation to comparisons being made in Saskatchewan and Alberta. I don't know the procedure. I seek your guidance, sir, but I'm compelled to ask the same question tomorrow morning.

MR. SPEAKER: With great respect to the hon. member, I think it has been stated on numerous occasions in the question period that to compare the programs of one province with another is an exercise in research which should be done without taking up the time of 79 people. That's the way I interpreted the question. There was another part of the question that I thought might have been in order with regard to Alberta government policy, but the hon. minister didn't fulfill my expectations in that regard.

MR. MARTIN: They have more unemployment and a big deficit now.

DR. BUCK: Mr. Speaker, my question is for the Premier. But he's busy making a speech for the convention, so I'll hold it until next week.

MR. SPEAKER: The hon. Member for Calgary Buffalo and then the hon. Minister of the Environment, who wishes to deal further with a matter raised in a previous question period.

#### **LRT Funding — Calgary**

MR. LEE: Mr. Speaker, my question is for the Minister of Transportation. In view of the absence of any reference to capital funding for the extension of northwest LRT, could the minister indicate if in fact any negotiations are taking place between his department and the city of Calgary, in view of the June 30 deadline to complete an extension for service for the 1988 Winter Olympics?

MR. M. MOORE: Mr. Speaker, the officials of my department have discussions with officials of the city of Calgary from time to time, but they wouldn't be construed as being any such thing as negotiations regarding LRT extension. Most recently the mayor of the city of Calgary was in contact with the hon. Premier's office and requested a meeting with our government to consider that matter further. I expect that such a meeting will occur sometime in the near future.

MR. LEE: A supplementary, Mr. Speaker. In view of the proposal by the city of Calgary to compress the six-year funding grant program into two years in order that the city might participate financially with the province, would the minister be willing to consider alternative financing options to ensure that the portion of northwest LRT required for the 1988 Winter Olympics could in fact be completed?

MR. M. MOORE: Mr. Speaker, on April 1 we will be in the sixth year of a six-year urban transportation capital funding program. My understanding is that most, if not all, of the dollars coming to the city of Calgary under that program for the fiscal year 1984-85 have already been allocated. No extension of the program has been announced. At this time I don't know whether or not the program will continue or, if it does continue, at what level.

MR. LEE: A supplementary, Mr. Speaker. In view of the success of the Olympic Organizing Committee in negotiating television sales for the rights to cover the games, would the minister be willing to consider some form of joint funding program between the city, the Olympic Organizing Committee, and the province, in order to complete what would be a substantially less costly portion of northwest LRT to service the 1988 Winter Olympics?

MR. M. MOORE: Mr. Speaker, we have considered very carefully the transportation requirements associated with the 1988 Olympics. I can advise that the province will be assuming responsibility for access to the Mount Allan site and some construction in the Canmore area relating to the Nordic events. We've identified the need for certain construction to occur in the Paskapoo area west of the city of Calgary, where the federal government has made a commitment for certain works to be constructed. Of course, we would expect the transportation funding there to be provided by the federal government. Beyond those three areas, we've not identified any need for major additional capital funding associated with the 1988 Olympics.

MR. LEE: A supplementary, Mr. Speaker.

MR. SPEAKER: Might this be the final supplementary.

MR. LEE: In view of the urgency of a decision, would the minister be willing to meet with the city of Calgary intergovernmental affairs committee to consider various innovative financing options that might be undertaken to bring this project about?

MR. M. MOORE: Mr. Speaker, in answer to the first question, I believe I said that I expect a meeting on the subject would be held in the near future between myself and the mayor of the city of Calgary. In terms of the second part of the hon. member's question, I think I identified quite clearly in my last answer that we have not identified northwest LRT as being a requirement in terms of the 1988 Winter Olympics. That's not part of the Olympic planning, at least at this time.

MR. SPEAKER: Perhaps we could come back to this topic. We have overrun the limit for the question period, and tomorrow morning isn't very far away.

I had recognized the hon. Minister of the Environment to supplement a previous answer. If the Assembly agrees, perhaps we might deal with that now.

HON. MEMBERS: Agreed.

#### **Hazardous Waste Disposal Site**

MR. BRADLEY: Mr. Speaker, I will be very brief. I just want to supplement an answer I gave yesterday to the hon. Member for Clover Bar and confirm that my office has in fact received a letter from the village of Ryley outlining the request which the hon. gentleman made yesterday.

#### **ORDERS OF THE DAY**

MR. HORSMAN: Mr. Speaker, with regard to the motions for returns, I move that motions for returns 135 and 151 stand and retain their place on the Order Paper.

[Motion carried]

#### **head: MOTIONS FOR RETURNS**

155. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing:

- (1) copies of applications from employment groups, projects, and other such bodies to the Department of Manpower for employment program funding in the fiscal year 1982-83 and 1983-84;
- (2) list of applications approved and conditions for approval;
- (3) list of applications not approved and reasons for nonapproval.

MR. ISLEY: Mr. Speaker, prior to accepting Motion 155, I propose that it be amended as follows. Point (1): that we delete the word "copies" and replace it with "a summary of the number". So the first point would now read:

a summary of the number of applications from employment groups, projects, and other such bodies to the Department of Manpower for employment program funding in the fiscal year 1982-83 and 1983-84.

Number (2): delete the word "list" and replace it with the words "the number", and delete everything after the word

"approved". So number (2) would now read "the number of applications approved".

Number (3): delete the word "list", replace it with the words "the number", and delete everything following the word "approved". So number (3) would now read "the number of applications not approved".

In speaking briefly to the amendment, Mr. Speaker, I would point out that during the two fiscal years involved in this motion for a return, in the neighbourhood of 27,000 applications have been received. If we are going to have someone photocopy all of those, some of them being multipages, we are going to be delivering a number of filing cabinets of paper to the House. The estimated cost of delivering that paper and doing the analysis requested in sections (2) and (3) would be in the neighbourhood of \$30,000.

DR. BUCK: After salary?

MR. ISLEY: In closing, Mr. Speaker, let me suggest this. If there are any particular projects or proposals that the hon. mover or any other hon. members of the House would like conditions of approval or reasons for nonapproval on, I would be quite prepared to respond, either through the Order Paper or by direct contact with my office.

Thank you.

[Motion as amended carried]

156. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing the total cost of renovations to the Edmonton offices of Vencap Equities Ltd. since July 31, 1983, including:
- (1) complete inventory of materials purchased and cost of each item listed,
  - (2) cost of installation of materials listed in (1), and
  - (3) monthly rental paid by Vencap Equities Ltd. for Edmonton office space.

MR. PLANCHE: Mr. Speaker, I appreciate very much the interest of the leader of the Independents in this issue. I think this is the second time this week that Vencap has been brought to our attention on the floor of the House. I thought it would be appropriate to make a short comment or two.

First of all, one of the things we have learned in Alberta over the last three years is that you can't run medium-sized corporations on demand loans from the bank. Alberta, with all its bounty, has never been fortunate enough to have third-generation wealth to any extent. We have no foundation money to speak of. Venture capital availability in the province has been limited, mostly represented by those who earned money from land speculation and oil and gas, and intuitively tended to stay to those sectors.

One of the things that we recognized as a component of filling that vacuum was a venture capital corporation. So we set about structuring this in such a way that the government would have no input whatsoever to the activities of that corporation, that in fact the people of Alberta would become shareholders, and that once a certain level of input of capital by the people across this province was accomplished, the government would then respond with a loan. That was all done. We are free and clear of any responsibility for activity within Vencap, excepting that we put some restrictions on it. One was that we wouldn't permit Vencap to be involved in conventional banking, conventional real estate activity, conventional oil and gas activity, water diversion, or nuclear energy. However, in the caveat for this very important \$250 million initiative, we didn't

specify that we would have any ongoing interest in their interior decorating.

I think the leader of the Independents would know from his business experience how important an initiative this is for Alberta and would therefore presume that he is a shareholder. In that instance, that information would be available to him as a shareholder by a question at the annual meeting. Mr. Speaker, one thing I know is that it would be fair to assume that the cost of renovation and equipping the office for Vencap would be considerably less than the member's research grant.

On that note, I am hoping this will clarify once and for all that as a lender we are not privy to the activities of that corporation, nor are we privy to the activities in precise ways of the trivial parts of activities of other provinces we lend to or Hydro-Quebec. I am sure we have cleared the air now. As such, I cannot accept this motion, because it is in no way our responsibility to monitor interior decorating, the purchase of chairs, or that kind of thing by Vencap.

SOME HON. MEMBERS: Agreed.

[Motion Lost]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

203. Moved by Mr. Jonson:

Be it resolved that the Assembly urge the government to continue its research efforts with a view to developing a workable program to deal with hail suppression, rain increases, and snow-pack augmentation.

MR. JONSON: Mr. Speaker, I am pleased to finally get the opportunity to debate Motion 203. I think this is a very appropriate time to debate the issue. This is the fourth year of a five-year weather modification research project sponsored by Alberta Agriculture and the Alberta Research Council. We should review the merits of that program to date. We should be aware of what progress has been made and set the stage for future policy direction on weather modification. I can assure you that there is considerable interest in this area, and I will refer to some references on that point a little later.

Mr. Speaker, there are three primary objectives of the current program: one, to reduce damage caused by hail storms; two, to increase rain when necessary; and three, to increase snowfall in critical watershed areas. The majority of my remarks this afternoon will be directed to the matter of hail suppression, which the Alberta Research Council estimates causes losses somewhere in the area of \$100 million a year in the province of Alberta. But I would also like to note that there is evidence that progress is being made in the area of rain increase and particularly in the area of snowfall augmentation. This third area is particularly promising for improving the watershed and consequently the supply to our rivers and streams in Alberta.

Mr. Speaker, in my reference to the interest in this particular area of activity, I would like to mention a number of items that have come to my attention. I note that many of the farm organizations in Alberta deal with this particular matter, and I would like to refer to Unifarm. Unifarm policy calls for the reinstatement of an active hail suppression program using aircraft and air-ground generation on a continuing basis in crop insurance risk areas 4, 6, 7, and 8, which includes the area south and north of Red Deer, sometimes referred to as "hail alley". I think Unifarm is a widely representative organization in this

province and, as I say, they represent many other organizations that have a similar interest.

Secondly, I'd like to refer to a matter which is particularly pertinent to the Ponoka constituency and bordering areas. Mr. Speaker, recently I received a petition from Mr. Charles Park of the Ponoka-Rimbey constituency, signed by some 772 people specifically in the area which was dropped from coverage under the Alberta Research Council program out of Red Deer. I know the people who signed this petition considered putting their signatures on there very seriously. They had a deep interest in this matter of hail suppression and protection against hail damage, and I will see that the petition gets to the appropriate ministers.

I'd like to just elaborate a little bit further on some of the background to the petition. There's a great deal in the way of statistical information, and I suppose that certainly has to have its due respect. The farm population practising in the area where there is a great deal of hail certainly have their clear impressions of the difference between a time when they had this hail program provided and the time when they did not. To them, the difference is very real, and they are putting this petition forward in a very, very serious manner.

One other example I'd like to mention is related directly to the area. If we could go back a couple of years to the time that the area stretching about 40 miles north of Red Deer was covered, there was a considerable decline in the hail damage. But on July 21, 1982, a particularly devastating storm, which is outlined in the annual report of the Alberta Research Council, crossed the area. It cut a very, very wide swath and did tremendous damage in the area. It is interesting to note, Mr. Speaker — I'm not exactly sure of the reason, but I believe it was some difficulty with radar coverage in spotting the storm — that the Research Council acknowledged that that was one major storm they were not able to seed with their aircraft. To the residents of the area, that certainly proves the point they're trying to make. On that one storm in particular, they think there's sufficient indication to have support for an ongoing program.

I'd like to go on, Mr. Speaker, to mention some other activities relevant to this area. In a bit of research I've done, I note that there is considerable activity in the United States with respect to weather modification. There has been a program conducted in the states of North Dakota, Colorado — in that state particularly in the area of snow augmentation, which they feel is successful — and also in the states of Oklahoma and California.

I recently had the opportunity to talk to a noted specialist working in the United States in the field of weather modification, one Dr. Krick, particularly noted for his work on ground generation with respect to weather modification. He noted that there is continuing interest in these programs in the United States. In a couple of cases, particularly in the state of Colorado, it seems to have become an ongoing program, one which is provided year to year by the state of Colorado. He's very enthusiastic about the future of weather modification in that area. However, I think it is important to note that Dr. Krick acknowledged to me over the phone that all the programs he is aware of, including those he's worked on himself, are still labelled as research activities.

There is also some interest in other provinces in Canada. In British Columbia, I note that they have a situation in legislation and regulations whereby groups wishing to engage in weather modification within the province can apply for a permit. Of course the permit will be discussed and considered as to its merit. But the indication I have is that permits are granted from time to time in that particular province. There is interest in

such programs in Saskatchewan, Quebec, and Ontario as well, although I will have to note that in Quebec there has been some adverse publicity with respect to their efforts.

I'd like to go on to deal somewhat with statistics, although I know there are other members wishing to take part in the debate. I will not quote the pages of statistics that I could bring forward. Mr. Speaker, I think we have to look at the possible favourable economics that could come from an ongoing program of this type, particularly in the areas of snow augmentation and my special interest, hail suppression. There have been some evaluations of the program that's been ongoing in Alberta. I note from some material provided to me that there was an evaluation of the Alberta weather modification project over a 13-year period by Professor T.A. Peterson of the department of agricultural economics at the University of Alberta, and this was financed by the Alberta research trust. In the document I read through, he provided what seems to be very sound statistical evidence that over a period of time a hail suppression program through cloud seeding could be up to 65 percent effective.

Mr. Speaker, in referring a bit to the financial implications of this, I would not go to claiming that high level of effectiveness. But just for the moment, let us say it could be 10 percent effective in reducing hail damage through the key areas of Alberta. Earlier I referred to the \$100 million cost of hail damage to the agriculture industry in Alberta. Even at a 10 percent rate of effectiveness we would have a saving of \$10 million, which would more than double the cost of the current program of hail research and modification.

[Mr. Purdy in the Chair]

Mr. Speaker, I think we have to look as well at an at least dual benefit from work in this area. There is the obvious benefit of reducing the damage done by hailstorms. But in addition to that, I think we have the very real possibility of a reduction in the hail insurance payout that has to be made as a result of the damage caused by these storms. When you put those two factors together — and as I said before, even look at a very cautious, modest rate of success for such a program — there are still great possibilities, great economic benefits that might accrue from looking at a workable program in the future.

Mr. Speaker, as I see it, there are these arguments for looking towards a workable program for the province. First of all, there are indications that an effective program can be put into effect. We are beginning to have a very highly qualified core of experts working on this particular matter in the province.

Secondly, I think we have to appreciate the tremendous devastation, the tremendous loss incurred by farmers who experience concentrated hailstorms in the province. It can be a complete loss of crop, work, and effort for the entire year, and it is certainly something that should be looked at to be alleviated if that is at all possible.

Thirdly, as I outlined before, if we look at it just from an economic standpoint in terms of costs, I think there is a great possibility of savings in this particular area.

Fourthly, weather has always been a limiting and uncontrolled factor in production of crops. If we can provide some stability to the weather situation for farmers, with them engaged in such a competitive and high-cost industry at the present time, I think we will have provided a great benefit to the agricultural industry of the province. Given the importance of agriculture, I think we should be looking to do anything possible to help that industry in this kind of area, where I think there is a legitimate role for government.

Now, Mr. Speaker, I must acknowledge that there are contrary arguments. I have not been able to find — and I think I have tried to do my research carefully — a great deal of statistical information which would seem to support the idea that there are losses, et cetera, from this particular program. Until such time as that kind of evidence comes forward, I think we have to look on the side of the evidence and look at the possibility of a workable program in the future.

I'd like to go back for a moment to refer to the local situation. One of the things often brought up here is that farmers do their own particular research. I know that the people in the area north of Red Deer appreciated the program the Research Council was providing in that area and, in their careful consideration, felt that it was in fact effective. From their point of view at least, I do not think it was their imagination that that risk of hail damage seemed to significantly increase when the program did not cover that area any longer. As I've said before, Mr. Speaker, I understand there are complaints. But as I look at the evidence, I think it is something that has to be considered from a positive point of view.

In conclusion, as I certainly look forward to the comments of other people in this debate, I think we should be favouring supporting this resolution with a view to possibly passing it. I think it's a time when research and experimentation in the technology of hail suppression appears sufficiently advanced to warrant a well-planned and publicly supported field program at the earliest possible date. Certainly I also feel that if any such program is to come into being, it should be combined with steps to evaluate the consequences and effectiveness of the program. An education and information program should also be combined with it, so that everybody possibly affected could be informed and able to respond in a constructive or negative way, as they might see fit, once it was operational.

Mr. Speaker, as I said before, I think it's appropriate to consider the future of the project at this time. We have one year to go in the current five-year program, and I hope the program will definitely be continued. On behalf of the petitioners, I hope consideration will be given to extending the research program, and certainly consideration should be given to making it an ongoing and workable program with the proper protections and research continuing.

MR. FISCHER: Mr. Speaker, the resolution before the Assembly today urges the government to continue its weather modification research efforts. It is hoped that the research can be developed into a workable hail suppression and rain increase and water augmentation program. The current weather modification research project is running on the fourth year of a five-year program administered by the Alberta Research Council. This is a good time to take a look at this program and see if the research is paying off.

I think it should be noted first off that the budget for the weather modification research totals only about \$5 million. It would take only a very limited amount of success to save \$5 million worth of crops. It is difficult to argue against the weather modification research, because the implications of success are huge.

Agriculture is a multimillion-dollar industry that depends extensively on weather conditions. Rain at the right time of the year is crucial. In the east-central side of the province we have had virtually no moisture between the middle of April and the middle of June in the last few years. The lack of moisture during this germination period results in an uneven crop with severe infestation of weeds and wild oats. The cost of crop loss and spraying with chemicals has been a tremendous burden

to the farmers. To be able to modify the weather at this time of the year in the Irma area would be a great help.

Unfortunately, we can't control the weather. Anyone who has planned a picnic knows we have a tough time even predicting it. This is largely due to the nature of the problem. Most weather modification research must take place in an uncontrolled environment. We can seed clouds, but what effect is it having? At best we can only compare to the past year's rates and guess it is our puttering around that is having the effect.

Maybe it is a blessing in disguise that we cannot control the weather. In a sense, we are tampering with something we just don't understand. While cloud seeding for hail suppression has been going on in central Alberta for a long time, what has happened in east-central Alberta? I have been paying hail insurance premiums for decades in the Irma area. These rates are set according to the previous year's hail claims. We have watched our premiums jump to over two and a half times what they used to be. This does not include administration. It means we have two and a half times as much hail as we had 10 years ago. Some farmers have been wiped out entirely in the past few years, and that had been very uncommon earlier on. It now costs me \$10,000 for protecting what used to cost \$4,000.

Mr. Speaker, the question remains: if you are creating rain in southwestern Alberta, are you stealing it from the east? The Member for Drayton Valley can't get her hay up, while in Wainwright we are getting either hailed out or dried out. As a farmer, I'm a well-qualified weather complainer. In our area we've had a terrible grasshopper problem. Our district agriculturist and entomologists have predicted they will reach disaster levels if we have another dry spring.

Another problem is soil erosion. Unlike some areas in central Alberta that have two to three feet of topsoil, we have four to 12 inches. Could these problems be caused by past weather modification research in central Alberta? Who can tell? Could you imagine the political headaches if we claim we can modify the weather? Maybe we are already. You would have central, eastern, and southern farmers competing for rain.

I realize that weather modification research has come a long way from rainmaking, shaking a plucked chicken at the sky. But I personally feel that with all the uncertainties about weather modification, we will never be able to prove that we are helping the agriculture industry across the whole province. The research would never come to an end, and the enormous question of who dictates what the weather should be is left unanswerable. Perhaps we should let Mother Nature handle the change in the weather and let Father Time catch up with our weather modification research.

Mr. Speaker, I don't mean to make it rain or hail on the parade of the Member for Ponoka, but I have some strong reservations about the resolution he has presented.

Thank you.

MR. PENGELLY: Mr. Speaker, it's my pleasure to join in debate on Motion 203 proposed by the hon. Member for Ponoka. As you know, the weather modification research station is located at the Penhold air base in the constituency of Innisfail. It has been my pleasure to have toured the facilities with the chairman of the Alberta Research Council, the hon. Member for Calgary McKnight.

It is said that economic losses due to hail are now in the order of some \$100 million. Such losses prompted several farmers in the municipal district of Kneehill in the county of Mountain View to seek voluntary contributions and to hire I.P. Krick and Associates to carry out hail suppression. Later, the counties of Rocky View and Wheatland joined with these

groups to form the Alberta Weather Modification Co-op. These private weather modification activities were carried on from 1956 until 1968. The reason for this was that farmers demonstrated support for weather modification, and it prompted the government at that time to investigate the hail problem. As a result, in 1956 the Alberta Research Council persuaded the Canadian Atmospheric Environment Service and the National Research Council to join them in sponsoring the Alberta hail studies. The goal of this project was to systematically observe hailstorms in order to design and test means for hail suppression.

During the early years of the project, scientists initially investigated five items. Number one: how often it hailed within the project area, the duration of hailfall, the size and shape of the hailstones, the pattern of hailfall on the ground. Number two: the freezing properties of water, from hailstones to rain. The size, structure, intensity, and duration of hailstorms as observed by weather radar composed the third item. The fourth item: the internal structure of storms and the growth of hail based on theoretical models and calculations. Number five: the weather phenomena such as winds, temperatures, and pressure patterns associated with hailstorms in Alberta.

In 1968 a meteorological aircraft from the University of Wyoming was contracted to map the updraft region of storms near cloud base. By 1969 the basic understanding of the Alberta hailstorm was sufficient to begin cloud seeding and tracer experiments to learn much more about the effects of seeding. The goal was to eventually develop a practical hail suppression technique for Alberta. With the assistance of the National Aeronautical Establishment, a T-33 jet was used to develop and test an airborne droppable pyrotechnic flare system for seeding all hail clouds. In 1972 the project was expanded to include a turbocharged twin-engine aircraft, a Cessna 441 Conquest. That's the same type we use in the current program.

By 1973 a seeding technology had been developed whereby the developing cumulus cloud turrets on the southern edge of the hailstorms could be seeded by dropping flares that burned and released silver iodide particles into the cloud as they fell. As a result, a hail suppression model was developed. The theory was that storms usually evolved in a cellular structure, with each storm being a conglomerate of a number of cells. Hailstone embryos, which are small ice particles, were assumed to form and grow in these cells. The cells grew rapidly to heights exceeding eight miles to become the main body of the storm. The embryos could then grow rapidly on the supercooled liquid water carried aloft by the updraft. The assumption was made that the introduction of ice-nucleating particles in the cloud towers would generate many more embryos. These embryos, in sufficient numbers, competed with the natural embryos for available liquid water, and this resulted in reduced hailstone sizes.

In 1973 the Alberta government created the Alberta Weather Modification Board to direct the Alberta hail project. This was a five-year program to determine the technical and economic feasibility of hail suppression using current technology. The project consisted of operational seeding of all hailstorms south of Red Deer and a randomized seeding north of Red Deer. The Member for Drayton Valley will be interested to know that in the randomized seeding north of Red Deer, the weather radar observed a storm that had reached a predetermined intensity in the northern area. An experimental day would be declared. A card was then drawn which would declare the day a seed or a no-seed day. If a seed day was declared, all storms would be seeded and observed. If a no-seed day was declared, the storms were not seeded but were observed with radar and the rest of the observing facilities. Then they compared them to the storms south of Red Deer.

That was in 1973. The statistics were compared, but the results were inconclusive. However, they did learn a lot about hailstorms. The most important realization was that additional knowledge about how precipitation is formed within these storms was required before any conclusions on the effects of cloud seeding could be made.

In 1980 the Alberta Research Council assumed full responsibility for research and operations in weather modification — the current project. An Advisory Committee on Weather Modification was formed by the Department of Agriculture to provide the Alberta Research Council with guidance on the general direction of research.

They had several objectives. The first was to assess whether cloud seeding sufficiently influences hailstorms to cause a change in rainfall, and the second to qualitatively assess the potential for increasing rainfall by seeding the cumulus clouds in Alberta. Thirdly: to determine the physical and economic feasibility of increasing snowfall in the Alberta Rocky Mountains by cloud seeding. Number four was to evaluate the ability of ground-based generators to inject suitable amounts of ice-nucleating material into the clouds. That argument is still going on. Number five was to seed clouds using aircraft. Number six was to investigate the possible effects on precipitation from gas processing plant emissions; they called this inadvertent weather modification. There is some research that indicates that the  $\text{SO}_2$  from gas plants does a lot to reduce the size of hail in hailstorms.

At the present time, the following methods are being used to meet the objectives: use of an instrumented cloud physics aircraft and weather radar to look at changes produced within the storms after seeding and to develop forecasting techniques to provide methods to predict how storms would behave, and thus help detect the seeding effects. They also plan to develop new observational techniques to provide measures that can be used in an evaluation of the cloud seeding. They also want to determine the destination of various seeding materials from both ground generators and airborne delivery sources. After the five-year program is finished, the major anticipated benefit is really a guidance on the feasibility of conducting a definite cost/benefit analysis of weather modification in Alberta.

In the other part of the program, I. P. Krick was contracted to operate a network of ground generators in an area south of Calgary. The research aircraft has been used to try to detect the ice nuclei the generators are putting into the atmosphere, to see if the ice nuclei form as suggested by the operator and if silver iodide from the generators is entering the clouds in the target area.

By the end of the program, we will be able to state whether or not cloud seeding has any effect on the growth of hail within storms, whether cloud seeding should be considered for increasing rain, whether ground-based generators can deliver significant quantities of seeding material into the clouds, and whether a potential exists to increase snowfall through cloud seeding.

Mr. Speaker, the Alberta Research Council estimates that losses in Alberta amount to \$1 million a year. Hail is only one of the risks that farmers face. They say there are other risks that cost up to \$50 million a year. For a relatively small area in central Alberta, the seeding and research costs \$5 million a year. So the largest question to be asked is whether enough benefit is derived to justify the costs of such a program. Of course these decisions will have to be made, and the future of research in weather modification and the direction of the atmospheric science program in Alberta will have to be reconsidered.

Having said that, Mr. Speaker, I urge all members to support the continuation of this research which will help us resolve the issues that are not yet resolved.

Thank you.

MR. CLARK: Mr. Speaker, it's a pleasure for me to speak on Motion 203, and I'd like to congratulate the Member for Ponoka for putting this on the Order Paper.

I can't let it go by but say a few words about the hon. Member for Wainwright. He isn't here unfortunately. But when he was talking, I was just thinking that maybe we're chasing all the hail into his area and maybe he should join the program. That's one of the fights we had when we started this program.

To the hon. Member for Innisfail, who said we should have a cost analysis: we have a lot of programs out there that maybe we could have a cost analysis on. Maybe we could have a cost analysis on some of our grazing leases. Maybe we should have a cost analysis on our irrigation programs, the flood control programs, and some of the other ones. It kind of works both ways. Anyway, I just thought I'd mention that in passing.

I'd also like to get into the history a little bit. I guess I've been personally involved in weather modification since 1956. It's a program that I believe probably has more benefits per dollar to the farmers in this province than any other program going. I'd just like to go back over the history a little bit to identify the reasons why this program started.

This program wasn't started by the government; it was started by a group of farmers, private enterprisers, down in central Alberta. They started it for the simple reason that the hail insurance program we have, and it's a good one — but private hail insurance companies wouldn't even insure their crops because of the very high premium charge.

Then we came in with Alberta Hail and Crop Insurance. In many of the areas they said: yes, we'll insure it, but for 20 percent. This forced the farmers in that area to almost go out of grain during the 1950s, because they just couldn't afford to grow grain on account of the amount of hail they had. The maximum charged by the Hail and Crop Insurance program was 20 percent in those days; one of the minimums in the central Alberta area was around 18. I'm going to come back to that and how the program has affected those Hail and Crop Insurance premiums over the years in that one area. The Member for Wainwright said his had gone up over the years. The premiums in that area have either stayed the same or gone down dramatically.

I would also like to mention a little bit about how it got started in our area. A bunch of farmers in Kneehill, Starland, and Wheatland, which is pretty well the area that I represent, went to Dr. Krick in Denver, Colorado, who had been running a weather modification program. They invited him to come up to see what he could do with this area. He was really interested in this area because of the great amount of hail we have in central Alberta and the intensity of some of the storms. There was one other reason he was interested in coming here. The Alberta government had in place at that time an Alberta hail studies project. He thought that by doing it within this area he could maybe prove to some of the skeptics that this program was of some value. That's one of the reasons he really wanted to come to Alberta.

The reason the farmers wanted him was that some of them were going broke because of hail. A very good friend of mine, a neighbour, who started farming the same time I did, lived a few townships away from me. They just seemed to collect hail. Although his dad had had the farm all his life, he'd never had a hailstorm. Suddenly my neighbour got hailed out nine years out of 12, and he was out of business. In fact he never recovered from that.

In those days there were only two ways to finance a hail modification program for farmers. At that time the government wasn't in on it at all, so they had to either put it on their taxes by means of a plebiscite through a municipality or raise it from

door to door. We all tried the plebiscite route. As you know, to pass a money bylaw in a municipality takes a two-thirds majority, and they had to be ...

MR. ACTING DEPUTY SPEAKER: Order please. The time for this particular debate has now concluded.

MR. CLARK: Thank you, Mr. Speaker. I appreciate your help. I was just getting started.

I beg leave to adjourn the debate, because I have a few more things I'd like to say on this.

Thank you.

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

**Bill 204**  
**An Act to Amend the**  
**Alberta Income Tax Act**

DR. BUCK: Mr. Speaker, my remarks this afternoon will purposely be rather brief, because I know members of the Assembly will want to vote on this so we can rescind the 13 percent income tax Act. I know that in their surveys members are now in the process of rather extensive fence-mending, and I'm sure they want to get this to a vote this afternoon.

Before I get into the things I wish to speak on this afternoon on this Bill, Mr. Speaker, I want to apologize to members of the Assembly. I have another commitment. So I'm not going to be running out after I give my address. I promise faithfully that I will read all the remarks and all the support for this Bill that will be taking place this afternoon.

MRS. CRIPPS: We're going to give a little quiz on it.

DR. BUCK: So that I don't get nasty things said after I've left, I want to make that very clear at this time.

Mr. Speaker, when we sat in our places on Tuesday evening and listened to the Provincial Treasurer talking about his attempt at a balanced budget, it was quite interesting to see. To go back into a little bit of history, when we in this Assembly passed the Bill to raise personal income tax 13 percent, my remarks indicating why I opposed that Bill were quite extensive, and my reason for opposing has not changed one iota. But I'm not going to rethresh old straw. I'm sure members of the Assembly can read *Hansard* just as well as I or anybody else in the province.

But I think we have to go back and recap some of the reasons I thought we should not levy the 13 percent income tax when we passed the Bill. We were looking at trying to bring the economy of this province out of a recession. Before the election of '82, we were promised in glowing terms by the Premier that the economy was going to turn around because of the actions of the government. The economy has not turned around, and I guess we have to assume it's because of the action or inaction of this government that the economy has not turned around.

What effect did the 13 percent have on dampening the turnaround of the recession? Mr. Speaker, anyone who's ever been in business knows that the more money you take out of the taxpayer's pocket and the more money you take out of the small-business man's cash flow, the more difficult it is for him to stay in business. That's one of the basic facts of economic

life. The over \$200 million we took from the private sector and put into the pockets of the government led to a dampening of the economy, an economy that was already struggling. We've seen the economy turn down since that time.

Mr. Speaker, I do not like to be pessimistic, but I hope we have reached the bottom of the slide. I know the Minister of Agriculture is concerned about what is happening in the agricultural sector. I know the Minister of Tourism and Small Business and the Minister of Economic Development — we as elected members are all concerned about the direction our economy in this province is turning.

I think we cannot differentiate between the 13 percent income tax and not relate that to the budget. What we're really talking about is an additional \$200 million. The Provincial Treasurer stood in his place and said: no new taxes. I have a little trouble with that. We've already had a little bit of that debate in question period, Mr. Speaker, when we talked about: was that or was that not the truth; was it intentionally or unintentionally a statement that should not have been used on behalf of the Member for Little Bow and also on behalf of the Provincial Treasurer. It's very difficult to say there have been no tax increases in this budget when we had a tax increase on January 1.

Mr. Speaker, I would like to give hon. members a bit of background on why I presumed we were going to have a 3 percent sales tax in this province. I think hon. members would probably like to know. This directly reflects upon the 13 percent personal income tax. When I spoke to the Treasury people in British Columbia, they were comparing budgets with other provincial jurisdictions across Canada. When they looked at their projections and the projections of the amount of spending that is going on by this provincial government, they could see no alternative except to bring in a 3 percent sales tax on limited, luxury items.

MR. COOK: They're Socreds, Walt.

DR. BUCK: No, these were civil servants, Little Boy Blue. These were civil servants who were doing it as professional people, and they could see no alternative. The government was going to have to grab this billion dollars in its hot little hands to try to balance the budget. I use that figure of a billion dollars because that's exactly how much this government's deficit is going to be by the end of the fiscal year. It has almost become a tradition that this government overspends the budget by 10 percent through special warrants. So when we look at the \$200 million the 13 percent personal income tax has raised, the almost \$300 million we've projected as the deficit — and that is using optimistic figures for revenue that's going to be generated — and add 10 percent on top of that, we're going to look at a billion dollar deficit of this government. Past history has proven that that is the record.

When we look at budgeting, Mr. Speaker, by removing this tax we are going to put more money back into the private sector. And that money's going to be needed. If we have a zero increase in education funding, a zero increase in secondary education funding, a zero increase to municipalities, and a zero increase to hospitals, who is going to pay at the local level? Without increased funding, these groups I have mentioned cannot function at the level they are functioning at. So that funding is going to have to come out of the pockets of the taxpayers at the local level. If we put that \$200 million back into the pockets of the local taxpayer, then maybe we'll be able to funnel some of that into some of these services.

Mr. Speaker, this is a great province. It is a province that has the ability to bounce back, and I have every confidence

that it is going to. But if it's going to bounce back, it's going to be in spite of the politicians, not because of the support of the politicians. Anytime we take \$200 million out of the economy and put it in the hands of government rather than leaving it in the pockets of the individual taxpayers, I think that is just a further move to statism. It is something we have been criticizing the federal government for and is certainly not the way to fight a recession.

Mr. Speaker, I promised that I was going to be short, but I did want to leave some of these thoughts with hon. members. I'm looking forward to reading *Hansard* to find out — maybe I'm guessing wrong; maybe I'm prejudging the situation and hon. members are going to support my Bill and remove the 13 percent income tax. You never know; stranger things have happened. [interjections] But assuming they're not going to go along with that, then I will read *Hansard* to find out why they will support the Bill remaining in position and the 13 percent income tax remaining in place. [interjection]

The hon. Member for Vermilion-Viking was out. I've already apologized because I have to go and look after my constituents — a little curling game. I've invited you, hon. Member for Vermilion-Viking, and I would be pleased if you could come. We're having a little trouble with a quorum tonight as it is.

With those few remarks, Mr. Speaker, I would like to say in conclusion and in summary: number one, because of the problems the local boards of education, local boards of health, and municipalities are going to have with their budgeting process, that \$200 million should have stayed in the pockets of Albertans. As well, I take issue with the Provincial Treasurer saying that we have not brought in any new taxes this year. That is just not the truth.

Mr. Speaker, I apologize to members. I will not be able to stay for the rest of the debate, but I say to members who will be taking part that if the vote is in favour of rescinding the tax, I will be very, very pleased. I've held off the 3 percent sales tax by spreading the rumour around the province that they were going to bring it in. Of course Tory supporters were getting missiles in the mail saying, you had better not bring in a 3 percent sales tax or you're going to be gone in two years instead of six. It did accomplish something.

In conclusion, Mr. Speaker, I would like to say: remove the tax and you will make a lot of people in this province happy, but most important, you are going to stimulate the economy in the private sector where it should be stimulated.

Thank you, Mr. Speaker.

MR. ALEXANDER: Mr. Speaker, in rising to speak to Bill 204, may I express my regret that the hon. member sponsoring the Bill will not be here to hear what I have to say in opposition to his Bill.

DR. BUCK: I'll read it.

MR. ALEXANDER: He's promised me that he will read it, so I only wish him the best of luck in his curling game.

Mr. Speaker, he has spoken again today about the dampening effect on spending. In introducing Bill 204, an amendment to the Income Tax Act, on March 19, 1984, the hon. member said that he wanted to diminish its effect and

to assist all Albertans, particularly the retail sector, by decreasing the personal income tax rate to the 1983 level ...

which is the effect of the Bill debated today.

I'd like to approach it from four viewpoints. First, the rationale as originally presented is a bit fuzzy, if not misleading.

in that all Albertans are not in fact impacted by the tax increase, since for the tax year 1981 there were about 350,000 exempt filers, according to the tax department's numbers. Thus the withdrawal of the income tax increase, which is suggested here, will not in fact help all Albertans; it would help those who pay the tax. I suppose that's nit-picking; it's a relatively excusable oversight.

But the second problem, which is the emphasis on the dampening effect on spending today in the retail sector, is not quite such an oversight. It ought to be examined. The House has often heard opposition members wail about the negative impact of the tax increase on retail trade. Of course the point has been stubbornly refuted by statistics on retail spending. Alberta continues to lead Canadian consumers in retail spending per capita. These numbers are from Stats Canada, and anyone can argue with them.

Mr. Speaker, it puts me in mind of Will Rogers' observation about lies. He said: there are lies, damned lies, and statistics. The spending data suggests that small, marginal tax increases currently seem to have less impact on spending than, for example, high interest rates and job security. Buyers' decisions tend to be affected by level of the savings rate, thus it may disappoint the mover of the Bill and its supporters that consumer spending simply refuses to lend itself to their forecast.

More important, however, is the problem of clarity about the Alberta economy. It is my view that if this were more fully studied, we might better understand our diversifying but still essentially resource-based economy. We would then more properly focus on the impact of international commodity prices upon which the Alberta economy relies heavily. In Alberta we buy most of our consumer products from industrial areas where they are manufactured. Retailers in Alberta are important economic players in the economy, but they would be the first to recognize their role as buyers of goods from elsewhere for resale here. The retail sector is not the main engine in overall economic recovery in a resource-based economy. In short, Alberta does not have a self-enclosed retail economy. In fact retail jobs comprise 12 percent of the total jobs in Alberta.

To add statistical perspective, if the tax increase were to lead to an exactly equal \$200 million decline in consumption, this would constitute .8 percent of consumption in Alberta. Although in aggregate there is a minor reduction in consumer spending due to the tax increase, the funds are not in fact withdrawn from the economy. The government will spend the \$200 million, and then total demand may not decline. In fact total [demand] may increase, since government will spend the entire \$200 million whereas individuals would have saved some of this amount. Of course demand would be greater if government incurred a larger deficit rather than raising taxes, but that action would be mortgaging the future and would arguably impact negatively on investor confidence in other economic activity.

To the extent the \$200 million is spent by government in investment capital projects, the funds will have a more positive impact on Alberta than if individuals had spent them on consumption. Capital projects generally have a greater local labour content than do consumer goods which are, by and large, manufactured outside Alberta. While increased retail sales have a ripple effect in the services sector, their impact on the major components of the Alberta economy is not large.

While this perspective on retail spending needs to be made, let there be no mistake about my view of tax increases. I am just as much in favour of spending my own earnings as anyone else. I have often been portrayed in this House as a "supply sider". While most of my accusers think the phrase is a catchy

one, they wouldn't likely know the difference between the Laffer curve and a bend in the highway.

To be sure, my comments do not reflect a pure supply-side fiscal case; nonetheless I also believe taxes should be kept to a minimum. Mr. Speaker, I am also a conscientious objector to egalitarian philosophy, dialectical materialism, and all forms of socialism. I oppose massive intervention, the welfare state, socialized medicine, and Mr. Trudeau's vision of Canada — all of it. Regrettably, too many Canadians do not share my views. Regrettably also, those ideas and the resulting political policies that flow from them are the ones currently consuming the country's financial resources. If people continue to demand the high level of services proceeding from these ideas, then taxes will continue to rise in order to provide them. High taxes are the price of high-level services.

What distresses me most is the vicious circle we are all caught in. It is like an expanding vortex. We have an ever-increasing demand for services at an ever-increasing price which brings an increasing level of dependency on those services, which leads not to satisfaction but to ever-increasing demands. Aside from the loss of self-reliance and human dignity in this increasing dependency, there is no apparent end; that is, until the funds run out. Economies around the world stand in stark testimony to this vortex. The world teeters continually on the brink of financial crisis. Today we in Canada stand \$160 billion in debt, not including unfunded liabilities. We have seen another federal budget deficit of approximately \$30 billion. With debt service payments of 23 percent of the federal expenditure, one might ask, when will that vortex come to an end? I leave that question to hon. members since I prefer not to contemplate the outcome.

By contrast, I greatly prefer to see our current budget with a debt service level of 1.7 percent of expenditures. That is attained by a balance of all relevant factors. To be clear on all the factors at work, I recognize the budget and tax implications of the heritage fund. I endorse the concept of the fund and view the investments of the fund to be both farsighted and beneficial. It is appropriate to divert investment income and half the resource revenue into the General Revenue Fund in order to keep taxes down. To keep taxes at the lowest level in Canada is desirable, and that has been accomplished. To be sure, cost cutting must be vigorously pursued. The trend has turned in that regard.

However, taxes are the price of services, and that demands a fiscal responsibility which is not in evidence elsewhere. Our citizens must be aware of the fiscal problems which we confront together. They have called for balance. They recognize that taxes are an unpleasant but realistic fact of life. They are the price of balance.

Mr. Speaker, responsible members cannot support Bill 204. It must be defeated.

MR. JONSON: Mr. Speaker, I would like to make a few comments on Bill 204, which I am not able to support. I would like to start, however, by acknowledging that additional taxation is something all of us would certainly rather do without. But there comes a time in the responsible operating of the provincial budget when that alternative has to be looked at.

Before talking about my view of the alternatives that were available to the provincial government, I would like to note that in 1975 personal income tax in this province was reduced by 28 percent, or 10 points on the total income tax. I remember the reaction of the opposition at that time. Having been in the House the night of that particular budget, I remember that the opposition was quite content to call it a 10-point reduction in income tax. In 1984, when we have raised it five points in the

total income tax scheme, it has been emphasized as being 13 percent.

Mr. Speaker, I would like to refer to alternatives facing the government at a time when revenues are levelling off and declining in the short term for some aspects of our natural resource revenue and when the government is faced by some areas of budgetary expenditure that have a great deal of pressure on them to be expanded. As I see it, a government has three or, in the case of Alberta, four alternatives in this situation. They are: first, to let the deficit build; secondly, to curb expenditure; thirdly, to increase taxes; and fourth, the special opportunity available to Albertans, to utilize the Heritage Savings Trust Fund.

First of all, Mr. Speaker, I would like to comment on the matter of letting a deficit increase and increase. I think it would be a very, very irresponsible action on the part of the provincial government not to pay attention to the need to reduce its operating deficit. We have the example of our federal government, which has already been referred to, where the current operating deficit is \$29.6 billion — at least that is the latest projection — not to mention over \$100 billion of existing debt. Servicing that debt is a large percentage of federal expenditure. We know the current federal government would admit that the tremendous cost of servicing the debt is preventing them from implementing what they regard as good ideas, and it is certainly there to hinder the operation of future federal governments. A government in that situation cannot implement policies. It cannot act on other aspects of the economy. I cannot accept that that alternative is the way to go, if that in fact is what is implied by wanting to pass this resolution.

Secondly, Mr. Speaker, we have the alternative of curbing expenditure. This is being done in the current budget without jeopardizing our good set of important programs. There is a plan to reduce civil service places where these are not needed. With a net out-migration of 200,000 people from the province in the past year or year and a half, I don't know how anybody can argue that 1,100 — if that's the figure it has expanded to — or the numbers that are actually stated in the budget shouldn't be reduced from the government work force of this province. I think there is a need in the future to continue to look closely at the possibility of making some reductions there. There are certainly efforts outlined in the budget for cost controls, for looking carefully at the expenditures of this government and bringing down the rate of expenditure.

Mr. Speaker, the third alternative available is increasing taxes. We in the province are in a situation where we have a very, very favourable tax position relative to other provinces. These are outlined and referred to on several pages of the budget. But as noted on page 26, we still have the lowest income tax rate in Canada, albeit by a very slight margin. There is no high-income surtax. I note that B.C., Saskatchewan, and Manitoba have that. Most significant is that there is no retail sales tax, which at the present time ranges from a low of 5 percent in Saskatchewan to 7 percent in Ontario and 12 percent in Newfoundland. There is no gasoline tax and no capital tax. The information goes on from there. While maintaining this very, very low tax rate but very, very high level of services, the province is providing a very favourable situation for individuals, businessmen, and farmers within the province.

The fourth alternative available to the government because of previous good planning is using the Alberta Heritage Savings Trust Fund. This is already being done. Close to \$2 billion is helping augment our general revenue. To cash it in makes little sense, if that is in fact the intent of ignoring the possibility of tax revenue, because you just cut your long-term ability to generate income or undertake long-term projects. I must note

that the critics of the Alberta Heritage Savings Trust Fund are somewhat silent now that the tremendous impact of the revenue of that fund is being shown and being applied to the general revenue picture of the province, keeping taxes down and programs going.

Mr. Speaker, we are using the heritage fund for a rainy day just as was planned a long time ago. Secondly, we are restricting expenditure in keeping with good management, and I'm sure the support is out there in the province for this particular move. As of January 1 this year, as a necessary move, we have raised taxes, and I think this government has shown in previous years that if the situation changes, they can also be lowered. Finally, Mr. Speaker, we have rejected the very, very damaging and debilitating prospect of letting a deficit run, which might get us through on a short-term basis in a somewhat comfortable manner but would be very, very irresponsible when we look at the future of the province and what we see happening to economies in other areas where the current and accumulated deficit has built to the point where it completely warps the economic system of the province, particularly in the private-sector area and also in the operations of the government.

Mr. Speaker, I urge the defeat of Bill 204. I would like to close by stating that I think the budget that was introduced and the tax increase that was acknowledged in the Budget Address, contrary to some comments, and was introduced earlier represents a responsible way for this government to go.

MRS. CRIPPS: Mr. Speaker, I want to get into the debate on this Bill because I believe there's a principle here that needs to be highlighted. I just received a note from one of my colleagues, who says that Will Rogers also said: if we want to stop the U-boats, we'll just have to drain the Atlantic. But that's not what I want to talk about.

The Member for Little Bow and the Member for Clover Bar have said that the government hasn't given Albertans the information on the tax increase. Surely, Mr. Speaker, the fact that the income tax amendment was debated and highlighted last fall, apart from the overall discussion within a budget, has given all Albertans the knowledge of the increase and of the effective date. Debates on taxes within a budget certainly would not have highlighted Bill 110 as it was highlighted last fall.

Mr. Speaker, there is no obligation, moral or otherwise, on an opposition member to fairly represent government policies, and I guess that's fair. The Member for Clover Bar may deliberately misrepresent, misinterpret, or mislead the public regarding government policies and initiatives. Since he's in a responsible position as a Member of the Legislative Assembly, statements he makes are considered to be responsible. For instance, the prediction of the 3 percent sales tax — and he mentioned it — may have upset the market forces. Someone may have gone out and purchased something they didn't intend to purchase prior to the budget so it wasn't affected by a sales tax. On the other hand, maybe the people selling the product were happy about that. But the point is, the statement was raised at three public meetings as if it were government policy, as if it were coming into effect.

For the Member for Clover Bar's benefit, I might add that I was at the rodeo last night. The clown was pulling his lariat along behind him. The announcer said, why are you dragging your lariat? The clown replied, have you ever tried to push a lariat? I can assure the Member for Clover Bar that he had about as much effect on the government decision on the 3 percent tax as the clown would have had on pushing a lariat. He can't take any credit for it whatsoever.

Mr. Speaker, on November 16 the hon. Member for Little Bow challenged this hon. member to speak, and he said he'd

write the speech for me. He said it will say: "I support the 13 percent hike in personal income tax." Mr. Speaker, I'll read his speech: I support the 13 percent hike in personal income tax. I don't believe anyone wants higher taxes, but if there has to be a choice on the mechanism to raise additional funds, then I believe that was probably the least harmful mechanism we could have introduced. It was certainly less harmful than a 3 percent sales tax would have been.

I spoke in that debate on November [21]. I won't go into it. It's on page 1739 of *Hansard*, so if you want to read the whole speech, you can. There are three reasons I supported Bill 100. The first is the personal income tax selective reduction program. That was an alternative method which the government could have used to raise the \$200 million. That is important because

Albertans who really need protection from increased income tax are the low earners. A gross income of \$ 13,850 for a family of four would result in a net income of \$3,940.

Because of the personal income tax selective reduction program, that family or that taxpayer would pay no taxes. In fact because of the increase in that selective tax reduction program, the actual tax Albertans pay on taxable income under \$4,700 would not increase. The lower end of the scale was increased.

Secondly, renter assistance. The government could have dropped the renter assistance program. Mr. Speaker, renter assistance helps the low-income earners; it protects them. It's \$225; you add 1 percent of your rent and subtract 4 percent of your income. So if you're in the high-income bracket, you wouldn't benefit from that program. But university students who don't have any income whatsoever during their term at university certainly benefit from it. People on the minimum wage or people on social assistance benefit from it.

Thirdly, the property tax reduction program. We could have eliminated that program and raised more money than the total personal income tax increase. Again, that tax would hit the low-income wage earner as much as the high-income wage earner and would certainly be more detrimental to his overall ability to pay for services.

Mr. Speaker, on November 30 an article written by Grant Notley, the Leader of the Opposition, appeared. I'll read two lines.

On the afternoon of Nov. 21 and over the united objections of the four-member Opposition, the Lougheed government gave second reading (approval in principle) to the law that will raise personal income taxes by 13 per cent effective Jan. 1.

It goes on to outline some arguments. Then it says:

Not one Conservative in the entire Legislature rose during the debate on the motion to defend the government's economic record or to argue the need for the tax increase at this time.

Mr. Speaker, he's talking specifically about November 21. If anyone wants to refer to *Hansard* of November 21, both the Member for Edmonton Whitemud and I stood up and spoke on the debate that day, and both of us supported Bill 100.

MR. MARTIN: Don't be so sensitive, Shirley.

MRS. CRIPPS: Sensitive! The Leader of the Opposition either has a very short memory or chooses to ignore the fact.

AN HON. MEMBER: Perhaps it's because he wasn't in the House.

MRS. CRIPPS: He was in the House. He was in the House when I spoke, and he was in the House when we voted.

MR. MARTIN: We never miss your speeches.

MRS. CRIPPS: That's your saving grace; you're always here.

Mr. Speaker, the Member for Clover Bar has said a number of times that government members have not said publicly that they support the income tax increase contained in Bill 100. I don't think anybody wants to see increased income taxes. But I want to assure the member that I've had 14 public meetings since January and have outlined at every one of them why I supported the income tax change. I outlined the three reasons I just outlined to the Assembly. In fact I had a televised meeting in Drayton Valley on March 5. That program was aired last Sunday night, so I guess it's there for perpetuity.

I've publicly stated time and time again why I supported the Bill, and some people even disagreed with me and felt it was not necessary. However, no one could disagree that the costs are the same for the low-income earner and for the high-income earner. The costs of food, clothing, and shelter are essentially the same. I believe, therefore, that the high-income earner can more readily — I want to repeat that; more readily — afford to pay more taxes than the unemployed, the under-employed, the single family wage earner, people on low pensions or on social assistance or even on the basic wage. For these reasons, I hope members will defeat second reading of this Bill.

[Two members rose]

MR. ACTING DEPUTY SPEAKER: The hon. Member for Edmonton Norwood.

MR. MARTIN: Thank you, Mr. Speaker. I won't take long; I'll let the other hon. member in.

I think we aired this. My opinions haven't changed over the fall, but I think a couple of points have to be made. I'm rather interested in some of the hon. members, especially the Member for Edmonton Whitemud. After his speech trying to justify tax increases, I think they're going to have to take away his button in the Milton Friedman fan club. It didn't seem quite appropriate in terms of what he's saying. The other thing that was very interesting is that he said something about if the government takes the \$200,000, they will stimulate the economy. I had to do a double take on that one, to hear if I was hearing correctly.

I think we have to keep this in perspective. I know at this point the government is not going to change; it's part of the budget. But I remind hon. members that there was a double tax in the last year. One was put in the budget. It's not called a tax; it was an increase in medicare premiums. But the fact is it's taking money out of people's pockets. It's the same thing. We can call it premium; we can call it tax. The point is that it is taking money away from people.

Now the effect of all this — and I go back. I appreciate that the hon. Member for Drayton Valley has had public meetings, as I have in my riding. I say to the hon. Member for Drayton Valley, though, that my reaction was very different. Perhaps it's how we approach the subject; I'm not sure. But in terms of the surveys I put out — and I recognize what hon. members are saying. Nobody likes an income tax increase, Mr. Speaker, nobody likes to give money. I accept that as a legitimate argument. But I'm finding that it's not that people are greedy about the income tax. They are legitimately concerned about their economic future and, I suppose, the economic future of the province. What they were saying in a good discussion were many of the arguments the opposition had advanced in the fall, that the middle of a recession is not the time for an

income tax hike. It's not only the money. As the Member for Edmonton Whitemud said, it may not be that great in the overall scheme of things in a resource-based economy. But it does send out a very clear message to people about the direction the government is going.

Another mistake that was made at the same time, if hon. members recall, was the Premier musing along the new year about the possibility of a sales tax. That sent out another message. I don't think the government ever had any intention of bringing in a sales tax. It would have been dumb economics to do so, but there was a lot of speculation at that time. So I'm saying, put those things together and we are sending a message to Albertans.

One of the things we want to do — I think all hon. members agree — is to stimulate this economy. We want to turn it around. I suggest to the hon. members that that budget will not do it, but that's another debate. It is clear, Mr. Speaker, that the income tax; along with the premiums and musing about a sales tax, had a negative effect on the economy of this province. I just say to hon. members that I hear a lot of rhetoric in this Assembly about the private sector being the engine that will turn the economy around. It does not make economic sense for them to argue now that they should take income away from the private sector in a recession. I would say that hon. members are being inconsistent. I have to believe that a lot of it is rhetoric, because it is clear that it did hurt.

Mr. Speaker, I would say that the key is two areas. This government campaigned many years ago, if they will recall, on open government. If they can honestly tell me that they are listening to the people and that the people support them, that the people said this 13 percent income tax was good and desirable and we should have it, if that's what the average person out there says, even at their own convention, then so be it. But I don't think hon. members can. If they're honest, I think they know this was not a popular measure.

I suggest seriously that if at this late date, after the budget, we were to — we're told the economy is going to turn around in the next year, but I don't believe it for a minute.

MR. COOK: You're a knocker.

MR. MARTIN: It could be turned around, but it won't turn around because of this government's policies.

Mr. Speaker, one of the things that would send a very clear message to Albertans at this stage is for the government to admit for once that they made a mistake and say: even at this late date, we are prepared to back off and rescind the income tax. That's not the be-all and end-all in itself, but I suggest to you that that would be sending a message to all Albertans, especially to consumers. I believe that in itself, that message to people today would do a lot to turn this economy around. It would send a very clear message, and we'd be on that step to economic recovery that the Treasurer talks about.

[Mr. Speaker in the Chair]

I don't think that's going to happen, Mr. Speaker. I'm afraid we've overestimated our revenues. I'll leave it at this: we may be looking for some other income sources later on this year, possibly another income tax, which would be another mistake.

In conclusion, I obviously support this particular Bill, that we should rescind the 13 percent income tax. I will not hold my breath waiting for this vote, because I don't think it will come to a vote. I will continue to make the case with Albertans, and I think the government knows they're losing on this particular issue.

Thank you, Mr. Speaker.

MR. McPHERSON: Mr. Speaker, it's a pleasure for me to rise and participate in Bill 204. I do so with concern in two regards. First of all, the mover of the Bill is not here so that I could have an opportunity to rebut, if you will, some of his comments. The second one is that the hon. Member for Edmonton Norwood has given me cause to rebut so many of his comments that I'm not going to have an opportunity to get into the areas I had wished to this afternoon.

It's interesting, Mr. Speaker. The last speaker rose and unless I misunderstood him — and I don't believe I did; I was listening very carefully — I heard him say that he would prefer to see a tax replace the payment of health care premiums. Indeed last year I recall him saying that we should be throwing out health care premiums.

MR. MARTIN: On a point of order. If you check back in *Hansard* — I know it's an honest mistake — that's not what I said. I said that we'd had a double whammy of taxes. We had one in the budget dealing with premiums, which is a tax as far as I'm concerned, and then I said we had the 13 percent income tax. I wasn't talking either/or; I said we'd had a double whammy. If you check, I think that's what it will say.

MR. McPHERSON: Mr. Speaker, perhaps he caused me to hearken back to the comments I clearly remember him saying last year: that we should be disbanding the premiums on the medicare system and exchanging it for a tax paid system. If the record could be looked at, I think we would find ... [interjection]

Mr. Speaker, I would just like to make note of the kinds of circumstances we would be faced with in this province if in fact we were to abandon the premiums on medicare in favour of the incremental tax system. One area that clearly comes to mind is the loss to the province of about \$180 million of revenue if it disbanded its premium system. It would have to be replaced in some form or another. Of course that form would have to be the incremental tax system.

We had an income tax increase last year which produced \$222 million. One may surmise from that that replacing the medicare premium with tax would cause at least another 10 percent tax rate. In addition, I wonder how hon. members that would be so inclined would like the idea of all those people who have worked so carefully in terms of collective bargaining to have their employers provide the medicare premium for them under their collective agreement, now having to pay the full brunt of that if it were through the incremental tax system.

I have a number of comments that I want to touch on today. First, in my way I would like to make it abundantly clear that the 13 percent tax increase is a misnomer. It's a misnomer in representation from our friends in the media and in the opposition, and it's a misnomer in fact. A short while ago I had an opportunity to sit down with my accountant. In the course of the conversation I asked him — and I said this with some trepidation — what do you think of the tax increase? My accountant said, it's no big deal. I was surprised for him to say that. So what he did was go to his computer and run off a bit of information for me.

What we have to recognize is that we are dealing with a five point increase in basic federal tax. Let me give you an example, Mr. Speaker. Let's take an individual earning a taxable income of \$20,000. At \$20,000, he would have to pay tax on the first \$16,506. His tax rate on basic federal tax is \$2,924. He has to pay tax at a different rate on any money earned over \$16,506. That tax on the difference of \$3,494

amounts to \$804. His total basic federal tax is \$3,728. In 1983 we had provincial tax of 38.5 percent. Provincial tax is not a tax; it's a surtax. You pay your tax based on federal tax. It's in fact a surtax. At 38.5 percent, the provincial tax in 1983 would amount to \$1,435. In 1984 the provincial tax would be 43.5 percent, which is \$1,622. We've got an increase in provincial tax of \$186. That is a five point increase in basic federal tax.

If one wants to express that as an increase in the marginal tax rate — because in this province, as I'm trying to explain, the provincial tax is a surtax, a tax on a tax — what we do to determine the calculations is this. We take the federal marginal rate. The highest marginal tax rate federally is 34 percent. Let's take the person who is earning the highest income that can be taxed under the federal system. Then we apply that to the changes in the provincial tax rate vis-à-vis 1983-84. In 1983 we take 34 times 1.385, which is the former rate, and we arrive at a total marginal tax rate of 47.09 percent. Now we go to the year 1984, and we take 34 percent, which is the highest tax rate under the federal system. We multiply that by the new tax rate, which is 1.435, and we arrive at 48.79 percent as the total tax payable by an individual who is at the top marginal tax rate in this province.

Mr. Speaker, that's a 1.7 percent increase. What we're dealing with here is a 1.7 percent increase. I come back to it. For a man in an income bracket of \$20,000, that increase of five points on basic federal tax amounts to \$186. For an individual, a man or woman, with a \$35,000 taxable income, we're dealing with a \$378 increase. For an individual with a \$65,000 taxable income — they're making a pretty good dollar at \$65,000 taxable income — we're dealing with an \$844 tax increase as a result of the five point increase from 1983 to 1984. Our province of Alberta has far too many strengths for these kinds of increases to cause a serious effect on retail sales or the economy.

Mr. Speaker, I'd also like to comment on a couple of other areas. Without any question, Albertans enjoy the highest level of government services in Canada. They also benefit from the most favourable tax regime of any province in Canada. The economically disadvantaged and low income people are favoured in Alberta, because Alberta relies very little on taxes levied on goods and services. In fact we rely to a great extent in this province on the incremental progressive tax system. Nevertheless, Alberta's personal income tax rate of 43.5 percent of basic federal tax is in sharp contrast to the rates provided in other provinces. For example, the rate in Saskatchewan is 51 percent and, including a surtax, the rate in Ontario is 50.43 percent. The Alberta general corporate income tax rate is 17 percent below the average provincial general tax rate. So with the relatively low level of general taxation and the reliance on the incremental tax system as opposed to ...

AN HON. MEMBER: Question.

MR. McPHERSON: Do we want the question? Being that there's no gas or sales tax, Mr. Speaker, I think it's abundantly clear that all members would be encouraged to defeat this bill.

MR. SPEAKER: Are you ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: On the motion for second reading of the Bill, would the members in favour of the motion please say aye. Those opposed, please say no.

[Motion lost]

MR. HORSMAN: During the sitting this evening, Mr. Speaker, it's proposed that we deal first with committee study of Bill No. 28, the Appropriation (Interim Supply) Act, proceed to second reading of Bill No. 5, the Young Offenders Act and, if there is time, resume the budget debate.

Mr. Speaker, I move that when the members assemble this evening at 8 o'clock, they do so in Committee of the Whole.

MR. SPEAKER: Having heard the motion by the hon. Deputy Government House Leader, do you all agree?

HON. MEMBERS: Agreed.

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

[The Committee of the Whole met at 8 p.m.]

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

[Mr. Appleby in the Chair]

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

#### **Bill 28** **Appropriation (Interim Supply) Act, 1984**

MR. CHAIRMAN: Are there any questions or comments regarding the sections of this Act?

[Title and preamble agreed to]

MR. HYNDMAN: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole has had under consideration and reports Bill 28.

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

HON. MEMBERS: Agreed.

#### head: **GOVERNMENT BILLS AND ORDERS** (Second Reading)

#### **Bill 5** **Young Offenders Act**

MR. HIEBERT: Mr. Speaker, I move second reading of Bill No. 5, the Young Offenders Act.

AN HON. MEMBER: Say something.

MR. HIEBERT: I shall. I was nearly an offender by not being here.

Mr. Speaker, this is a major piece of legislation. The body of this particular legislation is encompassed in the federal

Young Offenders Act, which is soon to be passed in the House of Commons. The Bill basically parallels the federal Young Offenders Act. The emphasis is in the direction of removing any ambiguities in dealing with provincial and municipal offences committed by young offenders when the federal Young Offenders Act is proclaimed.

A young offender is defined as a person 12 years of age or more, but under 16 years of age. On April 2, 1985, this age group will move up to include those persons under 18 years of age. The Act would provide that any person under the age of 16 charged with an offence under provincial jurisdiction would have to appear in youth court, and the parents notified of the offence. It means that voluntary payments where the offender admits guilt, such as in the case of a traffic ticket, would not be allowed.

In the 16- and 17-year-old group, with the exception of offences under the Liquor Control Act, which require a mandatory court appearance, young offenders would be governed by the voluntary ticket payment procedure under the Summary Convictions Act. In these instances, notice to the parents would only occur when there is a court appearance.

Offences under the proposed Young Offenders Act would be tried in the youth court, a division of the Provincial Court of Alberta. The present Juvenile Delinquents Act combines both federal and provincial offences. The federal Young Offenders Act, when it comes into force, will differentiate between federal and provincial jurisdiction. Alberta is putting in place its own young offenders procedures in dealing with this particular Act.

Penalties are prescribed in the Act, Mr. Speaker. They would include a rehabilitation process while on probation in order to do community work, and in some cases a fine of up to \$500. A jail term of up to six months would also be available for an offender who is 16 to 17.

The Act would protect the young offender from public scrutiny by banning publication of names of those accused as well as the names of children of those persons who are witnesses or victims of an offence. While the youth courts would be open to the public, the youth court could exclude, in certain instances, any or all of the public from court proceedings in very limited circumstances. The Act would also provide that there can be judicially-sanctioned detention of arrested young persons while they are waiting for an appearance in the youth court. In all such cases, the parents or a guardian would be notified.

Mr. Speaker, this is a major piece of legislation and, as I said at the outset, it parallels the federal Act. Therefore it is my pleasure this evening to move second reading of Bill No. 5, the Young Offenders Act.

MR. MARTIN: Mr. Speaker, I'd like to rise and make a few short comments about Bill 5, the Young Offenders Act. I think generally the principles seem to be fairly sound in following the federal Act and translating into the provincial Act. As I understand them, young persons will now be held responsible for their actions. They will have more legal rights but will have to accept more responsibility. Based on my years of work with young people, I think that's a sound principle.

The other thing that is very sound is the fact that the Act guarantees offenders under 18 years of age legal representation and separate detention from adult criminals. We've been told in the past by criminologists that one of the best training grounds for a young person is to put him into a penitentiary with older, hardened criminals. Bill 5, the Young Offenders Act, along with the federal legislation, recognizes that, and I think that is sound.

There are three or four concerns I have, and I'll raise them at this point and give the hon. Member for Edmonton Gold Bar time to react in Committee of [the Whole]. The one thing I've been able to read — if we can bring things down to dollars and cents, I have to be somewhat critical of the federal government. While it seems to be generally a good Act, it is my understanding that all the dollars and cents have not been worked out at this point. You hear some suggestions that this could cost millions of dollars. Who's going to pick up the tab? I believe it's an example of the federal government pushing ahead before they really have a commitment from the provincial governments — an important commitment about who is going to pay, because there is going to be some significant cost as we get into this.

About the Bill itself, and maybe it's just that you can't put everything into Bill 5, I would make a few concerns known, and maybe we can come back to them later, in committee. As I understand it, Bill 5 talks about legal rights, and that's an important concept. It's my understanding that it makes no mention of the right to legal aid for young offenders. If this is the case, the lack of provision of legal aid is disturbing because it could mean one of three things: only young offenders who can afford legal counsel will be able to obtain it, more demands will be made on lawyers to provide duty counsel in the courts, and young offenders will not have the same right to legal aid under the provincial statute as under the federal law. Maybe it's just that this is not in there, but I would like to bring this up. Perhaps in committee the hon. member can fill us in on that area.

The other has to do with — I believe the term is — diversion, and I know that they're working with it. It's my understanding that Mr. Doyle, the provincial director of the Young Offenders Act, is looking at this. My understanding of diversion is that they try to solve some of the problems before they get to the court, which makes sense economically and, I think, psychologically. But at this point we do not know what will be involved in the province. In other words, Bill 5 at this point lacks a model for alternative measures to court proceedings such as community service, educational programs, restitution agreements, counselling, et cetera. I'm well aware that they are working on this. I'm just saying that perhaps before we brought in Bill 5 it could have been put together, because I think that's a fairly important part of the Young Offenders Act.

The other point I would make is that alternative measures — and I hope this is true — should only be used after the youth seeks legal counsel and if there's sufficient evidence to prosecute the case. If, for example, they sign a contract as part of this diversion, I hope that before they would sign a contract which would imply guilt, they would have the chance to seek legal counsel. I think that's an important concept of law.

The other area sort of ties into the money angle; that is, mention in the budget speech of new facilities as of April 1985 especially to deal with the 16- and 17-year old offenders. I expect that's probably premature, because I'm sure we're still trying to work out some cost sharing with the federal government. But I would want to find out what the hon. member's position is on what we see as a necessity for new facilities, if there is some, or will we be sharing jails with older criminals? What will the case be?

Tying into that of course, Mr. Speaker, are the courts. The personnel and facilities of the old juvenile courts obviously will not be able to handle the increased caseload when there are youth courts, because of the addition of 16- and 17-year-olds.

The other thing I think is important to say is that there are very few lawyers in the province, as I understand it, who are familiar with family courts. So you're going to have lawyers

who represent adults also representing young offenders. If Bill 5 is intended, as I believe it is, to have a different philosophy, if you like, in a sense from adult criminal trials. I wonder if the lawyers should not be familiar with that philosophy, or how we intend to deal with that.

The increased caseload will mean that judges who work in adult courts will also work in youth courts. This could again create a problem in terms of the philosophies of dealing with young people as compared to older people. I'm saying that it could, Mr. Speaker. It could be that judges who have dealt mainly with adults would tend to present, if you like, heavier sentencing and perhaps an infusion of adult court standards.

The other area that is mentioned in the federal Act is the review boards, I believe they are called. The federal Young Offenders Act empowers each province to create review boards. These review boards review custodial dispositions of young offenders after an application by any of those involved in a case. It's my understanding that these review boards can then release the offender, put him or her on probation, place him or her in facilities or in different programs, or affirm the original disposition. But I do not see any mention of the review boards in Bill 5. They're not created under this Bill, and I wonder what the reason for that might be. It is my understanding that under Bill 5, a review of the dispositions will be done by a judge. The one problem I see is that the judge who originally determined the disposition must then review the disposition. This adds consistency but perhaps creates backlogs for judges.

I see no guidelines in Bill 5 for the amount of bail. I expect the hon. member can mention what they have in mind there.

In conclusion, Mr. Speaker, I think generally, with those few concerns — maybe when we come to the Committee of the Whole, the hon. member can allay my concerns there. A very good thing about Bill 5 is that it prohibits publishing the name of the young person who is alleged to have committed an offence. This is healthy, because it ensures privacy for a young person. They need this at this age. If a child or a young person is going to have a fresh start, this gives them at least a fighting chance. I commend Bill 5 for that.

It also goes without saying, but I think it had to be said in the Young Offenders Act, that in terms of punishment — and we know of cases where this has happened — under this Bill, a young offender cannot receive a fine that is greater than that which an adult would receive for the same offence.

Mr. Speaker, obviously when you bring in a big new Act like this and switch from one department to another, there will be a ripple effect, and by-and-by there will be problems. There always are. But generally I am glad that the province has moved. I hope we get our fair share from the federal government in terms of the cost, because I think that's going to be significant.

With those concerns, I will look forward to hearing from the minister in Committee of the Whole. Thank you.

MR. GOGO: Mr. Speaker, I want to make some comments relative to Bill 5. As the sponsor, the Member for Edmonton Gold Bar, has said, this is really companion legislation to dovetail with the federal legislation. On April 1, which is not far away, young people in trouble with the law will no longer be viewed as misguided and misdirected. Indeed, they will even cease to be called juvenile delinquents. Following the pattern set by the government of Canada, the legislation that is before us replaces the 76-year-old law in Canada called the Juvenile Delinquents Act. I think that is very significant.

Mr. Speaker, I would like to make a few comments relative to the changes, not just in the detail of the Bill but in the intent of the Bill. At the moment we have criminal responsibility

beginning at age seven in Canada, and that is going to be raised to age 12. I suppose that's a positive thing. When we look at age 18, I would submit to members that to me age 18 means 18 less a day. Some of the most violent crimes in our country have been committed by people who have been 18 years less a day. I don't think for one moment that we should be naive or misguided in presuming that simply by passing a statute, we are going to end those types of crimes.

Today only two provinces meet the intent of the age requirement, and these are Quebec and Manitoba, with age 18; British Columbia and Newfoundland at 17; and all the others, including Alberta and the Territories, at our present age 16. Many feel that this should indeed be extended, but others feel differently. Others feel there should be a difference between females and males. But clearly the Charter of Rights and Freedoms has sort of put that to bed, with regard to the sexual difference.

What I see as very major in this Bill, Mr. Speaker — and several of the points were covered by the Member for Edmonton Gold Bar — are responsibility and accountability. Citizens of Canada and of this Legislature, assuming we pass the Bill, recognize that young people must be not only responsible for their actions but, indeed, accountable for acts they commit which break the law.

I think and feel very strongly that prevention has been the name of the game. We as legislators must attempt in all areas, not just health but in areas of social conduct and crime, to look at prevention. I hope that the Young Offenders Act, Bill 5, will attempt in many ways to do that.

There's intent in the Act to keep these young people away from adults, in terms of being exposed in the criminal justice system as well as in the correctional system or the jails. I see by the intent of the Act that there is a built-in safety valve. When one of these persons over age 12 but less than 18 commits that type of offence, they could of course be transferred into an adult court. So there's a safety valve for society if a 13 year old, 12 year old, 15 year old, or 17 year old commits that type of offence, where society or attorneys general feel that that's the way it should go.

I do have a concern or two, Mr. Speaker. One is related to the cost, because clearly the Act says that they must have access to legal counsel. It must be guaranteed. I would simply point out to members of the Assembly that that's an unknown quantity. We have in Alberta today a Legal Aid system — \$11 million plus a year. Albeit some of it, certainly with regard to Criminal Code offences, is funded by the federal people, the bulk is funded by the people of Alberta. What will the price tag be to provide access to legal counsel where it's not now required? I don't know. I don't have the Legal Aid annual report in front me, but I submit that the majority of that is certainly not used by young people. So that's going to be a new, added expense to the taxpayers of this province. I think members should be cognizant of that.

Two other points I think are significant and worth mentioning, Mr. Speaker. There will now be public trials; they won't be *in camera* in this so-called new court we're looking at, a youth court, unless the judge deems that they should be. I would differ with the comment by my colleague the hon. Member for Edmonton Norwood on the names being kept secret. I think there's a great deterrent factor. As a matter of fact, I'm very critical of people like *The Edmonton Journal*, who for some reason don't, without a paid advertisement, put the names in *The Edmonton Journal* of impaired drivers who are convicted in this province. I think it's a tremendous deterrent for people to see their names published in the paper. I was on a visit to Montana last summer and picked up a small rural paper. It had half a page called "the court circuit". Every little

thing that had been done was listed there. I'm told, and I believe it, that having your name published is a great deterrent. So I would love to be convinced by the Member for Edmonton Norwood that in all cases it's a good thing not to publish a name.

The final comments, Mr. Speaker. A major intent of the Bill is the so-called diversion concept, where in the judgment of people they wouldn't have to go through the formal court process. Obviously, that is a major positive concept, and I think it's one that should be supported. I would have to say in conclusion, let us not be naive. Until we as citizens in this country and in this province learn to perhaps pay the true price of prevention, particularly with those people whom we know — the ministers of education know; it's been well documented that many young people in conflict with the law have problems that are clearly detected at very early ages. The Lethbridge health unit has a preschool assessment centre looking for these very things, and they go all the way from the hearing impaired and sight impaired. The Member for Ponoka is well aware after years of experience that young people who have difficulty in the school system have problems that we can clearly pick up. Quite frankly I'm a strong supporter of any means that will prevent our young people from ending up in a criminal justice system years later in life, where we have a very high number of people doing time in our jails.

With those words, Mr. Speaker, I strongly endorse Bill 5 as moved by the Member for Edmonton Gold Bar and strongly urge my colleagues to support it. Thank you.

(Motion carried; Bill 5 read a second time)

#### head: **GOVERNMENT MOTIONS**

4. Moved by Mr. Hyndman:  
Be it resolved that the Assembly approve in general the fiscal policies of the government.

[Adjourned debate March 28: Mr. Nelson]

MR. CRAWFORD: Mr. Speaker, because Mr. Nelson adjourned debate and is not able to be here tonight, I wonder if the Assembly might agree that he may speak again, if he catches the Speaker's eye in due course, and not give up his place, and that another member carry on at the present time.

MR. SPEAKER: Does the Assembly agree with the proposal by the hon. Government House Leader?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. LYSONS: Mr. Speaker, this evening I'd like to talk to the Assembly about the 1984 Budget Address. Before I get into my little discussion of it, I would like to congratulate you on your conduct of the Legislature. How very, very proud I am to be in a House which you keep as conservative as you do.

MR. SPEAKER: I hope the hon. member is spelling that with a small "c".

MR. LYSONS: I have been in several legislatures, and it's always nice to get home.

I'd like to congratulate the Provincial Treasurer on his 1984 budget. As he says, it was meant to be trimmer, leaner, and more efficient, and I believe it is. I really feel that we all must play a part in this Legislature. Of course we would all like to have things for our constituencies, but we can't be asking for some of the things for our constituents that we have in the past and be able to get them.

Mr. Speaker, early in 1984 I decided to spend the barley crop I had last year. It was a pretty good barley crop. I went to Taiwan, in China. While I was over there, naturally I sampled some of the Chinese food. There was a little fortune cookie, and I'd like to read what came out of my fortune cookie. It says: from listening comes wisdom, and from speaking, repentance. I hope I don't have to repent too much in saying that we all have to hold the line a little bit, and I intend to do my share.

It was nine years ago this week that a number of us joined this Legislature for the very first time. At that time things were looking very, very good, and they still look very, very good. We've experienced a rapid growth that has been unprecedented perhaps anywhere in the world. It was growth during a time when interest rates and oil prices were climbing. We just happened to be in the right place at the right time, and we just walked in and got involved and taken up by it. Now we're slowing down a little, but we haven't slowed down that much. When I look at the number of dollars that are going out, some \$9 billion in revenue, and a little more than that in expenses, that's really not slowed down an awful lot.

We have to learn to slow down. One of the things I noticed in China was that they seemed to be very happy, hardworking, and contented with their life there. The one thing they seemed to be very complimentary of was the government. They don't ask the government for virtually anything — a little police protection, a little fire protection perhaps, but that's about all. And they're happy.

Here we have so many things. Certainly we live in the greatest place in the world; there's no question about that. We have a number of people that are unemployed right now, that are hurting. We have some businesses that are hurting. These people were caught up as victims more than — in some cases it was plain poor management, certainly, but in a lot of instances they were victims of high interest rates and the subsequent downturn in the economy that had to come. If they weren't in position at the right time, they were hurt.

We do have a bit of criticism now and again. A fellow did a report here. In it he says:

The biggest single complaint which we hear from people desirous of altering government spending practices and priorities is not about a lack of opportunities to make "input" to the Government and its Committees, but about a lack of clear-cut and timely responses to the inputs made. People are not simply looking for opportunities to input to the Government's budgeting process for its own sake: they want to input for the purpose of effecting change in Government spending practices and priorities.

Mr. Speaker, it really shocked me that someone would go on record as making that the biggest point in his entire presentation. In this government, in Alberta in the early 1980s, we have policy conferences. We have MLAs that travel more. I'm sure, than any other MLAs in Canada. We have our car allowance. We have telephone credit cards. We get around, and we have an opportunity for people to have input to this government and the budgeting process.

With that, I would have to say that this weekend our party is having a conference in Calgary. It will probably be the biggest political function that's happened in Alberta for a number of years. We have an opportunity for people to have input to this

government. I don't hold to it that our constituents don't have input. So I would like to set that aside and just go on to another criticism that seemed to be at the forefront, and I think you'll see what I'm driving at.

This report of the government of Alberta was done here in the city of Edmonton. One of the things they seemed to be very critical of was small airports and small hospitals. Mr. Speaker, I'm sure you, as well as the rest of us, have heard people in your constituency say, gee, these small hospitals, airports, and the decentralization practice of this government are very costly. No one is going to deny it. Decentralization is costly. But where we have people we must have services, and when we have services there is the cost. I'm sure there is nowhere else in North America where the decentralization proposition has worked as well as it has here in Alberta. I'm very, very pleased and very, very proud that we can decentralize our government operations and be out in the country where the action really is. You don't see many oil wells in the city of Edmonton. You don't see cattle grazing in Edmonton; you might see some deer along the river, but you don't see where the production is. Agriculture and energy are certainly our biggest employers.

Tourism is another big employer. You have the West Edmonton Mall in your constituency, Mr. Speaker, and I understand that's Edmonton's tourist attraction. I've been in it once or twice and got lost, so I don't go back. If that's a tourist attraction for the city of Edmonton, so be it. But out in the country, every time we drive down a country road we have a new tourist attraction ahead of us. [interjection] Another farmer just spoke up there.

I would just like to repeat that when members from city constituencies hear this so-called complaint about government priorities, when they realize that one of the big things is the hospitals we have and that they only account for such a tiny, tiny fraction of actual hospital costs, I wish they would back us rural guys up a little bit, as we must back them up once in a while over telephones, power plants, and things like that.

Mr. Speaker, one of the serious things we have in Canada is altitude. We've got to address that before we can address anything else. Hopefully that will be addressed more fully and in a positive way with a general election sometime in 1984. The attitude of people in Canada seems to be: we'll spend it today, and somebody will pay for it somewhere down the road. Well, we've got to stop that nonsense. Anytime I ever spent something I didn't have, I had to pay for it. Sometimes I paid very dearly. I'm not suggesting that there aren't times when deficits or borrowing are necessary, but certainly there are times when times are good, as during the '70s, and we were able to put some money away into the Heritage Savings Trust Fund.

I well remember some of the criticism of the Heritage Savings Trust Fund, where we should be spending that money now and giving everyone their fair share, and all this. Well, methinks that sometimes there's too much sharing and not enough input.

One of the things I was told in China by some of the business people is that they have a very simple method of determining how much you get paid. It was very simple; you got paid almost entirely on the amount you did. If you were young and aggressive and could pedal your bike fast or put things together quickly or write fast or whatever you could do, you got paid more. If you slowed down a little bit, like some of us do as we get near the age of gray hair, we get paid just a little bit less.

AN HON. MEMBER: Or no hair.

MR. LYSONS: Or no hair. Here it seems that your pay is determined more on how much you know rather than how much

you do. It's not that as people know more they don't produce more; it's just that they have a little different philosophy. Certainly some of the people in management over there are paid fairly well. They have their own cars. But the majority of people seem to have these little motorbikes, and by law they're allowed up to five people on that motorbike — five and a half, I believe the law is. If they get six people on it, they're hauled in. I have pictures of four adults on a motorbike — not quite adults; two big children and, I would imagine, the mother and father. I saw several where there were five on the bike. They go so fast you can't really ever get a chance to take a picture of them. They can put more on their little pedal bikes than we can put in a half-ton truck. It's amazing.

Their stores are interesting too. They would probably have 50 retail outlets in this Assembly. They're happy. They'll be butchering a pig here and doing hair there and mending clothes here — none of this problem of health inspectors and things like that over there. [laughter] They do have the odd health inspector, though. There is the odd time that something is closed down. I was in some that I thought were just on the edge, but they tell me these were some of the better ones. I would not want to go where they had closed them down.

At first, food smelled kind of funny, but it was pretty good after you got used to it. The meat is a little suspect, though. They tell me they eat everything with four legs except the tables and chairs. Some of that meat we got hold of — well, I have got false teeth on the top, and I just couldn't go through that stuff at all.

AN HON. MEMBER: Did you take them out, Tom?

MR. LYSONS: No, I didn't have to take them out.

They're very calm people. They honk the horn a lot when they're driving, but they're not racing around quite the same way we do. They get very aggressive when they get a steering wheel or handlebars in their hands, but on the street they're very calm.

It was such a surprise when I got off the airplane after coming through that zone — I went on Korean Airlines, because it's inexpensive. You have to slide down along those Russian defences and so on. You feel the plane bumping and turning a little bit, and it makes you wonder. But no holes came through the plane, and we finally got to Taipei. We'd hardly gotten out of the plane and two 747s unloaded right behind us, so there were a thousand Orientals. You're standing there, and it feels like you're standing on a chair because you're a little taller. There are all these people, just hundreds and hundreds of people. Of course they have their baggage, the same as everyone else. But never once did they ever bump me. I couldn't believe that. Here are these hundreds of people, and they're all rushing around, but they never hit me. Here, you would have been knocked over. But there, they just seem to — it must be their diet. They eat so much rice, and we eat so much meat and all these other good things.

But getting back to our budget, I think we can learn a great deal from some of these people who have lived in other countries. We tend to be very selfish people, I believe. We look at things and money, as: how much is in there for me? I know the hon. Member for Rocky Mountain House looked through that budget document, and he was looking: what's in there for me? So did the hon. Member for Drumheller, and so did every one of us. What's in it for me? Sometimes I wonder if we shouldn't have those things pasted over so we don't know what's in it for me.

As the minister said, Alberta is on the way back: 1984 will be a year of economic recovery. There's no question in my

mind that we can pull together and pull this country around. We're going to have to have a little help from the federal government, but I know that the will of the people here in Alberta is strong. We can do it. As long as we have everyone working to that end, we can do an awful lot.

Before I sit down, I have to just remind some of the ministers of some of the things I need in my constituency.

MR. CLARK: I thought you said to forget that.

MR. LYSONS: No, I said for you to forget that. I didn't say I would forget it.

In our constituency we have part of the Lakeland College complex, the major building facility. One of the things we're looking at and hoping is that it will become the agricultural educational centre it once was. If you look around Alberta at where some of the better farmers live, you'll find that they live around where there's been an experimental farm or an agricultural college or something along those lines. So I'm sure it wasn't just because it was good land that they put a college or an experimental farm there. I'm looking forward to seeing our farm at Lakeland College expanded, or what we've got just developed better. I think we do need a little expansion on the land side; we certainly do on the building side.

Then we need to help our constituency a little bit — the heavy oil upgrader, providing it's economically feasible. If it is, as I would almost suspect — I've heard it said that it costs as much or more to refine a barrel of oil through an upgrader as it does through the oil sands. Then of course that isn't an economical thing, and I wouldn't want our government putting money into something just to benefit our constituency if it weren't economical at this time. I know that there are people working at it and doing their best.

I would like to thank the Minister of Recreation and Parks for the beautiful, beautiful job that was done on the provincial park at Vermilion. A new one that is going in at the boundary of Wainwright is coming along nicely. People are very proud of that. We are looking forward to some other things. I would like to personally thank the minister this evening — and I was asked to do this — for the assistance that was given through funding through your department for a little holding pond at the golf course. We have had several, but that one was a specific thank you from the Vermilion golf course. They really appreciate it, and it's doing a good job. We may have to expand it a little, but it's coming. I don't golf anymore; I don't have time. But the people who do certainly enjoy it.

Mr. Speaker, I would like to finish by saying that we have a tremendous province. I never really realized just how tremendous and how big our constituency is. I always drive so fast when I'm going from one end of it to the other, because I always seem to be on a time line. But we had an opportunity of having a tour of our constituency by helicopter, and it is big. It is nice, and it is pretty. It is a wonder how many different things are going on in the agricultural scene, from grain production on the one hand, to livestock; to tourism and the services. If you stretch a little bit, we will have coal mining at the south end. We have a tremendous constituency, and I am very happy to be the member representing it. I know that our people are quite willing to help us share in cutting back some of our expenditures for a time, until we can get really rolling. As the Treasurer said, Alberta is poised and ready to go. When industry is confident again we will go, and we will become stronger than most countries in the world. We are just a little province with a couple of million people, but we are ready to go. I would like to close on that note. I am very optimistic for the future.

Thank you very much.

MR. APPLEBY: Mr. Speaker, I am certainly pleased to be able to share in the debate on Motion No. [4]. I do so with a sense of appreciation and satisfaction, and a feeling of warmth, pride, and gratitude. I am appreciative to the Provincial Treasurer and the Treasury Board for the approach that has been taken in assembling this budget in such a responsive manner and for presenting the budget to the members of this Legislature and to the people of Alberta in a way that demonstrates to everyone that communication and sensitivity to the needs of all Albertans is a primary objective of our government and, also, a response to the mood that I feel is out there among the constituents in the area that I have the proud pleasure to represent in this Assembly.

Mr. Speaker, I rise tonight with a sense of satisfaction, because while the budget certainly shows the necessary restraint in the areas that can feel restraint, it brings about a remarkable closing of the gap between revenues our government is to receive and expenditures we have to make. At the same time it's sensitive to the areas that merit increased consideration in the matter of funding. These various things we have looked at in the budget as the hon. Provincial Treasurer read it to us on Tuesday evening: the job-intensive capital works, the job creation and manpower training for the young people, the increased home care funding, the increased funding for advanced education students, the two new active treatment hospitals, and a great many other responsive programs to what the actual needs are of the people in Alberta today.

Mr. Speaker, with regard to those two very special projects, the active treatment hospitals in Calgary northeast and Edmonton Mill Woods, those have been selected as the sites most suitable for those hospitals. In discussions with my colleagues in the Legislature, I'm informed that those choices are excellent and will meet the needs of the people in Calgary and Edmonton to the best extent. There's no doubt that the \$268 million in capital works for hospital construction this year is going to be very significant not only in getting those two hospitals started but also in completing or starting many other projects throughout the province.

Speaking of hospitals, the people of Athabasca and the surrounding area are very pleased — very thrilled, in actual fact — that next Tuesday, April 3, the hon. Minister of Hospitals and Medical Care and I will be travelling to Athabasca to open one of the new prototypical hospitals, which is going to provide a very necessary service, replacing the one that was destroyed by fire in 1980 and also the one which we've had of a temporary nature, which was provided through setting in some trailers and other temporary facilities.

One item in the budget of special interest to me of course is the \$138 million being provided for capital projects for universities, colleges, and technical institutions. Naturally I feel very good about this, because that includes funding for Athabasca University. Once again, that's well under way as far as construction is concerned. It's right on target. In fact, I think it's a little ahead of target. Plans are already being made to open that facility this coming fall. Some of the advance people are already moving in, and the community itself is very much at work to bring about the transition from the move to Athabasca from its temporary location in the city of Edmonton. There are committees working there to assist the people that will be coming in, to obtain their necessary housing, to find out what amenities are available in the community, to welcome them in many ways, and to show that the people in the community indeed care very much and want to have those people who come to that community become a part of it, to share in all the things that are happening there and feel very much at home.

Also, in the funding that is available under the Education Department's building quality restoration program, we have

been very fortunate in the constituency of Athabasca, because we have had very, very substantial increases in funding spent for renovations and modernization of schools. As well, in the other program, we have modernized the schools very extensively in some of the small hamlets, Smith and Rochester. A large program is under way in Westlock at the present time. That community has gotten together and raised a considerable amount of money and also obtained certain grants that were available under the MCR program. They've gotten together with the school division there. In that new school being renovated in Westlock they're putting in a 250-seat theatre, which will supply many of the cultural needs in the community as well as providing an excellent facility for some of the programs going on within the school itself. I think that's a demonstration that the community, working together with what is available from government and with local jurisdictions in the way of school divisions, counties, municipalities, or whatever, can achieve a result that is going to be useful for many parts of the community at one time.

In transportation, in the Athabasca constituency we are very pleased that we have completed all construction of primary highways passing through that constituency. They're all completed to the stage where they at least have a base course on them. At the present time, there are no more projected primary highways needed in that constituency. We're pleased about that. We've done a very good job of getting our secondary roads constructed, and there's not too much left that's needed in that area as well.

One of the other things in our constituency we're very pleased about is the fact that the hon. Minister of Recreation and Parks saw fit to approve one of the grants of \$100,000 to build a recreation area in that community. That project has been a most amazing thing, Mr. Speaker. Although the county of Athabasca was the governing authority and took full responsibility for it, they enlisted the services of the Fish & Game Association and a group called the Forfar Community Club, which is the area where the recreation area is being built. Those people got together and formed a little committee, and they undertook construction of that park. Not only did they use that \$100,000 but they also scrounged all the money they could from NEED, STEP, and many other programs, from volunteers, and from the county itself, to get equipment from them. I expect that the park, which is now very near completion, if it had been constructed by a private contractor, is probably worth in the neighbourhood of \$300,000. They've done a terrific job and we're looking forward to having that hon. minister with us on June 2 to open that facility as well. Those are the types of things that are going on in that constituency which I represent very happily here this evening.

In the matter of housing, it's pleasing to see that the housing programs will continue. We have a number of senior citizens' lodges. We have four of them, two in the town of Westlock. In fact, altogether we have a total of something like 220 units of lodge facilities in Westlock, Athabasca, and Boyle. In addition, that program of self-contained senior citizen housing has proved to be one of the most favourable ones in the whole constituency. We have two 20-unit facilities in Westlock. We

have 32 units in Athabasca and 12 in Boyle. Three smaller hamlets — Newbrook, Jarvie, and Smith — have four units each. Everybody thinks they're something very special, and certainly they are.

Mr. Speaker, I do not propose to speak very long in this debate tonight. I started out by saying that I have a warm feeling and a feeling of gratitude as well. In conclusion I think I would say, as the hon. Member for Vermilion-Viking said a while ago and other members no doubt will underline it as well, that the key words in the opening address by the Provincial Treasurer have to be "Alberta is on the way back". That strikes a very responsive chord in the ongoing process of recovery that's before us here in the province. I personally don't mind saying that I have been — I'm sure like all hon. members and most people in the province — worried or concerned about what has happened in the last two years, when we saw what's been unfolding here in Alberta, in Canada, and in the world beyond. It's been a very worrying time. But this budget now gives us that feeling of, yes, we do see a ray of sunshine ahead; we know there are some better days coming. Although we can't go out and say we're going to see a great transition overnight, we can certainly say things are happening out there and are looking better every day.

I was surprised last evening, Mr. Speaker, when I was invited to go to Westlock to meet with all the doctors there. They all weren't able to come, because some of them were on duty in various places, but eight were there. They had a very positive attitude to what was happening in the province of Alberta. They were concerned about some things; I grant you that. I took them all copies of the Budget Address and pointed out the sections that dealt with health care, and they were very concerned about what they could do to help this government achieve its objective of controlling health costs. They had some very useful and positive ideas, and I was very pleased to hear those. I certainly made notes of those, and I will be sharing them with my colleagues in the days to come.

Mr. Speaker, I close with the feeling that I'm pleased about the budget. The people in my constituency — I've heard no criticisms about it whatsoever. I have heard lots of very positive and commendable remarks, so I think we're heading for something that's really worth while. Thank you.

MR. PURDY: Mr. Speaker, in view of the hour, I beg leave to adjourn the debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

MR. CRAWFORD: Mr. Speaker, tomorrow the Assembly will deal with third reading and Royal Assent of the appropriation Bill; as well, the committee study of Bill No. 5. If there is time, the debate with respect to the budget would also continue.

[At 9:04 p.m., on motion, the House adjourned to Friday at 10 a.m.]