

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Wednesday, April 4, 1984 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. STILES: Mr. Speaker, I beg leave to present the following petitions that have been received for private Bills:

1. the petition of Robert Leclerc for the Central Trust Company and Crown Trust Company Act;
2. the petition of the Society of Management Accountants of Alberta for the Society of Management Accountants of Alberta Amendment Act, 1984;
3. the petition of Ben Harder for the Foothills Christian College Act;
4. the petition of Elaine Rose Knott and Boniface Joseph Knott for the Dino Alberto Knott Adoption Termination Act;
5. the petition of S. Alldritt, S.H. Alldritt, J. Cox, R. Gibbs, and S. Campbell for the Alberta Savings & Trust Company Act;
6. the petition of Rev. Roger Winger, Mr. Curtis Steiman, Rev. Milford Murray, Rev. Roy Holm, Mr. Gary Gabert, Rev. Edwin Lehman, and Rev. Carl Wolski for the Concordia Lutheran Seminary Act;
7. the petition of Daniel Spelliscy for the Newman Theological College Amendment Act, 1984;
8. the petition of Stewart M. Abel and Sophie Abel for the George Harold Sibbeston Adoption Act;
9. the petition of the Jewish Community Centre of Edmonton for the Jewish Community Centre of Edmonton Act;
10. the petition of the city of Edmonton for the Edmonton Research and Development Park Authority Amendment Act, 1984;
11. the petition of the city of Edmonton for the Edmonton Convention Centre Authority Amendment Act, 1984;
12. the petition of J.D. Edworthy for the Alberta Association of Municipal Districts and Counties Amendment Act, 1984.

head: **TABLING RETURNS AND REPORTS**

MR. HYNDMAN: Mr. Speaker, at this time I'd like to make three tablings: firstly, the report pursuant to section 12(4) of the Legislative Assembly Act, for the year ended March 31, 1983; secondly, the report pursuant to section 62(3) of the Legislative Assembly Act, for the year ended March 31, 1983; and thirdly, the Public Accounts of the province of Alberta for the year ended March 31, 1983. I'm tabling with them Details of Expenditure by Payee, which is a supplement to the Public Accounts, and the Financial Summary and Budgetary Review for the 1982-83 fiscal year. Copies of the Public Accounts were previously distributed to all members of the Assembly, Mr. Speaker.

DR. WEBBER: Mr. Speaker, I'd like to table the annual report of the Social Care Facilities Review Committee for the calendar year 1983. In doing so, I would like to express my appreciation to the hon. Member for Calgary Egmont for his hard work as chairman of that committee, and to the Member for Cypress for his hard work.

MRS. OSTERMAN: Mr. Speaker, I'm tabling the 1982 annual report of the Superintendent of Insurance.

MR. TRYNCHY: Mr. Speaker, I wish to table the 1983 annual report of Recreation and Parks, and also the annual report of the Advisory Committee on Wilderness Areas and Ecological Reserves.

MR. KING: Mr. Speaker, I would like to table the 78th annual report of the Department of Education, for the fiscal year 1982-83.

MR. R. SPEAKER: Mr. Speaker, I would like to file with the Legislature Library 158 letters I've received from constituents who are requesting the continuation of the natural gas protection plan. I've also made provision for copies of these letters for the Leader of the Opposition, the Minister of Utilities and Telecommunications, and the Government House Leader.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ALEXANDER: Mr. Speaker, it is my pleasure today to introduce to you, and through you to members of the Assembly, 63 grade 6 students from Brander Gardens elementary school in the constituency of Edmonton Whitemud. They are accompanied today by their group leader Gordon Inglis, and by teachers Gloria Zaharia, Natalie Esteves, Fiona Munro, and Bryan Haines. They are seated in the members gallery, and I ask them to rise and receive the welcome of the House.

MRS. LeMESSURIER: Mr. Speaker, I would like to introduce to you, and through you to members of the Assembly, 10 students from the Alberta Vocational Centre in Edmonton Centre. They are seated in the members gallery, and I ask that they please rise and receive the warm welcome of this Assembly.

MR. SZWENDER: Mr. Speaker, it's my pleasure to introduce to you and to members of the Assembly 60 energetic and bubbly grade 6 students from McLeod elementary school, located in the constituency of Edmonton Belmont. They are accompanied by teachers Jean Keeley, Valerie Seranton, and Carol Nishimura, bus driver Gene Stoltz, and parents Mrs. Witt and Mrs. McBride. They are seated in the public gallery. Would they rise and be recognized by the Assembly.

MR. STILES: Mr. Speaker, I have the pleasure this afternoon to introduce to you and to members of the Assembly a group of six inquisitive and enthusiastic young ladies, members of the Didsbury Pathfinders. They are accompanied this afternoon by their group leaders Martha Kotlarchuk and Judy Kaupp. They are seated in the public gallery, and I ask them to rise and receive the welcome of the Assembly.

head: **MINISTERIAL STATEMENTS**

**Office of the Premier**

MR. LOUGHEED: Mr. Speaker, an important corporate decision is in the process of being announced in Toronto now, that has very significant, positive long-term implications for Alberta.

In our budget speech, we noted many positive developments which improve the 1984 outlook for Alberta's oil and gas sector. Investment decisions for the oil and gas sector are crucial

to jobs and prosperity in our province. We noted in the Budget Address the shift of oil and gas industry interest from the Arctic and offshore east coast back to western Canada for exploration and development activity.

There is also a growing realization, Mr. Speaker, that insofar as the petroleum industry is concerned — the upstream segment of the industry — the exploration and development sector is where the action is and where the profit potential is greatest. Positive investment decisions for Alberta depend in part upon the proximity of decision-makers, not the nationality of decision-makers.

Mr. Speaker, the decision being made now by Shell Canada Limited to move its corporate headquarters from Toronto to Alberta is a decision of major significance to this province. It involves, in their statement as they present it, a refocus of their organization around their investments in western Canada.

We as a government, Mr. Speaker, will respond to Shell Canada's decision with the assurance that we will continue to work hard both to maintain stability in this province and to encourage free-enterprise investors.

We very much welcome this good news for the province. [applause]

MR. NOTLEY: Mr. Speaker, it is not often that I have occasion to rise and indicate support for a ministerial announcement. I would like to indicate the support of both my colleague and me, and, I am sure, of the two Independent members as well, for the significance of the decision the Shell corporation has made.

However, I would remind members of the government, before they get too carried away with enthusiasm, that while we can welcome Shell to Calgary, we have a very real problem posed by the purchase in the United States of Gulf international and the decision of that new company to consider the sale of the Canadian subsidiary. I know there is at least some concern now about whether or not the Gulf operation will continue, at least in its present form, even with its present headquarters. I suggest to hon. members of the government that while we can express pleasure at the decision of Shell to move to Alberta, we had best be on our guard that Gulf may be moved elsewhere.

DR. BUCK: Mr. Speaker, I would also like to rise and compliment Shell. In light of the fact that Shell had the backbone and foresight to continue with the refinery in the Scotford area, I would just like to say that it indicates to us that they have confidence in Alberta. On behalf of my colleague and me, I would like to compliment them for continuing their support of Alberta.

MR. SPEAKER: Under the circumstances, which have taken me somewhat by surprise, I think it would be less than fair if we didn't agree that other hon. members who might wish to comment on this development could have an opportunity to do so.

DR. BUCK: Mr. Speaker, on a point of order. I would like your ruling. If my memory serves me right, I believe the hon. Mr. Taylor, the MLA for Drumheller, who was sitting as an Independent, quite often took occasion to make comments on ministerial announcements. So I would like to have a ruling, Mr. Speaker, at your leisure.

MR. SPEAKER: Perhaps I needn't deal with the matter further today, under the circumstances. I will come back to it on an early future occasion.

## head: ORAL QUESTION PERIOD

### Lubicon Lake Indian Band

MR. NOTLEY: Mr. Speaker, I would like to direct the first question to the hon. Minister responsible for Native Affairs. I'd like to ask whether it is the minister's position that the Lubicon Lake Indians pay local taxes for support of the local Northland school. If that is the position, is the minister in a position to clarify that, in light of the broader policy directions on Indian education?

MR. PAHL: Mr. Speaker, I think my colleague the Minister of Municipal Affairs answered that question when he indicated that with respect to the payment of taxes by property owners, we really don't make any discrimination on the basis of racial grounds.

I would like to point out to members of the Assembly, and answer the hon. Leader of the Opposition, that there is in fact a tuition agreement with most status Indian groups that are under federal jurisdiction, to provide tuition payments to Northland school boards that provide education for status Indian children. However, Mr. Speaker, I think it is worth while to point out that although that may suggest somewhat of a gray area to the hon. member — and perhaps to native Albertans — there are an awful lot of property owners who pay taxes but don't have children in schools.

MR. NOTLEY: Mr. Speaker, I'm glad the hon. minister answered that question, because I'd like to pursue it for a moment. He has already confirmed that there is a tuition agreement. But could the minister advise the Assembly what response the government has made to the letter from Mr. Brian Pitcairn, associate director of education, Lesser Slave Lake Indian Regional Council, indicating — I won't go through the entire letter — that the reports attributed to the minister and statements made by his hon. colleague in the House would represent double billing for treaty Indians who have received tax notices from the Department of Municipal Affairs?

MR. PAHL: Mr. Speaker, I haven't seen the letter referred to, so I can't respond to it.

MR. NOTLEY: Mr. Speaker, I won't comment on a letter dated March 27. However, I would direct the policy question to the hon. minister. What is the policy of the government of Alberta with respect to education taxes being collected from people who are part and parcel of an arrangement where there is a tuition agreement and funds are made available by the federal government to pay those people's education taxes?

MR. PAHL: Mr. Speaker, I invite some of my colleagues to perhaps respond. With respect, I think the hon. member is confusing apples and oranges, if I can use the term — and the Provincial Treasurer too, by the way.

There is quite a different matter with respect to user fees or the tuition agreement, and the principle of whether property owners should be taxed for the benefits they receive as property owners. They are two quite different matters. I find it rather strange that the hon. Leader of the Opposition would care to make that confusion. However, I qualify that by saying that I would like to have an opportunity to review the points made by Mr. Pitcairn, and perhaps I will then supplement the answer further.

MR. KING: Mr. Speaker, if I could add to the quite accurate comments made by my hon. colleague, the letter is based on

a misunderstanding of the law and on a misunderstanding of the principle of property taxation in the province in support of education. The fact that the hon. leader raised the question associates him with a misunderstanding of the law.

Let me point out to him that a similar situation occurs with respect to treaty Indians resident on the Hobbema Reserve, because they also own land off the reserve and pay a supplementary requisition in support of education on that land. The same also applies to the Sawridge Indian Band, which owns property in Jasper National Park and pays an education tax on that property, notwithstanding the fact that the motel/hotel is owned by the Indian band, also covered by a tuition agreement payable by the Department of Indian and Northern Affairs.

The simple fact of the matter is that the supplementary requisition on property is a tax of general application. It is not a tax for a particular service; it is a tax on wealth. It is paid by every single property owner in the province, whether or not they have or have ever had children attending school. There is absolutely no suggestion of double billing.

MR. NOTLEY: Mr. Speaker, I am glad we have the Clarence Darrow of the Tory caucus in the front bench there. [interjections]

Bearing in mind that legal opinion we have now received from the Minister of Education, I would like to ask the hon. Minister responsible for Native Affairs what consideration, from a policy point of view, the government now gives — bearing in mind the minister's answer that this is separate property — to the assertion of the members of the Lubicon Band that accepting the two-acre plots in fact represents a ceding of their aboriginal and land rights.

MR. PAHL: Mr. Speaker, I find that reasoning equally strange. If you extended that, it would hold that no treaty Indian could hold property in fee simple outside any Indian reserve. Clearly that is not the policy of this government.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister saying that the Little Buffalo area would be outside any reservation that the government would consider subject to an agreement with the government of Canada?

MR. PAHL: Mr. Speaker, that was quite a long jump. We moved from a policy of whether, in effect, treaty status Indians could hold property outside reserves to a question of the location of a reserve. I thought that matter had been dealt with in previous question periods. We are in a three-way discussion with respect to the location of a reserve and, in fact, the validated land claim that would define the position of a reserve. So I can't quite make that leap, Mr. Speaker, and I think the hon. leader will appreciate that.

MR. NOTLEY: Mr. Speaker, a supplementary question. I wouldn't want the minister to make a leap in logic. I'd like him to make a leap in terms of action.

So there's no misunderstanding in the House, however, I'd like the hon. minister to clarify what the government policy is. As I understand the hon. minister — the hon. Minister of Education, the legal expert over there [interjections] — the tax notices being sent to the people in Little Buffalo are quite all right, because this is privately owned land. The minister then said that this is not necessarily going to be separate from any reservation. I put the question: if the hon. minister's interpretation is correct, on what basis can the minister suggest that the Little Buffalo hamlet would be part of a reservation?

MR. SPEAKER: First of all, the question is hypothetical with a capital H. What the hon. leader is doing — and I think he realizes it, judging by his smile — is asking for the minister's opinion about an argument. That's a fairly long distance from asking the minister for facts. Perhaps we could get back to the purpose of the question period.

MR. NOTLEY: Mr. Speaker, I'm sure we wouldn't want to abuse the purpose of the question period.

We want to get some information, however, and ask the hon. Minister of Education whether any discussions took place with the Lesser Slave Lake Indian Regional Council before this government, through the Department of Municipal Affairs, began issuing tax notices to people in Little Buffalo, in light of this tuition agreement and the long-standing agreement between Northland as an educational body and the agent of the department of Indian affairs?

MR. KING: There were no discussions that I'm aware of, Mr. Speaker, for two reasons: first of all, it is the view of the government that the matters are absolutely separate, notwithstanding the best efforts of the hon. member to link them; and secondly, that view of the government was apparently concurred in at the time by the Lesser Slave Lake Indian Regional Council. They didn't request any meetings. If they had, I would have met with them, my hon. colleague the Minister of Municipal Affairs would have met with them, my hon. colleague the Minister responsible for Native Affairs would have met with them. It appears that both the Lesser Slave Lake Indian Regional Council and the government of Alberta have the same view on the matter.

MR. NOTLEY: That is opinion.

Mr. Speaker, given the assurance of his colleague that he would have been prepared to meet, will the hon. Minister responsible for Native Affairs be prepared to convene a meeting with the Lesser Slave Lake Indian Regional Council and the ministers who have just indicated their willingness to meet on this issue, in light of the March 27 letter by the associate director of education?

MR. PAHL: Mr. Speaker, I'll first read the letter and make an assessment on my own part as to what the letter contains. Certainly we've been easy to get along with in the past, and I'm sure I could convince my colleagues to do so if there are any grounds for a meeting.

MR. NOTLEY: Mr. Speaker, I'm pleased to hear that response.

Just one final question. The Minister of Education outlined two reasons no meeting had been held. Would the minister advise the Assembly if the government has given any consideration to the concern expressed about administrative confusion in an area where you have a long-standing tuition agreement and you also have tax notices sent out, the bulk of which I gather have been sent back. In no way, shape, or form — clearly they've been sent back to the department. But my question relates to the concern in Mr. Pitcairn's letter about administrative confusion where you have a tuition agreement in place.

MR. KING: Mr. Speaker, the government is always concerned that administration should be straightforward and clearly understood by affected citizens. That's our concern, no matter who those citizens may be and no matter where in the province they may be. If there is confusion about the administration, then I make an undertaking, on my own behalf and on behalf of my

colleagues, that we would meet as necessary to satisfy the concerns and to ensure that the administration is clearly and completely understood.

At the same point, I think it needs to be said that we have devoted a fair amount of time in question period to something that is based on a letter, not from the Lesser Slave Lake Indian Regional Council and, in fact, not even from their senior executive officer responsible for education, but from the associate director, who to my knowledge is not a lawyer . . .

AN HON. MEMBER: Neither are you.

MR. KING: . . . and who may be expressing nothing more than a personal opinion or concern. I would be very interested in hearing from the council if they share the concerns of their associate director. If they do, the government will satisfy those concerns.

MR. NOTLEY: I have a hunch you will, Mr. Minister.

#### **Railway Capital Improvements**

MR. NOTLEY: Mr. Speaker, I'd like to direct the second question to the hon. Minister of Agriculture. Has the government of Alberta made any representation to the federal government regarding published reports that the railways may be reneging on part of their commitment to spend \$16.5 billion on capital improvements over 10 years, in exchange for the abolition of the statutory Crow rate?

MR. FJORDBOTTEN: Mr. Speaker, no. We certainly have been assessing that rumour at this point. From the limited understanding I have at this point, it seems that most of the concern arises from the bids coming in lower than anticipated, considering the economic climate in the country right now and the amount of goods that are travelling on the rail system. I'm now in the process of assessing what the investment truly will be. As members will recall, one of the great concerns was that the money paid to the railroad would indeed increase the rail capacity and upgrade the system.

MR. NOTLEY: Mr. Speaker, a supplementary question to the minister. Is that assessment going to be based on an estimate of lower bids, or is it going to assess whether the railways deliberately inflated their cost projections while they were trying to persuade federal and provincial politicians to endorse the abolition of the statutory Crow rate? I raise this in light of what appears to be a 25 percent reduction in the commitments these railways are now prepared to put into upgrading the rail system.

MR. FJORDBOTTEN: Mr. Speaker, I'll be able to assess that more clearly once I get an accurate response on exactly what the commitments are, where those commitments will take place, and what the future intentions of the rail system are. I re-emphasize that it's been my concern all along that the money that went to the railroads in fact upgraded the system.

MR. NOTLEY: Mr. Speaker, a supplementary question. Who is doing the assessment for the minister?

MR. FJORDBOTTEN: Mr. Speaker, I'm working, through the department, with federal officials to get an accurate assessment.

MR. NOTLEY: Mr. Speaker, supplementary question to the minister. When does he envisage obtaining that information, and will it be shared with the House?

MR. FJORDBOTTEN: Mr. Speaker, I certainly will share it. From our side, we move relatively quickly. But from the federal government side, sometimes it takes some time. So I hope within the next couple of weeks.

MR. NOTLEY: A supplementary question. In view of the fact that the minister told us he's working with the federal government, has the minister or the government of Alberta offered any specific suggestions on new performance guarantees which might be applied to the railroads?

MR. FJORDBOTTEN: No, Mr. Speaker, we haven't to this point. But that's certainly part of our assessment, working up through the review process. Our concern has been that the method of payment should be to the producer and not to the railroad. So part of the assessment, through that review process, is the very point the hon. Leader of the Opposition raised.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Economic Development. Has the Department of Economic Development undertaken any appraisal of this issue? In particular, has there been any assessment on whether railway cuts will be at the expense of new intermodal terminals in Edmonton and Calgary or the modernization of the CP marshalling yard in Calgary?

MR. PLANCHE: Mr. Speaker, I can't answer on those specifics. I've had personal conversations with the vice-presidents of CP Rail and CN west on the issue. My colleague answered quite fully the issue of getting better value for the tendered dollar than they had anticipated when the number was presented and, of course, the federal government is in a position where they can be punitive in terms of the payments given to the railroads if they don't fulfill their commitments.

The other side of it is that with the slowdown in freight that's occurred in the last 18 months, putting in capital infrastructure before it's needed is not necessarily the right course, because it falls on the rate base. But they have in no way reneged on their commitment, and they're prepared to stand up to that. In addition to that, my colleague the Minister of Agriculture will be monitoring it over time, along with the federal government.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Agriculture. As I understood the Minister of Economic Development, he talked about monitoring over time. As I understood the Minister of Agriculture, we should be looking for some statement within a few weeks. Could the minister give the Assembly a little better grasp of the time frame?

As well, what assessment is being made of the branch line rehabilitation program? In particular, does the government of Alberta support the position of the government of Saskatchewan, that money for this program should be transferred to highway construction projects in the province of Saskatchewan? Would the Alberta government take the same view with respect to Alberta?

MR. FJORDBOTTEN: Mr. Speaker, I refer that question to the Minister of Economic Development.

MR. SPEAKER: I think there are three questions there.

MR. PLANCHE: Mr. Speaker, I'll try to answer this the best way I can. The fact is that you can't really evaluate the merits of road versus rail until the rail price for grain is at a compensatory rate. Then the farmer would have the option of shipping

by either mode, and the responsibility to maintain either mode would fall in the traditional jurisdictions. In the short term, I guess that's the only answer that can be given. As long as this anomaly remains, we'll continue to have the fight about whether or not branch line abandonments are appropriate, or whether or not the burden for road building will fall on the jurisdiction it presently does.

#### Venereal Disease in Children

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Social Services and Community Health is with regard to a 1982 departmental report relative to venereal disease in young females in Alberta. The report indicates that in 1982 there were 12 aged 10 and under and some 41 aged 10 to 14. I wonder if the minister could indicate what specific action is taken with regard to cases such as that, or the general approach used by the department.

DR. WEBBER: Mr. Speaker, I believe the hon. member's question relates to the broad area of child abuse and, in particular, child abuse where venereal disease is contacted. The statistics we have over the years from 1978 to 1982 for the very young age group, zero to nine, are 15 for 1978 and about 12 for 1982. So there's been no significant increase in those statistics over the years. In the age group from 10 to 14, they've gone from about 42 to 60-odd individuals. I don't know if the hon. member would indicate whether or not that's a significant increase. However, I'm not arguing about the numbers.

The whole incidence of family violence, child abuse, and child sexual abuse is an area of concern to all of us — I hope not just to elected people but to all of society. We are responding in a number of ways to this most difficult question. There seems to be greater awareness in society of family violence today than a few years ago, although I'm not sure there's greater incidence of it in our society. It could possibly be that we are now having greater reporting of these particular problems, and therefore the statistics are difficult to evaluate.

When we had our boom times a few years ago, there were those who indicated that family violence and child abuse was because of those difficult times, when families came out here with high expectations for their future, and just the fast pace of life. During the recessionary times, however, we are hearing people say it's because of that that there's greater incidence of child sexual abuse and family violence. I'm not sure what the cause of these things is.

As I indicated, we've taken a number of initiatives in our department in terms of programs for the perpetrators of the crime of sexual abuse as well as for the victims. That includes spouses as well as children. Mr. Speaker, I could go on at length with the number of programs we have in this area, but that's a partial answer to the question.

MR. R. SPEAKER: Mr. Speaker, supplementary question. Certainly the incidence is one concern I have, but the greater concern is the number of charges laid against the perpetrators of the disease. I think that is a criminal offence. Could the minister indicate whether charges are laid? Are a number of these cases referred to the Attorney General's department for action?

DR. WEBBER: Mr. Speaker, when our department is involved with children of that particular age, it really becomes a child welfare matter. If there are thoughts that the police should be involved because of the criminal nature, then the police depart-

ment is of course notified. After that, it is a matter for the police.

In terms of our department, we become responsible for the child as well as being involved with the community and different agencies in looking at how we can help the family. In the upcoming new child welfare Act, there is a great emphasis on the family. We do have in place today experimental programs to work with the family, with the perpetrators of the crime and with the victims, to try to help them. We have many volunteers in communities throughout this province who assist us in this regard.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Attorney General. I'm not so sure I want to see assistance to the perpetrators. My concern, and my question to the Attorney General, is: could the Attorney General indicate how many charges have been laid, or have a number of charges been laid with regard to these cases which I have raised? If so, has the Attorney General personally reviewed this matter in his department?

MR. CRAWFORD: Mr. Speaker, I'd be grateful to the hon. member if he'd be a bit more specific. He has just said to me, these matters which I have raised. I wonder if he would rephrase that.

MR. R. SPEAKER: Mr. Speaker, to the Attorney General: the number of cases reported to the Department of Social Services and Community Health in 1982 with regard to venereal disease in young females under the age of 14 is some 41, plus 12 under the age of 10. My questions to the Minister of Social Services and Community Health were: what action was taken; were charges laid? The indication is that charges would come through the department of the Attorney General. My questions are: is the Attorney General aware of those charges, and how many have been laid?

MR. CRAWFORD: Mr. Speaker, a number of days ago I reported to the Assembly, in an almost statistical way, on the question of charges that had been laid. I said that about two a month would be laid in a normal year in Calgary or Edmonton with respect to child prostitution situations. Those were primarily for contributing to juvenile delinquency, some involving assault. It may well be that some of the individuals involved were also in need of a treatment program with respect to venereal disease.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Attorney General. It is my understanding that under the Criminal Code, any of the females — the 41 plus 12 — that were involved in sexual activities with a male incurred a criminal offence. Could the minister indicate for what reason the number where charges could be laid is only two, rather than a significant number?

MR. CRAWFORD: Mr. Speaker, I guess the hon. member is asking me why it's two instead of four per month, on the average. I think the answer is that it isn't in every single case that a child prostitute has been involved and, unfortunately, may get a venereal disease. It's not in every such case that the people she's been associated with are even known, let alone in a position where sufficient evidence could be brought that would meet the tests of the criminal courts.

### Sexual Abuse of Children

MR. MARTIN: Mr. Speaker, I'd like to direct my question to the Minister of Social Services and Community Health. It concerns the Cavanagh Board of Review report on the child welfare system. Can the minister indicate what review he has made of the recommendation by the board of review that increased emphasis must be placed on training and family support services for the neglected child?

DR. WEBBER: Mr. Speaker, I'd be happy to respond to that question. There has been extensive review of the Cavanagh Board of Review report as well as of Bill 105, which we introduced in the Legislature last fall. In fact, we sent out some 2,000 copies of Bill 105, together with numerous copies of the Cavanagh Board of Review [report], and asked for public input related to all the recommendations of the Cavanagh Board of Review, including the ones the hon. member referred to.

We got a tremendous response from the public in Alberta. We got some 150-plus written briefs from individuals and groups, as well as numerous briefs from child welfare workers in the department. We have taken all that information and summarized it, and are now in the process of reviewing Bill 105 and the recommendations we will be making for amendments in a new Bill to be introduced in the House this spring.

Mr. Speaker, the Cavanagh Board of Review did not deal just with amending legislation, of course; it dealt with policy matters and regulations. So at present we are also working on the whole area of regulations and policies, including the recommendations the hon. member referred to.

MR. MARTIN: A supplementary question. Will the minister state what plans are in place to deal with the reported 23 percent increase in confirmed incidents of sexual abuse of children between 1982 and 1983?

DR. WEBBER: Mr. Speaker, in the previous answer, I dealt with the question of following up on the recommendations of the Cavanagh Board of Review. I believe this particular question gets us back to the issue the hon. Member for Little Bow raised, regarding child abuse and what we as a society are doing in that particular area. I indicated that we were involved in a number of programs of not only treatment of the children for the medical problem but also counselling with respect to the whole family and the children. I could go on at length about the different programs we have in place.

MR. MARTIN: Perhaps I'll help out the minister and ask about one specifically. Can the minister confirm that the provincial grant for the Edmonton Sexual Assault Centre has been frozen this year despite this increase in child abuse?

DR. WEBBER: As the hon. member well knows, Mr. Speaker, in the department this year, we are in general looking at a zero percent increase in grants to boards and agencies. At the same time, the regional directors will be working with local agencies and groups to assess their particular needs and to see whether or not there need to be any adjustments in the grants for those particular groups. With respect to the Edmonton Sexual Assault Centre, which the hon. member referred to, our officials are meeting with the director of that particular agency tomorrow to review their situation and to assess their needs.

MR. MARTIN: A supplementary question. Could the minister confirm that a request by the Edmonton Sexual Assault Centre for an additional \$30,000 for, I believe, an intake worker, a

part-time psychologist, and two part-time therapists, was already turned down by his department?

DR. WEBBER: Mr. Speaker, I don't want to get into the details of the discussions that are taking place. Certainly the Sexual Assault Centre did request more than a zero percent increase, and I think it's only proper that our officials sit down with that particular organization and assess their needs, to determine whether or not a zero percent increase is realistic.

MR. MARTIN: A supplementary question to the minister. Given the decrease of 12 full-time positions in child welfare services, what other provincial program will be beefed up to help deal with the problem of sexually abused children? I bring this up in terms of the fact that we are going to be having a new Act introduced in this House.

DR. WEBBER: Mr. Speaker, it seems we're covering the broad front of a number of areas, and now we're into the question of the number of employees we will have dealing with the whole area of child welfare matters. I have assured the hon. members here, and indicated publicly outside the House, that in terms of front-line services where child welfare workers are dealing with clients and children in this province, we will not reduce the services. Any reduction of employees will be in either redundant or unfilled positions, with the objective of building in cost efficiencies where we can, but primarily not reducing the services that are available.

MR. MARTIN: A supplementary question. Could the minister indicate to the House when we might expect the new child welfare Bill to be introduced in this Assembly?

DR. WEBBER: As I indicated, Mr. Speaker, the process we're going through is immense, with the number of briefs we've received, and we are getting close to the end. I anticipate that we will be introducing the Bill soon.

MR. MARTIN: A supplementary question. Will the minister confirm the figures that indicate there has been an increase in confirmed — and I use the word "confirmed" — incidents of sexual abuse of children between 1982 and '83? First of all, does the minister agree with those figures? And secondly, if that is an actual increase, what programs will we be doing to come up with the 23 percent increase to deal with that problem?

DR. WEBBER: Mr. Speaker, I don't know whether or not I can agree with the numbers, because I don't know what numbers he's referring to. If he would like to ask me to provide some statistics relative to the incidence of child sexual abuse, fine. If he's referring to the figures the hon. Member for Little Bow raised earlier today, I repeat that the increase in the numbers to 1982 is not significant.

MR. MARTIN: A supplementary question to the minister. The figures I was using are from the government's child abuse registry in Edmonton. I believe that's under your department, is it not?

DR. WEBBER: Mr. Speaker, if the hon. member wishes me to provide statistics, I can. He's looking at a particular document that I haven't got in my head. I'd be happy to look at it and discuss it further with him.

### Oil Companies' Activities in Alberta

DR. ELLIOTT: Mr. Speaker, my question to the Premier concerns the move of the Shell Canada head office to Calgary. Does the Premier know whether or not there will be any impact on other corporate facilities in Alberta?

MR. LOUGHEED: Mr. Speaker, I don't think there's any information I could usefully give the House, only to the effect that the statement — and I'll be having further discussions with the president of Shell Canada — refers to a focus of Shell's activities in western Canada, presumably mainly in Alberta. So I couldn't elaborate on it, other than to say that it is a decision where the benefits would flow not just to the city of Calgary but to the province generally.

DR. ELLIOTT: A supplementary, Mr. Speaker. Does the Premier have any information which could be provided to the Legislature, arising out of Standard Oil of California's acquisition of Gulf Oil?

MR. LOUGHEED: Mr. Speaker, only this: I noted the observation made by the Leader of the Opposition. We're aware of the sale of Gulf Oil in the United States, which controls Gulf Canada, to Standard Oil of California. We have no concrete information that there's any intention to dispose of Gulf Canada or to merge Gulf Canada. We will have an ongoing review. But our assessment of the matter is that in terms of investor confidence here in Alberta, the nature of Gulf Canada's activities and the nature of their intended activities would not be at risk in any way, and there should not be any sort of threatening cloud put on the transaction.

MRS. EMBURY: A supplementary question, Mr. Speaker, to the hon. Premier. In the recently released annual report of Suncor Inc., there is an indication that billions of dollars in capital projects would be spent on exploration and production of conventional oil in western Canada over the next 10 years. Does the government have information on the activities of Suncor in Fort McMurray or elsewhere in Alberta?

MR. LOUGHEED: Mr. Speaker, the only information I have is not much more than the hon. member has, to the effect of the general commitments of Suncor, although I can't resist noting that the government of Ontario has a 25 percent interest in that organization. We're delighted with the statements they've made, declaring that their primary interest is, as we stated in the Budget Address and as mentioned in my ministerial statement, a refocussing of their attention on western Canada and conventional oil and gas in this part of Canada rather than on the frontier or off the east coast.

### Hydro-Electric Power Development

MR. STROMBERG: Mr. Speaker, I am wondering if the Minister of Utilities and Telecommunications can advise the Assembly whether the government is still actively involved with development of a hydro-electric dam on the Slave River.

MR. BOGLE: Mr. Speaker, the potential development of a hydro-electric project on the Slave River is currently in what is referred to as a preinvestment phase by the three partners in the consortium: TransAlta Utilities, Alberta Power, and the government of Alberta. Therefore, the examination as to whether or not a dam should be built on the Slave River in the near future is under consideration at this time.

MR. STROMBERG: A supplementary, Mr. Speaker. Can the minister advise the House whether the Energy Resources Conservation Board report of last December on Sheerness and Genesee has any impact on the potential development of the hydro dam on the Slave?

MR. BOGLE: Mr. Speaker, the two projects are not directly related. The Energy Resources Conservation Board order, which was dealt with by cabinet in February this year, relates to two projects currently under construction, whereas the proposed Slave River hydro project is still very much in the stage of investigation to determine whether or not it's feasible to proceed.

MR. STROMBERG: A further supplementary question, Mr. Speaker. Is the minister in a position to advise the House on the potential for export of electricity? Is any work being done to assess this potential?

MR. BOGLE: Mr. Speaker, with regard to the possibility of the development on the Slave River, the government has authorized the preinvestment committee to examine the potential for either short-term or longer term small or large blocks of power for export purposes, with the caveat that in no way could those exports infringe upon our sales of natural gas to the United States.

With regard to the decision on Sheerness and Genesee, we've further allowed the owners of the two projects to determine whether or not there's a market for the surplus electricity from the two projects. If there is a market and that would help the owners to move the construction of one or both projects along, then we would certainly want to be supportive in that way. But the same caveat applies. If markets are determined, the caveat that they could not have a negative impact upon our natural gas sales applies.

MR. STROMBERG: My last supplementary, Mr. Speaker. Over the years, various commitments on the electrical grid for the prairie provinces have been made in the House. Can the minister advise whether there are any new developments in that area, in light of the information he has just shared with this Assembly?

MR. BOGLE: Mr. Speaker, in July 1982 the ministers responsible for electrical development in the provinces of Saskatchewan, Manitoba, and Alberta met and decided to put any further discussions re the proposed western electric grid on hold for two years. Recently the Minister of Energy and Mines from Manitoba wrote to me, asking if it was timely to look at reconvening those meetings. I responded by indicating that as the decision two years ago this summer was based on lower forecasts for demand of electricity and, as of today, through the Energy Resources Conservation Board, we believe the forecasts are even lower than they were projected to be in 1982, and as we are looking at the potential for development of the Slave River, notwithstanding that that is slightly longer term, I've suggested to my counterpart in Manitoba that the discussions not take place for a further two years.

### ORDERS OF THE DAY

#### 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 April 2: Mr. Cook]

MR. COOK: Mr. Speaker, last day I spoke for a few minutes on the importance of research and development in keeping our

economy efficient. I was referring in particular to long-term research in agriculture; for example, the opportunity to create a legume crop that would fix nitrogen in our soils and produce protein, the opportunity for winter wheat which would boost grain production by perhaps 30 to 40 percent, the opportunity to develop strains of timber that would be faster growing and more productive on our forestry lands. We're just starting to develop all of those areas. I would argue that research should be simply viewed as a means to stay competitive in base industries we are already involved in.

The budget reflects many of those priorities, Mr. Speaker, and I'd like to touch on some of the very fine moves we've seen to date. For example, the government is co-operating with the Devonian Foundation and with the University of Alberta to create the C-FER lab. The C-FER lab is the frontier engineering and resources lab to be based at the University of Alberta and to be headed up by the present dean of engineering, Dean Peter Adams, who I think has done a terrific job at the University of Alberta. I wish him well.

We're also seeing the creation of the standards lab here in Edmonton, which will be very important to the creation of an electronics industry. The government should be congratulated on that. We're seeing the Research Council building under construction and some important developments there. I think both the Research Council and the hon. Member for Calgary McKnight, who is responsible for it, deserve recognition and appreciation.

Mr. Speaker, AOSTRA is doing significant work in developing the conventional oil and gas industry and doing research on oil sands.

The universities in Alberta are doing some of the most exciting work in the country. In our universities we are spending more per capita as a province or related to our gross domestic provincial product than any other province in Canada. Bell-Northern labs has recently been established. Shell Resources established a lab in Calgary. And Farming for the Future has to be recognized.

All those things are important, Mr. Speaker, and we're making good gains. However, we spend about 1 percent of our gross provincial domestic product in Alberta on research. We can be smug and comfortable by saying that we're doing more than our competitors in Canada. And that's true; we're doing virtually more than any other province.

However, Mr. Speaker, if we're going to have a world view, then we are not staying apace with our real competitors who I think are in Japan, the United States, and West Germany. Those countries are spending up to 2 and 3 percent of their gross domestic product, something like three times our investment per capita as a percentage of economic activity.

So, Mr. Speaker, we can say to ourselves, yes, we are doing a good job in Alberta, but at best we can say that we're average. We're doing as much as any other Canadian jurisdiction, perhaps more than some, but our real competition is not in Canada. It's in the world abroad — in Europe, Japan, and the United States — and we're not doing as much as they are.

Mr. Speaker, recently I had the opportunity to visit the University of Alberta and speak to the heads of the physics, electrical engineering, and computing science departments. I'd like to touch on a few of the issues they raised.

Mr. Speaker, I think the work being done by the Minister of Education in reviewing the curriculum at our secondary level is vital to a science strategy for the province. I think the results of the Biology 30 and Physics 30 exams were disappointing to most Albertans, if you consider that the marks had to be adjusted upward because, if we had not done that, we would have flunked a very significant percentage of the students. It

could be argued by some that perhaps the exams were too tough. On the other side, one might argue that the exam marks really showed that our students aren't covering the base material expected of them by people that will be receiving them as entering students at universities and colleges.

Mr. Speaker, the head of the physics department at the University of Alberta, Dr. Kamal, argued to me that the first half of the Physics 200 course is remedial math work only, that a first-year student in physics has to be reinstructed in basic concepts that ought to have been covered in high school. He gave me the example of the school in Forest Lawn. The hon. Member for Calgary Forest Lawn ought to be very proud of the physics instructors there. That school produced three of the top 10 physics students in the province.

How do you interpret that, Mr. Speaker? You can interpret that in a variety of ways. You can say to yourself: well, the general background of knowledge is so poor in physics that one outstanding physics teacher can make an incredible difference. That's the conclusion he reaches, and that's the conclusion I would reach: that one instructor is so sharp, and also his peers are so dull, that he can make an incredible difference in turning out 30 percent of the top 10 students in the province of Alberta. That doesn't say very much for the physics instructors in the rest of the province. How could that be?

Dr. Kamal makes this case. A teacher of physics, mathematics, chemistry, or biology only has to take two courses in his education degree program at university in order to qualify to teach that. Mr. Speaker, we basically then have an individual teaching grade 10, 11, and 12 students course material that he or she as an individual is not very familiar with. In fact it's sort of the student teaching the student.

In the United States, Mr. Speaker, teachers of science and arts courses are required to take a Bachelor of Arts degree in English, French, or something like that before they can teach arts or humanities courses. Generally speaking, before you can teach English in a high school in the United States, you have to take a degree in English or a degree in French. If you're going to teach physics in a school in the United States, you've got to take a science degree in physics first, and then you pick up a year or two of education.

We have completely reversed that process, Mr. Speaker. We have teachers who are taught how to set and mark exams, and child psychology. All of those things are very important, but they don't have the basic academic skills to pass on to their students. I think the Minister of Education should be examining that key element in the development of a new curriculum. Perhaps we should also be looking at the teaching qualifications required in Alberta schools so that teachers are qualified to teach the subjects they're teaching to their students. I think the example of the physics teacher at Forest Lawn is concrete evidence that that is not the case in Alberta.

Mr. Speaker, I'd like to congratulate the Minister of Tourism and Small Business. He's bringing forward a small business venture capital loans and investment program. I think that's going to be important again in the creation of a climate that is good for innovation, for new and innovative companies that are bringing on new products.

I think it's all part of a science strategy, an industrial strategy that fits hand in glove. We need capital formation and investment. We need strong universities providing good quality graduates. We need a good taxation system. In short, Mr. Speaker, we need a lot of different components in the formation of a science strategy.

Mr. Speaker, I'd like to touch on The Global 2000 Report to the president. It was commissioned by Jimmy Carter and ignored by Ronald Reagan. I think it should be required reading



for most people. It sets out the major challenges for the world, for mankind over the next 20 to 30 years. Those problems are related to food production, agricultural technology, shortage of natural resources — for example, wood fibre — and energy. It also argues that the major economic growth in the world in the next 20 to 30 years is going to take place in Latin America and Asia.

Those areas should be the focus of our economic prospects, and indeed they are, Mr. Speaker. The visits of the Premier and other ministers to provinces like Heilongjiang, Hokkaido in Japan, and Korea show us that Alberta is geographically well-positioned to take advantage of the economic activity in the Pacific Rim. I think Alberta has an incredibly positive future, because we are positioned to take advantage of new, exciting developments in the Pacific Rim.

According to the report to President Carter and President Reagan, the world population is slated to grow by 50 percent, from 4 billion in 1975 to 6.4 billion in the year 2000 — an incredible jump. The enormous demands that relate to that jump in population are for food, resources like timber, energy, agriculture, and fertilizer. There is also going to be a concurrent need for services like family planning, better water supplies, and waste treatment. All of those things are technologies that we can export from Alberta to those developing countries in Asia and Latin America.

The Global 2000 Report, Mr. Speaker, notes that Latin America's population is to grow from 325 million in 1975 to 640 million — a very significant, young, exciting market for us. It would suggest that we ought to be trying to make Spanish a very important part of our education program so we can have people hustling our ideas and technologies in Latin America. It might be worth while for Portuguese as well. At the same time, the gross domestic product per capita in Latin America is slated to grow by 70 percent. So if you think of it in economic terms, Latin America's population is going to grow by almost 50 percent, and each of those people will have a standard of living 70 percent greater. Economic activity in Latin America is going to be enormous. The same is true in Asia; they're parallel.

We as a province have got to start thinking in world terms, and we are. But I think we have to look at our competitors. For example, here in Edmonton we have the JETRO office. It's a Japanese trading office designed to pick up information on the Alberta economy and market, and ship that information back to the Japanese ministry of international trade and then to the private sector in Japan. The West German chamber of commerce is also represented in Edmonton. Britain and France have consulates in Edmonton, and the United States has a consulate in Calgary. It's unfortunate but, as I understand the embassy structure in Canada, the political officers are the main officers in an embassy for Canada, not the economic officers. The principle job of an embassy in Canada is to gather political intelligence, not economic intelligence. In lieu of Ottawa meeting its basic responsibilities for marketing Canadian products, I think it's very laudable that Alberta is starting to fill that breach for its own products by opening offices in Hong Kong, Los Angeles, and other parts of the world. It's important. But I think we could do more, for example, by working with the Chamber of Commerce here in Alberta and encouraging them to work in partnership with us to open up offices much like the West German or the Japanese chambers have.

Mr. Speaker, I've touched on a number of things, and my time is running out. I only want to argue then that we have got to do more in science and technology. It's part and parcel of a basic industrial strategy for the province. We have got to maintain our competitive edge in basic economic activity like

agriculture, the natural resource industries, forestry, and coal. Our failure to do that will allow our competitors in the United States and Australia to beat us. That's not necessary, because we have the manpower, the intelligence, the skills, the education to be at the forefront. We have to think in world terms. We cannot be satisfied with the mediocrity of the rest of the country. We have to set new standards for ourselves.

Mr. Speaker, I hope that science and technology is going to be an important element of the Premier's economic strategy paper that is due to be released this spring. I think that economic strategy paper offers hope for rethinking our basic approach on structuring the Alberta economy, an approach based of course on free enterprise but with government helping out in terms of trying to keep the Alberta economy competitive in our base industries and charting new opportunities for us as we have in medical research, for example.

I think the budget is a good budget, Mr. Speaker. It provides significant support for those new and exciting technologies that are being brought forward. I think our leadership in the country is self-evident. We can do more though. We should set our standards on the basis of our competition in the world, not on the mediocrity in the rest of the country.

I think Edmonton Glengarry and the citizens of Edmonton are well served by this budget. I look forward to meeting my community tonight in a town-hall meeting at the Killarney school. If any members of caucus — or yes, Ray Martin from the NDP would be welcome there as well. He has often wanted to join the Edmonton caucus, and for \$5 for membership in the Conservative Party, I'm sure we would certainly consider it. I'm looking forward to debating the budget with my constituents tonight. I've already had some preliminary response from them as the result of a very successful advertisement in *The Edmonton Journal* and *The Edmonton Sun*, which asked people to respond to us. The response in my constituency is very positive. I support the budget; I think it's a good budget for Alberta. It's a transitional budget as we move ahead to the exciting and very positive future that Alberta and Edmonton Glengarry have.

Thank you.

MR. PAYNE: Mr. Speaker, I'd like to review today, if I have time, five topics related to the provincial budget. Initially I'd like to make a few observations about the state of the Alberta economy, move from there to the concept of government restraint and how we're implementing restraint, a comment or two on the new venture capital program, then to a subject I hope will be of interest to members present, how Alberta is preparing for its participation at Expo 86 in Vancouver and, finally, a comment on the tax position of our province.

Mr. Speaker, with respect to the subject of the state of Alberta's economy, every member of the Assembly of course is aware of the difficulties our economy has faced in these past several years. But to hear some of the spokesmen for the opposition, one would think we had reached the poverty level of the third world nations. The fact is that Alberta's economy has shown a great deal of basic strength through difficult tests and is now demonstrating resilience. It's demonstrating that resilience here now, and I'd like to reinforce that point with ten quick examples.

One, approximately 20 percent of total Canadian investment is now made in Alberta, a province with little better than 9 percent of the national population. Two, investment in Alberta in 1983 averaged approximately 27.5 percent of gross output: the national average was a mere 19.7 percent. Three, Alberta has the highest participation rate in Canada. By that I mean the highest percentage of working-age population at work. In

Alberta that figure, that participation rate is 70 percent, 7.5 percent higher than the national average. Now that's not to say we don't have great concern for unemployment. Of course we do; it is a serious concern. But let's also recognize that Alberta's employment position is the strongest in the nation.

Four, employment in the city of Calgary between December '82 and December '83 rose by 14 percent, a very positive development indeed for the citizens of Calgary. Five, significant activity of course is occurring in oil sands development with construction at Wolf Lake and Cold Lake, and expansion of existing facilities at Peace River and at Syncrude. Members will of course be aware that in late February, the federal and Alberta energy ministers were able to announce a new thermal oil sands recovery project at Elk Point to be undertaken by Amoco. That project itself will create 300 new permanent jobs.

Six, as the Speech from the Throne indicated, we see a major shift in the interest of oil exploration back to western Canada as a result of recent geological assessments in the Canadian north and offshore east coast. I refer members to two very current illustrations of that point with the ministerial statement made today by the Premier regarding the very important decision by Shell to relocate their headquarters and the focus of their exploration and operations from eastern Canada to Alberta, and to yesterday's comments by the president of Sunco at his company's annual meeting in which they indicated massive investment and restoration of their faith and confidence in the investment opportunities in western Canada in general and Alberta in particular.

Seven, total provincial manufacturing shipments — manufacturing is something we don't talk about very often, being some distance from tidewater and from markets. The point remains that total provincial manufacturing shipments during late 1983 were up over 9 percent over the equivalent period in 1982. Eight, a number of high technology and research companies have established new facilities in the past 12 months, and we see others considering Alberta as a place to invest in the high-tech future. Nine, petroleum industry spokesmen are predicting a 21 percent increase in drilling activities this year, and that's a significant development for the oil and gas business. Ten — and this by no means exhausts the list, but in the interest of time I'll cut it off at 10 — we are seeing more stability in agricultural prices on world markets.

[Mr. Appleby in the Chair]

Mr. Speaker, if I could shift for a moment or two to the question of government spending. Each year, I circulate a questionnaire in Calgary Fish Creek. I know many members do the same in their constituencies. As an illustration of the interest of the constituents of Calgary Fish Creek in the economy of this province, I would like to point out that I received no fewer than 1,600 replies. These were 1,600 replies that required considerable consideration, tick-off responses to various questions. There was room for additional comments and letters, and I received several hundred of these in addition to the 1,600 replies.

In respect of a question regarding economic strategy for this province, 64 percent of the respondents to that Fish Creek questionnaire indicated they want to see "lower government spending and a lower budget deficit". I am philosophically and, I might add, politically committed to that view. I think my colleagues in cabinet have been quite successful in introducing government restraint in their individual departments, while realizing that too extreme measures can create a lack of

confidence in the private sector and too great a jolt to government services.

Here are some of the positive steps we have taken with respect to government restraint. One, 237 permanent full-time positions in the public service were not filled last year. Two, this year over 1,100 positions will be eliminated, for an annual saving of over \$22 million. Three, further savings will come from the policy of privatization.

Mr. Speaker, I thought it would be worth while to give three or four examples from the government and then from the Public Affairs Bureau on the crucially relevant subject of privatization. One, approximately 20 government-owned buildings will be tendered out to the private sector for total operation and maintenance. Secondly, there will be increased private-sector involvement through tenders for projects administered through the Department of Transportation; thirdly, privatization of the corporate name registry, now handled by Consumer and Corporate Affairs; four, privatization of temporary staff services functions now handled by the Personnel Administration office.

Public affairs is one of the areas of government where private-sector services have been emphasized more and more in recent years. In the early 1970s, approximately 60 percent of the government's printing was allocated to the private sector. That is now 92 percent. Again in the early '70s, the government's printing operation handled many kinds of colour work and printing requirements. Now in-house operations are basically for duplicating purposes.

Within the Public Affairs Bureau, advertising is co-ordinated by one person, with all work handled by private advertising agencies. That certainly contrasts with advertising structures in some other governments in Canada. Photography is another area where the Public Affairs Bureau has cut back. In the production of video tape recording, a whole studio operation was closed down a few years ago, and these productions are now produced for us by the private sector.

Many of these initiatives are the result of recent government deregulation activities designed to encourage private-sector involvement. Evidence of the resolve for a leaner, trimmer government is as follows. First, a \$169 million reduction in total government expenditure is the first reduction of its kind in over 40 years of budgeting. Secondly, the total budgetary expenditure is targeted 1.7 percent lower than last year's comparable estimates. Three, debt servicing in Alberta accounts for only 1.8 percent of our province's total expenditures. The comparable figure for the federal government is 21 percent. Despite these very significant and comprehensive efforts at making our government operations trimmer, leaner, and more effective, this has been achieved with no reduction of services or facilities. On a per capita basis, expenditures on government services in Alberta are greater than the average for all provinces by about 35 percent.

I would like to refer briefly to the new venture capital program for small business because it is a program with exciting potential and because many small-business people are in fact resident and working in my constituency. Just by way of reminder, this program involves some \$15 million over the next four years and is one more initiative by this government to bolster private-sector activity and private-sector confidence. The program will provide an incentive to create new equity companies.

As I know all members recognize, small business is the backbone of Alberta's economy and is undeniably an important factor in our efforts at economic diversification. Just to illustrate how vital small business is to Alberta today, here are a few examples or statistics. One, over 90 percent of all business

contracted in Alberta is contracted by small business. Secondly, small business provides jobs for 42 percent of the work force. Three, two-thirds of all new jobs are created by small business. Four, small business contributes over 30 percent GNP. Five, small business is the largest employer in Alberta outside the government. Six, agriculture, as a renewable resource, is Alberta's number one industry and almost totally comprises small business. Finally, small business develops more new products and services, builds more new outlying communities, and generates more exports than any other segment of the economy.

Now a comment or two about Alberta's participation in the world's fair, Expo 86, in Vancouver. In his Budget Address the Provincial Treasurer referred to our participation at the largest world exposition in North America since 1967. The theme of Expo 86 will be man in motion. It will be our job to make Alberta's pavilion one of the strongest on the Expo site. I would like hon. members to know a little bit more about it today.

It is an example of seeking new avenues to aggressively generate interest in Alberta, its products, and its services. Forty-five major nations are expected to participate. Estimates suggest that over 20 million people will visit Expo during its six-month run in 1986. Participation has already created opportunities right here in Alberta. Albertans have been awarded contracts for architecture, design, and project management. We conducted a competition to which every Alberta architect was invited. Three advisory panels have been established to involve representatives from all sectors. This includes the oil industry, town planners, chambers of commerce, recreational specialists, labour, farmers, and many other private citizens. An integral part of the pavilion will be a restaurant that features Alberta's products, with the group selected to operate the restaurant facilities from Banff and Lake Louise.

A major reason for Alberta to have a significant presence at Expo is the tourism potential. Most of the visitors will come from areas such as California, eastern Canada, and the Pacific Rim, areas from which we have the greatest opportunity to attract tourists. Canadian Foremost of Calgary and Brewster Transportation of Banff will feature off-road vehicles, those used on ice fields and made by Canadian Foremost as Alberta's officially sponsored people movers, as a link between two sites at Expo 86.

Finally, Mr. Speaker, a comment or two on Alberta's taxation. I know that Alberta's taxation levels have been the subject of considerable discussion in this Legislature, especially with some of the opposition's comments. Let me again observe how favourable our tax position in Alberta is. One, no new taxes and no increases in existing tax rates. Two, Alberta still has the lowest overall tax rate in Canada. Three, it is the only province with no retail sales tax or gasoline tax; four, the only province with no corporate capital tax or payroll tax. Continuing with the list, Alberta's general corporate income tax rate is 17 percent below the average provincial general tax rate. Based on a family of four with a gross income of \$30,000, Albertans take home almost \$28,000 after provincial taxes, the highest level in Canada. Provincial tax represents only about 5 percent of Alberta's gross provincial product. In other provinces, that figure varies from 8 to 17 percent. Payments from the federal government, however, represent only 10 percent of Alberta's total budgetary revenue. Other provinces receive, on average, over 20 percent. The 1984-85 budgetary deficit is less than one-half the size of the '83-84 deficit and is one-eighth the size of the '82-83 deficit.

Alberta's tax structure encourages economic strength. One example: Alberta's share of virtually every tax base exceeds

the province's share of the national population. Roughly 25 percent of annual corporate taxable income reported in Canada was earned in Alberta, with a population share, as I said previously, of a little better than 9 percent.

In summary, Mr. Speaker, I would like to indicate to the hon. Provincial Treasurer that he's completely right. By that I mean that his budget is right for the times, it's right for our province and, most importantly, it's right for the people of Alberta.

Thank you.

MR. R. SPEAKER: Mr. Speaker, I'd like to enter this budget debate for a few moments and add my comments with regard to the good and bad parts of the budget. As I examine it, I think the budget should enunciate certain principles, and I'd like to evaluate the budget on that basis.

Comments have been made in this Legislative Assembly about the first principle of budgeting, and that's having a balanced budget. To be fair to the Provincial Treasurer, I think that is his objective and his aim in this budget. On that basis I certainly support the intent of the Provincial Treasurer or the government of Alberta. In times such as this, I believe balanced budgets by government, private sector, and individuals are most important as an objective. Certainly that's one of the goals we must support here in this Legislature.

The second area when examining a budget is that a budget should reflect a real, true fiscal position of the government. Does it tell all the story? The question I raise and have raised before in this Legislature is: will there be more special warrants during the year? Will there be expenditures made or committed by the government that will remove the possibility of a balanced budget in the end result? What will happen with regard to the Canada Health Act? What will happen with regard to other possible pressures that go on in government in terms of extra expenditures and special warrants? Hopefully the definition of "special warrant" will be those expenditures that need immediate or emergent attention, and no other type of definition.

The third principle is with regard to capital expenditures in a budget. This has concerned me for some time with the Conservative government in this province. We build capital facilities, but an operational plan of expenditure is never placed before us in this Legislature. Certainly we budget one year at a time, and we look at the budget as it is going through. But my colleagues on this side of the House have said, and we've debated this a number of times, that when a capital project is presented to the Legislature, why don't we advise the Members of the Legislative Assembly of the cost implications in terms of operational costs? I think that should be done. Again, we don't see that in this budget.

A budget should reflect priorities. As I examine the budget, there is some attempt to place priorities before us. But under the restraint program, it may not be possible to allow for greater expenditures in certain areas. I had hoped that the areas of education and health care in this province would receive some greater type of attention. They haven't and, as we proceed through the fiscal year 1984-85, we'll have to see whether that kind of budget is realistic.

The last principle I want to talk about and wish to elaborate on is most important in terms of writing a budget and presenting it to this Legislature and to the people of Alberta; that is, a budget should be up front with the people of Alberta. It should tell all the story, not just the part of the story that strengthens the case of a political party in presenting its budgetary plan to the people of Alberta. It must be up front. I'd like to examine that question in the remainder of my remarks this afternoon.

In question period the day following the budget, Wednesday of last week, I raised the question with regard to the statement on pages 25 and 30 of this budget where the Provincial Treasurer, with great gusto and emphasis, said to this Legislature and to the people of Alberta:

There are no new taxes and no increases in existing tax rates in this budget.

In terms of semantics that might be correct, but in terms of source of revenue which will be used to balance this budget that statement is incorrect.

The increase of 13 percent in personal income tax, which became effective January 1, 1984, of which we received the first return to the province on March 1, 1984, was necessary and was placed in the budgetary plan by the Provincial Treasurer to balance this budget, I hope. In support of that comment, I refer to *Hansard*, October 19, 1983, when I asked the Provincial Treasurer about the 13 percent increase.

MRS. CRIPPS: Mr. Speaker, I'd like a clarification of the 13 percent. Where does the hon. member get it? It's a hypocritical statement.

MR. R. SPEAKER: I asked the Provincial Treasurer this question on page 1355 of *Hansard*:

Secondly, my question to the hon. minister is: will any of the funds that are derived from the personal income tax that will be implemented as of January 1, 1984, go into the current fiscal budget, or are those funds being retained for the use of the 1984-85 fiscal budget?

The response of the Provincial Treasurer, Mr. Hyndman, on October 19, 1983, was this:

... under the Canada/Alberta tax collection agreement, the moneys would start to flow on March 1, 1984.

That meant that we could use it for one month in the fiscal year '83-84, but the bulk and the major purpose of those funds was to bolster up, to hopefully balance or reduce the deficit in the '84-85 budget.

In support of what I've just said, the minister went on to say:

That is when those revenues for, in effect, one month of the 12 of this fiscal year would go into the General Revenue Fund,

saying that the rest goes into the next fiscal year, which is '84-85, the budget under discussion,

Mr. Speaker, the Provincial Treasurer was not up front with the people of Alberta.

MRS. CRIPPS: Bull.

MR. R. SPEAKER: When I went home after this budget, travelled across this province, I attended meetings where people said to me: wasn't that great of the government; no tax increase, no new taxes; they eliminated that 13 percent tax they brought in earlier. I said: do you realize what happened? And I indicated to them the statement of the Provincial Treasurer, indicated that they will pay that 13 percent increase in personal income tax for many years ahead or as long as the Conservative government is kept in power in this province.

They said, did they really do that to us? They only supported the accusation I made in this House on Wednesday of last week. They said: you should have said it louder and clearer to the government, because there are a lot of people in this province who didn't know that the Provincial Treasurer wasn't up front with them. Those kinds of distortions of the truth will go through to the public. They know about it at the present time,

and I must say that my colleague and I will tell many, many people about the kind of distortion that went on.

It was nice to have the headlines the Provincial Treasurer got — front of the *Sun*: no new taxes; no tax increase. He couldn't have bought a better advertisement. That was because the budget was given. It was written in the budget, and the press people said: we take their word for it. But that isn't the way it is. The people of Alberta now know. When I was away at a number of different meetings yesterday and on the weekend, people said: we didn't realize that at first; I'm glad you brought it to our attention; we'll remember that; we know where we're going to put our X next time around. The people are angry about it. I said: it's a government that doesn't want to be up front; they've had so much power for so long that they've been able to say things the way they want and tell you what it is, and they think you're going to believe it.

But the people of Alberta are starting to listen again, because they know this government isn't on the level with them. If they want to keep it up, that's fine. But there is a 13 percent increase in personal income tax; it is in this budget. This budget would have had a deficit of half a billion dollars if that tax revenue was not available. That's just the start of the deficit we'll see by the end of the current fiscal year.

What else wasn't up front? Too bad the Provincial Treasurer wouldn't sit here and listen to this, because he's the one that personally sat and wrote this budget. I checked that out as well. I thought some scriptwriter, one of the back room political boys, might have written the budget. But I find that the Provincial Treasurer wrote this budget himself. So I place full responsibility on him. [some applause] With all due respect, hon. Member for Cardston, I don't give you much credit for applauding that kind of distortion. I thought we from southern Alberta were truthful with our constituents.

MRS. CRIPPS: You're the one that's distorting. You don't know a fact from a ...

MR. R. SPEAKER: The Provincial Treasurer has to take responsibility for the political implications of this budget that the Conservative Party will be blessed with as the year proceeds.

Mr. Speaker, let's look at something else and see what other kinds of distortions we have. This one on page 26 of the budget is very typical of the Provincial Treasurer. This is the kind of thing he does, and he thinks he can get away with it. He thinks the people in Alberta are elementary students and really don't understand very much and maybe can't read. On Wednesday I took 100 budgets and distributed them across this province. I've also met with a number of people that had already read the budget. I said: what do you think of those pictures on page 26; what do they look like to you? They said: isn't it something to think that in Alberta, after provincial taxes, we get twice the take-home pay they do in Ontario. Twice, they said; look at the picture. Then I said, let's look at the numbers and see what the difference is. When you look at the arithmetic, the difference between the take-home pay in Alberta after provincial taxes and the take-home pay in Ontario is only 5 percent. But look at the diagram. I had someone sit down and go through the minor exercise of measuring the area. In terms of area, the small graph is 32 percent of the size of the large one, so it looks like a 1 to 3 ratio. That's the kind of distortion the Provincial Treasurer creates and isn't up front with the people of Alberta. I think it's wrong for a senior politician in this Legislature to do that kind of thing — totally wrong.

Mr. Speaker, what else do we see in this budget that doesn't tell all the story? We look at the cash and term deposits. The

Provincial Treasurer didn't tell us anything about this. Look at pages 47 and 29 of the budget. On page 29 we see the Provincial Treasurer telling us in one sentence:

... the 1983-84 budget deficit were met in significant measure by sales of liquid assets previously accumulated in the General Revenue Fund.

That means we reduced our cash and some of our term deposits.

On page 42 of the budget, Mr. Speaker, we find that our cash and term deposits from '82 to '83 are reduced from \$1.2 billion to \$728 million. You notice that our assets in total in those two years are reduced some \$1 billion. We see a trend whereby the liquid assets of this province that can be used in terms of emergency are continually decreasing. In the two years I just mentioned, between '82 and '83, we had a 58 percent decrease. We say we have a deficit of about \$258 million in this budget. How much of the assets will be used to pick up that deficit? If there are overexpenditures or other demands on the government, how quickly will our assets deplete? The Provincial Treasurer should have said something about that to the people of Alberta, said that with extended expenditures, with greater pressures on our budget, we have had to reduce our assets significantly.

If we keep this trend up, we won't have any assets. Then it will be a significant debt picture. The Provincial Treasurer didn't tell Albertans about that, because that would be a reflection on the Conservative Party, saying: we're using up all of the extra cash we've got laying around; we're heading for difficulty in our budget. I think the Provincial Treasurer should have reported that matter and been up front with the people of Alberta.

The next item, another area where there should have been more up-front discussion — the debt servicing cost. The speaker prior to me, the hon. Member for Calgary Fish Creek, made a great case about the fact that our servicing cost is 1.8 percent of the total expenditure. In terms of other governments in Canada and many other governments in North America, that's a very significant and important statement, and very commendable. I think that's excellent, but excellent in light of what? We in this province of Alberta should recognize that we've had billions of dollars of resource revenue. We wouldn't have any debt servicing at all if this government had controlled their budgeting in the good times.

One of the promises the Premier of this province made in 1970 and '71 was that in the good times we would control the expansion of government; we would introduce our concept of welfare economics. In the good times, government would back up, and in the bad times we'd try to expand, do capital works projects and expand the budget to try to fill the gap. That's his kind of socialist approach to economics. That's what he said back in 1970. So the people of Alberta voted him into office. But he didn't control the cost of government during the good times. There isn't anybody who can stand in this Legislature and not see the graph of accelerated expenditure that went on in the mid-1970s to 1980 — excessive expenditures in many areas. In the last election, over \$4 billion was thrown at the voters so the voters would vote for them, so they could get into power again. It wasn't based on what was necessary and needed, but they threw it at the voters. Now we're suffering for that kind of thing, suffering debt servicing costs. There isn't any real need for that at all.

Let's look a little further to see what else the Provincial Treasurer could have said to be up front with the people of Alberta. I look at page 40 of the budget, for example. We see the budgetary expenditure, statutory appropriations. Look at the debt servicing costs. In the 1983-84 forecast, we see debt servicing costs of \$100,000, and supposedly the forecast is

more accurate than the estimate, which was \$150 million. Then we see that the 1984-85 estimate, the budget we're talking about at the moment, is \$170 million. So from the forecast to the estimate, we see the debt servicing cost rising by 70 percent in one year.

Why weren't the people of Alberta told that we have a significant increase over 1983-84? Why wasn't the Provincial Treasurer up front in telling them the rest of the story? Why? Very obvious — because that's detrimental to their political future. Everything in the budget is written for the future of the Conservative Party of Alberta, not for the people of Alberta — not up front. It's just another way the Provincial Treasurer attempts to deceive the people of Alberta in his approach to writing articles, speaking in the Legislature, and presenting a budget. I think that's unfair. If that type of percentage should continue into 1985-86, if that continuous 70 percent increase is there, we'll be faced with up to \$289 million — maybe even greater, with the way this government budgets.

What else can we look at in terms of items I think should have been brought to the attention of the people of Alberta? The Heritage Savings Trust Fund was used to shore up this budget; \$1.5 billion helped to balance this budget and to reduce the deficit. Nobody is arguing with that. Albertans have supported that and said yes, use the heritage fund at this time to assist in working toward balancing the budget. There's nothing wrong with that. But I think we should look at the story that's not told with regard to the Heritage Savings Trust Fund. If we look at page 29, for example, there is a diagram under the title Alberta Heritage Savings Trust Fund — Sources and Applications of Funds, 1984-85. Under one nice rectangular box, we have: New Sources of Funds, \$651 million. We all know that that is the 15 percent nonrenewable resource revenue transfer. Next to that is the pillar, I guess: Applications of Funds, \$705 million.

In the statement at the back, on page 52, there's an item which says that the deficit of the Heritage Savings Trust Fund in terms of resources available and the applications is some \$54 million. We have a deficit for the funding of the Heritage Savings Trust Fund of \$54 million. This is the key question, and I think this is the thing that should have been said to Albertans. This is where the Provincial Treasurer should have been up front, as I call it.

If we go down to the bottom of the page, we ask: how will the budget for the Heritage Savings Trust Fund be balanced? In the item Sources Less Applications on page 52, under the title Repayments, Maturities, and Disposals, we see \$205 million, which means that the Provincial Treasurer, the Conservative government, the Lougheed government, has tapped into the assets, or the base, of the Heritage Savings Trust Fund to balance the budget. They have taken from that. There are two other areas of application of that \$205 million, but \$54 million has been taken from the base. The base is now being eroded, so our potential in the Heritage Savings Trust Fund is on the road to diminishing returns. That's how it was balanced.

Why didn't the Provincial Treasurer write that in the budget and tell the people that they're faced with that kind of problem, that this is what's happening to their Heritage Savings Trust Fund? Most people think the Heritage Savings Trust Fund had the 15 percent diverted to it, and those funds would in turn be expended on various projects at the same time the base of the Heritage Savings Trust Fund is preserved. That's not true, and I think that story should have been told in this budget. But it wasn't, because it would reflect on the government as a whole.

What else could have been pointed out in the budget, Mr. Speaker? The area with regard to a number of programs that have come to an end — I think those could have been listed

in this budget. The Provincial Treasurer could have been up front and said: here are four or five programs that have come to an end and have given us a little more latitude to divert those funds in other directions. For example, mortgage interest shielding, interest shielding for farmers and small businesses, the core housing incentive program, the oil and gas royalty tax — there was some relief in those areas, and those funds were used for other purposes. Why couldn't the Provincial Treasurer be up front and indicate that that's what has happened?

The last area that I felt should have received greater attention and more honesty from the Provincial Treasurer is with regard to the effect of this budget on municipal districts, hospital boards, and school boards across this province. I think each and every one of those jurisdictions is going to be faced with increased costs, deficits, and the pressure to place a greater load on the rural and urban property tax payer in this province. The ramifications of that decision will most likely become evident in the fall of 1984 and the spring of 1985. I certainly hope the Provincial Treasurer is ready to answer the questions at that time, because the pressure is going to be there. Teachers that will be losing their jobs because of that decision, hospitals that will have to cut back, rural municipalities that are unable to build some of the roads they want to build, are all built into that decision. Why wasn't the Provincial Treasurer up front with us in the Legislature and the people that are going to be affected by those decisions. Point out some of those things instead of saying: they're getting enough; that's all they're going to get, and they've got to live with it. I think a little bit of compassion and sympathy and understanding was necessary in terms of that kind of decision. But that certainly hasn't been the overriding theme of the Conservative government in this province.

Mr. Speaker, that's the one point I wanted to make today with regard to this budget. I wanted to make my one and only point. I felt it necessary to say it to the Provincial Treasurer, because there's no one else in this Legislature that's going to say it's time to be up front with the people. A government cannot administrate from the top down and tell the people what to do by fancy manipulation of words. The only way we're going to meet the demands and challenges in terms of our economy in Alberta, in terms of new jobs and growth in business, is to deal up front with the people. There is no other way. Government must be a participating body with the people. The message does not come from the top down and, in that manner, bring about the success that is necessary in this province. That's what this kind of budget was: some fancy political words for the purpose of a nice news release by the Provincial Treasurer. It wasn't a budget that was talking to the people of Alberta, asking them to participate in the economic and social problems that we're faced with. That's one of the greatest weaknesses.

I would only suggest to the Provincial Treasurer that in statements made from this point forward, in future provincial budgets that are presented to this Legislature, the budget should be discussed with the people. Before the edict comes down, they should have a chance to participate in the kind of decisions we're faced with in this Legislature. I'm certain we could meet some of our economic problems a lot better than they're going to be met through the presentation and process that was used by the Provincial Treasurer in respect of the budget we're now debating.

MR. PLANCHE: Mr. Speaker, I'm pleased to be able to participate in this budget debate in April 1984. It's been a while since I've been on my feet to participate in a debate such as this, so I'd like to take this opportunity to thank you for your forbearance with me as I'm on my feet from time to time and

your fairness as you deal with the members of this Assembly. I'd also like to offer my congratulations to the Treasurer for bringing down a \$9.6 billion budget in a very difficult time in Alberta's history. I think it's balanced and is the kind of budget that any reasonable man could expect little more from.

Before I get into some other comments, I'd like to thank the citizens of Calgary Glenmore for having offered and given me the privilege of representing them in the Alberta Legislature. The one regret I have, if any, is that it's been a difficult constituency within which to communicate to groups, because they're all very busy and have a lot of things on their minds as they go about their daily business. But they have been very kind in the kind of letters they have sent, and I hope I've been able to respond in kind to the questions they've asked.

Before I get into my particular area of activity, I was interested in the previous speaker talking about the responsibility of what's said and how things are perceived. This is after all a \$9.6 billion budget, and they have research funds over there that entitle them to have the very finest counsel they would need to assess these very complicated documents and to bring forward, which is their responsibility, and show alternates and what might be done better. I was interested to review a sort of history of the questions he's been able to put on the Order Paper, and they revolve around things like how much is Ven-cap's rent, what are the names of the recipients of the disaster fund expenditures, what was the cost of the Premier's trip to the Olympics, how many brochures were produced for the Alberta Education Secondary Programs Review, and the list of applications for employment programs. Mr. Speaker, I suggest that those kinds of questions really don't justify the kind of research budget he's in receipt of. If he wanted to have an in-depth debate on the budget, surely it's his responsibility to come forth with some things that are considerably more pithy than what he's been able to come up with so far.

As to my budget, I think it's time to perhaps report to the Legislature a quick list of the things the department is involved and concerned with. I hope it won't take too long, but there are a few and I think they're worth mentioning. We of course are involved in a very major way in the development of an economic strategy. It's been a decade since the Premier enunciated one in 1973 at the Chamber of Commerce in Calgary, and there have been some real changes in our economic circumstance. So it's appropriate now to examine again the initiatives he outlined, to find out whether or not they're still appropriate and what might be added to or taken away from them.

In addition to that, last week we sent out a discussion paper on science policy. We hope to get feedback from the science community and those in academia and business who are interested, so we might incorporate that in our economic strategy as it develops.

Finally, we're spending a great deal of time reviewing the well-being of our financial sector and whether or not it's going to be responsive for the kind of activities Alberta will be venturing into in the future. That would include an awareness now of our dependency on international trade and therefore having price and demand beyond our control, and things like the high technology initiatives that are under way that don't reflect in any way a cash flow and so require creative financing.

We're also of course heavily involved in a review of the petrochemical industry and feedstock pricing, particularly for ethylene based, and trying to find ways to ameliorate the punitive PGRT tax on feedstocks that has so dramatically affected our fertilizer and methanol industries. Through the nutritive processing Act, we're involved in the construction of many new food processing plants around the province. While they're

not large, they are geographically well balanced, and we're delighted with the progress in that area.

In high technology initiatives, there have been several announcements lately. When Northern Telecom arrived on the scene in Alberta, they agreed to help us identify areas of activity the province might be involved in that the private sector would not likely be involved in but which were nevertheless necessary to develop our high technology industry. Those consultations continue, along with the Alberta Research Council. The first priority, which was the electronic products test centre, has already been approved by the Legislature and will be under construction shortly.

We're delighted with the response from Vencap Equities Alberta Ltd. I think it would be fair to say that the first assessment on that issue, to see how they're getting along, should come at about the end of the second year. Interestingly enough, they had a great many applications. They are now well staffed with sophisticated people. But as you might expect, many of the applications that came in when the door opened were shop-worn — had been around the barn, as it were — and they had to be adjudicated along with the brand-new ones. Alberta business people generally have not had a lot of experience with venture capital, in that sense. It primarily depends on the track record of the applicant and the ability of Vencap to recognize the imagination of the concept rather than traditional cash flows. So the presentation and application for approvals are very much different, but it's coming along nicely.

We're working with the farm machinery groups in terms of putting out a buyers' guide. That has been well received and is circulated around the world. We've also sponsored them in export shows. We are involved in a product development program that offers a sum of money to people who want to upgrade their product for marketing. It began as a joint program with the federal government who, peculiarly enough, dropped out halfway through, and we picked it up because we think it's worth while.

You may also know, Mr. Speaker, that we've done a great deal of work on the issue of procurement policies for government and Alberta content. It has never been our purpose to balkanize this country; we've tried to encourage local purchasing by this government wherever quality, price, and delivery are equal. I think we have been successful in that, and the ministers and departments involved have responded well. Should there be some concern by an unsuccessful tenderer, there is a person who can be contacted in each department.

In terms of Alberta content in the industrial scene, before an industrial policy is issued on major projects we assess whether or not they have adequately sourced manpower and material within the province; we encourage them to do so, and encourage joint ventures and technology transfer where applicable.

The federal government has established an Alberta Microelectronic Centre at the U of A, which has been a very effective catalyst for gathering people in that sector together. It's well staffed by competent Albertans and has been very useful as a gathering point for those people and a place where we might get ideas as to what's needed by that sector to encourage it to prosper.

I'm happy to report that the Alberta Motion Picture Development Corporation is well under way. For those of you who don't recall what the initiative was about, it was an effort to get a soft loan for preproduction expense, the point being that after examining the title, script, and balance of players involved in it as to where they came from, we would acknowledge that we would contribute 60 cents if the proponent could gather 40 cents from the private sector. Then when he sold it for pro-

duction, from the dollar that was recovered we immediately got our 60 cents back, and the man who invested his 40 cents went on to leverage that through the implementation of the film. We've been very, very gratified with the response we've had, including having had the opportunity to promote one major movie last year in the province and about 29 smaller films that are encouraging our local motion picture development people into greater activity and involvement.

We are always involved in regional economic reviews and assessments, trying to find out how we are relatively as a place to invest. We are constantly aware that we have to be competitive not only with the other provinces but with the states in the northwest U.S. and indeed throughout the continent. We are constantly watching entrepreneurial immigration issues, regulatory reform, tax policy incentives, and we're involved in the FIRA approval process. My colleague from Edmonton Whitemud is progressing nicely, I understand, on his regulatory reform review. As you might have expected, over time we've had so many anomalies caused by regulation that a lot of people have invested in circumstances that revolve around those anomalies. So as they are removed, there's going to be some pain. I'm watching with some interest how my colleague meets those challenges, knowing the difficult position he finds himself in, in that regard.

I'm happy to report that the Prince Rupert grain terminal is going to be open just after the New Year. Late in the fall we'll have some sample grain in to test the computer software and the logistics of the system. As near as I can tell, it's going to be very close to budget. I'm talking now within a \$1 million to \$2 million overrun as it presently stands, but there are some disputes that could bring it slightly below budget.

We've been working on the Athabasca River barging services. Northern Transportation is going to withdraw from there, leaving the McMurray, Fort MacKay, Fort Chipewyan section without the kind of service they really need. We have convinced the federal government that they need to continue to have navigational services and barging, and the private sector will now pick up where Northern Transportation left off. In that regard, Norm Weiss has done a remarkably good job.

We concern ourselves continually with the port of Vancouver; that is, the rail access to it and the trucking configuration and infrastructure around it. They're now subject to a port authority. We remind them constantly that Alberta generates some 40 percent of the freight that goes through that port, and that freight is growing. We view it not as a Vancouver port but as an Alberta port. You may know, Mr. Speaker, that the port of Vancouver now handles in excess of the sum of the ports of Seattle and Los Angeles. So not only is it a major west coast port, but for Alberta commerce it is major now and will grow in importance as our trade moves to the Pacific basin rather than Europe.

We've done some extensive work on coal slurry pipelines, and I'm happy to report that that initiative we did with Canadian Chieftain is still proceeding. Technologically it's possible; unfortunately, it's marginal in terms of being effective in a price sense with oil at present levels. But it still does serve to indicate that there is an alternate mode to move our coal and that there is the possibility of shipping gas in export in the form of methanol. There's been a lot of interest around the world. We're interested in following that up over time, and we will.

The department of course was totally involved in the Crow issue, as we continue to be in all issues that concern transportation out of the province. There is just no backing off on the issue that we are going to have to concentrate all our efforts on the economies of supply. Rail for us is key, because we

have no alternate mode for commodities in the tonnages we need to move.

We're also involved in rail relocation projects. For the members of the House who may not recall, these are for the cities in the province, other than Calgary and Edmonton, who can benefit sociologically and economically from a relocation of railway through the centre of their cities. The criteria are such that the land salvaged from the removal must pay for the cost of the new switching yard and whatever rolling stock is required. We've been successful in working co-operatively with Grande Prairie and Lethbridge. Medicine Hat, Red Deer, and Fort Saskatchewan are now actively seeing if they can fall within the parameters of our criteria. We think it's a very worthwhile thing to do and, over time of course, will accrue great benefits to those communities that can qualify.

As well, we are progressing on the issue of high-speed passenger rail between the two major cities. We look for a fairly long time line, but we remain persuaded that it is possible to move people economically on the surface from downtown to downtown in well under two hours. Of course our plan would be that that benefit and activity would be done by the private sector, possibly on a cost of service PUB basis. We're encouraged by the support we're getting from the engineering people, and we're now doing some preliminary work on examining the costs and realities of a right-of-way between the two cities.

We're involved also in third-level air service and all that means, and have been involved in aiding and abetting the financing of Southern Frontier and Time Air. I think it's fair to say that we now have pretty reasonable scheduled service with our smaller communities as trunk lines into our major communities throughout the province. I applaud the efforts and heroism of those people who have invested their own money in those kinds of airlines. They're truly a great benefit to the province.

In addition, I have to tell you that my colleague Horst Schmid, who develops and completes all export initiatives, shares responsibility with me in the department for such things as the offset programs, where we attempt to get a share of military expenditure based in this province; for things like all of the ministerial missions, both in and out; company participation in expositions, nationally and internationally; all export projects — we have a team now in the People's Republic of China, as the first consortium out of here, having a look at a petrochemical project — the annual export achievement awards program; all incoming missions; many of our publications that you've seen and commented favourably on; preparation of position papers, and that kind of thing.

Mr. Speaker, it isn't my purpose to dwell on statistics like the incredible number of companies that are now involved in activities in our smaller centres. But I do have to mention that when I was in Singapore, there was a bridge manufacturer from Rocky Mountain House who was a supplier of product. Pelican Spruce Mills in Edson is now shipping hardwood board for the first time, which is a forefront technology activity. In Wabamun we have one coal mine that mines one third of Canada's coal. We have in Prentiss, Fort Saskatchewan, and Joffre the very high technology that's represented by world-scale petrochemical activities. Lethbridge has NovAtel which, along with Northern Telecom, is a world player in communications. St. Albert has Niart Electric, which just recently got a contract for the electronic traffic system in the city of Vancouver. Global Thermo is located in Bassano. Vermilion has Vertec Industries, which manufactures grain and nut driers. Westinghouse Canada is located in Airdrie, with world mandate switch gear. And the list is endless. I just picked some, because I didn't want to take the Legislature's time with the list that really would apply on

this page. There is no question that Alberta, outside of Edmonton and Calgary, also is active, alive, and well, and very much a part of the mainstream of Alberta's activities.

Just so the members of the Legislature will have a sort of balanced view of the kind of activities we are now involved in, I'd like to mention that the medical endowment trust of the Alberta Heritage Savings Trust Fund has indeed been a remarkable initiative. I believe we now have 37 world-class scientists at the U of A, 19 at the U of C, and approaching 2,000 working on R and D. When I say world-scale, I'm talking about people whose published papers are respected worldwide.

AOSTRA has a world profile and has just recently initiated an imaginative inventors grant assistance program to help those with forefront technology, equipment, and services for the extraction of heavy oil. As you might know, the Alberta Research Council has a huge expansion under way in Mill Woods. It will be the finest research council in Canada, has a dynamic new president, and the electronics test centre will be an integral part of that Mill Woods facility. I already mentioned the microelectronics centre at the U of A. The coal research centre will soon be opening at Devon this year, which will make it representative of Alberta's coal activities. You would know that we have by far the majority of Canada's coal in Alberta, some 13 billion recoverable tonnes in metallurgical and steam coal.

The C-FER lab, which we've mentioned before, is financed and will be under way this year. The Vegreville environmental lab is very active. The Food Processing Development Centre at Leduc is under way. Farming for the Future is active, along with initiatives in agriculture at both U of C and U of A. The Canadian Standards Association will be opening their lab at Mill Woods and the CAD/CAM centre at the U of A. Much of the equipment that was donated courtesy of Bechtel is in place, along with world class scientific involvement.

We continue to direct our efforts, Mr. Speaker, at three long-term objectives that we think are crucial as our Canadian business and export attention turns to the Pacific basin. The first is the economics of supply, and I can't emphasize too much how important that is. We who are shipping commodities for a living now understand, after the last two years, that we don't set prices or demand. The only way we're going to be competitive, 700 miles from tidewater and with three mountain ranges, is to have a superb transportation system that's economic, fast turnaround, and develop any alternate modes that are available to us.

As I also indicated previously, we are searching for financial responses to businesses that are involved in those world markets, in terms of the new maritime financial strains that we're trying to face, a responsive regulatory system for our stock market, encouragement for our Alberta Stock Exchange, looking for ways to bolster the insurance industry within the province, examining ways in which we might help our smaller western-based class A banks, and any other kind of financial activity that will bulwark our position in Canada as a financial sector.

Finally, and I guess most importantly, we're looking for many ways that we can encourage value added in our basic industries, particularly through a research and development environment. But we want it structured in such a way that it covers all activity and primarily encourages technology transfer from our universities.

Thank you very much, Mr. Speaker.

MR. ZIP: Mr. Speaker, it is my pleasure to join the debate on the budget presented to this House by the Hon. Lou Hyndman a week ago last night and to make a few observations on it. It



was admirably presented by the hon. Provincial Treasurer. He, along with members of Executive Council, richly deserve my personal congratulations and those of my constituents for a budget that is not only responsible but comprehensive of the present needs of the citizens of this province and of my constituency of Calgary Mountain View.

In order to show the positive impact of the budget to my constituency, I recognized four important areas where Calgary Mountain View benefitted directly from this budget. First, the new hospital for northeast Calgary, which is only a short distance from my constituency on the northeast corner, is going to provide a direct benefit to the people in Belfast and Vista Heights and Mayland Heights that are relatively close to the site of the new hospital. In going from door to door, I remember that quite a number of people asked when that hospital was going to be built. Now it's going to be built. In three years' time, they will have a hospital.

Looking at the sense of compassion that our budget expressed in the extension of the home care program, this large extension is very important to the large number of senior citizens who are still living in their own homes in Calgary Mountain View and is giving a very significant increase in benefit to them.

Thirdly, looking at the way the Provincial Treasurer is holding the line on taxes and creating an important boost to all the members of our constituency just as it is to all Albertans — nobody wants to see taxes go up. This significant display of fiscal responsibility, restraint in spending, and low taxes gives a real boost to investor confidence, which leads to investment and job creation in Alberta, something that the working people of Calgary Mountain View need.

Last but not least, the heritage trust fund is important to my constituency, just as it is to all Albertans, because now it really displays its value in the way it contributes to our province's general revenues and maintains capital projects in the province that would have to be met out of more taxes and borrowing in other provinces. When you look at debt financing costs in this province being less than 1 percent of our provincial budget compared to close to 25 percent of the federal budget devoted to debt financing, with the seeming inability of the federal government to control spending and with the rapid growth of federal debt, a dark cloud is cast over Canada's future. We are casting a ray of sunshine in Alberta's future with this budget, Mr. Speaker.

In order to gain a better appreciation of what our Provincial Treasurer and our Executive Council have achieved with this budget, I believe it would be most useful and appropriate at this point to step back in time and look at how this whole process of raising money from taxpayers and, in turn, spending this money began. Under our present, modified British system in Canada and Alberta, the process began with the monarch, king, emperor, sultan, or czar — which, incidentally, is a Russian adaptation of the word "Caesar". It started with them.

From earliest times monarchy, mostly absolute and seldom benevolent, was the first organized form of government that emerged. When mankind moved from a nomadic pastoral to a settled agriculture state, the status of people under these monarchs was best described by the prophet Samuel, who warned his people while answering the request for a king by telling them that they would be sorry. Kings would place a heavy yoke upon them. They would conscript their sons for war, take their daughters for their harems, and levy onerous taxes for what were largely personal needs. Such was the situation throughout world, and exists even today in some countries.

In Britain monarchy was absolute, and subjects, as people were known, were accorded the same treatment the prophet

Samuel referred to many centuries earlier. In Britain, however, the people who paid the king's annual levies rebelled. Starting with the signing of the Magna Carta with King John, the power of the British monarchy was gradually taken away by Parliament. Along with this transfer, the power to levy taxes and to spend money raised through taxes was also transferred to Parliament in Britain. Initially Parliament represented only those people who paid the taxes, and that was a good idea. This process was not transferred to the colonies in America, and the resulting taxation of colonists there without representation brought on the American Revolution, quickly followed by the French Revolution over similar problems in France. Fiscal and other abuse of power by the czar brought on the Bolshevik Revolution a century later in Russia.

The parliamentary system developed in Britain and, adopted in large measure by Canada, succeeded very well in maintaining fiscal responsibility and guarding the interests of taxpayers, until the introduction of socialist ideas by leftist politicians, who advocated, through the adoption of universal suffrage, to redistribute income from the so-called wealthy minority to the have-not majority. This formula works if it is adapted with a disciplined sense of restraint and keen awareness of the effects of taxation on the taxpayers' willingness to produce taxable wealth, whether through labour, capital investment, the skills of management, or other special marketable talents that an individual has. Once taxes reach the point where the taxpayer is no longer willing to produce wealth, our whole system is in jeopardy.

I am more than pleased, Mr. Speaker, that this factor has been kept foremost in the minds of our government in Alberta, despite the intense pressures being applied by a growing multitude of special interest groups who are often in direct competition with one another to spend more and more taxpayers' dollars. It is doubtful that they give any thought to the taxpayers' ability to pay or the impact that the growing burden of taxes — applied by, in Canada's case, three levels of government — has on the taxpayers' desire to produce.

Our government has displayed greater sensitivity to the taxpayers than any other provincial government. The result of this sensitivity is by far the lowest taxes in Canada, with the margin of difference in these taxes growing in Alberta's favour. Keeping in mind the ability of taxpayers in Alberta to pay, in the past year our government has followed the very careful path of spending restraint. With the help of earnings from the heritage trust fund, it has managed to hold the line on taxes for the coming year and, for all practical purposes, to balance the budget. I only wish that this regard for taxpayers was displayed by other governments, particularly the one in Ottawa, which has placed a heavy burden over the last few years not only on present taxpayers but, through mind-boggling annual deficits — which, at \$30 billion, is more than twice the size of the Alberta heritage trust fund. If the annual deficits of the federal Crown corporations are included, this deficit goes far higher and puts an onerous and difficult burden on future taxpayers who will have to face up to the mammoth debt federal government has, in a few short years, created for these future taxpayers. This situation is truly alarming and places a dark cloud over Canada, and makes the job of our government in Alberta that much harder.

When we look at current difficulties experienced by the unemployed and at the problems faced by businesses in this province, the effect of disastrous policies followed by the federal government of Canada and, to a lesser degree, by most governments in the world cannot be ignored, and makes the job of fiscally responsible governments like our present government in Alberta far more difficult, while the advantages

created by it are to a large degree dissipated by higher taxes and wrongheaded policies coming from the federal government.

In the area of employment alone, a policy of job creation in Alberta does not necessarily bring a reduction in the numbers of unemployed in the province, since the unemployed people in provinces where unemployment is more severe start coming back to Alberta. As a result unemployment numbers may even increase in the province, while at the same time the total number of jobs increases significantly. Given the high mobility of labour in the country today, this is a very real factor. The scenario is a most difficult one, to say the least, and will take a long time to correct, as so many countries around the world have already discovered.

The further Canada gets away from the flexibility of a market-oriented economy, the more difficult the task of rehabilitation becomes. It is the responsibility of all of us as Albertans to respond positively to the efforts of our government to restrain its spending, in order to bring our deficit down and to eliminate the need for higher taxes. Sooner or later we as citizens and taxpayers of Alberta, and particularly of Canada, will have to face the choice of how we want to go with government programs and spending. I am convinced that in some parts of Canada that point has already been exceeded, resulting in economic stagnation in those parts of the country and producing a dampening effect on those regions of Canada that are economically promising. It has certainly been reached in most of Canada with the exception of Alberta, which has been blessed by governments that have always shown respect for the private initiative of Albertans. The results of these wise policies have brought unprecedented prosperity to Alberta. The impact of policies of disrespect for private initiative coming from Ottawa have clearly brought on, in large measure, our current economic difficulties in Alberta and across the country.

In conclusion, Mr. Speaker, I can't help but reiterate. I humbly suggest that in our deliberations we substitute the word "taxpayer" for "government" and stress the need for scaling our expectations from government according to the ability of taxpayers to pay for them.

Thank you, Mr. Speaker.

MR. ALEXANDER: Mr. Speaker, in rising to participate in the budget speech, I would observe that in participating in the throne speech debate and in the debate on Bill 204, I have already made a number of comments on the financial and tax-related elements of the current debate. While I would like to touch briefly on certain budgetary elements, I would then like to proceed to some matters that I consider to be the serious implications arising from the budget.

There isn't any question that the financial status of Alberta is strong. There is no question in my mind that the management of Alberta's finances is also strong. As Alberta's accounting profession observed after the release of the budget, the Alberta budget demonstrates continued restraint and builds on past budgets to strengthen the Alberta economy. It's a responsible budget for these economic times and shows evidence of long-range planning and a consistent approach to fiscal responsibility. This has been said many times, and requires no further emphasis from me. The budget has been appropriately praised by almost all honest commentators for its balance of two difficult sets of variables, some on the income side, some on the expenditure side. Let me briefly comment on those variables or "assumptions" as the Treasurer would call them. Incidentally, I think the Treasurer's assumptions are very reasonable, and I endorse them. Nonetheless it is no more than prudent to remind ourselves of the volatility of the fiscal balance which is projected.

Mr. Speaker, on the revenue side one notices that taxes will produce almost \$2.7 billion. Nonrenewable resource revenue will produce about \$3.5 billion. Payments from the government of Canada will produce about \$968 million, and transfer of heritage fund investment income will produce about \$1.5 billion out of the total. Those are the major items. It strikes me that there is little variability in those. They seem to have been conservatively projected, with the single caveat, which the Premier and others have recently raised, that the element of transferability from the government of Canada may be under question given the Canada Health Act.

On the expenditure side, the three main items — health at \$2.5 billion, education at \$2.1 billion, and social services at \$1.1 billion — comprise about \$5.6 billion of the total expenditure of \$9.5 billion. I would like to focus on those three so-called big ticket items which will consume more than half our budget this year.

Given the Treasurer's assumptions, the deficit will be \$250-odd million. Given the variations, it could be more than that. For example, a 1 percent variation in either revenue or expenditure gives us an immediate increase of \$200 million in deficit. It is necessary to note that if the Heritage Savings Trust Fund revenue, which the budget summary calls a "financial bridge to the future", were not there, we would be faced with a problem.

I would like to focus on that phrase "financial bridge to the future". Perhaps the metaphor is not strained by suggesting that it is in fact a high level bridge. Since we are right next to that, members may visualize it as I speak. I would like to pursue the theme raised by the Provincial Treasurer: a bridge to the future. The use of the heritage fund, its presence, emphasizes our good fortune in having the fund to bridge the revenue gap to the future, providing flexibility which maintains a very high level of services for now. Is this what the fund is for? Only partly. The question occurs: how long will the bridge be, how many steps to cross it, and what in fact will we find when we cross the bridge? As a matter of interest, what would we have done without the bridge?

For emphasis I note that the Treasurer has included in his budget remarks that we as a government spend 35 percent more per capita than the average of all other Canadian provinces. At the same time we have the lowest taxes in Canada. If one stops to consider those two extremes, the magnitude of the resource revenue factor comes into focus. If or when revenue begins to decline, how will we adjust to the cost of the present incredible array of social programs? Will we do as the Treasurer has suggested to us — cut expenditures? Raise taxes? Or borrow? Those are the choices. We know what choice most governments make. They either raise taxes or borrow, or both, which brings me to the future consideration.

The future, the one waiting for us over the high level bridge, poses a hard question in my view. Is it possible to apply budgetary disciplines to social considerations? From evidence available around the world, the answer does not appear to be positive. Nonetheless the question must be asked. The meter is ticking, so to speak, and we're heading toward the painful reality that many others have already experienced. Can we summon the nerve to ask for a cost/benefit analysis of that array of social programs, to find out what we are in fact getting for the money, to ask ourselves who is benefitting and how? Or in reality have we gone beyond any benefits and are we in fact far into impairing our citizens' abilities to act on their own behalf and with self-reliance? Are we undermining our own value system of family and community and personal responsibility?

[Mr. Speaker in the Chair]

Let us ask what we have obtained so far for our \$5.6 billion in just the three big ticket items. To stress the point again, for our extra 35 percent spent on extra benefits, do we get what other provinces don't get? Let me deal briefly with medical care. Mr. Speaker, I remember listening to my very first budget debate, when the health care minister said in this House:

In 1979, the first year I held the portfolio of Minister of Hospitals and Medical Care, I brought in the first department budget that broke through the \$1 billion mark, and three years later, in 1982, brought in the first department budget that broke the \$2 billion mark. So you can see the rate at which health care costs are expanding, and ... it's fairly self-evident that the revenues necessary to support a program of that nature haven't kept up.

If we face 15 percent annual increases in utilization rate in medical care — that's last year's; 10 percent this year — we appear, and this is not to be facetious, to increase our illness in proportion to the availability of facilities and services. Is this a variation on Parkinson's Law, in which sickness expands to fill the universally accessible facilities? In cost/benefit terms we have in 1984 \$2.5 billion worth of sickness, which poses the question, how much will we have in the future? And, to be facetious, will we get our money's worth? At the present rate of growth of health costs, let's say 10 percent, by 1988, according to straight-line calculations, we will be consuming about \$3.3 billion to \$3.5 billion, or the equivalent of this year's total resource revenues.

Let me turn to education. While it appears that some progress has been made this year on the cost side — they have in fact been held — the academic community clearly does not see the benefits. The academic buzzword for 1984 is "government underfunding". From a recent issue of *Folio*, produced by the University of Alberta, I see speculation that the limiting of enrollment at the U of A this coming fall will result in 1,000 students not being admitted. To quote the General Faculties Council, this

underlines that this restraint is due to the present lack of sufficient Government funding [and it will not be possible] to educate to a university standard the expected increased enrolment during 1984-85.

It then raises the specter that this is not

fair play to students suddenly confronted with externally imposed new standards [which] exacerbates the problem at hand.

Further to that editorial I, like other members I am sure, have received at my home dozens and dozens of postcards from students. Those postcards say:

Government underfunding will mean over one thousand qualified Albertans will be turned away from the University of Alberta this year alone. Rather than being provided with skills for the future, students are being shut out of our universities. Those who do get in are not receiving the quality of education they deserve. Why does the government insist on underfunding our future?

What are the implications then, Mr. Speaker? Is there any such thing, in fact, as holding down the costs in the future? Is the eternal key ever more funding?

In social services we have the benefit of perspective and experience from other jurisdictions abroad. For example, I think of the U.S.A., Sweden, and Britain. One can only treat these with a broad brush on this occasion; however, they are capable of much more in-depth discussion. I refer interested hon. members to the very articulate and, I might say, conservative literature from such U.S. writers as George Gilder, whose seminal *Wealth & Poverty* was very instructive in this matter; Walter Williams and Thomas Sowell, two black sociologists and econ-

omists who have done great illustrative work of this problem among U.S. blacks; and even Daniel Moynihan, a somewhat more liberal U.S. commentator, who has recently conceded that perhaps social problems may even be beyond social sciences as well as budgets.

Let me just read one example from Sweden, the wraparound welfare state, possibly approaching the democratic socialist's ideal. The greatest triumph of social expertise has probably been evinced in Sweden, where experts control family policy to a degree that could scarcely be imagined in our country. Every single goal of the left in family and social policy prevails in Sweden. They have laws against spanking their children. They give paternity leave. They have every kind of antidiscrimination program. They have every kind of day care support. They have every imaginable family planning effort. They have sexual education from early childhood. They have really fulfilled the entire mandate of the family and social planners. It's all fully funded.

What are they getting for it? According to recent figures, Sweden now has a 60 percent higher divorce rate than the U.S. and Canada. We have a terrible divorce rate, but theirs is 60 percent higher. Half of all the pregnancies in Sweden are ended in abortion, despite the fact that Swedes have wider distribution of contraceptive information and instruction than any other people. Despite the fact that half the pregnancies end in abortion, a third of all the children born there are born out of wedlock. This is in a country that has fulfilled the agenda for enlightened family and social planning. They have about three times our rate of illegitimacy, which is in itself all too depressingly high. What, then, has this assignment of the gross national product to social benefits produced in the way of social benefits?

One thinks of divorce rates, illegitimacy, alcoholism, family breakdown, and crime rates. We heard members asking in this House today about the incidence of venereal disease among young people, a bona fide question. We have new studies on family violence and wife battering. Enough! Members are sufficiently aware of the elements of social breakdown. It's clear that prosperity can have its failures, to quote Herman Kahn, the noted American futurist.

It's also clear to any reasonable observers that Albertans have a very high standard of living. It is clear that we have the finest possible array of social programs for every Albertan. As the Treasurer said in his budget notes, we have maintained the quality of people programs through continuation of one of the highest per capita health, education, and social services grants levels in Canada. The budget and that thought have raised in my mind the question we must confront as we cross this high level bridge to the future: are costly, quality people programs equivalent to the quality of life? It's clear we can afford it, but can we grasp it?

In conclusion, Mr. Speaker, this is a budget of a free-enterprise government that cares. The question I raise among members is, how will we express our care in the future?

Thank you.

MRS. EMBURY: Mr. Speaker, as there are quite a few things I would like to say about the budget, I beg leave to adjourn debate and call it 5:30.

MR. SPEAKER: On the first of the two motions by the hon. member, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: I hesitate to put the second motion as yet, because I'm wondering if there's anything to be said by the Acting Government House Leader.

MR. HYNDMAN: No, Mr. Speaker. On behalf of the hon. House leader, I move that we call it 5:30.

HON. MEMBERS: Agreed.

MR. SPEAKER: If I might put both of those motions at once, does the Assembly agree?

[At 5:20 p.m., pursuant to Standing Order 4, the House adjourned to Thursday at 2:30 p.m.]