

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, April 23, 1985 2:30 p.m.**

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. LOUGHEED: Mr. Speaker, we have a distinguished visitor in your gallery today, His Excellency Paul H. Robinson, Jr., the United States Ambassador to Canada. Mr. Robinson has been in Canada in the post of Ambassador since June 5, 1981. He came to that post with a distinguished career in business. Since he has been the United States Ambassador to Canada, he has very significantly involved himself in strengthening and improving relationships between our two countries, culminating in a considerable portion of the organization of the Quebec summit meeting on March 17 of this year between the Prime Minister and the President.

He's visiting the province of Alberta again; he's been here frequently. He's meeting today with a number of members of Executive Council and others, and we are delighted that he's here. He's accompanied in the gallery by his wife, Mrs. Martha Robinson. Also with him in the gallery is the new Consul General for the United States in Calgary, Mr. Terry Howe, who's accompanied by his wife, Mrs. Sandra Howe. Mr. Speaker, through you to the members of the Legislative Assembly, I would like us to welcome these distinguished visitors to our Assembly.

head: INTRODUCTION OF BILLS**Bill 56****Consumer Credit Transactions Act**

MRS. OSTERMAN: Mr. Speaker, I request leave to introduce a Bill, being the Consumer Credit Transactions Act.

Mr. Speaker, this Act will replace the present Credit and Loan Agreements Act. The goal of this proposed legislation is to provide uniform disclosure in terms of rules for consumer lending within the province of Alberta. The proposed Bill addresses the areas of consumer leasing and consumer mortgages, which previously had no minimum disclosure requirements, or had varying requirements in a number of statutes, concentrating on the type of credit grantor rather than the type of credit transactions. Mr. Speaker, there are numerous new provisions in the Bill, and I will be looking forward to presenting those on second reading.

[Leave granted; Bill 56 read a first time]

Bill 51**Grain Charges Limitation Repeal Act**

MR. TOPOLNISKY: Mr. Speaker, I request leave to introduce the Grain Charges Limitation Repeal Act.

The contents of the Act are anachronistic in nature and redundant in scope.

[Leave granted; Bill 51 read a first time]

MR. HORSMAN: Mr. Speaker, I move that Bill 51 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: INTRODUCTION OF SPECIAL GUESTS

MR. PAYNE: Mr. Speaker, it's a genuine pleasure for me today to introduce to you and to members of the Assembly 53 grades 5 and 6 students from Mother Teresa school in the constituency of Calgary Fish Creek. They're in the members' gallery today, accompanied by their teachers, Clare Gillies and Phil Hartwell; their principal, Erv Hickie; and a parent, Dianna Harrison. I might mention, Mr. Speaker, that I had the privilege several months ago to meet with many of these students in the classroom in Mother Teresa. They're here today to validate the accuracy of my comments about the legislative process, and I hope the members won't let me down.

Joining them on the long bus ride from Calgary are six girl guides from the Willow Park area in the constituency of Calgary Egmont. They are accompanied by their guide leader, Mrs. Lynn Munday. The entire group were very well escorted by their bus driver, William Young. I'd ask them all to stand and receive the warm and cordial welcome of the Assembly.

MR. KOWALSKI: Mr. Speaker, it's my pleasure today to introduce to all members of the Legislative Assembly seven members of the Fort Assiniboine scout troop who are visiting their provincial capital. Fort Assiniboine is an historic community, in fact the second oldest in Alberta, and is located on the banks of the Athabasca River about 100 miles northwest of Edmonton. The scouts are accompanied by their leader, Mr. Jack Tipping, and their bus driver, Mr. Harold Monson. As I know that they are always prepared, I would ask them now to rise in the members' gallery and receive the warm welcome of my colleagues.

MR. SZWENDER: Mr. Speaker, it's indeed my pleasure to introduce to you and to all members of the Legislature 50 grades 4 to 6 students from the Delwood elementary school in the heart of the Edmonton Belmont constituency. Delwood school is particularly known for offering excellent bilingual programs in both the French and Ukrainian languages. Seated in the public gallery and accompanied by their teachers, Mr. Horpyniuk and Mr. Tymofichuk, I ask them to rise and receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD**Hazardous Waste Disposal**

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the Minister of the Environment. Yesterday, Mr. Speaker, with regard to bonding of new waste shipped to the Kinetic facility at Nisku, the minister said, "At this point we do not have a formal bond in place."

My question to the minister is: did the minister know this fact on April 16, 1985?

MR. BRADLEY: Mr. Speaker, I'd like to respond to the question today and the question asked previously with regard to my statements in the House on April 16. At that time I'd indicated to the House that the department had arranged for new material to be bonded. What I meant in that context was that an agreement or an understanding was in place with regard to bonding.

I would like to relay to the House the circumstances that led up to that. On March 20 the department advised Kinetic that bonding would be required for new material which would be stored at the site. On March 29 the department met with Kinetic to go over with them the requirements for bonding. On April 4 Kinetic responded to the department that they were prepared to meet the conditions in terms of posting a bond of some \$600 per ton for new material in storage.

At the time of the statement I was aware that the specifics of when the bond would take effect were not in place and the type of instrument for the bonding was under discussion with Kinetic. But in terms of the statement on April 16 that bonding had been arranged for, I accept that the statement was accurate at the time and was accurate yesterday.

MR. MARTIN: A supplementary question to the minister. We're glad that was cleared up, because it's a serious matter. I'd like to pursue this with the minister. If he was unaware that that statement was inaccurate on the 16th, can he advise the Assembly why he was unaware that this was incorrect?

MR. BRADLEY: Mr. Speaker, I did not make the statement, either today or on the 16th, that my statements on the 16th or yesterday were inaccurate. That's an impression which the hon. member is under. I've tried to clear that up today with regard to the statement I made. In my judgment my statements of March 20, April 16, and yesterday are consistent.

MR. MARTIN: A supplementary question. The fact remains that there was no bonding. At the time, the minister said there was, and I think he agrees now. If that's the case, why did the minister think that bonding was in place at that time? Was somebody in his department misleading him?

MR. BRADLEY: No, Mr. Speaker. Let's be very clear about this. The statements of the hon. member are beginning to disturb me somewhat. I said on April 16:

in terms of any new material which would be stored at their site, and arranged for new material to be bonded.

I'll quote what, in fact, my understanding of the word "arranged" means. I've looked in *Webster's* dictionary, and it says "arranged" means "to bring about an agreement or understanding." There certainly was an understanding in place on April 16 when the statement was made that Kinetic had accepted the requirement for bonding which had been outlined in the letter of March 20 and discussions with the department on March 29.

MR. MARTIN: A supplementary question to the minister. As I understand what he's saying, and I agree: "arranged for new material to be bonded." It seems to me that that assurance was in the present tense. It did not include the qualifier that the material must be bonded by the 30th, which came up yesterday. Why did the minister provide

the Assembly that information the way he did, and why did he not repeat the full story at that time?

MR. BRADLEY: Mr. Speaker, on April 16 I wasn't specifically asked when bonding would be in place, et cetera. I was not asked those specific questions. I was asked... Let's see what the question was. In fact, as I look at the record, there was no reference in that to bonding. It was a response I made, and information I voluntarily supplied to the House at that time. There was no specific question to me at that time with regard to the details of when the bonding would take effect.

MR. MARTIN: A supplementary question. The impression left in this House was certainly that bonding was in place. I think any reasonable person would say that. Last Wednesday, April 17, the minister said: "we now have in place" — I would like to stress "in place", Mr. Speaker — "a system in which bonding is required for waste which is stored" — again, the present tense — "off a generator site in the province."

Further, last Friday, April 19, the minister said that the action the government is able to take "is to ensure that bonding is in place" — there's the phrase "in place" again, Mr. Speaker — "for new shipments coming into the province." This latter assurance did not refer to bonding systems or arrangements but to bonding itself. My question is: why did the minister not take advantage of these opportunities to properly clarify the truth of the situation?

MR. BRADLEY: Mr. Speaker, I think I've clarified to the Assembly exactly what the intent of the department was and what had taken place in terms of my statements here today and previously. The system was in place. That was outlined in terms of our requirements on March 20 that any new material would have to be bonded. The department has met with the company. The company has given us an undertaking that they would conform to having this new material bonded. I don't understand the line of questioning of the hon. member at this point in time. I think it's very clear what action had taken place.

MR. MARTIN: A supplementary question. We can play loose with the words here, but the fact remains that we were told in this Assembly that bonding was in place, Mr. Speaker. Now we find out that it's not in place. My question then to the minister: is the shipment that came in last Friday bonded, yes or no?

MR. BRADLEY: Mr. Speaker, I think the statements I have made explain that very clearly. It's been put in place as an undertaking and an understanding that bonding will be required for this new material, and the company has agreed to that. In terms of the information I have provided to the House, that spells out very clearly that the understanding was in place that this material will be bonded.

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

MR. MARTIN: How can the minister give that assurance if he's not sure they can get bonding? He says they won't know till April 27. How can the minister give us that assurance?

MR. BRADLEY: Mr. Speaker, there's an understanding between the parties. They've accepted the requirement for

bonding, the department has stated a deadline for when that will be in effect, which is April 27, and that is where we are today with regard to this matter.

MR. MARTIN: It's nice that he can give assurances even though he's not sure.

I'll come back with a second set of questions to the hon. Environment minister. It has to do with insurance. Has the minister's department held any discussions with Kinetic Ecological Resources regarding the extent of the insurance coverage that company holds on each shipment of hazardous wastes the company ships into or around Alberta?

MR. BRADLEY: Mr. Speaker, my understanding is that the Alberta Special Waste Management Corporation required that there would be comprehensive general liability insurance in place, in terms of the authorization which they gave this company for their ongoing operations. The company has confirmed that on a verbal basis. The Special Waste Management Corporation is awaiting a written communication from them verifying that in fact this insurance is in place.

MR. MARTIN: A supplementary question. Maybe I can help the minister out and fill him in. He seems to need help with his department. Yesterday our office was told by the company which insures Kinetic that although insurance coverage worth up to \$5 million is available for shipments of hazardous waste, the load which spilled in Kenora was only insured to a value of \$1 million. Can the minister confirm that Kinetic only takes \$1 million worth of protection when transporting these wastes?

MR. BRADLEY: Mr. Speaker, in terms of the authorization which the Special Waste Management Corporation issued, my understanding is that they would have to have \$1 million worth of insurance in place.

MR. MARTIN: So it's \$1 million, even though we can get \$5 million. It's a rather interesting proposal. Following up on that, has the minister reviewed with his officials or the company whether or not this relatively limited insurance in any way impairs the financial viability of the company once accidents occur and hence increases the risk that the province will have to pick up the pieces?

MR. BRADLEY: I'm not sure I understand the direction from which the hon. member's question is coming.

MR. MARTIN: It's simply this. If there's an accident — we've had one in Kenora, but I'll come back to that. Has the department sat down and found out if \$1 million worth of coverage is enough to cover the losses, in view of the fact that suits could be laid, the pick-up costs, and all the rest of it? If that company is liable, who will be picking up the pieces? The province?

MR. BRADLEY: Mr. Speaker, some of the question is hypothetical, but I should respond that this matter with regard to insurance required is part of the authorization which the Alberta Special Waste Management Corporation has put in place. It's their judgment that the amount of insurance in place satisfies their conditions.

MR. MARTIN: That's very nice, but let's bring it back to a specific thing. In order to prevent the Crown from

being stuck with the wastes at the Nisku site, has the minister sat down with Kinetic to review the costs to them of the Kenora spill and cleanup to assess whether the company's insurance is adequate to cover the bill?

MR. BRADLEY: Mr. Speaker, I'm not aware of any such discussions having taken place.

MR. MARTIN: A supplementary question to the minister. In view of the circumstances, does he not think that this is one of the first things he should be checking? Is it not his responsibility to have his department assess this? It's very real right now.

MR. BRADLEY: Mr. Speaker, I think I've advised the House that the Special Waste Management Corporation, on behalf of the government, has been undertaking certain negotiations with this company with regard to its future role in the province. That may be one of the matters they have under discussion, but I am not aware of the specifics. In due course the Special Waste Management Corporation will be coming to me with regard to a proposal as to the future role of this company in the province.

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

MR. MARTIN: At this time can the minister give this House any assurance at all that Treasury will not be picking up the cost of any of the hazardous wastes at Kinetic, in view of the circumstances?

MR. BRADLEY: Mr. Speaker, I can only relay the answer I've given today and on previous occasions: that this specific corporation's longer term role in waste management in the province is under negotiation with the Special Waste Management Corporation. When they have advised me of the outcome of their negotiations, I'll be in a better position to respond to that type of question.

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of the Environment as well and it's with regard to answers given to my hon. colleague from Clover Bar yesterday, indicating that PCBs were found in the Blackmud/Whitemud creek system. Could the minister table the results of those studies that were taken upstream and downstream from the Kinetic facility?

MR. BRADLEY: Certainly, Mr. Speaker.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what the source would be of those PCBs found in the water? Has the source been determined?

MR. BRADLEY: Mr. Speaker, I think I identified yesterday that samples were taken both upstream and downstream from the Kinetic facility. The results were the same in terms of levels in the stream, and from that I can deduce that the contamination was not from the specific site and that it must have come from the general environment.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. My understanding is that a PCB is not something that's natural to the environment but something

manufactured. Could the minister indicate what search has been done to locate the source of the PCBs in that water?

MR. BRADLEY: Not specifically, Mr. Speaker. I'm advised that, in terms of the detection limits, we will find such low levels of PCBs almost anywhere in the environment. These were such extremely low levels. PCBs have been in use dating back to the 1920s, I believe, and these are almost at natural background levels. I understand that the levels detected in Blackmud/Whitemud creeks were at or below the level of detection.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. The minister indicated that the level of .05 parts per billion found in the Blackmud/Whitemud water system is of no concern. Could the minister indicate what background that statement was made upon, what research, what environmental body would state that standard is acceptable in our water system?

MR. BRADLEY: Mr. Speaker, there has not been in the world a generally accepted standard for this type of material in terms of water. I can only advise that the information I have is that Ontario has adopted a standard of allowing up to 3 parts per billion in water supplies. The level found in Blackmud and Whitemud creeks was at .05 parts per billion, considerably lower than what Ontario would allow under their guideline, which is the only guideline I'm aware of with regard to this material at this time.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether the department or any one of the agencies in Alberta is intending to do more intensive research on the effect of PCBs, and as well the amount of PCBs that may be in other waterways in the province of Alberta?

MR. BRADLEY: Mr. Speaker, there have been some studies done, and the department regularly monitors the PCB levels of rivercourses throughout the province. In terms of what has been brought to me, there has not been a concern raised with the levels of this substance such as have been found in the watercourses in the province. With regard to further studies relating to health effects, there is mixed information available to us as to the actual health effects of this substance, ranging from serious concern to not as great a concern as with other substances which we come in contact with on a daily basis.

I can also advise the House that in terms of Canadian drinking water quality guidelines that matter is under review. It was initiated by this province at a meeting of the Canadian Council of Resource and Environment Ministers in 1983. This national body is now reviewing all water quality guidelines with regard to a number of substances, including PCBs. We expect a report from that body to the Minister of the Environment in 1987.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what personnel have been trained in the Department of the Environment to look after PCB spills that may occur in the province? Are there trained personnel? Has anybody been alerted to be specifically responsible for any type of spills or researching PCB spills as such?

MR. BRADLEY: Mr. Speaker, the department has expertise in a number of areas. We have a Pollution Emergency

Response Team which can avail itself of all the resources in the department to handle any specific matter. These contingency plans are under review by the department periodically. They have in place a capability to handle this type of emergency.

MR. GURNETT: A supplementary question, Mr. Speaker, to the minister. Besides the sites he referred to yesterday and again today that yielded readings of .05 parts per billion of PCBs, were any other sites sampled during the past weekend that yielded different readings, and if so, what results were found?

MR. BRADLEY: Mr. Speaker, there was a sample taken at or adjacent to the Kinetic site, which I believe registered 3.4 parts per billion. That was on the ground in Kinetic's compound itself.

MR. GURNETT: A supplementary question, Mr. Speaker, to the minister. As the minister said yesterday, given that the department's been monitoring these things on an ongoing basis in the past few years, can the minister identify when this particular monitoring program started and the frequency with which samples have been collected and analyzed over the years?

MR. BRADLEY: Mr. Speaker, there's been ongoing monitoring by the department. Ongoing ground water monitoring took place over a period of six months last year to determine what the ground water backgrounds were. There were specific studies initiated in 1983 to look at sampling at the site and adjacent to the site, and the department makes periodic inspections of the Kinetic facility. I believe there is at least a monthly inspection of the facility.

MR. GURNETT: A supplementary question, Mr. Speaker, to the minister. To the best of the minister's recollection, what was the highest analysis found in parts per billion of PCBs as a result of the monitoring program, say, during the last year?

MR. BRADLEY: Mr. Speaker, I can't respond to the specifics, but in terms of the detailed monitoring which was done, I believe, in early 1983, those reports are public information. I believe the results of that monitoring have been tabled here in the Legislature.

Workers' Compensation for Taxi Drivers

MR. LEE: Mr. Speaker, my question is to the Minister responsible for Workers' Health, Safety and Compensation. I refer to the report commissioned by the minister and released on February 27 with respect to taxi driver safety. The report has recommended that workers' compensation benefits be made mandatory for taxi drivers in Alberta. The minister has previously indicated in the House that taxi drivers are deemed independent operators under the Act. In view of the fact that both the Calgary and Edmonton taxi commissions require a driver to be affiliated with a taxi company, would the minister be prepared to review that ruling so that the benefits of workers' compensation could be extended to all taxi drivers in Alberta?

MR. DIACHUK: Yes, Mr. Speaker.

MR. LEE: A supplementary, Mr. Speaker. Could the minister indicate if a deadline has been set at which point

recommendations and action will be taken on the recommendations contained in the report?

MR. DIACHUK: Mr. Speaker, no deadline was set, but in my letter dated February 29, when I distributed and mailed out the copies of the report to all parties that participated in the select committee reviewing the workers' compensation or the health safety of the taxi industry, I did ask that they try to respond within eight weeks. Eight weeks would be about the end of April. In the last week I started receiving some submissions, and I want to assure the Member for Calgary Buffalo that the Calgary Taxi Commission has responded already.

MR. LEE: A supplementary, Mr. Speaker. In view of the limited awareness of drivers of the contents of this report, would the minister consider writing the Calgary and Edmonton taxi commissions to request that they host either a formal or informal hearing to hear from the drivers, the brokers, and the taxi companies on the impact of the recommendations of the report on taxi safety?

MR. DIACHUK: Mr. Speaker, subsequent to the hon. member's recent questions in this House, I have asked my office and my staff to arrange a mutually agreed upon meeting date with both the Calgary and Edmonton commissions. I can assure the House that that is one area of the discussion I hope to cover, because I believe the taxi commissions in both cities have the authority to hold hearings on any part of that study released on February 27.

Government Telephone Number Changes

MR. GOGO: Mr. Speaker, I have a question with regard to Alberta Government Telephones for the hon. Minister of Utilities and Telecommunications. I've had calls for the past two days from constituents with regard to Alberta Government Telephones changing telephone numbers for all government departments in the Lethbridge area. Could the minister advise whether this was, in fact, necessary and whether AGT had recommend that it be done?

MR. BOGLE: Mr. Speaker, the Minister of Public Works, Supply and Services may wish to supplement my answer. It's my understanding, based on some inquiries I had yesterday and some calls I made to the chairman of AGT, that a contract was entered into between the government service department on behalf of the government offices in the city of Lethbridge and Alberta Government Telephones for new business equipment that is compatible with the digital switch. When the new equipment, commonly referred to in the industry as a "business service package", is installed, there is a transfer to a new number that's compatible with that digital equipment. So there was the requirement to move from the 329-prefix to a 381-prefix.

It is my further understanding that because the new directories will not be distributed in Lethbridge until this August, in the interim and to familiarize individuals who are calling in, several additional operators have been put on duty during the peak hours so people are given that information.

MR. GOGO: A supplementary, Mr. Speaker. Has the minister had personal complaints with regard to the delay caused by this change, and can he assure the House that the service of AGT will be supplemented with the hiring

of the necessary number of additional operators so as to minimize the delay with Lethbridge-area people calling government departments?

MR. BOGLE: The simple answer to the question, Mr. Speaker, is that we'll do everything within our power to lessen the inconvenience for the public. The difficulty is that it's not possible or practical to arrange for all business transfers to take place when the new business directory comes out, because companies are asking for new and updated equipment on an ongoing basis throughout the calendar year. If that change in equipment requires a change in number, a change in the prefix, we have a problem. What we're trying to do now and what I've asked the chairman of AGT to assure me of is that we have necessary operators added to those already working in the Lethbridge office so that the information is passed on. I've also asked the chairman of the board to determine whether or not other means should be taken to advise residents of Lethbridge and the surrounding communities — i.e., through the placement of an advertisement in the newspaper or other means — so that the inconvenience is kept at a minimum.

MR. GOGO: A supplementary, Mr. Speaker, to the hon. minister responsible for Public Affairs in his responsibility for the RITE system, the regional information telephone system. Has the minister had any complaints from the Lethbridge area with regard to that system and its inaccessibility as a result of the telephone number change referred to by the Minister of Utilities and Telecommunications?

MR. PAYNE: Mr. Speaker, I don't recall any such criticisms or observations, but I'd like to contact my RITE officials to see if that's been their experience as well.

MR. GOGO: A final supplementary, Mr. Speaker. Following that contact, if the hon. minister determines that of the four trunk lines to Edmonton people are having difficulty getting through, would the minister give a commitment to this House to see that sufficient advertising is done in south-western Alberta so that people calling the RITE operator indeed know the correct phone number?

MR. PAYNE: Mr. Speaker, there are various alternative solutions to that problem, one of which includes the reference by the Member for Lethbridge West. I'd be happy to consider all such options.

Wildlife Programs

MRS. CRIPPS: Mr. Speaker, my question is to the Associate Minister of Public Lands and Wildlife. During the winter he announced an emergency feeding program for wildlife. Could he indicate what the effect of that program was?

MR. SPARROW: Mr. Speaker, the program was installed in February. We had quite a number of complaints throughout the province due to the lack of feed, especially in the drought areas in southern Alberta. Generally, the program resulted in a reduction or, in some cases, elimination of haystack damage where intercept feeding was taking place. In general, it was well supported by the ranchers and farmers in the areas it was placed.

MRS. CRIPPS: A supplementary, Mr. Speaker. There was extensive damage to the hay and stacks during the winter.

Under the Wildlife Damage Fund only standing hay can be claimed for — rather ridiculous, because there isn't much snow when it's standing. Is any consideration being given to changing regulation 292/68 to allow for the claiming of damaged hay which is in the stack or in the bale?

MR. SPARROW: Mr. Speaker, the department is reviewing the program after this year's experience. The whole damage fund is presently under review, and that is being taken into consideration. The present regulations do not allow for stacked hay to be compensated under the fund, although this winter, because we were in the process of buying feed, in many cases when damage was located we bought that damaged hay and allowed the farmer to use those funds to buy new hay for his cattle.

MRS. CRIPPS: A supplementary, Mr. Speaker. In some cases the damaged hay was, in fact, purchased, and the deer or elk were fed with the remains of that hay. In other cases it wasn't. Do we have a policy which is fair to anyone who is in the same situation wherever they happen to be located in the province?

MR. SPARROW: Because the program started in February and only lasted for about a month, Mr. Speaker, we were only able to respond on a complaint basis. I'm not aware of any complaints that came in that weren't investigated. It's unfortunate that that was the process, because of the emergency. In our review we intend to make sure that in the future there is maybe a more equitable process and it's widely advertised how to go about it.

MR. ALGER: A supplementary question if I may, Mr. Speaker. The minister indicated to some of the ranchers in the Highwood constituency that he would probably trap and move a lot of elk. I wonder how effective that plan was, Mr. Minister.

MR. SPARROW: Mr. Speaker, this year it was very successful. We had two portable traps, and quite a number of elk were trapped and transplanted to other locations in the northern part of the province, where everyone is asking for them.

MR. STROMBERG: A supplementary, Mr. Speaker. It seems that on one hand we have a program where we're feeding our wildlife and it's been quite successful but, on the other hand, we have a wolf population that's ever increasing in the province. It's probably taking more game than the hunters, or it's probably accounting for more game than through starvation. I was wondering if the minister could fill us in on if a wolf control program has been implemented this year?

MR. SPARROW: The wolf program has been the same as other years, primarily on a depredation control basis. When there are complaints in an area, they are investigated — in general, fairly successful in eliminating the problem of wildlife in those fringe areas along the forest/farm edge.

MR. STROMBERG: My last supplementary. How successful? Could he give an estimation? Have 10 wolves been done away with, or is it 100? Maybe he could answer if the wolf is a vegetarian or not?

MR. SPARROW: I haven't got those figures with me. I'd undertake to get them for the member. We have quite a

lot of evidence where, in certain cases, they are definitely not vegetarians.

MR. HYLAND: A supplementary question, Mr. Speaker. Does the minister have any information that he could share with the Assembly relating to a couple of meetings held in my constituency and the people sending in bills for feed that was damaged by wildlife? How much did the total of those bills come to, and have any of those bills been paid?

MR. SPEAKER: It seems to me we're dealing with one of those coincidences. If it happens by extreme chance that the hon. minister has the information, perhaps we could deal with it quickly. Otherwise, it should go on the Order Paper.

MR. FISCHER: A supplementary, Mr. Speaker. Has the department considered relocating six of those elk causing so much damage to the Hughenden area, where they have made an application to purchase them?

MR. SPARROW: Mr. Speaker, again, there is a specific request in the hon. member's area, and it is being addressed by the staff. If they're available in the next go-round, that order could most likely be filled. Presently they don't have any in captivity.

DR. BUCK: Mr. Speaker, my question is also to the Associate Minister of Public Lands and Wildlife. It has to do with the severe winter we've just had that seems still to be continuing. Can the minister indicate what inventory the department has done of how extensive the damage was and the mortality rate of the wild animals?

MR. SPARROW: Actually, the winter did not have a severe toll on our wildlife. We're very fortunate that early in March it started to warm up and the feed that was underneath the ice and snow became obtainable. Actually, they quit using our feeders about March 8. We did not find any evidence of massive die-off of any types of animals. We do have an excess, especially in your area. It is an intent to really look seriously at an increased harvest of deer east of Edmonton. We know in several other parts of the province — in the Medicine Hat area — that we definitely will be increasing the harvest.

We have set up something new this year. On a local zone-by-zone basis, members of farm organizations along with fish and game associations will sit down with our staff prior to the harvest to go over the numbers we plan to harvest. Shortly after the harvest is over they'll be reviewing that and making sure they have had a successful harvest, with the anticipation that, if necessary, we extend the hunting season to make sure of proper harvest. We got caught last year in southern Alberta with early snowfalls during the hunt. We did have that excess, and it was a real problem in certain areas.

DR. BUCK: Mr. Speaker, to the minister. How extensive was the feeding program, and was it done just by the department or was it done in conjunction with the Alberta Fish & Game Association?

MR. SPARROW: I'm glad you brought that up. I apologize that I didn't bring it up. I think the fish and game clubs should be really congratulated. We provided the feeders and, in many cases, they were manned and placed by fish

and game clubs throughout the province. We had some 500 or more complaints, and we have quite a number of feeders that were put out. I think there were something like 200 deer feeding stations, two or three locations where we had antelope feeding stations, and 10 or 12 elk feeding stations.

DR. BUCK: Mr. Speaker, the hon. minister indicated that there was a harvest. The hon. Member for Edmonton Sherwood Park and I have conjoining constituencies. How successful was the harvest in the Sherwood Park east area, in the acreage area? How successful was that, and is the department looking at going out with the same type of program as they had last year?

MR. SPARROW: The hunt was not as successful as we wanted it to be. They are definitely under review, with consideration of an increased harvest this coming fall. That being the first time we had a hunt, it was possibly too restrictive and cumbersome for individuals to obtain permission prior to obtaining a licence. We've got to review that in order to get an increased harvest. Definitely there is a problem in that area that has to be addressed.

MRS. CRIPPS: Mr. Speaker, given that the emergency feeding program was a good idea but too little too late and that many more casualties would have been caused if the deer and elk hadn't survived by themselves feeding on the farmers' hay, will the minister undertake to make amendments to the Wildlife Damage Fund regulations to resolve that problem in the future?

MR. SPARROW: Mr. Speaker, we will undertake to review the process and come forward with an emergency program that could be on a standby basis for future years and also review the present regulations.

Penalty for Late Utility Payments

MR. OMAN: Mr. Speaker, a couple of weeks ago I tried to bring this matter to the floor and didn't quite get around your rulings, but I'll try again.

My question, again, comes to the Minister of Consumer and Corporate Affairs. By way of background, the utility companies of the province — I'm using one that I'm particularly acquainted with that charges a 5 percent penalty per month on overdue accounts, which amounts to about 60 percent per year, if my math is correct. They also charge, I believe, a \$9.50 administration charge per month whether you use any of their goods or not. Furthermore, if you don't pay your bill, of course, you don't get any service. They cut you off. I think further that the city of Calgary has passed a by-law whereby any unpaid bills can then be transferred to the property tax.

MRS. CRIPPS: Question.

MR. OMAN: In deference to the hon. member, my question is: what means of appeal does an ordinary citizen have in such a situation?

MR. SPEAKER: I'm not sure that the passage of time has improved the situation. Really, unless there is something internal to the department that is not known generally or can't be determined as a matter of law, it would seem to me that any right of appeal under any kind of law or regulation in the province is a legal matter, and advice

concerning such rights should be sought in the usual way, outside the question period.

MR. OMAN: Mr. Speaker, let me ask the minister, then, through you: does she have any means of affecting the policy of a utility in this regard?

MRS. OSTERMAN: May I answer, Mr. Speaker?

I think the best advice I can give the hon. member, who has done a rather admirable job today of sharing what may be his personal or other experience with respect to a particular utility company, is that, as I understand it, the Public Utilities Board rules on these matters. With respect to the interest rate the member describes as a penalty, I believe, that interest is not affected by the federal Interest Act, because it's not viewed in the same matter. I would respectfully suggest that the hon. member contact the Public Utilities Board with respect to what authorization they may make in that regard.

MR. OMAN: A supplementary, Mr. Speaker. Does the minister have any indication as to how long it would take for a citizen to make that kind of appeal?

MRS. OSTERMAN: Mr. Speaker, again I would suggest that the hon. member contact the Public Utilities Board. I'm sure they will give the hon. member that information.

MR. OMAN: Mr. Speaker, my next question is to the Minister of Municipal Affairs. I would like to ask if he thinks it is a correct use of the provisions of property tax to allow a transfer of a utility bill to a property tax bill?

MR. SPEAKER: It seems to me that first of all, it's really a matter of opinion, and secondly, I think it's a question of law whether such a transfer can be made.

MR. HYLAND: A supplementary to the Minister of Municipal Affairs, Mr. Speaker. In line with the previous question, is the minister aware of any part of the Municipal Government Act that allows a private utility to put a lien against private property?

MR. SPEAKER: Really, the Acts are passed by this House, and for one member to ask another what is in an Act would seem to be far outside the scope of the question period.

Home Mortgage Foreclosures

MR. GURNETT: My question is to the Minister of Housing. I'd like to know if the minister can confirm the recently published report that 2,775 final foreclosure orders were issued against Albertans' homes during the first three months of this year, an increase, incidentally, of over 65 percent over the same period in 1984.

MR. SHABEN: Mr. Speaker, the Department of Housing has for three years now provided statistics on the foreclosures in the province of Alberta, including statements of claim and final orders. Those statistics are made public at the end of each month, and I'm sure the hon. member would have access to those statistics, because they're widely available.

MR. GURNETT: A supplementary question, Mr. Speaker. Can the minister advise how many of those 2,775 repos-

essions are accounted for by homes that were originally purchased with the assistance of the programs of Alberta Mortgage and Housing Corporation?

MR. SPEAKER: It seems to me we're really in an area of statistics. The Order Paper is very well suited for that kind of thing, unless the hon. member would like to make a direct inquiry to the department, where those statistics are kept.

MR. GURNETT: Mr. Speaker, I'd be satisfied with even a ballpark figure. Roughly how many out of that large number were related to Alberta Mortgage and Housing?

MR. SHABEN: Mr. Speaker, I can provide that information directly to the hon. member.

Teaching Internships

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Education. It's a follow-up on my comments on his ministerial statement of yesterday with regard to teacher interns repaying their student loans. Could the minister indicate whether that is a requirement or not.

MR. KING: Mr. Speaker, the hon. member asks a question that will be important to the participants in the program, and I appreciate the opportunity to explain the situation. In the course of their studies, students borrow money from lending institutions; they do not borrow it from the provincial or federal governments.

So this government is not in a position to change the repayment terms. The loans are repayable to the banks. But we do know that some students in similar situations, interning doctors and articling law students, have gone individually to the bank from which they have received the loan, and we know that in some cases individual arrangements have been made to defer the repayment of these loans or to pay only the interest and not the principal during the term of the internship.

In consideration of the question the hon. member asked yesterday, I would like to take this opportunity to say to the House that if any participant in the internship program would like to go to the lending institution with which they have a loan and make an individual arrangement, Alberta Education would do what we could to assist that. In particular, we would be prepared to provide a description of the program that the student could take to the bank, which would make two things clear: first of all, that the participants are employed, but not as teachers and not earning the income of teachers; and secondly, that participants in the program are not necessarily certificated, although the great majority of them would be certificated. Indeed, although it's a condition of the program that they must have applied for certification, in individual cases I would be prepared to direct the registrar that he not process the application for certification while the student is involved in the internship program if our not processing that application would be helpful in the student's discussions with the bank or other lending institution. I appreciate the opportunity to put that on the record.

Hazardous Waste Disposal (continued)

MR. BRADLEY: Mr. Speaker, I'd like to supplement a question asked of me today with regard to the specific location of other testing which the department took on the weekend with regard to the Kinetic facility and in and around Blackmud Creek.

Mr. Speaker, I believe I stated that the test was taken within the Kinetic facility. I have marked on a map a star where the sample was taken, which is adjacent to or in the Kinetic facility. I will clarify that with regard to information which I'll supply to the House as to the specific testing and the location where that was taken.

I'd also like to supplement an answer which I gave last Friday. I was asked by the hon. Member for Spirit River-Fairview as to what system was in place to protect liability against the Crown in terms of the wastes currently in storage at the Nisku facility. I responded at that time that I was not aware of whether or not bonding could be imposed retroactively. Since that time I've been advised by the department that they are willing to pursue the requirement for bonding on material currently in storage at the Kinetic facility prior to March 20. They are awaiting the conclusion of the current finalization of the bonding requirements for new material which has been brought in since March 20 and awaiting the outcome of the negotiations with regard to the future role of the company, which the Alberta Special Waste Management Corporation is currently undertaking on behalf of the government.

ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. ISLEY: Mr. Speaker, it's my pleasure today to introduce to you, and through you to the members of the House, 26 grade 6 students from the Glendon school located in the village of Glendon, a short driving distance from some of the best fishing in northeastern Alberta. The students are accompanied today by their teacher, Mrs. Thelma Watrich, parents Mrs. Loch and Mrs. Burak, and their bus driver, Mr. Doonanco. I might point out that Mr. Doonanco has another role as mayor of the village, and I would like to welcome him to the House in that capacity. I'd ask that they stand and receive the welcome of the House.

head: MOTIONS FOR RETURNS

MR. HORSMAN: Mr. Speaker, I move that Motion for a Return No. 137 stand and retain its place on the Order Paper.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

207. Moved by Mrs. Koper:

Be it resolved that the Alberta government urge the federal government to develop a made-in-Canada interest rate policy that will provide lower interest rates and improve the health

of small businesses and the agriculture and construction industries.

MRS. KOPER: Mr. Speaker, this is not the first time a motion that seeks lower interest rates has been debated on the floor of this Legislature. In 1980 and '81 a debate on a similar motion sought an answer to the problem and expressed deep concern over the economic policies that seemed to be maintaining high interest rates in order to reduce inflation and sustain the value of the Canadian dollar in comparison with the U.S. dollar. As we look back on the situation at that time, however, there were some very obvious differences that I think we should review in order to set the scene before we discuss the issue.

For instance, two and a half years ago the majority of us sitting and enjoying our afternoon here today were knocking on doors and meeting Albertans to discover and discuss issues that concerned them. In Calgary Foothills I distinctly recall that the issue of high interest rates as it related to their homes and businesses was a very high priority and dominant in most conversations as we stopped at the doors. Calgary Foothills is an older and established area, and most homes were purchased many years ago. The original owners held mortgages between 5.5 percent and 8 percent, and they were amortized over 20 or 25 years. It sounds unbelievable when we think of it now. As you can likely guess, when the times were good some homeowners either sold or bought a new home or perhaps took out a second mortgage and reinvested their money in a business, another piece of property, or a vacation home. Individual decisions made at this time were based on continued growth at the same rate. As Albertans, many of us were caught with this misperception.

The debates in the Legislature at that time talked about the difficulties Albertans were having with the unforgiving interest rates. For instance, the present Minister of Energy and Natural Resources said:

... the perspective I get from my clients endeavouring to buy homes. Rather than being faced, as they were a couple of months ago, with rates in the 22 to 25 percent range for a first mortgage, there has been a dramatic decline. Today, I think you could find a first mortgage at a rate of approximately 17 to 17.25 per cent. What's really quite frightening is that by comparison to what we've been faced with in the last number of months, it looks pretty good.

Mr. Speaker, that was the situation in '80 and '81 when we debated this idea. It was well recognized at that time that if high interest rates continued to prevail over an extended period of time, there could be serious changes in our way of life. I found that in the businesses I visited, large and small, many had to lay off employees, or the threat of layoffs was hanging over their heads because of the drastic reduction in their cash flow. Anyone who had to renew a mortgage at that time or was planning on buying a new house had to be extremely cautious in spending and felt compelled to salt their money away for what they felt were difficult days ahead, and indeed they were. The market for such things as furniture and appliances went down.

Another phenomenon I'm sure all members will remember was that at that time even promising growth areas like the energy sector in Alberta pulled back because of the instability and further limited jobs under the prohibitive programs. There were even limits to the number of jobs that were available to young and promising men and women graduates of our secondary and postsecondary institutions. At that

time, two and a half years ago, it felt like there was a growing resentment and an alienation within our province and our nation, as well as a complete frustration of young children looking for jobs.

It is true that we were part of a worldwide recession, but at that time we were also extremely preoccupied with our internal problems as a country. Perhaps we ignored some of the economic moves that would have had an impact on our economic survival. If you recall, hon. members, at that time we were struggling to improve our federal/provincial relations. We had just gone through the threat of Quebec separatism and the beginnings, I guess, of the separatist movement here. We had challenges to provincial jurisdiction over our resources and the operation of our health and welfare scheme. The constitutional debates were behind us, and the creation of an amending formula that protected all provinces was in place.

As we look back, we know we've been through some pretty difficult times. Mr. Speaker, that brings me to the two reasons why I feel it is important that we debate these issues again at this time in our Legislature, even though this is a federal problem. First of all, with the results of the federal election of last September, we can now hope that the federal and provincial governments will be working together on other problems, such as this one, that will have a great impact on our existence as a nation, our strength, and the pride of every Canadian. Our first ministers have agreed to meet yearly to discuss national economic policy that reflects needs and concerns of provinces. All of us are aware of the first conference that was held in mid-February. It certainly provided a public forum that exhibited a sense of co-operation among our premiers and the Prime Minister and a great confidence in the strength of Canada as a nation. From that conference emerged important ideas that demand our discussion and consideration.

The second reason I believe it is important, Mr. Speaker, is that in a few short weeks the federal government will be bringing down a budget that will signal the stand of the Canadian government with regard to controlling the reality of the continuously rising rate of debt to income. In my opinion, the rising federal debt is an obstacle to growth, recovery, and private job creation. The Minister of Finance himself has stated that lower interest rates are crucial to our recovery and maintained that confidence must be restored. We must assure savers and investors in Canada and abroad that the impressive gains we have made on inflation will be consolidated and continued and that the government will not place undue demands on the Canadian capital market.

Mr. Speaker, if the proper goal of monetary policy is to achieve that rate of monetary expansion that best serves the needs of the people, this would inevitably mean stability in prices generally and, therefore, stability in the value of our money. The chief weapon of the Bank of Canada to achieve this stability is the interest rate. Further, the Bank of Canada claims concern that they are interested only in exchange rates of currency as they impact inflation in our country. Their efforts are designed to moderate the exchange rate movement and offset their inflationary effect.

Mr. Speaker, I feel that is the crux of the matter. According to the present policy in Canada, if Canada's inflation rate exceeds that of the U.S., our interest rates will need to exceed theirs so that the real interest rates will be equivalent. If the U.S. has the advantage of a higher real interest rate, they will attract a flow of capital which will result in an outflow of investment dollars that could have been in Canada from investors that seek to maximize

their potential earnings and get a higher value for their money in U.S. currency.

[Mr. Purdy in the Chair]

In the midst of that scenario, the Bank of Canada works as an independent entity, making economic decisions that impact the policy of our governments and the lives of all Canadians. I think the fundamental question we are considering here today is whether or not it is appropriate for the federal government of Canada to establish some parameters for the Bank of Canada's operation that would show a deeper sensitivity to the fragility of the nation's economic recovery and its relationship to the international scene.

Mr. Speaker, I feel it's important in this debate to also be sensitive to areas of our provincial industrial recovery and, therefore, I would like to touch briefly on three areas related to this motion. First of all, in the construction industry I believe Albertans are acting positively to the declining rates of interest. From a consumer's point of view, high interest rates mean high monthly payments, and for many people the vital criteria considered in making the big purchase of their home is not "How much is it?" but "Can I afford the monthly payment?" In this regard, where prices of houses are high to begin with — and it seems that the average price in Calgary is much higher than in other major centres across the country — potential buyers must have significantly greater take-home pay in order to be able to qualify for the mortgage in the first place. In '79, for instance, when debates on interest rates were most heated, the average house price in Calgary was \$82,000, and an income of \$28,400 was required in order to qualify for a mortgage. In Montreal the average home price was \$46,131 and an income of \$6,800 was required. That's quite a difference.

Thus, the number of buyers declines, the demand drops, housing starts are fewer, and employment opportunities for our highly skilled construction labour force are reduced. In Alberta our housing starts in 1984 were 5,210, a fraction of the number that started in 1980. Another side effect is that when people can no longer support payments inflated by a high rate of interest, they may be forced to sell their homes, lose their equity in some way, or try to come to some different terms with the mortgage holder.

When one considers the agricultural industry, hardly a day goes by that we don't discuss the farmer in our province. This, our most vital industry, is extremely vulnerable to input costs, weather conditions, and the international market. Its health ensures the stability of our provincial economy. The plight of the small business is equally important to consider. There are 120,000 small businesses in Alberta, and when one takes that number, they should consider that their sales would be under \$2 million. We have many examples of the success of these small businesses in generating new jobs, and I think here is the key factor.

In my generation there's a good example that is very close to me. One of my schoolmates earned his way through high school and university by renting a small trailer his father made. He rented it weekends, he worked quite hard, and it became extremely popular. He had to make two and three trailers. His father finally quit his job and started making trailers. Of course, this schoolmate is Ron Southern, and everyone knows his success story as it pertains to Alberta. This has been repeated over and over again, and it illustrates to me that young, small companies are perhaps

the secret of our regeneration. I think they can create new jobs.

I'd like to present some evidence that confirms that statement. First of all, in a recent investigation of the issue a U.S. Senate committee concluded that 97 percent of the new jobs created in the United States were created by companies that didn't make it into *Fortune's* list of the top 1,000. The second point is that U.S. Senate investigators found that 60 percent of the new jobs were created by companies with less than 30 employees. A third point: new companies have become a vital source of American economic growth. Small businesses created 3 million jobs over the past 10 years. The largest 1,000 American firms, on the other hand, recorded virtually no net gain in employment during the same period.

There was also a research program undertaken at Massachusetts Institute of Technology that proved small firms generated 66 percent of all new jobs generated in the U.S. and mid-sized and large firms provided relatively few new jobs. Two statements summarize the conclusion of this report: the smaller corporations, despite their higher failure rates, are aggressively seeking out most new opportunities, while the large ones are primarily redistributing their operations. A pattern begins to emerge. The job-generating firm tends to be small, dynamic, and young. The firms that can and do generate the most jobs are the ones that are the most difficult to reach through conventional means.

Mr. Speaker, I feel this is a very important study and has a great deal to say to us at this time in Alberta. I'm proud also that in Alberta we have taken initiatives to help small businesses. These initiatives are important, because according to a survey done in 1981 by the Canadian federation of small businesses, when asked about the effects of high interest rates on their businesses, the action they proposed to take was, first of all, to curtail expansion plans because of their reduced profits and, second, to lay off a total of over 24,000 full-time workers in Canada. Because of their lack of expansion, they also were not able to supply 31,899 new jobs. Their response to the high expense of operating loans at that time was to either close up shop and sell out or continue operating with a minimal investment in improvements and expansion and then pass on the cost to the consumer. When examining these points, you can see how the cyclical pattern is built because of the high interest rates, and you can see how it contributes to low growth of our economy and a continued or escalating unemployment.

Mr. Speaker, in Alberta we have taken many opportunities to do the things we can to ameliorate these circumstances. When I look over the past years, there are many incentives to help farmers, small-business men, and even the individual homeowner to cope with high interest rates. Our economic resurgence plan had components in it — interest rate reduction and the heritage fund small business and farm interest shielding program. All of these were meant to attack the problem of interest rates.

But there have to be other answers. What are other answers or alternatives? First of all, we must hold down interest rates. Banks and businesses all agree on this point. Inflation must be kept down. I'm sure other members will discuss theories of economy, such as the supply-push and the demand-pull theory, and be able to explain these economic factors far better than I. The Bank of Canada insists that there must be a means to stabilize the value of our money. Means should be found that are good measures, good predictors, of the growth of the economy that perhaps

don't rely on propping up our dollar or keeping a real interest rate vis-à-vis the U.S. dollar. That's why this motion is before our House today, Mr. Speaker.

At the First Ministers' Conference on the economy that I've already mentioned, the Premier of Alberta challenged the interest rate policy of the Bank of Canada. He suggested that the idea of attaching the value of our currency to the U.S. dollar does not really recognize the strength of our dollar compared to currencies overseas such as the pound, franc, lira, mark, and yen. By recognizing our relative strength in these other currencies — indeed, a basket of currencies — ideally our transactions could be promoted more vigorously, and that in turn would promote a healthier economy. He also pointed out that the Bank of Canada belief that allowing the value of the Canadian dollar to drop against the U.S. dollar would increase the rate of inflation was not borne out by the facts.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, if one looks at the first three months of 1985 and watches the interest rate as it declines, you can also see that the value of the dollar has declined and bears almost no relationship to the actual interest rate. During that period our inflation rate for the first three months held steadily at 3.7. It certainly seems to indicate that the Premier has a good point.

In talking about our currency as it relates to foreign currencies, I think it's also important to look at the initiatives Alberta has taken as a trading province in the international marketplace. We have long been active in pursuit of foreign markets and investment dollars. Our offices in New York, Los Angeles, Houston, Tokyo, Hong Kong, and London are indications of the seriousness with which we have tried to sell and buy products from other countries.

When you consider Alberta's strengths, however, nearly 75 percent of our exports are to the U.S. market. Canada and the United States are in reality each other's largest trading partners. His Excellency Ambassador Robinson stated today that 18 percent of the world trade is conducted between Canada and the U.S. As well as our investment in one another's economy — and that's over \$50 billion — it's the largest two-way investment flow of any two countries in the world. Our interdependence is not only economic in nature. It's philosophic, and there are cultural similarities that indicate the need for a continued good, stable relationship. That would be vital to our economic well-being.

Mr. Speaker, in spite of all this, our dollar being tied to the U.S. rate could possibly be considered serious should the U.S. rate take a turn for the worst. Present indicators — in fact, during the last week — seem to show that the dollar is not moving quite as strongly as previously thought. There is growing concern, and this was expressed again today by the ambassador, suggesting that growth could possibly be a little more subdued.

Our Premier once stated that it's far harder to rebuild a reputation than to build it in the first place. That's why I see our debate this afternoon as important. It deals with a window of opportunity for the federal government. In 1981 the Bank of Canada abandoned its policy of targeting rates for money supplies — the old M1 system. Since that time tremendous changes have been made in the banking industry. For instance, just at noon I heard about seven-year mortgages being offered by a bank; there are daily interest rates and banking by machine. There is great liquidity

of money in our world because of the speed with which transactions can be conducted.

It's time new options were reviewed. It's time alternatives to the present stand were considered. Mr. Speaker, because of the co-operative and very positive approach of the premiers and Prime Minister of our country, I feel that there's an opportunity in the coming federal budget to take at least a step toward the revision of monetary policies that more closely reflect the economy and the differences from province to province and internationally.

Factors other than exchange rates will affect investment in our country, and I am sure they will be mentioned by others in the debate this afternoon. But most important of all, I think, is the opportunity for small-business men, including farmers, to create an equity capital at reasonable cost. Over the past two years, Mr. Speaker, we've been emerging from the most trying economic conditions Canadians have encountered in the postwar period. We want investors to look at Canada and see it as a good place to put their money. We want them to look at Alberta and see us as a strong economy moving ahead into the future.

The matter of interest rates is, without question, a tremendously complex matter, and I know I have expressed it in a very rudimentary, layman's way. But I feel that we have to try to understand it as laymen. It's not all a matter of dollars and cents; it's a matter of attitude too. Confidence is the key for Canada — confidence in ourselves and our institutions.

Mr. Speaker, I ask the Assembly to join with me in urging the federal government to develop a made-in-Canada interest rate policy that will provide lower interest rates and improve the health of small businesses and the agriculture and construction industries. Thank you.

MR. R. SPEAKER: Mr. Speaker, I would certainly like to support the resolution as outlined by the hon. Member for Calgary Foothills. The lowering of interest rates — not only lowering them but fixing them — would certainly do much for Canada in many, many ways, and we all recognize that.

A constituent in southern Alberta said to me about two months ago: "All of you politicians are attempting to put band-aids on the economic problems of Canada. You're giving subsidies to agriculture, to the oil industry, to everyone. You just keep putting on band-aids. The solution is very simple. The solution is a 6 percent interest rate in Canada, fixed for a term. That would not only control some of the operating costs of our businesses but create an attitude of confidence."

In terms of what the member said, I certainly agree that those are the two components needed to bring about economic resurgence or growth not only in Alberta but across Canada. On that basis, with those two objectives in mind, I certainly support the resolution. When we as provincial politicians look at a matter such as interest rates, we certainly look at it as to what is happening in terms of our constituents, in terms of what is happening in the various sectors of Alberta's economy.

I think we also have to say something beyond placing this responsibility just on the federal government. It's nice to say we should have a made-in-Canada interest rate, but there has been a period of time and there is a point in time when we can have an Alberta interest rate — an interest rate made and fixed in the province of Alberta.

The other day in answer to one of my motions for return, the Provincial Treasurer tabled a document which

contained all the agreements between the province of Alberta and other provinces in Canada. Those debenture agreements, amounting to nearly \$2 billion from the Heritage Savings Trust Fund, had interest rates fixed between 9.6 percent and, I believe, 11.5 percent for a long period of time — until 1994, the year most of the debentures come due, 2000, and some in the year 2005. Whether you call them debenture or other kinds of loans, they were loans provided to other people in Canada on a basis that was not available to the people of Alberta — direct discrimination by this Conservative government. Albertans were not given the same privilege.

We look at what the effects have been. Those agreements were put in place four or five years ago at a time when interest rates were high, and following the agreements with the other provinces, interest rates increased. There was a point in time when this government could have made the same opportunity available to Albertans and we would not be facing the massive disaster we're facing today. The blow would have been softened. Certainly, we'd have lost some farmers, we'd have lost some small-business men, and there would have been some homes lost. But we could have assisted many people to stay in their homes, on their farms, or with their small businesses. We didn't do that, because Albertans were different; they didn't deserve the same kind of treatment. We couldn't come up with a policy of an interest rate made in Alberta, but we did make that kind of policy available to the other provinces of Canada. I must say that is one of the sore spots that sticks in the craws of many Albertans. I hear it day after day. For two, three, four years, since the initiation of those agreements, I've heard the very same criticism of this government, and the government's never dealt with it. They say, "Go to the regular lending agency, get your money, and take your lumps."

The only time this government came up with an interest shielding policy was prior to the election in 1982 when they wanted to get votes, when they were forced into a position where they had to do it. They didn't really care about the people, but they wanted to get re-elected. They all loved the job and loved the income, because if they ever had to go out in the private sector and suffer with the rest, there would have been a lot of disasters — a lot of disasters. So you think about your own personal endeavours outside the Legislature. Mr. Speaker, that's why they did it, not because they were for giving Albertans an equal opportunity, not because they really wanted to do it or they cared, but because it was politically expedient to do it for the 1982 election. Since they were elected, the whole attitude of this government has been "Who cares?"

In light of what I've said, what you have to do is examine the results: in 1983 some 1,600 homes foreclosed on by the government; 1984, 2,400 homes; today in our question period, some 2,700 more homes facing foreclosure or foreclosed on. That's some 6,700 homes taken away from Albertans. They wanted those homes. One of the largest factors causing the loss of the homes is the high mortgage rate. Certainly, there's been a decrease in the equity value of the homes, but interest rates have played a very major part, Mr. Speaker. This government never recognized that. This government never thought of innovating and looking at some other approaches such as buy-out agreements, where the government and the homeowner could have negotiated a different interest rate. That was never talked about. The idea of exchanging condominiums for homes, or maybe reducing the mortgage responsibility of

the person in the home to try to keep them in the home, was never thought about. None of those approaches were taken. It was a matter of the government saying that if you can't pay, they would foreclose. The interest rates were not changed at all. There was no thought of delaying the interest rate for a long period of time. Mr. Speaker, maybe we should look at an Alberta policy on interest rates rather than just talking about the federal government.

The picture is no better on the farms. I know from my own operation how massive the cost of interest is in running a farm business. It is one of my major costs in operating a farm. I'm sure other farmers find it the very same. Some of the statistics we put together in the last while certainly support this attitude. The Unifarm annual presentation to the provincial government of February 27, 1985, said this:

Alberta farmers can expect to see a decline in net farm income of about 30 percent, depending on interest rates, energy prices, and prices of farm produce.

The key item that's causing the reduction of net income is interest rates.

Some general statistics: Statistics Canada indicates that prairie farmers will take home 15 percent less income than last year, 1983. This is the third year in a row that incomes have fallen. Alberta's outstanding farm debt has soared 56 percent since 1981. The average farmer's gross income is the same as it was ten years ago, but expenses have tripled. In terms of the Canadian farmer, one of the major causes of that increase in expenses is certainly interest rates. Interest rates in 1970 took 11 percent of the farmer's operating income; in 1984, 16 percent. I would say that in many cases it averages up to 30 percent. So there is an extreme high and certainly extreme lows.

As well, we find that at present 17 percent of Canadian farmers are in severe financial stress. To be classified as being in severe financial stress, a farmer would have to be in at least one of the following situations: paying more than 40 percent of farm sales in interest payments — there's a number of those — total immediate-term and long-term borrowing is more than 100 percent of the value of the farm, or the net worth of the farm is less than 15 percent of the total assets. Interest is a contributing factor.

A significant number of livestock farmers are in difficulty in terms of operating costs. But the ingredient we talk about when we talk about Alberta farmers is interest and what it does in terms of input costs. We had the Minister of Agriculture announce a policy of reducing the cost of fertilizer. That was to reduce the input cost so the farmer could balance his books. It took the cost of government out of the cost of fertilizer. Good program. Here we have interest costs which the government could assist in reducing and stabilizing if we had a made-in-Alberta interest rate.

Small business: we have a great catastrophe in Alberta. A major portion of the construction industry have lost their businesses or are in difficulty. We find 75 percent of 40,000 union personnel unemployed at the present time. I believe there are 53,000 construction personnel unemployed in Edmonton. A total of 82,000 construction tradespeople in Alberta, a major portion of them, are out of work.

We find as well that there's a massive net out-migration because of what is happening in this province. In the third quarter of 1984, 14,400 people left Alberta — just about 4,000 people a month leaving the province because we have such a catastrophe. But did the government at any time in those last three years attempt to come up with a made-in-Alberta interest rate that would try to hold these people in position while we were under economic stress? As I said,

there certainly was this interjection of a political program to try to win the last election. And it helped; no question about it. Many of the people sitting in this Legislature are here because of the quick-fix program but not because of a long-term proposal or long-term commitment to Albertans.

How can we do something even yet? I go back to my comment about the treatment we gave the other provinces of Canada: low interest rates, fixed for a long term. On top of that, those other provinces do not have to pay one penny of the capital debenture until the date of maturity. Not one penny, Mr. Speaker. Well, every Albertan would love to have a loan like that. We would just love to have one. I'd love to have one on the farm so I could buy a machine and then 10 years later pay the capital, but in the interim pay a low interest rate that's fixed for 10 years. What a way to run a farm. What a way to run a small business. What a way to keep a home. You could live in your home and not make the capital payment until the date of maturity of the loan. Wouldn't that be great? You could take the money, put it into a trust fund like these other provinces do, invest it at a significant interest rate, and reduce your effective interest rate on the debenture.

MR. HORSMAN: Nonsense.

MR. R. SPEAKER: The hon. Member for Medicine Hat says "nonsense." Just because he lives in the glory of his big pay, high expense account, \$100,000 running around the world, and not reporting once to this House. He figures, "Sure, why can't my constituents pay high interest rates like me, because I get all this government pay, all this rake-off, all this income that isn't taxable as I run around the world?" We in this House don't get much back out of that. Albertans haven't benefitted from this globe-trotting. And now he's trying to say that his constituents should be discriminated against, should not have the same deal as other Canadians. Well, I think that is a bunch of nonsense itself. To think that the hon. member believes Albertans should be second-class citizens when it comes to the Heritage Savings Trust Fund, when it comes to getting an equal opportunity to protect their homes, their farms, and their businesses.

Mr. Speaker, that's the kind of arrogance and nonsense we get from this government. I hope people in Alberta will hear that. They know about it. It's unfortunate the TV cameras can't see the hon. member make speeches like that and be prepared to turn down equal opportunity.

What can we do for Albertans if we're going to have a made-in-Alberta interest rate? We gave \$2 billion to the other provinces of Canada, and we don't get it back till the year 2000.

MR. HORSMAN: Tell the truth.

MR. R. SPEAKER: Well, we gave it until the year 2000, and then they repay it in 2000. So it's given until the year 2000. If I have your money in my pocket for 10 years till the year 2000, you have given it to me till then. I don't have to return it until that point in time. The hon. Minister of Federal and Intergovernmental Affairs tries to tell me it isn't given. Isn't given? Well, he doesn't even know what he's talking about.

MRS. CRIPPS: Mr. Speaker, on a point of order. In actual fact, there are two loans to other provinces at 9.5 percent, three at 10 percent, 14 at 11 percent . . .

MR. DEPUTY SPEAKER: The Chair has some difficulty in recognizing a point of order here. For the information of all hon. members, this is a debate. If they wish to make a rebuttal, that can be done during the course of the debate.

MR. R. SPEAKER: Thank you, Mr. Speaker; that's very well said.

MR. COOK: Further on a point of order, Mr. Speaker. Could I ask for the Speaker's opinion on one question? Is there a standing order or any regulation that would require the former Socred now speaking to speak the truth?

MR. DEPUTY SPEAKER: That would be a judgment situation for all members to assess.

[Mr. Purdy in the Chair]

MR. R. SPEAKER: The hon. member doesn't speak much about anything, so whether it's truth or not we never know. We hear a lot of verbalization and rumbles, but that's about it.

Mr. Speaker, I think it's time that Albertans have an equal opportunity. I know support for that policy or idea is welcomed right across this province, whether it's in the cities or the country, no matter where. My colleague and I are recommending to Albertans and to this Assembly that we have an equal opportunity program for Albertans, where we use \$2 billion of the Heritage Savings Trust Fund — so it's the same as the other provinces — to fix interest rates, which means that in cases we'll have to buy down, shield interest rates at 9 percent, so that people who are in their homes can have mortgage rates fixed for 10 years, that farmers who are working on their farms and trying to keep them stable, the hog producers and cattle producers that are in trouble today . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order please. I wonder if the hon. Member for Edmonton Glengarry would participate in the debate afterwards instead of being involved now.

MR. R. SPEAKER: Mr. Speaker, thank you very much. It's nice to hear that the hon. member wants to get up and say something. It's the most excitement I've heard in the young man's body for the last 10 or 20 years. Otherwise, it's been very quiet, sleeping and . . . Anyway, Mr. Speaker, thank you for that ruling.

As I travelled around and talked to the small-business men in my constituency, went door to door, business to business, in the last year or two, I didn't find the grocer in the back chopping up the meat or doing the books like I usually found him over the last 10 or 20 years. I found him at the front counter selling the groceries because he couldn't keep his front-end staff. He said: "My interest cost and overhead cost is too high. Isn't there some way that that heritage fund could give me a fixed-interest loan for my operating? Other people in Canada get it and I don't get it."

Mr. Speaker, I believe it's time that that person has the opportunity to get a 9 percent loan fixed by the Heritage Savings Trust Fund so that he can go to his local lending agency, secure that loan, and know that the interest is fixed for a period of time and his operating cost, as far as interest is concerned, will be stable. He deserves that so that he has equal opportunity like other Canadians, so that he's

treated the same. Sometimes it's said that we abuse our friends at home. Conservatives in this province abuse their own residents, because they can't treat them the same as they treat other Canadians.

Why not, Mr. Speaker? Why not now more than ever? We've heard those slogans, but they were nothing but slogans which created a fanfare to elect a group of people that were power-hungry — not caring for Albertans like they should have, not giving them equal treatment like they should have, but being more self-centred about what they wanted to do. As long as it satisfied their own personal needs, that was a good policy for the rest of Albertans.

We need to change that, Mr. Speaker. It's time for an equal opportunity program. We in the Representative Party have stated publicly that we will do everything in our power to give equal opportunity to Albertans. We will use that Heritage Savings Trust Fund so that Albertans can share in its benefits — use it so that we can have a made-in-Alberta interest plan with a long-term commitment for our benefit, not as a political gimmick but as something that is responsible and long-term that will not only stabilize interest rates but increase the economic confidence that is needed in this province of Alberta.

MR. HORSMAN: Mr. Speaker, I have hardly ever heard in this Assembly such unmitigated nonsense as I have just heard from the hon. Member for Little Bow. I know he's been going around the province spouting the same kind of nonsense, and it has to be answered. The hon. member has been in this Assembly longer than any other member. One would almost think that he was back in 1935 as a member of the then Social Credit government, which had legitimate concerns, as we have today, about the subject of interest rates.

The hon. member must be familiar by now with the Constitution of Canada; after all, he's been a member of the Legislative Assembly for far too long. But may I remind him of this fact: we have a Constitution. The Constitution of Canada has been in effect since 1867, and of course is now the Constitution Act of 1982. Under that, there is a distribution of legislative powers. The powers of Parliament are set out in section 91 of that Constitution. I won't go through the whole thing, but section 91.19 provides that interest is solely the subject of the federal government with which to deal. For the hon. member to come forward in this Assembly and say that we can have a made-in-Alberta interest rate policy without using the General Revenue Fund or the Alberta Heritage Savings Trust Fund by way of subsidy is absolute rubbish. The hon. member must be brought to task for that.

Then the hon. member has the effrontery to try to mislead the people of Alberta into believing that loans were made out of the Alberta Heritage Savings Trust Fund to other provinces of Canada at less than fair market interest rates. I have the record, as does the hon. member. For example, the hon. member will be aware that on September 30, 1981, we made a loan to the province of New Brunswick, maturing on September 30, 1987 — which I take to be six years; the hon. member keeps talking about 10 years — with a yield of 18.105 percent to maturity. Is the hon. member suggesting that we should lock the citizens of Alberta into interest rates of that nature? Is he suggesting that? Interest rates vary, and they are part of the facts. The hon. member well knows them to be facts, yet he continually tries to perpetuate a myth that somehow or other

the other provinces of Canada receive loans at less than the going interest rate. That is absolute nonsense and rubbish.

The only thing that was done with that policy, which has been abandoned by this government as a result of circumstances which were well debated in this Assembly — the only advantage that was given to the smaller provinces was that the smallest province in this country could get a loan from the province of Alberta at the same rate that the richest province could get borrowing on the New York or other world markets. I as a Canadian am proud of that fact. That was an act of Canadian statesmanship on the part of our government.

The hon. member is well aware of the yield to maturity, and to stand in this Assembly and say that we gave \$2 billion to other provinces is absolute nonsense and rubbish and he knows it.

DR. BUCK: Let's hope you live long enough to see them give it back to us.

DR. HORSMAN: The hon. Member for Clover Bar is now suggesting that the other provinces in Canada are going to welsh on their loans. Now, isn't that a great Canadian statement on behalf of the hon. Member for Clover Bar? What a fine Canadian statement that is. I'm just shocked to think that the hon. member would sit in his place, now that he's here, and make that kind of statement. Of course, these loans are going to be repaid by the other provinces of Canada, and for anyone to suggest in this Assembly or anywhere else that they're going to welsh on the deal is an act that is not Canadian.

For the hon. leader from Little Bow, or whatever it is, to suggest for a moment that he's not talking about a political gimmick is absolutely hilarious. Really, the people of Alberta must be laughing. Of course, we shall see how far he goes when he has the opportunity to preach that kind of nonsense to the people of Alberta at the time of the next election. [interjections] Mr. Speaker, how nonsensical. The hon. member wants a million dollars to run a campaign. He's going to need more than a million dollars, and I'd like to know who he's going to get it from by preaching that kind of nonsense and, furthermore, by suggesting to the people of this province that the other Canadian provinces are going to welsh on their deals with us. What absolutely despicable attitudes; I really find them deplorable.

I haven't had so much fun in the Assembly for a long time. I've been so gentle with the hon. members, because they have been so quiet and up until now have said so little in this Assembly during the course of this session. But I cannot and will not sit by and listen to this kind of nonsense, particularly in today's climate.

I do want to participate in this debate on the subject of how a provincial government can go about influencing the federal government's fiscal and monetary policies, particularly those with respect to interest rates. I want to tell hon. members of the Assembly, including those members of the opposition who are here today, just how we can go about it under today's Constitution, in keeping with the agreement that has been arrived at by the Premier and the Prime Minister of Canada.

Hon. members are aware that the First Ministers' Conference on the Economy was held in Regina on February 14 and 15 this year. I remind hon. members that that has been called for by the government and this Assembly for a considerable length of time. It goes back several years, and it is included in several documents this government has

published, including *Harmony in Diversity*, where we called for the constitutionalization of first ministers' conferences on the economy. It is included in *Alberta in Canada: Strength in Diversity*, published by this government and submitted to the Macdonald royal commission. It has been requested of the federal government from time to time. The First Ministers' Conference on the Economy was in fact held. As a result of that conference, we now have an accord, a memorandum of agreement of the annual conference of first ministers. That provides, amongst other things, that there will be held each year an annual meeting of first ministers for a five-year period. During the course of that annual meeting, they shall:

- (a) review the state of federal-provincial relations;
- (b) consult on major issues that concern both orders of government, and in particular the state of the economy;
- (c) consider broad objectives for governments in Canada;
- (d) exchange information to facilitate planning for the operations of their governments.

Mr. Speaker, this opportunity is now provided for provinces in consultation, in partnership with the federal government of Canada, to have an effect on dealing with the economic and fiscal policies of the federal government in a way we have never had before, and it has come about as a result of the leadership of this government, in very major part by the leadership of our Premier, Peter Lougheed.

DR. BUCK: [Inaudible] for Premier, he says.

MR. HORSMAN: The hon. member perpetuates another myth, Mr. Speaker, puts words in my mouth which I never spoke in this Assembly at any single time, and he is doing it again. The hon. Member for Clover Bar is as inaccurate with regard to the quote suggesting a statue be built to our Premier as he is about most of his utterances in the Assembly, particularly with respect to what his leader has had to say today with regard to the Canada investment division.

Mr. Speaker, I think hon. members who watched the proceedings in Regina on February 14 and 15 of this year will appreciate, as will most Canadians and most Albertans, the very important role played by our Premier on this very subject of interest rates and the monetary and fiscal policy of the federal government. I won't quote everything the Premier said on that occasion, but I promise to give a copy of that statement to members of the opposition, including the Member for Clover Bar, and hope he will read it. At that particular conference, which I, along with other members of our government, had the honour to attend and participate in with the Premier, our Premier made a very strong case for having the Bank of Canada take into consideration different criteria than they now apply relative to the subject of interest rates in Canada. It was a major contribution to the subject of interest rate policy in this country. The remarks of our Premier on that occasion were listened to not just by the participants in the conference but received support from a number of the provinces at the table and from a broad cross section of Canadians in various walks of our economic life, including agriculture, manufacturing, and the processing industries. Furthermore, as has been noted, the Bank of Canada policy has undergone some change since that time.

That, Mr. Speaker, is how we as a provincial government can participate meaningfully in the subject of bringing about

a made-in-Canada interest rate policy. I encourage hon. members to be thoroughly familiar with what our Premier had to say on that occasion. I encourage hon. members as well to know just how important it is that this agreement has been achieved with the new federal government and say, as I have said on other occasions, that this is one of the most significant occurrences in the lifetime of this government and in the 10 years in which I have been privileged to be a member of this Assembly. Going from here, I think it is important that we begin to plan for the First Ministers' Conference on the Economy which will take place in the fall of this year. Certainly, one of the items we must take to the table is once again this question of interest rates.

I applaud the hon. member for having brought forward the motion today, because it is a motion which is correctly and properly worded. It is a motion which deals with what our government can and should do as a provincial government, as a partner in Confederation, and that is to "urge the federal government to develop a made-in-Canada interest rate policy." I need hardly repeat what I said at the outset of my remarks: that is the clear, unmistakable constitutional responsibility of the government of Canada. At the same time, by passing this motion today we have an opportunity to once again make the point our Premier made during the course of the First Ministers' Conference on the Economy, to influence the federal government in its actions.

Mr. Speaker, I enjoyed participating in this debate today. I regret that the hon. Member for Little Bow left before my remarks were concluded.

DR. BUCK: He can read, Jim.

MR. HORSMAN: I hope he will read what I'm going to send him; that is to say, a copy of the Premier's remarks in Regina. I'll also send him a copy of some more speeches our Premier has made over the years on the policy of interest rates. I hope he will read them. I hope when he does read them, he will repent his evil ways of going about this province telling the people of Alberta that our government has been giving other provinces money from the Alberta Heritage Savings Trust Fund. Of course, the effrontery of the hon. Member for Clover Bar, about the fact that these loans are being made to other provinces, need hardly be mentioned again.

Mr. Speaker, I will conclude my remarks because I know other members are anxious to participate in the debate. I urge hon. members to fully support this motion. It's a good one. It's responsible and is in keeping with the responsibilities given to us as a provincial legislature under the Constitution of Canada.

Thank you, Mr. Speaker.

MR. KOWALSKI: Mr. Speaker, it was some time ago that we had an opportunity to hear from the Member for Calgary Foothills. She introduced the motion we now have on the Order Paper. It's probably worth while for us to remind ourselves exactly what the debate is this afternoon:

Be it resolved that the Alberta government urge the federal government to develop a made-in-Canada interest rate policy that will provide lower interest rates and improve the health of small businesses and the agriculture and construction industries.

Unfortunately, with the absence of the hon. Member for Little Bow, I will not be able to have as much fun as the hon. Member for Medicine Hat had. It's difficult to target

your remarks to an empty chair. Perhaps part of the misunderstanding the hon. Member for Little Bow has had with respect to the Alberta Heritage Savings Trust Fund is a true reflection of his almost complete lack of attendance on the hearings of the special committee of the Legislature dealing with the Alberta Heritage Savings Trust Fund. As the chairman of that committee, it's really been regretful to me to have to consistently look for representation from the hon. Member for Little Bow. Fortunately, I appreciate that he probably has a difficult and busy schedule. But it's my understanding that it was as a result of an election of this Legislative Assembly that the member was given not only the responsibility of representing the people of Little Bow on that special committee dealing with the Alberta Heritage Savings Trust Fund but indeed the same responsibility that all members of this Assembly have in terms of being responsible for constituents in all parts of Alberta. That is not a new reality in terms of 1984 but one I've had to deal with over previous years as well.

It's also quite amazing to me that if I take a look at the Votes and Proceedings for Monday, April 22 — perhaps all members might just want to find Votes and Proceedings for Monday, April 22, and flip to page 2. All members can take a look at a motion that was put forward by the hon. Provincial Treasurer. Last Monday there was a discussion with respect to the Alberta Heritage Savings Trust Fund Act, and a request was made by the Provincial Treasurer on behalf of the people and the government of Alberta for approval of this Assembly for \$171 million in support of the Alberta Agricultural Development Corporation, \$185 million in support of the Alberta Mortgage and Housing Corporation, and \$47.4 million in support of the Alberta Opportunity Company. All these programs and projects provide dollar assistance to the people of Alberta through a myriad of programs.

It's unfortunate that the hon. Member for Little Bow failed to participate in an actual debate on a request made to the Legislature by the Provincial Treasurer for dollars to assist Albertans in so many programs that have been around for a great number of years. The hon. Member for Little Bow indicated that this government has done nothing to assist the people of Alberta but has been quite prepared to provide dollars to other jurisdictions in Canada. I was just delighted with the excellent response of the Member for Medicine Hat with respect to the recognition of a number of loans under the Alberta Heritage Savings Trust Fund.

I have to remind myself that when we're talking about interest rates, I have to look at part of the history that's gone back to 1972. I wonder what the initiative called the Alberta Agricultural Development Corporation really was. That initiative was undertaken by this party and this government to provide dollars and dollar assistance to the people of Alberta. Basically, if you look at what has happened in that time frame, to the end of March 1984 ADC had cumulative capital borrowings in the neighbourhood of \$887 million. To the end of December 31, 1984, in terms of basic guarantees that dollar figure had escalated to something like \$1.1 billion. As all members know, many of those loans are provided at substantially reduced interest rates compared to the market rate.

I find it interesting that in the new program the Representative Party is going to provide to citizens of Alberta, they're quite prepared to make loans available at 9 percent. That is 50 percent higher than what is currently being made available by way of the beginning farmers program offered by the Progressive Conservative Party, which happens to

form the government of Alberta. There's no doubt at all in my mind that as we go through the next 14, 16, 18, 20 months, or whatever time frame there is leading to the next provincial election, while the Representative Party will probably come out of the gates with 9 percent and the NDP will probably hit it at 8.5 percent, by the time the election date comes they'll both be giving it away. Clearly, they tried that last time and it didn't work. I think the people of Alberta are a little more responsible than that to the existing situation.

What we're basically talking about today is a question that comes to the attention of not only every Albertan but every Canadian every Thursday of every week of every year. It's on Thursday that the Bank of Canada publicizes the prime rate of interest. Thereafter there's a reaction from the Canadian banks, and then they tell all citizens of this country what the interest rate is going to be for consumer loans, business loans, and all types of loans. For so many years now Canadians and Albertans have played the game of uncertainty from one Thursday to the next, wondering what is going to happen. What is going to happen to that floating loan I have in my business or my farm? What is the impact on my home mortgage? What is going to happen to my savings account? We've gone up and down like a roller coaster.

It's of interest to me that when you look to see who can take the initiative with respect to recognizing, rationalizing, and resolving the problem of interest in this country, you really have to look beyond the borders of Alberta. Some hon. members, for their own peculiar political needs, might come forward and argue that it is really Edmonton and the government of Alberta that sets the interest rate for the whole country and determines those interest rates. Of course, that's nonsensical and that's recognized by most, except those who are playing for their own audience and looking to their own ego. The fact of the matter is that if we look back to 1981, for example, Canada savings bonds were issued to the people of Canada, and the federal government guaranteed a return of 19.5 percent on those Canada savings bonds. That was an incredible return for a 12-month period. Citizens in all parts of Canada said, "How can we possibly go to a bank and borrow money when we're competing with a 19.5 percent interest rate?"

Because of the terrible legacy of the Liberals and the NDP, the federal government this year has to deal with a \$35 billion deficit, an ongoing carrying charge. They have to go directly into the same marketplace as the Member for Vegreville and the Member for Lethbridge West to compete for and borrow money. Without any doubt, if there were one clear initiative in Canada that would lead to an overall reduction in interest rates, it would have to be a reduction in deficit spending by the national government in this country. For that matter, we should not ignore those provincial governments that have got involved in the business of increasing amounts of deficit funding and deficit support by way of provision of a series of subsidy programs within their provinces that find the people of that province competing with other provinces, such as the province of Alberta, who provide greater stewardship of their economy. I'm really concerned at what those impacts are in certain areas and on certain requests.

The Member for Calgary Foothills talked about the impact of interest rates on a variety of sectors. The sector I'd like to spend a couple of minutes on this afternoon is the agricultural industry. I would like to relate to all members of the Assembly a little scenario with respect to why the

impact of interest rates is so important to agriculture, what the devastating impact is, and the concern that is raised by so many members in this area. You have to look at agriculture on the basis of what it is. Basically, the seasonal nature of farming means that farmers have a requirement for heavy capital inputs at specific times of the year. Even dairy farmers, who have a market system, and poultry farmers, who have a marketing board system, have a cash flow. They still have to put a crop in during the spring, and they have to take it off during the fall, with all the expenditures in fuel, labour, and chemicals that that implies.

The strongest argument that can be put forward, Mr. Speaker, for an attack on interest rates by agriculture lies in the ratio of investment to return, an idea, a concept that was talked about earlier in this Legislative Assembly. The revenue to asset ratio for farms can be as low as 1 to 5 or 1 to 10. That means a farmer with an investment worth \$1 million will take in anywhere from \$100,000 to \$200,000 — his revenue to asset ratio. In the retail business, on the other hand, the revenue to asset ratio can be as high as 2 to 1 or 3 to 1. In other words, a retailer with a \$1 million investment can expect to gross \$2 million to \$3 million a year. If one takes a look at the financial statements that are emanating, one can almost conclude that in many cases. Needless to say, there are exceptions, but for the most part, in terms of a generalized statement, that kind of relationship operates. That means a farmer has only one-tenth the ability to pay off debt compared to other industrial sectors. To put it another way, a 1 percent increase in interest rates hits a farmer 10 times as hard as it hits a businessman in another sector of the economy. This difference in revenue to asset ratios is not something the farmer can do anything about. It is a result of the nature of his business and the size of the land base required to produce food. Farm organizations recognize that it isn't up to the private sector to offer special concessions to farmers. The feed and fertilizer suppliers, the machinery dealers, the public utilities, and the banks can't give farmers credit on one-tenth the terms that economic conditions dictate they must expect from customers if they are to remain in business.

So where do you look? Who do you look to? You look to the federal government, which every Thursday determines what the interest rate is going to be in Canada. And you have to ask yourself: what can it do; what can be done with respect to it? The Member for Calgary Foothills is asking us to put forward and approve this motion that will basically say to the federal government: let's do something. She's outlined a series of scenarios.

I would like to suggest that there are a number of principles we might want to take a look at with respect to the need for agricultural funding as we approach the federal government when asking for our own made-in-Canada interest rate. Whatever program comes out has to be tested against a certain series of criteria or principles. I think the first one we have to take a look at is the fixed term that will be available for this new kind of interest, this new kind of credit. Needless to say, nothing is more devastating to anyone in primary production or business production as the uncertainty of not knowing what that interest rate is going to be in six months, eight months, or a year from now. Whatever happened to that 10-, 15-, or 20-year term that was once available for business operations? And what about the 20-year home mortgage? The Member for Calgary Foothills indicated that only today one major bank in Canada indicated they would be prepared to go to a seven-year, fixed term mortgage for a home. How long ago was it that

20- to 25-year terms were available? In fact, how many members of this Assembly had the opportunity to purchase their first home or undertake their first business venture with that kind of situation in existence?

[Mr. Speaker in the Chair]

The second principle that I think has to be looked at in terms of the agricultural finance situation is that whatever the policies are, they're going to be initiated out of Ottawa. Those policies must avoid any initiative that will erode the confidence of the lending community in agricultural lending. Those who stand and basically say we need a debt moratorium or we need 2 percent interest that somebody's expected to provide to a particular sector are only hurting that sector to a greater degree than they will ever hope to believe. It may very well be great politics for somebody to stand up and say, "Let's have a moratorium and wipe out the debt that exists in that certain sector." That is absolutely the 100 percent wrong thing to do. Agriculture can survive in a market economy providing the market economy is fair.

The third criteria that I think has to be met is that any policy or program in the field of farm credit has to be aimed at moving farmers into a position where they are able to pay market rates for credit. That is almost an impossible situation in Canada today with the incredible balkanization in agriculture and agricultural production. A pork producer in the province of Alberta may obtain only \$60 a hundredweight for his hog. In the province of Quebec he's being subsidized by low interest, incentive programs, and initiatives that in fact are hurting the producer in the province of Alberta.

A fourth principle in terms of interest, credit availability, and initiatives that might be undertaken by the federal government is that there has to be an environment in Canada that eliminates this artificial stimulation in the market place.

A fifth criteria that I think the new initiative must really look at is to get away from preferred treatment for one particular sector or commodity within a whole sector. Agriculture is a whole group. To pocket special initiatives from one agricultural commodity at the expense of another agricultural commodity, when we should be aiming to get all of them to grow in a true market economy, is negative. We can't have an initiative that comes out of Ottawa that says, "For the next five years let's produce beef at the expense of the other red meats that we have in our country."

The sixth criteria in terms of a national approach that has to be taken is that we could well do with the destruction of the Farm Credit Corporation as it currently exists in the government of Canada. I think we can come up with a new mechanism, whether that mechanism is the agribond concept or the agricultural development bank concept. The Farm Credit Corporation has for the most part run out of a great deal of credibility, not only in the province of Alberta but in other provinces as well. I think it's a tremendous credit to this government, a tremendous credit to the initiative and courage and fortitude of the men and women who make up the Progressive Conservative Party of Alberta, to recognize that in 1985 the Alberta Agricultural Development Corporation is one of the 10 largest banks for agriculture in North America. In only 13 years ADC has become one of the 10 largest agricultural lending banks in North America.

Mr. Speaker, I think the ideas that have been projected by the Member for Calgary Foothills are ideas that I can

support. In fact, I would ask all members to go back to the great debate that occurred in this Legislature on November 26, 1981, when a member of the opposition party, the former Member for Little Bow, put forward a resolution in that regard. It's unfortunate that at that time, nearly four years ago, one of the members of the opposition today who got so irate and angry in his presentation somehow appeared to be too busy to take part in that debate on this very important question. A lot of history has changed in Canada since 1981. We are now dealing with a federal government that is empathetic to a market economy, to free enterprise in the private sector. I think they would be well advised to obtain copies of today's *Hansard*, which points out the excellent arguments put forward by my colleagues in this regard, and study it very thoroughly, because there is an alternative here that I would like to congratulate the Member for Calgary Foothills for putting forward.

MR. ALEXANDER: Mr. Speaker, in rising to speak to Motion 207, I find myself in the grip of a most curious coincidence. Some days ago I wrote my first remark in this debate, which is that it has become almost an annual event. In recording this event historically, I have had before me for some days remarks taken from *Hansard*, March 27, 1980. I was about to advise members that it appears that Whitemud has a part in this ongoing debate.

I see that by sheer coincidence my predecessor, Mr. Peter Knaak, has joined us in the gallery, and perhaps it's appropriate if I take just a moment and suggest that members extend a welcome to Mr. Knaak and his guest Mr. Harrington, who are in the gallery to hear me read his comments of five years ago.

Five years ago my predecessor, Peter Knaak, said:

I say to the members of this House that there is no great magic in keeping the dollar at 83 cents forever.

We have to push interest rates to a level where we create chaos in our economy; small benefit to us that the dollar is at 83 cents.

Five years hence the same argument is being made about the dollar at 74 cents. The same instruments are being employed and the same results are being obtained.

Perhaps there's a point we ought to try to get to the bottom of. This discussion can be enormously complex or it can be relatively simple. In order to make some contribution to the debate, Mr. Speaker, I propose to be on the simple side, if I may, to emphasize the overview elements; that is, the impact of rates on economic activity which the hon. member has outlined in her motion. In doing so, I may be taking what appears to be a slightly contrary view, and that view is this: it's my belief that interest rates are made in Canada. Interest rates reflect no more or less than the price of money and the price of money, like the price of most commodities, has a great many components. Thus interest rates are a reflection of this country's overall policy mix, including such things as monetary policy itself, which in turn includes the utilization of interest rates to stabilize the currency exchange rate; secondly, fiscal policy, which is the government's budgeting process, and that raises the spectre of deficits; thirdly, the government's anti-inflation stance, which is one of the most crucial elements in setting interest rates; fourthly, tax rates, which affect the rate of investment by the private sector and thus economic health; fifthly, government economic policy; and sixthly, such things as politics, which I'm sure we can all contemplate as we have witnessed them take their toll on our economic activity over the last four or five years.

Monetary policy includes a great many elements, only one of which, as I said, is using interest rates to defend the dollar. I think the Bank of Canada was quite correct when it pointed out that a climate of monetary stability is the most effective contribution monetary policy can make to nurturing sustained expansion of employment and output in a market economy. How well the economy performs in that environment is largely determined by the policies followed outside the monetary field. Good monetary policy does not ensure good economic performance.

Over time a climate of monetary stability and other policies and practices followed elsewhere in the economy ensure that the employment and output of the economy is maximized. Many of these other policies and practices are important in determining the economic outcome. One of them, of course, is fiscal policy. Fiscal policy has to do with the structure and character of taxing and spending by governments and with the balance between their revenues and expenditures.

In Canada at the present time we have a federal fiscal deficit that poses the same problems for us — greater, I suggest, than those in the United States. Thus it will be necessary to deal effectively with that situation over time if we're going to achieve sustained economic prosperity, and that is, after all, the object of the hon. member's motion. A well-known economist has recently said, regarding deficits:

What could be is the stuff of dreams; large budgetary deficits represent the hard realities confronting the North American economy in 1985.

At the outset we need to highlight fundamental truths about the economic consequences of the deficits that exist in the U.S. and Canada. Large deficits mean that over time there is going to be slower growth in real output than the economy is capable of generating, excessive levels of unemployment, which we're all highly aware of, and relatively high inflation-adjusted interest rates. If the monetary authorities were to print large amounts of money in a vain attempt to hold interest rates down, deficits would also mean high and probably rising rates of increase in prices, i.e., inflation. So structural deficits, Mr. Speaker, bind one hand of the policymaker in periods when the economic cycle moves into the downturn. Cutting taxes and/or raising government spending only worsens the deficit and places additional pressures on financial markets, and therefore monetary policy becomes the only effective instrument for pursuing stabilization objectives.

I think monetary policy includes many other elements, as I mentioned, only one of which is utilizing interest rates to defend the dollar. It's my view that our Premier has quite properly on many occasions challenged the Bank of Canada's use of high interest rates to try to defend the dollar. I say "try" advisedly, because, as I pointed out, it hasn't worked very well. For example, I might note that as of today the prime rates in both countries are about the same, 10.75 percent. The Canadian dollar is in the 74-cent range, up from 70 cents in recent weeks when our rates were a point higher. I think the point is clear: as an instrument for defending the dollar, interest rates don't work very well; not only do they not work very well but they tend to constrain domestic economic activity. We are all aware of that. That's the point of the motion.

In my view, the fiscal policy problem is the key to the determination of interest rates as well as to the economic activity that will flow from them. I think the Bank of Canada has been quite correct in some of its observations,

and I've just given some of them. While a climate of monetary stability is the effective contribution that monetary policy can make to nurturing the sustained expansion of employment and output in our market economy, how well it performs in that environment is largely determined by policies followed outside the monetary field.

That brings me to the problem of deficits that I raised a bit earlier. Deficits in Canada and the U.S. have constrained economic activity because they've made the price of money high. In Canada we have two elements to this: domestic borrowing and foreign borrowing. I think we can take little comfort while we're trying to resolve the problems we are presented with in realizing that Canada is the highest per capita foreign borrower in the world and also that the level of our domestic borrowing is such that 60 to 65 percent of all Canadian lending in any given year is done to governments. It takes no mathematical genius to calculate that that leaves only 35 percent for the economic activity of the private sector. That's hardly enough to sustain the economy and create an increasing wealth pie, if that's the way to put it.

A government's anti-inflation stance is also extremely important. Inflation rates impact on real rates of return to investors. Tax rates also impact on the interest income of investors. Thus, for a number of years, taxpaying investors in both Canada and the United States have really had negative or very low rates of return. In five of the years from 1972 to 1978 investors in both countries in fact had negative real rates of return. Recovery from that has only been achieved by a combination of lowering inflation rates, which has been done partly by use of interest rates.

If one is to contemplate the reason that Canadian interest rates are higher than they are in the U.S. and perhaps must be so, one simply has to look at nominal and real interest rates as they impact on the investor. Taking, for example, a key measurement, 90-day Treasury bills, in 1983 the Canadian inflation rate averaged 5.24 percent. The average rate on Treasury bills for 1983 was 9.27 percent, leaving a real rate of return to Canadians of 4.03 percent, which was among the highest in the last 10 years. Comparable numbers for the United States were these: the inflation rate averaged 2.86 percent, nominal rates on Treasury bills were 8.14 percent, leaving a real rate of return for investors of 5.28 percent. I remind members that that compares with our rate of 4.03 percent. The tendency of money is to flow toward the highest real rate of return. That being the case, it seems eminently clear that the price of money in Canada has to be higher than it is in the United States.

So the inflation rate is a crucial factor in setting nominal rates of interest. If the country can achieve a low inflation rate and keep it there, the central bank can more easily respond with lower interest rates. To do otherwise, however, as some members have suggested — that is, to control administered rates artificially below market rates — is simply to create the atmosphere in which capital flees from the country for greener pastures; i.e., higher real rates of return. That raises the spectre of controls on the free flow of capital, and I consider that to be an undeniable condition in an open economy and especially in a small economy like ours which has continuous need for capital.

Mr. Speaker, it is interesting to me, and I'm fortunate in my business to be able to follow the flow of capital and see what we can learn from the way it flows. What can we in fact learn from other countries and from the way in which capital flows? There are extreme examples and maybe they'll illustrate the point. At times, for example, capital

flows to Switzerland for safety, even when the returns in Switzerland are near zero. What is the message there? The safety of the jurisdiction is one of the messages, and that is a policy matter. So perhaps political condition is an important factor. Capital flows to so-called tax havens. Why does capital flow to tax havens? It could be that it's because our tax rates are too high. Capital at times flows to gold. Members will remember several years ago when the price of gold ran up to \$865 an ounce. Why did it flow there? The perception was that the inflation rate and its impact in depreciating the value of currencies was simply too high, so investors sought safety in another medium of investment. When money loses its value, people get rid of it and buy something that keeps its value. Capital flows to financial markets on the debt side. People buy bonds and money market instruments sometimes at the expense of everything else. Why? Perhaps they buy them because there is a certain amount of safety and a real rate of return on the investment. At other times, capital flows into stock markets and economic activity when investors see real after-tax returns.

Thus, Mr. Speaker, it's my view that while interest rates may be administered by the Bank of Canada, they are in fact as much an effect of the overall policy mix of our country as anything else. I think the Member for Barrhead pointed out what I think is a significant element in this discussion; that is, the profile of the Bank of Canada in all this. As he quite rightly pointed out, the Bank of Canada sets the bank rate every Thursday. When you're centre stage every Thursday, setting something as important as the bank rate, you tend to draw a lot of fire and a lot of flak. The banks then take the bank rate and set the prime rate. In setting the prime rate from the bank rate, the commercial banks tend to pass through the responsibility to the Bank of Canada — easy enough to see. That gives the appearance of a kind of unilateral responsibility of the Bank of Canada, which, in my view, is not the case in reality.

Who can determine what effect our politics has had on investment over the last ten years? To illustrate my point, consider the position of the Bank of Canada vis-à-vis the Canadianization of the Canadian energy business. It's estimated by various parties that somewhere between \$10 billion and \$18 billion worth of capital left Canada to buy foreign energy assets. Can a company our size with a capital stock our size expect to see that much money leaving the country, chasing foreign assets, without expecting a commensurate increase in the price of money? I don't know why we should expect that. We cannot. For sure it's an overview and it's an oversimplification, but it's the kind of thing I'm trying to get at to simply suggest that while the Bank of Canada is the central player, while there are in fact administered rates and they bear responsibility for administering some of those rates, they do not bear sole responsibility for interest rates in Canada. There are many more things that enter into the equation.

I guess we come down to the crunch in asking: can we hold rates down as a matter of policy? In my view, this cannot be done successfully. A lot of controls on capital will be the inevitable result, and all we have to do is look around us to see the impact of that in the world. Many people have tried it. It has been a regrettable experience for most people who have tried to impose controls on the flow of capital.

To refer back to my friend the economist, I guess the question is what must be done, not what would we like to do if we could do it the easy way. Fiscal and economic policies, not only the monetary policies of the Bank of

Canada, must be used to encourage investment to maintain the value of the dollar. The depreciation of the Canadian dollar followed a flow of investment money out of Canada that resulted from Canadianization. As well, the economic policies followed by the government of Canada have not encouraged stability; nor in the late '70s did they provide support to the Bank of Canada's original policy of money supply targeting. As a result, the bank was forced to use the exchange rate as a way to try to react to these flows.

I started out by saying that I think the Premier has been right in making his case. He has argued that the government of Canada should adopt policies which would restore stability to our economy and restrain government expenditures. In short, that would cause investors to view Canada as a good place to invest, and unless we can convince our own investors and other investors that this is a good place to invest for all the reasons that enter into the composition of interest rates, administering those rates at an artificially low level will accomplish little or nothing. In fact, they may even have a very negative effect. Thus, it's my view that when this reality of what must be done impacts on all of us, we may come to grips and realize that the objective of the hon. member's motion is laudable and that achieving a lower interest rate will in fact achieve the kind of economic activity and policies that she has in fact put forward.

I'll close with this, Mr. Speaker. Where I vary with the idea of administering the interest rate is that rate management, holding the rate artificially down by government policy, cannot in and of itself do the job, much as we may hope that that would be the solution. So while I support the thrust of the hon. member's motion — I think the intent is right; I think the results of lower rates will in fact result in what she has described — I must add the caveat that until we come to grips with all the policy issues, that job cannot be done any other way.

MR. COOK: Mr. Speaker, I propose to speak for a few minutes on this motion. I'm generally in support of it. I'm a little concerned because I'm finding that I'm more and more in agreement with the hon. Member for Edmonton Whitemud. That gives me some cause for distress. [interjections] That either suggests that my friend for Edmonton Whitemud is moving more and more toward the middle or I am getting more conservative in my old age.

Mr. Speaker, I enjoy those people in the House who are representative of the Social Credit way of thinking. I think that's the phrase I'll start to use. They're representative of the Social Credit Party that was. Is nothing Sacred anymore? [interjections] Mr. Speaker, we've had some good effect already. In the first minute of my speech, he's left.

I'd like to make a couple of points. First of all, the U.S. ambassador was with us earlier today and made some points that are widely known but are worth restating in the debate today. We do 80 percent of our international trade with the United States and 20 percent with other countries. It suggests that we don't have to entirely defend our dollar against the U.S. dollar. As the Premier suggested earlier, we could peg our dollar to a basket of international currency, which would weight in the other 20 percent of our trade which is done with countries in the European Common Market or the Pacific Rim.

The weighting of our dollar would have a couple of beneficial effects. We could probably reduce our interest rates by about 1.5 percent. I did a quick bit of math; it's very crude. If we refer to *The Economist* magazine and find out what the interest rates are, real interest rates and

nominal interest rates, and also look at the inflation rate, we find that Canada's inflation rate over the last year is running about 3.7 percent and the interest rate, commercial prime, in Canada as of a couple of weeks ago was running at about 11.5 percent. The difference between those two numbers is about 8 percent. If we could reduce that figure by 20 percent, that real interest rate, that would lead to a reduction of a little over 1 percent, which would be helpful to the economy.

There is a lot of concern in Washington now that the U.S. dollar is weakening rapidly, Mr. Speaker, and we're going to see a drop in the growth of the U.S. economy. That's going to affect the Canadian economy's performance dramatically. Last year we increased our exports to the United States by 18 percent. That was largely taken up because of increased demand in the United States and also the the Canadian dollar's decreased value. If the U.S. economy does not grow, it also follows that the Canadian opportunity for expansion in the U.S. economy is going to diminish. Most of the problem with the U.S. economy seems to be centred on the U.S. deficit and increased spending, particularly on military items. The Canadian dollar is being defended basically to protect the U.S. deficit and the military spending program. Those are policies and developments which are entirely outside our purview as a country.

Our country is characterized by small business and the production of primary resources. If you think about that, a lower interest rate of 1 percent or a little bit more would really help those producers of primary products that are out in the international market trying to sell their products, like timber, coal, grain, and a number of other products. We'd be much more competitive on the international market if we were to allow our Canadian dollar to fall to a natural level, reflecting the trade we have with other countries, including the United States. We could weight our currency, as I indicated, to that basket the Premier referred to.

Mr. Speaker, what kinds of capital would leave the country if our Canadian dollar were to fall under the nickel? You have to ask that question. I don't think very many people who have investments in Canada would disinvest, transfer that capital out. People who have investments in oil and gas, agricultural production, or manufactured goods would benefit from a lower Canadian dollar, so it doesn't stand to reason that they would sell those assets and transfer their capital elsewhere. Somebody who is producing timber or oil and gas would be able to export those products more competitively. It stands to reason that those people would benefit from it and save. They would keep their investments here in Canada. So it doesn't make sense to try to defend our dollar at all costs and pay a very high economic price for it.

Mr. Speaker, I think there is another point that is implicit in the motion but isn't stated: we have to reduce the Canadian deficit. It is reasonable to argue that we have to ask people not to ask government for as much servicing as they have, and we as governments have to make hard choices as to how we allocate the public dollar. There are some areas where we do need to provide support. The hon. Member for Taber-Warner and I discussed the need for day care. That's an area where we might choose to keep our support, but there are other areas where I think we ought to have a hard look. I think the agricultural sector, for example, would benefit much more from a lower dollar and lower interest rates than it would from subsidies directed at things like farm fertilizer costs. I think the manufacturing sector would benefit more from lower interest rates and a lower

dollar than from the high import tariffs and subsidies we've seen; for example, the Domtar bailout by the federal government. Rather than doing those kinds of things, we ought to target public dollars at areas in the economy and in society that really need support and not give general bailouts or subsidies which are not targeted at groups that really need it.

I think we really saw a curious phenomenon earlier in the leader of the representatives of the Socreds. I'm going to close on this note. We have to link both points. We should reduce our reliance on protecting the Canadian dollar against the American currency, but we should also reduce our demands for government servicing. In his statements earlier today, the leader of the representatives of the Social Credit Party advocated a made-in-Alberta interest rate for Alberta Housing and projects like that and suggested that we should increase our spending in that kind of area. At the same time, he argued that we should have a lower interest rate. The two don't work.

Mr. Speaker, I'd like to close on that point. We have some tough decisions in front of us. I commend the hon. Member for Calgary Foothills for bringing the motion to us and support it.

[Motion carried]

MR. HORSMAN: Mr. Speaker, it is proposed that when members reassemble this evening they sit in Committee of Supply for consideration of the estimates of the departments of Housing, Advanced Education, and Hospitals and Medical Care, in that order. I therefore move that the Assembly stand adjourned until such time as the Committee of Supply rises and reports.

MR. SPEAKER: Do the members agree?

HON. MEMBERS: Agreed.

[The House adjourned at 5:26 p.m.]

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

head: COMMITTEE OF SUPPLY

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: Will the Committee of Supply please come to order.

Department of Housing

MR. DEPUTY CHAIRMAN: Does the minister have any opening comments?

MR. SHABEN: Mr. Chairman, I thought I would highlight some of the program areas that the Department of Housing and the Alberta Mortgage and Housing Corporation are responsible for to provide the members of the Assembly with the proposed spending for the '85-86 fiscal year, as well as an update in terms of the past and accumulated involvement of the Home Mortgage Corporation and the department in these particular areas.

One of the key programs of the corporation, the department, and the government is our self-contained housing program for senior citizens. To date 13,087 units have been provided under that program throughout the entire length and breadth of the province. In the current year we propose to construct 250 units at a capital cost of approximately \$16 million. Under the very successful lodge program, which has been in place since the late '50s, we now have 7,734 beds available to senior citizens in the province. In the current budget we propose to add 85 units at a capital cost of \$4.5 million.

Our community housing program, which provides housing for low-income Albertans, predominantly single-parent families: we now have 9,209 units available throughout the province. In the current year we propose to add 50 units at a capital cost of \$3.5 million. To supplement those 50, for the first time the government will be developing a rent supplement program for 200 units. I describe that program this way: rather than building new community housing units in communities where the private-sector market has a high vacancy rate and there is a demand and a need for accommodation for low-income families, in co-operation with the volunteer housing authorities, we will provide 200 rent supplement units rather than adding units to our portfolio. This serves two purposes. It will meet the needs of low-income families without adding to the supply in the private market. That's a new initiative in the current year.

You are aware of some of the programs in the department. The senior citizens' home improvement program, a very important program because it's linked to the government's policy of attempting to help senior citizens remain in their own homes, provides a \$3,000 capital grant so that they might improve their homes. This is the third phase. Earlier we had the seniors' home improvement program, the pioneer home repair program, and now the seniors' home improvement program: the first a \$1,000 grant, the second \$2,000, and this third program \$3,000, which for many senior citizens has cumulatively provided them with \$6,000 to upgrade their own homes. In the current year we estimate that the requirement for that program will be \$28,350,000.

Under our mortgage interest reduction program, which provided mortgage interest relief for Albertans, \$230 million has been expended. For the modified program we expect to require \$6 million in the current year. In another basic housing program, the family home purchase program, which has provided mortgages to moderate-income Albertans in order to make home ownership accessible to moderate-income Albertans, we now have 41,000 mortgages in place. The investment in family home purchase mortgages through the heritage fund is just over \$2 billion. In the current year we expect to provide financing for only 600 units. Three hundred existing units will be refinanced and 300 will be new, to accommodate the requirements in the smaller communities throughout the province.

Another area of programming that's very important is our program of housing for native people and in the rural parts of our province. Our rural home assistance program, which is being emulated by a number of other jurisdictions, is a program where we provide capital material to community housing associations who choose the families and supervise the construction of homes in isolated communities. Under that program about 700 housing units have been provided. It has been very successful because volunteers within the isolated communities manage this housing program. The rural and native housing program, which we discussed last night during the discussion on Motion 10, has provided

housing for 1,508 families. The transitional housing program has provided housing for 375 families, and the rural emergency home program has provided housing for 1,156 families. All those programs are now under the Department of Housing, where previously the rural emergency home program was administered by the corporation. During the course of restructuring the corporations and the department, it was shifted to the department and decentralized.

In terms of manpower, since we began our downsizing process, the total reduction in staff in the two entities combined, the Department of Housing and the Alberta Mortgage and Housing Corporation, is a net of 139 people.

Mr. Chairman, I'm prepared to respond to questions that members of the Assembly may wish to raise.

MR. GOGO: I wanted to raise a couple of questions, specifically with community housing, Mr. Chairman, but before I do, the minister mentioned a projected \$125 million this year with regard to the mortgage subsidy program. I see it has changed by a couple of percentage points. In view of the loss of some \$41 million last year on the mortgage portfolio, I wonder if the minister would share with the committee whether he's planning a further increase in the mortgage insurance fee and what that mortgage insurance fee might be. He might advise the committee what it is today and if it is the intent to alter that mortgage insurance fee.

Everybody understands the theory of insurance, and I suppose we all have different views. We went along for many years. I, for one, and undoubtedly others, felt that the criteria for lending were quite wrong. We continued to lend on appraised values that were grossly inflated, for some reason believing that if everybody in the province was psyched up with housing prices, then it was quite fair to lend on that basis. It's history now. Everybody got stung. Of course they're blaming everybody else, because one never blames oneself when they make a mistake.

I'd like the minister to advise the House if, in fact, the policy of this government with regard to affordability is still in place, and if it is and if we're going to continue the mortgage subsidy, is the minister prepared to recommend to the corporation that in a situation where somebody wishes to purchase a home with a mortgage from the corporation, that that mortgage does not have to be paid out and go through all those costs of issuing new mortgages, mortgage insurance fee, legal costs . . . It turns what should be affordable housing into a three or four or five thousand dollar bill, prior to a downpayment. The minister is well aware of the comments I've raised in past years. If we're sincere about affordability, we should be more concerned with them and not about lawyers earning a living. The minister is familiar with that. I don't see any indication of change, and I hope there would be now, after this bubble has burst, that perhaps we'd come to our senses.

Mr. Chairman, on the question of community housing, I'm very pleased with the minister's comment that one way of resolving the excess units in the province is to rent rather than build, through community housing. I think that's a very wise move. He indicated that the department plans on building 50 units and perhaps leasing 200. I wonder if the minister would share, first of all, where they might be. As the minister is well aware, I spoke in this House on April 2 with regard to the Lethbridge situation with community housing. Ten years ago Lethbridge had 20 units; today they have 192. Four years ago was the last time they received any units. The vacancy rate has been zero over

the past 10 years. I believe there's a great demand for community housing for low-income people.

For those at HUDAC and other organizations that think government has done too much, quite frankly, how can anybody afford to rent in my community when rents for a two- or three-bedroom house are running at \$525 a month and at least \$100 for utilities. That's \$625. To my knowledge, Lethbridge is the only community in Alberta that has an income ceiling of \$1,600 a month or \$19,000 a year to qualify for community housing. I'd like the minister to advise the committee if, indeed, his department has a policy with regard to income levels for community housing, and do we have those occupying those units with incomes in that range and not \$25,000 and \$35,000 a year? My view would be that with those incomes and the units HUDAC builds around this province, they could well afford to rent those units. They should not be in community units, simply because there's not enough of them to go around, as evidenced by the fact that Lethbridge has had a zero vacancy for the past 10 years. So if the minister would respond to whether or not there's an income ceiling placed on by his department through the corporation, so people can in fact have access to that community housing program.

Mr. Chairman, the minister might also respond as to the private sector units he's going to acquire. I assume he's going to buy them. I don't know. Maybe he's going to rent them through the present owners. I'm curious as to how that's going to work. If they're going to subsidize the housing authority to provide the community housing up to 200 units, I would be very interested as to where they might be throughout the province. As the minister knows, Lethbridge has been requesting additional community housing units for some time. With that, I would be very interested — at the present time the housing authority provides all maintenance and upkeep. I am curious what might happen once the housing authority ceases to own these residences but through some lease arrangement will end up renting them.

Mr. Chairman, I think that we in government are extremely well served. I'm sure the minister would concur with the housing authorities throughout this province who give so freely of their time to provide for the needs of both seniors and those who require community housing. I certainly think we're fortunate in Lethbridge to have that excellent board with Mr. Maurice Mitchell as chairman.

With those comments, Mr. Chairman, I look forward to the minister's response to those questions. Thank you.

MRS. CRIPPS: I'd like first to thank the minister for the quick response I've had to concerns I've raised with him in the past and his flexibility in looking at the concerns and the needs of the various communities.

I'd like to comment on the land banking program which looked like a total disaster a few years ago for the communities that were participating. The decision of the minister in the non-capitalization of the interest has assured these communities that the land will continue to be affordable and has not flooded the market with land at fire sale prices. I know how hard he worked to find a solution. I know all of the communities appreciate that.

The reason I stood up was because I wanted to express my special appreciation for the flexibility the minister has shown in the senior citizens' lodge program in that the lodge at Winfield was able to build additional recreational space with the help of the department and designs done by the department. Now they have a contract with the depart-

ment to do the construction. I think that's the kind of flexibility we need if we're going to provide for the basic needs that the seniors believe they have in these lodges. I really did appreciate the co-operation, and I know my community did. People said it couldn't be done, there was no way; and we did it. That's the kind of flexibility which makes the minister special in my books, and I'd like to say thanks.

MR. ANDERSON: I appreciate the opportunity to take a couple of minutes on this topic. I will be quite brief. I would like to first of all congratulate the minister. I know it sometimes becomes customary on the part of government members to congratulate ministers during estimates, but in this case I would be remiss if I didn't pass on from the Health Facilities Review Committee, which I have the honour to chair, their great appreciation for the minister's responsiveness to the recommendations made. Our committee, as members may know, reports first to the Minister of Hospitals and Medical Care but also has the lodge program under its jurisdiction and therefore has a great deal to do with that aspect of the minister's department. In all cases when we have gone to the minister with recommendations as a result of on-site visits to lodges in this province, he has responded quickly, efficiently, and without hesitation. That has been refreshing, and the citizen members of my committee have commented to me many times on their appreciation for that. So I'd like to thank the minister for that.

The other accolade comes from myself as the Member for Calgary Currie and relates to the self-contained unit program. We now have eight in my riding, of which I've had the privilege of opening six; one just about a week and a half ago, the 102 unit Bethany Village project. In all those cases department officials have been sensitive to the needs of the people in that unit at opening time as well as to the member of the Assembly, assisting him, properly opening it, and properly communicating with constituents located there. I appreciate the department in that respect. I also would like to say how much I believe that program is an appropriate way for us to utilize Heritage Savings Trust Fund dollars. I think the investment in those projects which provide not only very reasonable but very nice accommodation for those citizens who have contributed so much to the province and, in fact, given us the future that we have, is an appropriate way of spending those dollars and investing them properly. My riding has been a beneficiary of that, and I appreciate that.

Just a couple of quick comments. The minister may or may not choose to respond to them. I think they're more long-range possibilities than specific items to be dealt with in this budget. With respect to the lodge program, I've mentioned before and should mention again that the one thing we as a health facilities committee find when visiting those lodges is that there are an increasing number of residents there who require medical care in some form or another. While the home care program of this government has assisted a great deal in that respect, it seems to be becoming an increasing burden to the lodges we visit and a difficulty for residents to get the medical care they require because of our philosophy that those are "homes" for seniors. While I know that the seniors who live there would be very reluctant to change that philosophy, as we would be, I think we are going to have to look at some potential changes in the future. My health facilities committee is looking at that over this next year. I don't know if the minister would have any response in that respect.

Regarding the self-contained units, as the minister well knows, a motion sponsored by the hon. Member for Drayton Valley was debated not long ago in this Assembly, in which she suggested that there be some sort of review committee for the department. While I'd like to hope our health facilities committee is looking after the lodge program well, there is indeed a need for some sort of ongoing assessment in that self-contained unit area. It wouldn't need to be in the depth that it is with the lodge program or other responsibilities of the health facilities committee, because the units are governed by the seniors themselves. But in my riding I have from time to time faced some minor problems with caretaking officials and that sort of thing that seniors have had a hard time dealing with, even though independent boards operate those units. I'm not sure what suggestion should be taken; I don't know that it's a review committee, but at least some sort of review process of those units on a periodic basis might be helpful in terms of making sure they continue to be excellent places for our seniors to live, as they are today.

Mr. Chairman, those are my few remarks with respect to the department. I think the estimates presented to us are reasonable and should be supported. I would appreciate any comments the minister might make on those few points.

MR. GURNETT: Mr. Chairman, in Alberta we consider the possibility of owning a house to be one of those things that's still a very key indicator of a healthy economy. In many parts of the world I know that's not the case, but I appreciate that in Alberta that kind of possibility is something that people still look at as a real sign that the economy is healthy and that families are able to enjoy their lives. In view of that kind of expectation we have and so many people still hold, I'm certainly concerned about some of the things happening in Alberta with housing.

I asked some questions of the minister earlier today about the large number of foreclosures that seem to be taking place around the province. I don't have a figure yet, but I suspect that somewhere in the range of a fifth or more of all those foreclosures relate to homes that were mortgaged through Alberta Mortgage and Housing Corporation. So I want to begin by suggesting that I hope the minister is looking at something like the debt adjustment legislation we have talked about here on occasion as a possible way, without giving a free lunch to anybody and without writing off obligations and commitments, to allow for a fair rescheduling that would let people have the chance to keep houses and keep alive family dreams and hopes that are often built around those. I'd suggest that one of my favourite words, "confidence", could be encouraged a great deal by a program of debt adjustment, especially in the area of housing. That's something that would really have an impact in this province that people would notice and appreciate, and they'd say, "There's obviously a minister who cares about families and cares about people's chances to get on with happy lives." So I'd be interested in the minister's comments about the possibility that we could look at some kind of real assistance to people who, through no real fault of their own in most cases I think, have found themselves in difficulty and are faced with the danger of losing their homes. Particularly for those people who have housing that in some way is held through the Alberta Mortgage and Housing Corporation, we could obviously act directly and make an impact there.

I'm interested too, Mr. Chairman, in the minister's comments about one particular aspect of the rural emergency

home program. I understand the emergency units still continue to be available on Metis settlements and Indian reserves, but I understand that the tenants may not necessarily be able to purchase these homes available on reserves. That's a contrast to other tenants who have these emergency units who are entitled to buy the unit for a minimal amount if they rent for eight years. I wonder how the minister can justify this particular exception and the fact that people renting these units on Indian reserves don't have that same option available to them. I'm also concerned that under the existing contracts, as I understand at least, the bands that have emergency units through this program are required to pay the rent for a year in advance at the beginning of the calendar year, whereas other renters of the units only pay on a monthly basis, as other renters would pay. Again, I'm wondering why treaty Indians in the province are singled out for that particular kind of situation. I'd be interested in the minister's comments on initiatives that might be under way to review and, I would hope, to amend the guidelines of this program or adjust the program, whatever form it may appear in, so that apparent inequality could be addressed.

The rural and native housing program has had some serious problems over the past few years, particularly in the Strathmore, Irricana, Turner Valley, Crossfield, Black Diamond area. There are problems that go back to a point in 1982 when staff members of the Housing department were directly involved with contracting housing that was backed by Alberta Housing and the money supplied by the Canada Mortgage and Housing Corporation. I understand that the two former employees involved have recently been charged and will be tried in September, but over time we've had a number of complaints lodged with the Official Opposition in relation to what went on in that area. Apparently, it involved various things like lots that were smaller than they should be, poor construction of the houses, houses that were turned around, facing backwards in some cases. I know that both in question period and in letters to the minister, the Official Opposition has contacted him about these matters. I'm wondering whether, because of situations like this, there are plans for a major review within the department to investigate the possibility of employees getting involved in things like this; whether or not guidelines have been developed or are in the process of being developed that would prevent employees of the department being able to get directly involved with contracting for construction of housing, especially when department money is involved with it. It seems to me that a thorough review, if it's not under way, should be under way, Mr. Chairman, in view of a situation like the one in that area.

However, obviously, the more important consideration, in addition to what investigation and what guidelines might come out of the situation as far as the department is concerned, is whether this budget is going to provide for adequate compensation to the people whose houses are structurally deficient or whose lots are smaller than they should have been and situations like that. We're talking about some severe structural problems in some cases. I think what tended to happen was that when the department agreed that some problems existed, a piecemeal or a band-aid approach was taken to repairs rather than taking a broader approach which could have truly settled the matter once and for all with a real solution to the problem. Instead, it looks like we might be continuing a process that could go on for years, of these people having to negotiate to correct each individual problem or wrong. I'm concerned about that because these people are the victims of the

problem. They're not the people who created the difficulty. They're not the perpetrators of the situation, yet as a result they're being left to continue to work and to press and to push for some kind of compensation or fair treatment.

Let me consider with you for a moment, Mr. Chairman, the kind of offers the department has apparently made to these people. One example given to our office came from a senior official in the Department of Housing and talked about the fact that in the case of houses where there should have been sliding patio doors, the department would be willing to cover the cost of what it would have cost during construction to put sliding doors into the houses in question. As any of us that have done alterations in an existing house are well aware, the cost of adding something after, especially when there is any kind of significant structural changes that have to be made, is substantially more than the cost of doing that particular thing when the house is under initial construction. So the offer to cover the cost of putting sliding doors in when the house was constructed as opposed to what it will actually cost to put those doors in now — there is a significant difference there.

I'm wondering why the department wouldn't allocate enough money to these people so they could have installed what was to have been built in the house in the first place. It's clear that the department is acknowledging that some items in the original plans were excluded from the houses when they were built; why else would the department make any of the compensation money available to these mortgage holders? It seems to me that if we're going to use public money to correct such problems, we should use it so that the problems can in fact be corrected properly, without it being an expense to the people involved. Instead of going half way, we should make sure that the people get the housing they were originally entitled to at no cost and no more inconvenience than necessary.

We have a case of a letter going to many of these homeowners in Strathmore last autumn, in which they were told they would be able to obtain alternative housing with the financial support of rural and native housing program mortgages. One family acted immediately, and they got a new home. The others didn't act quite fast enough. Within a very short period of time that offer was retracted. So the people involved with getting these inadequate houses are back where they started, having to negotiate directly with the department, trying to get the matter settled. The department responded by again sending out people to look at what could be done and to assess what repairs might be needed. Apparently, some of the work is in fact proceeding, and that's good.

It would seem to me that one approach to this situation would be to make it possible for these people to get into alternative housing, housing that's as acceptable to them as the houses they had originally thought they were going to be able to move into. They're the ones who have to pay the mortgages, and they didn't get what they thought they were getting. Most people who take out a mortgage do so with some idea of what they're going to be getting, because either the house already exists or is going to be built according to plans they've approved and are in control of. But these people didn't have that benefit, and it seems like they're being penalized for a situation that they had no chance to have any real say on.

I'm wondering what provisions there are in this budget for these people, particularly the people in Strathmore, who were told they could move into alternative housing, to be able to do so. Given also that these houses were built with

deficient materials, Mr. Chairman; and in some cases that was structural and very difficult or expensive to replace, I'm wondering if the department is prepared to compensate the owners of the houses by offering a significant reduction in the mortgages they have. As I said, they didn't have the opportunity to do what most people are able to do, and they don't want to do what so many people in Alberta are having or choosing to do now, which is to walk away from mortgages. In their cases you'd almost think there was a case for doing it when they've put up with the difficulties they've had to put up with. I wonder if there is some consideration being given to those mortgages being adjusted and reduced for the people who are suffering.

I think we have to consider the kind of disruption in these people's lives as well, because they're forced to deal continually with people who come to repair this or that item. One week somebody may be there to look after problems with roofs; another month it may be somebody to look after repairs related to a basement. So the people are putting up with a lot of disruption in their lives as a result of this. I repeat, Mr. Chairman, it's not something they asked for. It's a situation they found themselves caught up in through no fault of their own. The people there basically see that what happened to them was that they were fooled by government officials. Now that's the way the people see it. Obviously, the courts will decide that matter when they deal with the charges, but the people see themselves in that kind of a situation. I think it's only reasonable that the department accept a greater responsibility for dealing with the situation those people find themselves in.

Many of those people have been in touch with the office of the Official Opposition for a year and a half, and there are lots of telephone bills to prove that. They're saying: "Help. I need some assistance. My life is being disrupted, and the housing we're having to live in is very inconvenient and in some cases uncomfortable because of this. What's going to be done in a comprehensive way to deal with the situation?" I know a recent reply from the minister to a letter written about two months ago indicated that about 33 of the homeowners had accepted the department's proposals to carry out renovations in their homes, despite the inconveniences that involves. What we hear from some of the people involved in Strathmore is that they are still looking for something else, and they're still going to be coming back asking about the offer for alternative housing, what happened to that offer and whether that's still available. They want to be treated fairly, Mr. Chairman, and they say: "One family was able to take advantage of this offer for alternative housing, and the rest of us weren't. What's going to happen about that?" I wonder if the minister is considering the possibility, for example, of providing to these people other housing that meets the standards of what they thought they were getting and then attempting to sell the deficient housing. At least in that case the people who bought the deficient housing would know what they were buying. Granted, the department would probably have to sell that housing for less than its original price because of the deficiencies that would be known, but at least people who then bought that housing would know what they were getting. The department could recover some of the cost and meanwhile make sure that the original people who were the victims of this problem got the housing they had really wanted in the first place. It seems to me that we can afford to settle these kinds of matters for the satisfaction of the people involved so that they don't have to continue to put up with this. If we're not going to come up with a thorough,

comprehensive settlement of this problem for these people, then I wonder about the priorities and why some things seem to be able to see any amount of money spent on them, yet something like this that, given the budget of the department, is relatively minor sees considerably less money spent on it.

For example, I think back to a case not long ago when the department was able to spend a great deal of money on land acquisitions, and the cost of that to the department didn't seem to be a problem. I wonder what's going to happen as far as land acquisitions in the coming budget year as well. Just to remind you of that one case where a great deal of money was spent, it was around Fort Kent in the municipal district of Bonnyville. The government spent \$6.1 million acquiring land there. Three quarter sections of land were purchased by a numbered company, and then the government actually took title a little later. Out of the three quarters, the 480 acres, 94 were under water and 225 were what is called a depressional pasture, in other words a bog, so that about 66 percent of the total land was in those kinds of situations. A lawyer valued that particular land at \$320,000, but \$645,000 was paid for it in the end, so in that case dollars didn't seem to be a serious issue. At that time Alberta Housing Corporation also paid \$800,000 for another quarter which involved 31 acres of bog. The neighbouring quarter sold for \$160,000, and it was all good farmland. It sold for a fifth of the price, and yet it was all good land. I know that land prices were a little higher at that time, but Alberta Agriculture figures indicate that an average price for land per acre was about \$385 at the time. For these pieces of land that I've just been describing, the price works out to an average of \$3,535 an acre, or almost 10 times as much.

I'm concerned that we've got examples like that where the department seems to have great amounts of money for purposes that aren't exactly clear, and then a situation like these people's housing is being dealt with in a very piecemeal way: a little repair here, a little repair there, but without a comprehensive program to accommodate them.

I would be interested in some comments on that problem of the people in the Strathmore area as well as the matter I mentioned earlier about the emergency housing units on reserves.

Thank you, Mr. Chairman.

MR. BATIUK: I have a number of comments to make today, but I want to assure you, Mr. Chairman, that I'm going to speak on behalf of the Vegreville constituency, the one that I represent. For a while I was just wondering where the former speaker represented — whether it was Strathmore or the constituency of Spirit River-Fairview. Even so, some of my comments may coincide with the Member for Spirit River-Fairview, but I want to assure you that we have nothing in common. In one of the first presentations the hon. member made, he stated that he lived with his family in Nicaragua and for the last seven years, when communism took over, it was a life of hell. And yet what really puzzles me is that the member comes to represent the party which is quite comparable . . .

MR. DEPUTY CHAIRMAN: Order please. The Chair has difficulty with the remarks of the hon. Member for Vegreville on that point. We're on the Department of Housing.

MR. BATIUK: Very well. Nevertheless, my parents fled from a place where socialism and communism existed, and

that was the last thing that I'd ever do, want to represent a party . . .

I would like to say that I want to commend the minister for his dedication to his portfolio and the programs. At the same time, I must commend the staff of the minister, particularly the staff in his office. Many a time I have felt that the success of a minister is the contribution of his staff. I've experienced that over the last number of years whether it was the minister now with his present portfolio or in the past. But I want to assure you, Mr. Chairman, that I don't want to give the staff all the credit; the minister deserves some of it too.

I do appreciate the minister's decision for the continuance of the programs, particularly the senior citizens. I have reason for that, because the Vegreville constituency has more senior citizens than any other in the province. So there is a real reason for me to have this concern. The home repair program has played a very important role along with the other programs, and I believe that because of these programs many of our seniors are living in their homes, the places they should be as long as they can live. We look at statistics that only five years ago the average age of a senior citizen in a senior citizens' lodge was 74; today it is 85. I think it is because of these programs and the health care provided in this province.

However, I must say, Mr. Chairman, that I do not always totally agree with the minister's staff — and I don't mean in the office, but the higher-ups. I particularly want to refer to a former chairman of Alberta Housing Corporation. He has already retired, but somehow or other I feel sorry that a bunch of us members of the Legislature didn't get together and make a retirement party for him considerably sooner.

The thing is that our government made a commitment to this province to decentralize and to look at our smaller communities, that they continue to exist and revitalize, that they should be a part of the province, and that the major cities should not take advantage of them. What really puzzles me, Mr. Chairman — I recall for maybe the last five years, the community of Chipman in the constituency, which had barely more than 300 people, had been requesting accommodation for some self-contained units. For several years in a row this was rejected because the chairman of Alberta Housing Corporation felt that it was too small. Two years ago I really put pressure when an announcement came that there were going to be 16 built in Lamont, a neighbouring community, and none in Chipman. I don't know, maybe the former chairman was dedicated to the Socred group. I don't want to say anything against the town of Lamont.

DR. BUCK: They've got a good MLA, John.

MR. BATIUK: It's a fine community, and many from the town of Lamont come to me and tell me that they wish it was in the Vegreville constituency. So I have nothing against it whatsoever. But with my pressure on the minister this was divided: instead of the 16 going to Lamont, 12 went to Lamont and 4 to Chipman. Those in Chipman filled immediately. Today there are still four empty in Lamont. Is this sound reasoning?

Let's go a little further. This coming Friday I'm going to officially open a 50-unit self-contained unit in Vegreville. Two years ago in May I opened a 30-unit in Vegreville; there are still seven or eight unoccupied. This Friday I'm opening a 50. How many of those are going to stand empty? Mr. Chairman, I didn't know that that 50 was ever applied

for or approved until it was under construction. So here is where I feel that maybe members of the Legislature have to get more involved than the bureaucrats in some of the departments. Holden has eight self-contained units. They filled up and they're looking for more. Ryley has been requesting more for the last number of years. Chipman is looking for more. Here again I don't want to be critical, but if 20 or 30 of these units are going to stand empty, yet we have people in the Vegreville senior citizens' lodge — one in particular, a 99-year-old lady sitting in a wheelchair who should never be in the lodge. We're short of accommodation for nursing homes. Maybe half of that should have been turned over. Maybe our priorities aren't right. Anyway, I really appreciate what the minister has been doing.

It's too bad that the Member for Calgary Currie has left. He told me how he appreciates his committee. You know, just recently I received a letter from the mayor of Vegreville saying that the health and accommodation for senior citizens is a disgrace to Vegreville and to the province, which I totally disagree with. But to the chairman of the review committee — I wish he would have been sitting here today. I would like to see a report on that because I totally don't agree.

MRS. CRIPPS: He's back here, John.

MR. BATIUK: I feel that the health facilities in Vegreville are superb. We need more of them. I've been requesting that of the Minister of Hospitals and Medical Care, and his estimates will be coming up sometime shortly.

I must say once again to the Minister of Housing that he has done an exceptionally good job, but I think in the future we will have to rely more on the elected members who probably have more knowledge than some of the bureaucrats.

Thank you, Mr. Chairman.

DR. BUCK: Mr. Chairman, I'd like to address one or two words to the department. I'd like to say to my hon. colleague the Member for Vegreville that the reason that the member has so many senior citizens' homes is that we Ukrainians are such clean-living people, John, we live a long time. That's why we need so many in Vegreville.

MR. BATIUK: I like your Ukrainian name, Walter.

DR. BUCK: That's right. I'd like to know if the hon. Member for Vegreville is going to have his good friend the mayor of Vegreville help him cut the ribbons, because they're such good friends and get along so well. So I hope they go ahead and have a little fun at these functions.

Mr. Chairman, I would like to know how a department that started under the former government that was going to build low cost housing — I believe that was the philosophy; I wasn't around at that time. How in the world did we ever end up being in the real estate business that we're in? Talk about a department that's run amok. What in the world is the Alberta government doing in the housing business as extensively as it is? I know you're not responsible, Mr. Minister, but your government is, sir. We've gotten into the mortgaging business, and we've gotten into the land banking business. I'd like to have one or two questions answered for me, Mr. Minister. First of all, how much land does your department own? I know that we've had mortgages on 30,000 properties in this province and that

we now hold title to approximately 2,200 properties and we're in the process of foreclosing, I believe, on about another 1,800 and projected to foreclose on another 1,600 in 1985. Now that's a lot of foreclosures. Mr. Chairman, I would like some answers to that. I would like to know if the government has any long-term plans to finally get out of the business the private sector should be in and what is the ultimate future for the minister's department?

Mr. Chairman, I'd also like to bring some of the losses to the attention of the committee. Of course, it's common knowledge and has been printed in the *Gazette*, but I think it's important that our Tory friends be reminded that on March 7, 1984, the provincial government provided a special warrant of \$52.4 million to the Crown corporation, \$40 million of which was to cover the accumulation of interest costs in the fiscal year '83-84 for the land inventory held by AMHC and \$12 million which was to cover devaluation of the land. In that same month the Alberta government also authorized and advanced to the Crown corporation up to \$340 million. This advance allowed the Crown corporation to pay back the money it owed the Heritage Savings Trust Fund. The advance would be paid back to the Alberta government once the Crown corporation sold its landholdings. So you see, members of the committee, we are really in the land business in a big way, and we're losing our duff. In March of '85 the province approved an additional \$43.5 million grant to cover unanticipated losses in the fiscal year '85. The losses grew out of a sharp increase in arrears in mortgage payments and a reduction in the value of mortgaged properties.

I'm not blaming the minister. I like the minister; I've always liked the minister. But I want to know what this free-enterprise government is doing in that kind of mess? I'm sure there must be other free-enterprise members of this Assembly who would like to know. I'd like to have them stand up and tell us what they think about what's going on in this government as far as being in the real estate business goes.

Mr. Chairman, now that I've got that off my chest, I would like to ask the minister how we go about designing our senior citizens' lodges. I'm just a plain Ukrainian farm boy who knows that when you've got something that's working pretty well, why not use it? The senior citizens' lodge in Tofield — and I've seen a few of them — seems to be one of the most practical designs I've seen in opening lodges in this province. Why has that design not been repeated time after time after time? I asked that of the architect who designed that. He said, "I thought it was a pretty good job too, but I haven't heard from the government for about three years." In the last year or so I guess he's had some government work. That is a very simple, effective design. You could plug into it. It's almost like a wheel with a central hub. You can plug in units if you need to. I thought that was an excellent design.

Those are a few concerns I have, Mr. Chairman. As I said, I'm not taking the minister to task, but I would like to say to all the good people in the department — and a lot of them are sitting up there. I'd like to see 90 percent of them gone. Not because I don't like them; I just don't like governments being in the real estate business and the development business. I just want to know what the long-term plans of this government are. Are we going to stay in the business, or are we eventually going to get out of it?

If the minister wants a suggestion — of course, I should address this to the minister of public works, but we'll cover that another time.

MRS. CRIPPS: You missed it.

DR. BUCK: We build all these public buildings. A lot of that could be done under the private sector. Small investors in these small communities could be investing in these, and we'd lease them back. That's what governments are supposed to do. They're not supposed to be in the real estate business. They're supposed to be in the business of providing service to people. As the hon. Member for Spirit River-Fairview mentioned, some of the land purchases that went on in that Bonnyville area were absolutely scandalous. I would never, ever even think that some of the people who made those windfall profits happened to have blue and orange Tory cards. I'd never, ever think that.

MR. CRAWFORD: You should have put a period after "think", Walt.

DR. BUCK: You know, I would never, ever think the government would have some of their friends make a dollar or two. But there were some real colossal blunders up there in the purchasing of land. I know everybody got the fever, but that's no excuse for the government getting the fever. Let the speculators make a dollar, and let them lose the dollars. One thing about speculators, you never hear about the losses, only the gains. It's just like the horse racing business. Your friends never tell you that they lost a bundle, only when they make a bundle. So with those few concerns, Mr. Chairman, I look forward to the minister addressing the committee.

MR. NELSON: I thought it would be useful to try to make a few comments regarding the department. First of all, I guess I would like to be somewhat positive in dealing with the many issues the minister has had to deal with over the years, and in the time I've been here, dealing with some of the many issues that I've put his way. I would say that in the main the minister has dealt with them in a humane and fair manner. I would suggest that the integrity of the minister and his staff and his department are beyond reproach and that the issues have been dealt with in some fashion as they've been requested to do so.

I guess it should be recognized, first of all, that the minister is responsible not only for those people who have dealt with the department by mortgages or otherwise but also to protect the interest of the taxpayers, who are paying the bills. That is of primary concern and importance to any member of this Legislature and those ministers who are responsible for various departments in the government.

The Member for Spirit River-Fairview was talking about some people having a free lunch and what have you. Unfortunately, we don't all get a free lunch. Maybe I shouldn't even use the phrase "unfortunately"; I guess it's fortunate we don't get a free lunch. I don't prescribe to the manner of socialism at all. As far as I am concerned, socialism has to be the end-all, the last call for anybody to resort to.

Mr. Chairman, I have a number of other comments and concerns that I'd like to raise with the minister. The first one deals directly with the estimates before us in what appears to be an increase of some 48 full-time, permanent positions in the department in the estimates this year as against last year, which means an increase of about 25 man-year authorizations. That bothers me a lot, considering what appears to be a downsizing of the department and possibly less activity in capital expenditure. I would like to

have some input as to what's happening with this. Of course, with that increase in numbers of people goes the increase of salaries, wages, and benefits, which also gives me some concern. The other area, of course, is supplies and services, an increase of some 61 percent. I would like to have some information relevant to what that increase relates to. The other one relates especially to administrative support, where there is a 27.4 percent increase in the area of departmental support services under vote 1.

Mr. Chairman, I represent a very large constituency that has benefitted from the many housing programs that have been offered by this government — not too many seniors' programs, because I don't have very many seniors in that constituency; I think there are about a thousand altogether. One senior citizen facility is not always full, but otherwise most live in their own homes. They're still able to do that, which is fortunate for those people. The many hundreds and thousands of homes that have been built with support from the government have been appreciated by those people who may not normally have been able to receive a mortgage or otherwise from the private sector.

However, in saying that, I also have some concern about the extent to which we as a government enter into the development of housing and what have you, where the private sector could possibly do it. I have made comments on occasion, especially in the constituency, that I would be concerned if we ever reached a magnitude of developing properties in the same fashion as we did a few years ago. As it turns out that many of those people who actually moved into those homes without the government's support — the government really entering into an area of, I guess you could even use the phrase "social conscience" or whatever — may not have been able to afford to move into a home of that nature. In fact, what's happened is that many of those people have had to renege on their obligations, either through a loss of income where they could not afford the mortgage or through depreciating values, where they've walked away. That, of course, is not the concern of the department, because they still could afford that obligation, and they've taken a way out to upgrade themselves.

There are the other cases, though, which I thought I might mention briefly tonight, of those people who I and the minister have hit the public rails on through various reasons. These are people who have changed their abode and through no fault necessarily of their own have found themselves in deficiency judgments and what have you through Alberta Home Mortgage. I understand through the estimates that there are moneys placed aside. Of course, the last one was some \$40 million. I would be concerned as to how that is broken down, whether that is largely because of a large cash input due to reduction of an asset value — for example, land holdings — whether the value of land reduced to such an extent that we're pumping that up, or else it's mortgage defaults.

Mr. Chairman, it bothers me a lot when we hear — of course, I can be very critical of bureaucrats to some degree. I want to preclude that by suggesting that not all bureaucrats are the bad guys. Maybe none of them are the bad guys, but some are certainly very good and more efficient than others. That is not to suggest that the Department of Housing does not have some very good and efficient people within that department, because I know they do, and I'm sure they have a lot more than I might recognize.

I had the opportunity to visit a couple of projects that were being held back for some reasons that I don't really understand. In visiting these projects with the project man-

agers and others, I question the intent of some of the members of the bureaucracy, whether they're trying to stretch out a job so they can keep their function going, when it's costing the private sector many thousands of dollars to keep that project alive, and not having to collect moneys, where they're paying interest on interim financings and what have you. I have a great deal of difficulty dealing with that sort of issue because people are building projects for the government today at very, very low margins of profit, if any. When we hold back two, three, or four months after a project may be complete, not only are we creating an additional hardship on that company but we may be placing it into a receivership or bankruptcy or otherwise. Rather than letting that company generate some small amount of profit into their organization, what happens is that they don't generate any profit. So we create a situation where people are working for nothing.

The other area of concern is some of these people I've been dealing with. I have some real concerns with regard to people who appear to have been doing the right thing. I guess there are two points of view and two positions on any particular issue. So that we understand some of the issues, Mr. Chairman, I'm going to state some of my constituents' concerns on the record so it's available for all to see.

Mr. Chairman, we have a concern in the community, and it's not only in Calgary McCall, it's throughout this province, and it's called dollar dealers. In dealing with Alberta Mortgage and Housing Corporation, some of these dollar dealers have really created a problem not only for the government and the taxpayer but for many of our honest citizens. Some of these citizens have been taken to the cleaners through naiveté, ignorance. People dealing in real estate can really con a citizen very easily, because we tend to rely on professional advice. I use that term very cautiously, especially dealing with some people in our real estate industry — and I repeat "some" people in our real estate industry — and with some people in our construction industry and possibly even into our legal professions. We have honest citizens trying to improve their state, to improve their quality and style of life, using a real estate agent or broker. They may trade up, by either guarantee or trade, whether it be verbal or otherwise, and have a real estate agent put the deal together. Once mortgage approval on a new project is given, that home having been for sale, the purchaser, whom the vendor may never see, moves into their own home. In many cases they check with Alberta Home Mortgage to see if everything's okay and probably have some clerk say, "Yes, no problem." Two or three months later there are no mortgage payments because it was sold to a dollar dealer through the professional abilities of the real estate people, even though it was checked through one way or another by lawyers, and then we go after these people.

Mr. Chairman, I may have a little bias here because I've gotten very involved with a number of these people personally in that I'm trying to help them. I suggest that any member of this Legislature would probably do the same thing. If you wouldn't go and help those people who have come to you for your assistance and do the best job you could for them, probably you shouldn't be here. Anyway, I pursue these issues, particularly when I get a number of them that all seem to be the same. I'm not talking about dealing with people that are blatantly dealing off their homes with dollar dealers and what have you but dealing with Alberta Mortgage and Housing Corporation. When the president of that organization suggests that we're going to treat

everybody like dollar dealers — whether that be an actual statement in total or an edited statement because of the news media's ability to edit prior to airing their program, is one thing. However, the point remains that some of these people, in their honest endeavour to improve their situation, have not only created a problem for Alberta Mortgage and Housing Corporation but have created one for themselves. Maybe I shouldn't even use the phrase "created one for themselves," because they haven't; it was created for them because of the "professional" dealings of real estate agents who did not deal in a professional fashion.

Mr. Chairman, I feel very strongly that these people who have defrauded — if I can use that phrase — some of the good citizens and the government of Alberta should be taken to task. If the laws of this province do not allow for that — and at the present time I'm not sure if they do or don't. I'm trying to read a number of Acts: the Municipal Government Act, the Interpretation Act, the Law of Property Act, the Land Titles Act, the Alberta Bill of Rights Act, and the Individual's Rights Protection Act. They're all very complicated to deal with. But surely to goodness, people who have gone and deliberately defrauded our citizens are the animals we should be taking to task, not the people who through a real estate agent have in good faith traded, sold, or whatever their original home owned or mortgaged by Alberta Mortgage and Housing Corporation; not these poor, honest, hard-working citizens who are making and have met every effort to meet their obligations both now and in the past. There is a very simple way of correcting this, of course, and that's to change the Law of Property Act to ensure that anybody going to get a mortgage has to be approved for it. I believe you have to change that and the Land Titles Act to ensure that any mortgage on a property is not necessarily automatically assumable, but the person would have to qualify to obtain that mortgage.

In any event, Mr. Chairman, there are people in many of the constituencies of us sitting in this Legislature here who have this problem, not only mine. I've had many of those letters, which I've referred to the particular MLA in any event. Those people deserve a fair shake. What I call a fair shake and what other people might call a fair shake may be two different things, but the bottom line is that they should have a fair shake, an appeal mechanism that is set up so that they may be heard and a decision made on their behalf, so that they at least feel that justice has been seen to be done and hopefully will be done.

It's very easy for people to sit behind a desk and read a bit of material and make a decision, but whether that is a good decision or not, either way, is open to question. How many people might want to come and have their case reviewed by a committee that's sitting in front of them? Hard to say. Might be 10, might be 20, might be 100. I don't know, but I suggest that that is probably the bottom line.

I will say this, Mr. Chairman. Over the last few months that we've been dealing with this issue with Alberta Mortgage and Housing Corporation — and in all fairness to the minister, I have said this to those many people I've been dealing with — the minister has been very receptive to some of the suggestions that have been brought forward. He has made every effort to assist these citizens with their concerns. I feel very confident that the minister and the department officials will come up with some manner in which we can deal with these issues in a positive fashion rather than the negativity that is out there. Not only do we have to stop these garbage dollar dealers; not only do we

have to stop these few unscrupulous real estate people that appear to possibly be defrauding some of our citizens and our government through their dealings; we also have to examine some of our construction companies in what is going on as far as them selling real estate. And, of course, there is the activity of some of the law profession, and some of these real estate people are dealing with a law office that seems to use form letters in presenting their situation to their real estate and these people.

If there is nothing in place for this now and through the assistance that I'm getting, I would suggest that something be brought forward very quickly; not only to protect all these victims — and they are victims, no question about it in most cases. We should be putting something in there very quickly to protect them and the taxpayer of this province. When I get a 54-year-old widow living with an 88-year-old mother and she's got one of these problems that's nearly two and a half years old and she's been getting threatening letters — "We're going to sue you" and all this — I've a very deep and sincere problem dealing with that.

However, on a positive note, I would again like to thank the minister for his assistance and his indulgence with me. Believe me, I have been firing a lot of material, letters, and bullets over to his office along with copies to the Attorney General and the Minister of Consumer and Corporate Affairs, because I sincerely believe three ministries are responsible here: Attorney General, Consumer and Corporate Affairs, and Housing. We all have to get together to deal with this issue of foreclosures, of bad deals with dollar dealers, to ensure that not only some of our honest and sincere citizens are looked after but the taxpayer.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: For the hockey fans, the score is 5 to 4 for Edmonton.

MRS. CRIPPS: I'm sorry to get in again, but I did have one concern which I didn't raise with the minister, and that's the same as the Member for Lethbridge with regard to the transfer of the Alberta Home Mortgage loans from a present owner to an eligible purchaser. I've raised it before, and I believe it's an area where we have unnecessary paper work. I believe the process is inefficient and ineffective, and we could save the home buyer a considerable amount of front-end money if that were done.

Because I'm on my feet, Mr. Chairman, I'd like to make a plea for the renovations of the Shangri-La lodge. I notice that the Member for Clover Bar was talking about how well planned his was. I have to say that the rooms there are the smallest I've been in, and only the atmosphere makes up for the size of the rooms.

I might also add that when I go to the races — the Member for Clover Bar says you tell your friends if you win. I don't talk to my friends about it, so you know what happens to me.

MR. ALGER: I'm probably practically the last speaker, and I'd like to end this, taking just a minute or two of your time by simply indicating to the minister that, in the first place, on behalf of all the House, we're thoroughly happy that you're still with us, Larry, after your horrendous experience on October 19. While I realize you have a tremendous portfolio to look after and a tough job, in view of the fact that we do have some vacancies here and there, I'm delighted to discover that you're building 154 self-

contained units as well as 85 lodge units. I think that's a very commendable state of affairs.

In answer to the Member for Vegreville, I'd have to say that the best laid plans of mice and men are apt to gang agley when we have a few vacancies. You can't help that. Occasionally it just happens that way. There's even some in my constituency, but I don't run around telling everybody about it.

With regard to CHAP housing, Mr. Minister, I'd like to commend you for the way I think the Department of Housing is working its way out of an almost embarrassing situation, if you like, in Black Diamond and Turner Valley, in view of the fact — and it's been mentioned before — that we had a couple of thugs that got away with a little bit of hanky-panky. It shouldn't have been allowed, but at the time nobody discovered it fast enough. In due course I think they will come to the justice they so richly deserve.

With regard to your staff, with your executive assistant, Randy Wright, there's no place in the building that you can get into any more accessibly than Randy's when you want to see him when you have a problem. Indeed, your whole office is much like that, with Gail Parsons and Helen Warring and a few more beauties that you have crawling around up there.

MRS. CRIPPS: Where did you get all those names?

MR. ALGER: I spend a lot of time in his office.

I've found it a very delightful arrangement, Mr. Chairman, to be able to go in and discuss such things as the repair of my senior citizens' homes and lodges and so forth in Highwood as well as the lodges that have to be opened and worked on throughout the province. It's a real pleasure for me to have had that opportunity to work with the minister so closely.

A man I really enjoy working with is Murray Rasmusson, of course, the deputy minister. I think he and his staff are an absolutely remarkable group that have helped us all considerably. A consultant you hired, Reg Copithorne, is the style of fellow we should have had on the payroll a long time ago with regard to housing.

On that pleasant note, Mr. Chairman, I think I'd like to say good night to the minister and wish him well in his estimates.

Thank you.

MR. ALEXANDER: Mr. Chairman, I kind of wish that had been the last presentation, because it makes me sound a bit like a Grinch following that. But as the minister knows, I'm one of his greatest fans, and he's in no danger whatever.

I just wanted to ask two or three questions, which I'm sure are entirely anticipated on his part. Some of them have been touched on by the Member for Clover Bar, whom I see has left but who managed to confuse me thoroughly. I thought what I heard him say emphatically was that he doesn't want the government in the housing and real estate business any more, with which I tend to agree generally. I think perhaps it might be time for him to get together with his leader, because it strikes me that as of this afternoon it was the third time in a row that I've heard his leader say the heritage fund really ought to be making available to Albertans such things as long-term, fixed, low-rate mortgages. I'm a little puzzled as to how the Member for Clover Bar gets the government out of the business while the Member for Little Bow tries to persuade the minister and

others to supply the housing industry with long-term, low-cost, fixed-rate mortgages. I am probably not going to be able to solve that conundrum here, and since neither of them are here, I'll address it to them through *Hansard*.

I have a standard and ongoing question. I believe I heard the minister say at the beginning of his remarks that his department was involved in low-income housing supplied in co-operation with volunteers, I think it was, which doesn't increase the supply of housing in the private-sector market. Now if I haven't misquoted the hon. minister, I'd like him to just briefly explain to me how that works. It doesn't strike me as being possible, if I understand it.

The whole policy of making home ownership "accessible" to low- and middle-income Albertans seems to me to be a policy with which we have dug ourselves a mighty hole. The minister noted that the department has some 41,000 mortgages out now. In the course of this deep and long cyclical correction in the market, it's understandable that the minister and his department would try to stabilize the market rather than depress it further. I think that's a good and sensible strategy. It does, however, draw attention to the problem that was there on the going-in side. Much of the so-called affordable housing turned out, as a matter of fact, not to be affordable without further subsidies, which runs us up against that unpleasant problem of foreclosures. I don't agree with a lot of the conventional wisdom and remarks about foreclosures either. They are frequently referred to as though the lender were some kind of heartless and mindless ogre. In my view, in some instances foreclosures ought to be renamed and called "a premature ownership rationalization plan". In any event, the foreclosures are not the equivalent of certain death. There is life after foreclosures. I can testify to that. I've had a number of nearby incidents.

I want to know also from the minister whether he sees his department as now fully committed — dug in, as I put it a little earlier — to an ongoing role as the province's largest supplier of housing. Is there any chance of winding this down or scaling it back, in view of current events and in view of the policy of the department?

If I were in the minister's shoes, it strikes me that the entire catalogue of woes outlined by the Member for Spirit River-Fairview — on behalf of another constituency, I believe, but be that as it may — seems to me the absolutely very best argument in the world for being out of the conventional housing business. How you can sit and listen and cope with the welter of difficulties and problems with repairs and bits and pieces around the house — it strikes me as not being the stuff of government. However, the minister may have some comments about that.

Just to summarize, aside from the rural lodges and other nice, warm, cozy programs of that type, does the minister see the department withdrawing in any sense from the conventional housing business, or as I said earlier, are we going to continue to sort of dig ourselves deeper and deeper into being the largest supplier of housing in the province of Alberta?

MR. SHRAKE: Mr. Chairman, I would like to just say a few words on this. I used to be president of the Calgary Metropolitan Foundation. I used to sit on city council, and I remember a few short years back when we had a housing shortage. Here today I hear people with this twenty-twenty hindsight. I've heard a lot of comments that are not too wise or not well thought out or perhaps just political, but as far as the government going into housing business, I

think every municipality and city in this province a few short years ago was begging this provincial government to help provide housing. There was a shortage of housing. You can have a shortage of apples or oranges, or maybe you can't get tickets to the Oilers' hockey game. You can do without certain things; you cannot do without housing.

I remember when the city of Calgary was still in social services, and we had to house people in motels at a horrible rate for a month. The housing was inadequate until finally the provincial government — and they drag their feet about going in there. We thought they were moving too slowly and doing too little. Today they've been criticized for going in too fast and doing too much. Today I even heard one of the opposition members say, "Perhaps we should run off some of the bureaucrats or the administration people of Alberta Housing." I notice he never made such a comment when he was out opening a senior citizens' accommodation out in his constituency where he went to attend the official opening and spoke very highly. Here today he speaks a little different tune. Then we get the big question: "How did they go into the housing business?" Earlier today we heard the colleague of that person saying: "We should go into the banking business. Let's go into the mortgage business. Let's provide these long-term loans at a very, very low rate, run all the foreign investment money out, compete against the banks, the mortgage companies." It'll be in the same *Hansard*. He is the senior member, I guess, a member of the former government. I can see why that former government ain't here no more.

But as far as the design of senior citizens' buildings, housing in the city of Calgary, frankly, they did a good job. If you want to see a good senior citizens' accommodation, go to a place called Bow Valley. It's near the zoo in the city of Calgary. You have your central core, which has your dining area, your kitchen facilities, the area for the matron, the recreational area, and you've got your little spines going off with the rooms. That is as fine a lodge as there probably is in western Canada. It was a good design, and we actually did repeat it. He's got a point there. If you've got a good one, maybe you should stay with it and improve on it.

As far as I'm concerned, the MLA perhaps should be involved a little bit. I think a good MLA will see that there is good rapport between your staff people from Alberta Housing and, say, the Metropolitan Foundation, the board that runs those. We had good rapport in the city of Calgary. I was an alderman at the time we built a lot of the lodges. In fact, I was president of the Metropolitan Foundation, and we did have good rapport. Believe it or not, we taught a lot to some of the staff of the Alberta Housing Corporation, but some of the staff taught us a thing or two also. It was a good give and take there. We went together to see that there was enough housing for the senior citizens in the city of Calgary, and we accomplished that job.

Now we look back and say, "We've got a vacancy rate." I don't worry about that vacancy rate. Mr. Minister, don't you get excited about that vacancy rate, because every figure, every statistic, whether it's a life insurance company or the Dominion Bureau of Statistics or whatever, will show that in a few short years we will need every unit of senior citizens' housing we have. If we must err, I would rather that we have too much. Again, it was only a few years ago that the Calgary Metropolitan Foundation was almost the only game in town with senior citizens' housing. We had a waiting list of 2,500 seniors. The estimated time to get into a Metropolitan Foundation lodge was two and a

half years. Often, before they got into a senior citizens' Metropolitan Foundation lodge in Calgary, we would finally contact them and find that they were deceased. They would die before they made it into the housing.

They had no choice, no option, no variety. You compare that with today, Mr. Minister, with what you've got out there. There are the little cottage-type units: Bow Valley, Valleyview, James Shouldice, Beaver Dam lodge, all the nice units. I could go on. There are ample senior citizens' high rises. A lot of them like to be in the high rises, and some don't like the high rises. So there is a variety. Those who had gone through the cycle of not really being able to stay in their individual home — it was too much to keep up a home: too lonely, too many chores, trying to paint the place, in winter shovel snow off the sidewalks — would go into your senior citizens' apartments and your high rises or into your cottage-type units. They had a choice. Some of those even found it too difficult to cook for themselves and so on, and they found a haven in your Calgary Metropolitan Foundation lodges, where you have a matron to assist them. The meals are prepared. They have their sitting room where they have their television and so on. More important than anything else, they have people to talk to, to maybe fuss with or fall in love with or all these human functions. A lot of that has happened in your Metropolitan Foundation lodges or in your senior citizens' buildings. Maybe an elderly widow meets a man there, perhaps a widower, and they have married. There has been a lot of that. They provide companionship for themselves in their remaining years.

So, Mr. Minister, I would just like to say that I think your department has done a good job. They've done too good a job, and I see no criticism. I have a few questions. Due to the criticism that you're catching now, I hope you do not back up too far . . .

MR. DEPUTY CHAIRMAN: Order please. Could the hon. member use the proper terminology and address the Chair.

MR. SHRAKE: I'm sorry. Mr. Chairman, I hope the minister does not back away from building more housing when it's needed. As far as the vacancy rate, we still need a unit in the Calgary area for Chinese senior citizens. Every one we've had we've filled up very well. I hope in the next year or two you will seriously consider building a senior citizens' high rise in the area, because they have enough now to fill the building if it was built and completed tomorrow morning.

As an MLA I want to say that your department has been very good to work with. I've found them so very co-operative. The openings or the consultation on something going on in the area — I know that at the last opening I was at, one of your staff people, Alan Koehler, was the co-ordinator on that. I found him very good to work with. I guess it was Valleyview lodge that was built in the Forest Lawn area. He consulted, got the input, made sure he didn't make trouble with the adjacent neighbours with the design or the function, and they did a good job. I think you, your department, and your people are to be commended. I hope we don't totally disband the fine organization that was put together, because right now we're in a position of surplus housing. I don't want to see us panic or overreact, because I think in a few short years, we'll be glad that we have what we have.

As far as the accumulating land, it seems to me that a few short years ago everybody and their brother was saying,

"Why does the province not get in there and do some land banking?" They used to call it land banking. Now it's that we were speculating, or you hear other types of things, but there was a shortage of developed lots. There was plenty of land but not enough developed lots. The land was not coming on the market in an orderly fashion, so the province went in where there was a problem. Unfortunately, I guess this government cares for people and their concerns and problems, and maybe they cared too much. So now we have a shortage, and we're getting the criticism. I think we've got broad shoulders. We take the criticism, because at that time the decisions were correct. I think a few short years down the road we might be glad we have some of this land and this housing for our seniors. Our people are the best-housed people in North America, perhaps in the whole world. If you have that situation, I don't think you can really criticize your Department of Housing, not when we're the best-housed people in the world.

MR. STROMBERG: Mr. Chairman, as far as we're concerned in the Camrose constituency, this is a very well-run department. I was surprised at the announcement a while back of the reorganization within the department combining Alberta Housing and Alberta Home Mortgage. As the Member for Edmonton Whitemud indicated, perhaps the day will come when there will not be a need for Alberta Housing in the mortgage field and private industry could pick up that end of it.

[Mr. Hiebert in the Chair]

I'd like to point out to the minister that, as I see it, we may be facing two problems in our lodges. One is the age of the occupants of the lodges and, of course, the space. Speaking of ages, I have some lodges in the immediate area of my constituency where the average age is well up into the 80s. I can recall when I was a very young lad, and the first lodges were built. I believe the age then of the people coming in was about 60 to 65. These people are almost at the stage where they could be candidates for a nursing home. To encourage some of the lodges that are experiencing vacancy rates, I've often wondered if perhaps they could be implemented or blended into sort of a mini nursing home. Perhaps a contract with a local medical clinic, where a doctor could come in quite periodically to chat, if nothing else, and a nurse or maybe home care could give medication, would help some of the lodges that are currently experiencing a fairly high vacancy rate.

I think the reason for the vacancy rate could also be that some of the lodges are really quite old. They were built 20 or more years before, and in those days they built the rooms fairly small. I've seen the little rooms the people are in at a couple of the lodges. When I hit retirement age, I'll be darned if I'll move into those closets. Your department personnel advised me, when I was discussing this problem of space with them, to go over and look at the rebuilding and refurnishing of the Stettler lodge, which I did. I was amazed. What they basically did there was to take two rooms and make them into one, and is it ever an attractive looking setup. I would suspect that if we're going to stay in the lodge program, we've got to take these older lodges and make the rooms considerably larger and more pleasant, with bathroom facilities in each room, and you'll see the vacancy rate at zero.

When you go into the problem of age, I think we're going to be experiencing the same problem in the future

in our self-contained units. We seem to have a competition. On one hand your department is encouraging the home improvement grant or the pioneer grant, encouraging seniors to stay in their own homes as long as possible. Great; no problem. On the other hand, we're building the self-contained and trying to encourage our senior citizens to move into them. I watched the age in our self-contained in the Camrose area start to creep up quite substantially; as a matter of fact, 90 years of age and still in a self-contained. Are we going to have self-contained perhaps 10 or 20 years down the road where the average age is 85? Maybe that will discourage younger retired people from moving into them. Of course, I think the real answer is what I refer to as the Forestburg pilot program or model, total umbrella care for senior citizens. You're well aware of the Forestburg experiment: the seniors' centre, the nursing home, the lodge, and the self-contained all under one roof.

I also realize the problems of dealing with three departments when it comes to funding, and would recommend that the minister take the minister of hospitals and the minister of social services fishing for a few days — take me along — and maybe we could bring it all under one Act or something so we could get going on that. I think our citizens in more and more communities are going to start requesting that level of care. When you bring in that level of care, another question is: will we be building more lodges in the future?

I'd also like to present a compliment and a bouquet of flowers to your staff and to the people operating the very successful pioneer grant. Mr. Chairman, I'd like to point out my Christmas card list. Every once in a while we run across someone and we greatly respect the job they're doing for our people in Camrose and making my job a lot easier. That's to Nick Shandro over in the pioneer grant program.

I would like to close saying that in the city of Camrose Alberta Home Mortgage has certainly made housing affordable to a great number of our citizens.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Red Deer.

MR. McPHERSON: My questions have been covered, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Would the minister like to respond?

MR. SHABEN: Mr. Chairman, I'd like to acknowledge the participation of the members of the Legislature in the discussion of the estimates of the Department of Housing and the Alberta Mortgage and Housing Corporation. It is certainly appreciated.

The Member for Lethbridge West raised the question of whether or not we're considering raising the mortgage insurance fees so that they are more contemporary in terms of the present rates being charged by other insurers. Yes, consideration is underway to increase the mortgage insurance fees, probably in a range that would be close to the rates now being charged by CMHC.

The Member for Edmonton Whitemud also asked a question with respect to the rent supplement program. First of all, there will be communities designated where rent supplement will be available. They will be identified as communities where there is a waiting list for community housing and a high vacancy rate in the private sector. The way we propose to handle it is that with private-sector

landlords who are interested in contracting with the Alberta Mortgage and Housing Corporation for units that they own, we will enter into a contract through the corporation, and the contract will be based on five years, with provision for cancellation of the contract by either party at the end of four years or renewal of the contract by the landlord. The recipients or the clients who would be able to access rent-supplement units would be chosen by the volunteer, local housing authorities, who would choose from among their eligible families waiting for community housing. That family would pay a rent equivalent to 25 percent of their income. The corporation would supplement that rent up to an amount agreed to between the corporation and the landlord. Explicit in the arrangement would be that no more than 25 percent of the units in any project could be contracted for for rent supplement.

The Member for Drayton Valley, incidentally, moved Motion 205, that was on the Order Paper earlier. I didn't have an opportunity to congratulate her for bringing that matter to the Assembly and triggering a debate on a very important subject that is to close all of us as MLAs in our constituencies. Some of the suggestions and ideas that she brought forward and other members of the Assembly introduced to the Assembly were most important. The Winfield addition was an example of where the MLA and the community took the initiative, and the corporation was simply supportive of the efforts of the people in the community. That's the way we believe well-delivered programs should function.

The Member for Calgary Currie, the chairman of the Health Care Facilities Review Committee, made a number of comments, which other members made as well, about the nature of the population in our lodges, that they are aging, and how very important the increase in the home care budget is to providing balanced service to the people living in the lodges. The advice we receive from the Health Care Facilities Review Committee is most important to us in developing policies that respond favourably to the residents of the lodges. I was pleased to hear the member say that there is probably a need — and that was part of the essence of the motion by the Member for Drayton Valley — for the government to consider the availability of a visiting committee to visit self-contained units as well as lodge units to provide advice to the government in order to establish policies that would assist individuals who live in lodges and self-contained units.

[Mr. Purdy in the Chair]

I'll give you an example of one of the matters that was brought to my attention by one of the MLAs recently. In one of our lodges, which incidentally is administered by locally established foundations constituted by the municipalities who are members of the foundation, they put in pneumatic door closers and tightened them so much that the seniors living in the lodges had difficulty getting out of their units. That's an example of an MLA drawing to my attention a concern which perhaps the foundation wasn't aware of or thought for some reason it related to a code or security and that they should do that. So, as a result of those kinds of matters being brought to our attention, we can prod the foundations into being a little more responsive to the needs of the seniors.

The Member for Spirit River-Fairview raised a number of issues, first of all, with respect to the difficulties encountered by some of the homeowners in southern Alberta,

particularly in Strathmore, Turner Valley, Black Diamond, and some other communities; the unfortunate development where two members of the staff of the Department of Housing are now in the courts. I think we have responded in a very positive way. Although it wasn't necessary in a legal sense, we've responded because we felt it was important to morally. Clearly there was the option by those individuals to take civil action, but the department and I felt we should respond. We have now received concurrence by involving 38 of the 40 homeowners to do extensive repairs and renovations to the homes. The cost of those repairs and renovations will be in excess of \$400,000. The work should be completed by the end of June. It won't be done piecemeal, as was suggested by the hon. member; it's being done by contractors. In addition to that, the homeowners will receive a 5-year new home warranty, effective from the date of the completion of the repairs. So I believe we've responded in a very positive way. The one individual who was inadvertently offered another home has since changed his mind and has decided to stay in the original home as a result of these repairs being made.

The land acquisition programs and land banks were referred to by a number of members. The government was actually harangued by the four opposition members, who at that time seemed to be working together, urging the government to co-operate with municipalities to provide land banking to keep costs down for the thousands and thousands of people who required housing in the province. Now we have the view being expressed by representatives of those parties that we shouldn't have done it. It's really fascinating. Some of the members observed how easy it is to be critical after having urged certain action upon the government.

The Member for Vegreville made some comments about the decision-making process. We have attempted and continue to attempt to be responsive to those groups of citizens who request housing for senior citizens in their communities. At the moment we have 160 applications for 4,000 units. The prioritizing process is quite difficult. We attempt to balance those requests with the need that actually exists in a community and the availability of affordable housing in the private sector.

The Member for Clover Bar asked for a breakdown of the landholdings. That's public information that was attached to a press release issued March 7, 1984. He can refer to that press release to obtain a breakdown of the landholdings of the corporation. He also made reference to the design of lodges and self-contained. In some cases we do use off-the-shelf designs where the site is appropriate for self-contained units. Generally, though, designs for lodges are undertaken that fit a community's architectural style and the wishes of the municipality in terms of the type of facility they'd like to have. So it is rare that an off-the-shelf lodge design is suitable for more than one location.

The Member for Calgary McCall asked a specific question about staffing increases. I thought I dealt with that in my opening remarks. I indicated that the rural emergency home program had been moved out of the corporation and into the department, and so that staffing was moved from the corporation to the department. In addition, as a result of the reorganization, the planning function which previously took place in the department, Alberta Housing Corporation, and the Alberta Home Mortgage Corporation, has now been centralized in a planning secretariat. The budget and the manpower for that function now fall under the Department of Housing. That accounts for the increase in supply and service requirements as well as administrative support.

I compliment the member for bringing to the attention of myself and the Alberta Mortgage and Housing Corporation those occasions where he believes citizens have been victimized by dollar dealers and allowing our review process to closely examine those particular instances and deal with them fairly. The dollar dealers are still operating although at a reduced level in the province. The Member for Calgary McCall described the new type of scam where transfers are prepared, signed by the vendor in blank, and the realtor moves that property to a dollar dealer for a dollar, and therefore, it's difficult to identify that middle individual who was involved in the transaction.

To the Member for Highwood, thanks for your comments. I'm really happy to be here, even though it's 10 o'clock, and I'd sooner have been watching the hockey game. As I know, a number of members would have too. I think I responded to your question in responding to the comments made by the Member for Spirit River-Fairview. The girls in our office are going to welcome you with even more cups of coffee on your next visit after your thoughtful comments.

I believe I responded to the question from the Member for Edmonton Whitemud about how the rent supplement program works. The member also asked a question about the policy of the corporation. The policy is to provide assistance to families that have a low income in order to make adequate housing available. During the very busy years in terms of expansion and growth in our province, the involvement of the corporations and the department ranged as high as 50 percent of the housing starts in those peak years. At the present time, our involvement is running at about 10 percent of the housing starts, and that's sort of a ballpark area that I would like to target. I don't think we can move the clock back to where governments won't be involved in helping to make adequate housing available for low income families who simply aren't housed properly. We've moved to a stage where it's an accepted responsibility of government, and what we are trying to do within the corporation and the department is be sure that the private sector meets the vast majority of the housing needs of Albertans, and we respond to those needs where people have an affordability problem. That's really the role of the department and the corporation in providing that housing need. One of the interesting statistics that members might be interested in is that currently about 30 percent of the renters in Alberta can afford to buy a house today, whereas in 1981 it was about 7 percent. So there isn't an affordability problem today.

The Member for Calgary Millican made comments about the continued importance of our seniors' self-contained program. We believe it is important. About 15 percent of the seniors in Alberta are housed in our self-contained and lodge units. I think that's an appropriate number. The reason is that the lodge and the self-contained programs were developed for those low-income seniors who couldn't afford to have accommodation in the private market, and so that's where our responsibility cuts in. We could, of course, put rent ceilings on these units, and then it would be impossible to meet the demand. But the rents in the self-contained units are geared to income, and that seems to govern the vacancy rates to a great extent. We complement that with the programs that all of the members are familiar with, for home improvement and home care, in order to encourage individuals to stay in their own homes, as well as grants to seniors who live in private sector rentals — I believe it's \$1,200 a year now — as well as tax relief to people

who live in their own homes. These are all programs to assist our seniors in having comfortable and affordable housing.

The Member for Camrose raised similar concerns, but one in particular was with respect to remodelling and refurbishing existing lodges. We had a lodge upgrading program in place for six years that many of the foundations took advantage of and upgraded their lodges. We continue to have a budget in the corporation to assist with major structural repair work. Some of the lodges lend themselves to renovation, knocking out walls, and expanding the sizes. Most of the foundations have taken out those double units where two people are housed and turned them into special singles. That has reduced the vacancy situation. I am not concerned with temporarily higher vacancy rates in the lodges. Knowing the demography of this province, those will gradually be occupied by seniors as the need arises. I know that the Member for Red Deer didn't make a comment, and that probably means you'll get 10 extra self-contained units in Red Deer.

Thanks very much, Mr. Chairman.

MR. GURNETT: Mr. Chairman, the long list of two hours' worth of questions for the minister I'm sure was responsible, but there was one question I had raised, particularly, that I still would be interested in some information on, if he can provide it. That was the question about the rural emergency home program as far as providing units on reserves: why it is that other people receiving those units have the option of purchasing the unit at a very small cost, after eight years or even sooner, I think, for a better cost; and secondly, the requirement that the band pay the year's rent in advance, as opposed to the month-by-month rent that's normally charged. If the minister would be gracious enough to respond to one more question.

MR. SHABEN: Yes, Mr. Chairman. I missed that item on my notes. We recently changed the policy with respect to the rural emergency home program, which the hon. member referred to, to provide an opportunity for those individuals who acquired a mobile home as a result of burnout or some other emergency. Rather than continue with the necessity of those individuals paying for ever and ever, we made a decision that they would assume and receive ownership of those units if they paid their rent for eight years. That's been very well received by individuals who are living in these mobile home units, and it's resulted in far better maintenance of the units by the families living in them. So that's been a well-received program. We also increased the rent for new occupants from \$100 to \$200 a month and will gradually increase the rent for those who initially acquired them at \$100 a month, with small increases each six months.

On reserves, we make available these emergency mobile units at the request of the reserve, to meet emergency housing needs that aren't being met by the federal government. The federal government is responsible for housing, health, and education for treaty Indians on reserves. We provided the availability of these mobile home units on a service basis. Whether or not ownership is assumed by the individuals who are living in them is really a decision of the bands. At any time they can pay us out for the capital cost of those units, and then turn them over to the people who live in them. Because of the relationship between the provincial government, the federal government, treaty Indians, and the responsibility of the federal government for housing

on reserves, it wouldn't be appropriate for the provincial government to step into the area even more than we have on an emergency basis, to provide assistance for Indians on reserves. But the opportunity is there. Should the band choose to pay out the capital cost of the unit, we'll turn it over to them.

Agreed to:

1.0.1 — Minister's Office	\$242,200
1.0.2 — Deputy Minister's Office	\$140,200
1.0.3 — Administrative Support	\$1,369,200
1.0.4 — Personnel Administration	\$202,900
1.0.5 — Public Affairs	\$33,600
Total Vote 1 — Departmental Support Services	\$1,988,100
2.1 — Program Support	\$15,582,500
2.2 — Financial Assistance for Housing	\$46,709,000
Total Vote 2 — Policy Development and Financial Assistance for Housing	\$62,291,500
3.1 — Program Support	\$3,486,800
3.2 — Financial Assistance	\$6,000,000
Total Vote 3 — Alberta Heritage Fund Mortgage Interest Reduction Program	\$9,486,800
4.1 — Program Support	\$25,604,000
4.2 — Subsidized Housing for Low-Income Albertans	\$99,212,000
4.3 — Land Assembly and Development	\$5,017,000
4.4 — Mortgage Lending	(\$3,800,000)
4.5 — Mortgage Subsidies	\$125,500,000
4.6 — Market Rental Program	\$17,000,000
Total Vote 4 — Housing and Mortgage Assistance for Albertans	\$268,533,000
Department Total	\$342,299,400

MR. SHABEN: Mr. Chairman, before moving the motion, I'd like to acknowledge the MLAs' advice and input that I've received during the past year. It's very much appreciated. I'd also like to acknowledge the work of the staff in the corporation and the difficulties they've been subjected to in downsizing and eliminating one Crown corporation and changing the focus and the role. It's been a difficult

time with dramatic staff reductions and a reduction in activity, but the staff and management in the corporation and the department have responded in an outstanding way.

I move that the estimates of the Department of Housing be reported.

[Motion carried]

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

[Motion carried]

[Mr. Purdy in the Chair]

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

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1986, sums not exceeding the following for the Department of Housing: \$1,988,100 for departmental support services, \$62,291,500 for policy development and financial assistance for housing, \$9,486,800 for Alberta heritage fund mortgage interest reduction program, \$268,533,000 for housing and mortgage assistance for Albertans.

MR. ACTING DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, do you agree?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, the House will be in Committee of Supply tomorrow afternoon. The department to be called is the Treasury Department. If there is time after concluding those estimates, one of the departments which has not been concluded but has already been called would be called next; that would be the Department of Advanced Education. As to Thursday, it's proposed that the Assembly will sit Thursday night, and as early as possible tomorrow I will try to give the opposition the notification of what department might be called in supply that night.

[At 10:20 p.m., on motion, the House adjourned to Wednesday at 2:30 p.m.]

