

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, June 9, 1975

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF VISITORS

MR. CHAMBERS: Mr. Speaker, I would like to introduce to you, and on your behalf to the members of the Assembly, 60 young friends from the Athlone Elementary School in the constituency of Edmonton Calder. They are accompanied by their teachers, Miss Unruh and Mr. Chomik.

I think members will be interested in learning that they are just completing a three-month study of the parliamentary system. They even had their own mock parliament, complete with mace and so forth. They are here today in the public gallery to observe the legislature in action.

I would like to ask that they stand and be recognized by the members of the House.

MR. DONNELLY: Mr. Speaker, it is my pleasure to introduce to you, and through you to this Assembly, 42 Grade 9 students from St. Anne's school in my constituency. They are accompanied by their teachers, Mr. Newborn and Mr. Weiss. They are sitting in the members gallery, and I would ask them to rise and be recognized.

## TABLING RETURNS AND REPORTS

MR. FOSTER: Mr. Speaker, I would like to table the answer to Question 150, asked by the hon. Member for Drumheller, concerning the Crimes Compensation Board.

MR. FARRAN: Mr. Speaker, I would like to table the answer to Question 127, asked by the hon. Member for Drumheller.

## ORAL QUESTION PERIOD

## Oil and Gas Pricing

DR. BUCK: Mr. Speaker, I would like to address this question to the hon. Minister of Energy and Natural Resources. It comes out of the speech the hon. Premier made in Halifax.

The question is: can the hon. minister indicate to the House what the government means when it talks about "something like a fair and world" price for gas and oil?

MR. GETTY: Mr. Speaker, the hon. member would have to be more specific as to what authority he was quoting.

DP. BUCK: Mr. Speaker, it's a quote from the Premier's speech in Halifax. The hon. Premier was discussing a fair price for Alberta gas and oil. I would just like to know if the hon. minister can indicate to us in ballpark figures what this "something" price may be?

MP. GFTTY: Mr. Speaker, it's very difficult to go into a great many specifics in the matter of pricing of oil and natural gas because, unfortunately, that matter is presently under negotiation with the federal government. The Alberta government has had a number of meetings with the federal government to present our position. The federal government has been discussing the pricing of oil and natural gas with all the other provinces. We are now in a position where some time in the next two weeks or so we will be discussing it again in some detail. While we are in the midst of these negotiations, I wouldn't like to go into further detail on the matter.

However, I think it would be fair to say in the House that outside the Legislature I have been referring to a target price for Alberta's and Canada's oil and gas. A target price or guideline might be the average price for oil and gas in the United States made up of the average of the new price for oil and gas from production within the United States, the price for old oil produced in the United States, and the price of imported oil in the United States. That would be one price we might use as a guideline.

Also, if the hon. member refers to the statement, tabled in the House, that the Premier made to the energy conference in April, he referred to a Canadian self-sufficiency price that would have to meet six tests. Each of those six tests gives some indication as to what would be a satisfactory price.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the government still setting July 1, the expiration of the original agreement on oil pricing, as a target date on which to increase or have the first increase in price?

MR. GFTTY: Mr. Speaker, the interim arrangement between the Prime Minister and the premiers, made some 14 months ago, will come to an end July 1. However, it's been our position -- and the Premier and other members of the cabinet have stated this publicly -- that if it appears progress is being made with regard to oil and gas pricing, we do not intend to move unilaterally as of July 1. Nor do we feel there's anything magic about that date, given the condition, of course, that we appear to be making progress.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the government satisfied at this point in time that negotiations are proceeding satisfactorily? If so, can he advise the Assembly what extension from July 1 the government is presently looking at before it foresees at least a marginal increase in the price of oil?

MP. GETTY: I couldn't give any commitment as to what extension would be necessary, Mr. Speaker, because obviously it would depend upon the progress we make.

In replying to the first part of the hon. member's question, yes. I think it's fair to say we are making, as of right now in any event, enough progress that we do not feel July 1 is a date by which any action need be taken by ourselves. I should point out for the hon. member that there has been a considerable shift. For instance, at the energy conference in April the federal government accepted many of the principles Alberta has been arguing for over the past 18 months.

MR. NOTLEY: A further supplementary question to the hon. minister. The minister talked in terms of the average price in the United States as his guideline.

Is it the government's objective to try to achieve this guideline price by the end of the year, or has it set any target date for achieving this particular goal?

MP. GETTY: That does get more specifically into negotiating terms, Mr. Speaker. But I would say again that the government has said publicly it is prepared to phase in what we would consider adequate prices for oil and natural gas.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the Assembly what space in time the government is now looking at for phasing in price increases? Are we looking at three months, six months, a year, two years? What is the space in time?

MR. GETTY: Mr. Speaker, as I have just mentioned to the hon. member, that is part of the negotiations.

DP. BUCK: Supplementary, Mr. Speaker, to the hon. minister. Can the minister indicate if there will be an eyeball-to-eyeball meeting with the federal minister before a price is discussed, or will there just be ongoing negotiations? Will there be a meeting between the two ministers of energy before a price is arrived at?

MR. GETTY: We had a meeting not too long ago, Mr. Speaker, involving myself, the hon. Minister of Federal and Intergovernmental Affairs, and the federal minister of energy. Subsequently, we talked on the phone. I think it probable that before the whole matter has been settled one way or another, it will necessitate further ministerial meetings.

MR. TAYLOR: A supplementary to the hon. minister. Is the Government of Ontario continuing to make strong opposition to any increase in oil and gas?

MR. GETTY: I think it's fair to say, Mr. Speaker, that the position of the Ontario government is that there should not be any increases in oil and gas prices in Canada in the short term. It's our position that Ontario's short-term position is not in the best interests of Canada in [terms of] long-run energy policy.

MR. NOTLEY: Mr. Speaker, a further supplementary.

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

MR. NOTLEY: In responding to an earlier question, the hon. minister mentioned again the balance price in the United States. My supplementary question, Mr. Speaker, is whether the government, through the Petroleum Marketing Commission or what have you, is assessing the possible impact of decontrolling the price of old oil in the United States and the consequential impact on the price mix.

MR. GETTY: Yes we are, Mr. Speaker.

#### Road Safety

MR. LITTLE: I would address this question to the hon. Minister of Transportation. In view of the very high rate of fatal automobile accidents in the City of Calgary, is any consideration being given to a study to determine the primary causes of such fatalities?

DR. HORNER: Mr. Speaker, as I mentioned earlier in the Legislature, the government is concerned about safety on our highways and, indeed, on our streets. We hope to have an ongoing study of the measures that might be required to reduce the number of accidents, particularly [like] those which have been so bad. We would hope that study might be done by the fall session and that we might move from there.

MR. LITTLE: Supplementary, Mr. Speaker. When such a study is being considered, would design be a criterion?

DR. HORNER: Yes, very much so, Mr. Speaker.

#### Women's Concerns

MR. TAYLOR: My question is to the hon. minister in charge of women's affairs. Has an advisory committee on women's affairs been appointed?

MISS HUNLEY: No, Mr. Speaker, it has not.

MR. TAYLOR: Supplementary. Is it the intention to appoint a committee to advise the hon. minister on women's affairs?

MISS HUNLEY: Mr. Speaker, there has been some request to create such an advisory committee. We have not yet decided to go that route, although it's not by any means a finished matter.

MR. TAYLOR: One further supplementary. Would not such a committee give valuable input from the various women's groups and from women of the province?

MISS HUNLEY: Mr. Speaker, I don't have any trouble getting advice.

#### Mental Patients -- Legal Rights

MR. NOTLEY: Mr. Speaker, I'm going to direct this to the hon. Attorney General. He can farm it out if it's not the right department.

I'd like the Attorney General to advise the Assembly what the government proposes to do about the recent Law Foundation report on the legal rights of mental patients in the Province of Alberta?

MR. FOSTER: Mr. Speaker, I just read the news reports of the Law Foundation report over the weekend. I have not had a chance to review it, but will do so at the earliest opportunity.

MR. NOTLEY: Mr. Speaker, a supplementary question. Will the hon. Attorney General give an undertaking to the Legislature that we will have either a position paper or a report

prepared for the Legislature giving the government's views on the recommendations contained in this Law Foundation report?

MR. FOSTER: Mr. Speaker, as I've said, I had the opportunity of reading only a very brief comment in the news reports about the document. My preliminary reaction was that the conclusions drawn were not accurate in law, and I want to check that. I would appreciate the opportunity of reviewing the report before I make any commitments to the House concerning its possible future use.

MR. NOTLEY: Further supplementary question to the hon. minister. Are any other studies taking place in this particular area by a private consulting firm, your department, or the hon. Miss Hunley's department?

MR. FOSTER: Mr. Speaker, the Law Foundation and the Institute of Law Research and Reform does not necessarily involve themselves with me, or the Department of the Attorney General, or indeed other members of the Executive Council, before they undertake certain studies. I have no doubt I can get information from both bodies concerning their work, but I would not normally be advised of individual research activities they may have under way.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Deputy Premier. Has the government given any consideration to overhauling the present Mental Health Act during this session of the Legislature?

DR. HORNER: Not at this session of the Legislature, Mr. Speaker.

#### Natural Gas Supply -- Alberta

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. Can the minister assure rural gas co-ops, particularly those in southern Alberta, that there will be long-term availability of gas for their respective co-ops?

MR. GETTY: Mr. Speaker, I could only say that prior to allowing gas to be either exported from the province or committed to any particular source, it has been the policy of the government, supported by decisions of the Alberta Energy Resources Conservation Board, to ensure a 30-year supply of natural gas for the needs of Albertans.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Has a policy been formulated which reserves a portion of the gas supply of wells in southeastern Alberta for this future use? Is that a specific policy?

MR. GETTY: Mr. Speaker, it is not a specific policy to save resources geographically for any part of the province. However, it might happen that it would end up that way.

DR. BUCK: Mr. Speaker, more specifically to the hon. minister. Would the gas from the Suffield Block be held in reserve, or will it be used to put into TransCanada Pipeline or for sale? Or is that block being considered as being held in reserve for Albertans only?

MR. GETTY: Any sale of the reserves which might be developed for production in the Suffield Block would have to be considered within the policy of maintaining a 30-year supply for Albertans.

MR. TAYLOR: Supplementary to the hon. minister. Is that a continuing 30-year supply?

MR. GETTY: Yes it is, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has any discussion taken place with the Medicine Hat City Council concerning its request to have prior or first claim on the Suffield reserve?

MR. GETTY: There's been some discussion of that matter, Mr. Speaker. But I'd point out again that it would be unrealistic to set aside geographically resources for various parts of the province. The people in Alberta have been able to have a call on natural gas from anywhere within the province, rather than being tied to a specific source which might, of course, be depleted. Then they would be looking to gas from the north, west, or east of the province. I think it's far better that any particular part of our province knows it has the total resources of the province to draw from.

MR. HCRSMAN: A supplementary question, Mr. Speaker. In regard to the question of the Suffield reserves and the City of Medicine Hat, could the minister advise whether it is still the government's policy to turn [over] the reserves at Suffield to the Alberta Energy Company? If so, what role will the government play in directing its policy as to disposition of those reserves?

MR. GETTY: Mr. Speaker, it is still the intention of the government to have the Suffield Block developed through the Alberta Energy Company. The Alberta Energy Company would obviously not be able to sell reserves outside the province unless they had approval from the Alberta Energy Resources Conservation Board that those reserves were surplus to Alberta needs. With the Suffield Block about to be developed within the province, I think any people who feel they would have a need [for] and an interest in those reserves should, by good management and aggressiveness, move to try to tie up those reserves.

DR. BUCK: A supplementary, Mr. Speaker, on a point of clarification. Did the hon. minister say the Alberta Energy Company will be directed that the gas in the Suffield Block be used just for Albertans?

MR. GETTY: No, Mr. Speaker. I don't know what misled the hon. member.

MR. TAYLOR: A supplementary to the hon. minister. Do we presently have a 30-year reserve of gas in Alberta?

MR. GETTY: Yes, Mr. Speaker, plus additional.

DR. BUCK: A supplementary, Mr. Speaker, to the hon. minister. Have the new proposed chemical plants all been assured there will be a 30-year supply of natural gas in this province?

MR. GETTY: "The new proposed chemical plants" is a rather broad definition, Mr. Speaker. The hon. member is probably alluding to ammonia or petrochemical plants which are in the discussion stage. None has been approved by the government.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Does the 30-year supply alluded to by the minister include allowance for the proposed ammonia plants and the other proposals presently before cabinet?

MR. GETTY: Yes, Mr. Speaker. I'd draw the hon. member's attention to the public documents the board has drafted and made public which deal in great detail with that very matter.

MR. TAYLOR: A supplementary to the hon. minister. Is the calculation on the requirement for natural gas made annually, or do we calculate it on the potential of 30 years from now?

MR. GETTY: There is an annual assessment which is merely a summary document in the board's report, including those reserves discovered in any given year. Also, the board has undertaken in certain periods of time a total overhaul of its studies to make sure they are brought up to date and are still accurate. One of those reports was just concluded in the fall, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a further supplementary question. In light of the government's industrial strategy emphasizing petrochemical development, has the government given any consideration to extending the 30-year supply concept to 35-, 40-, or perhaps a 50-year supply? Has any study been conducted, or has the government given any consideration to this?

MR. GETTY: Not specifically, Mr. Speaker. We felt the 30-year supply is a good one and adequate protection for Albertans.

#### Farm Fuel Rebate

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Provincial Treasurer. Is the government giving any consideration to increasing the farm fuel rebate, pending crude oil price hikes?

MR. LEITCH: Mr. Speaker, as I indicated earlier, that's a matter we are going to keep under review. The way the hon. member framed his question, it is hypothetical.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Provincial Treasurer. Is the government prepared to make a solid commitment to the Legislature that they will cushion any price increase which may occur?

MR. LEITCH: Mr. Speaker, we'll deal with that issue if and when the price increase occurs.

#### Government Toll-Free Calls

MR. R. SPEAKER: Mr. Speaker, I believe this question would go to the Minister of Government Services. Does the RITE government system have one toll-free zenith number for

the total province? There was a bit of confusion on the radio this morning in Lethbridge, and I wanted to clarify that.

MR. SCHMID: Mr. Speaker, I would like to thank the hon. member for this question. Just this morning I requested for all members a little card which would outline individual numbers you would have to dial to get to each government office location without being charged long distance. Hopefully, this will be issued very soon.

MR. F. SPEAKER: Mr. Speaker, a supplementary to the hon. minister. What is the toll-free number?

MR. SCHMID: There are different numbers for each different location, Mr. Speaker. For instance, Calgary would have a prefix of three numbers of our government office and another location might have a different prefix. We are getting these out to the MLAs as fast as possible.

MR. F. SPEAKER: Mr. Speaker, a supplementary to the Minister of Municipal Affairs. Would he phone the phone-in program of CJOC Lethbridge? They tried to phone him or his deputy for an hour and a half this morning through the RITE system. They continually got confused and got a busy signal.

MR. SPEAKER: I question whether that should be dealt with in the question period.

#### Highways -- Oiling Program

DR. BUCK: Mr. Speaker, I've changed my tack and am going to ask a question of the Deputy Premier. I think it's only right, seeing he has his new clothes on to kick off his provincial leadership campaign.

My question is: in light of the fact that crude oil prices have escalated, has there been an effect on the rural road oiling program? Has it affected the hon. minister's program?

DR. HORNER: Mr. Speaker, pretty obviously, as the price of oil goes up, fewer miles can be oiled with the same amount of money. It's a simple arithmetical calculation.

#### Environment -- Athabasca River

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Minister of Environment and ask whether it is true that the department authorized North Western Pulp and Power in Hinton to dump untreated waste chemicals into the Athabasca River from now until the end of the year?

MR. RUSSELL: Mr. Speaker, that's a question of detail related to licences and permits issued from time to time by the department. I'll be glad to take it as notice and report back to the member.

#### Rape Residue Effects

MR. R. SPEAKER: A question, Mr. Speaker, to the Minister of Agriculture with regard to rape residue in some of the southern Alberta land. Has the minister or his department been carrying out any studies to investigate the adverse effect that rape residue has had on 1975 crops?

MR. MOORE: Not particularly on 1975 crops, Mr. Speaker. Certainly the Department of Agriculture, together with the federal department and the federal research station has carried out extensive surveys with respect to the effect rape residue has on certain kinds of crops. The hon. member would probably be aware that the effect is different on different cereal crops. For a number of years recommendations contained in reports from our department to farmers have been that rape residue affects certain crops. Because of that effect and for other reasons, there must be a rotation in growing rape as opposed to cereals. We suggest that rapeseed be planted approximately only once every four years, or perhaps once every three.

#### Celebrity Tennis Tournament

MR. JAMISON: Mr. Speaker, I'd like to direct a question to the hon. Minister Without Portfolio responsible for Calgary. I was wondering if he could advise the House whether

the MLA who represented the government at the great tennis match at Calgary threw the game, or was this a state of physical fitness?

MR. GHITTER: Mr. Speaker, considering this government's concern for senior citizens, I thought it was only appropriate that we should let a visitor and an old man like Riggs win.

MR. McCRAE: Mr. Speaker, if I might comment. I'm sure the Member for Calgary Buffalo didn't throw the game. He was simply overmatched.

#### Ambulance Service

MR. TAYLOR: My question, Mr. Speaker, is to the hon. Minister of Hospitals. Has he any comments to make on ambulance by helicopter?

AN HON. MEMBER: It's expensive.

MR. MINIELY: Mr. Speaker, I think the hon. member is referring to an excellent presentation he and I attended in Calgary by the Calgary Fire Department on helicopter ambulance service, which they would like to extend from Calgary. I can only say, Mr. Speaker, that the presentation was excellent, that it's a very intriguing proposal. I indicated to them that we would have to look at the helicopter ambulance service on a total provincial basis. Certainly, as it's provided or looked at in one area, it would be wanted and demanded in other areas of Alberta. We would certainly have to look at it on a total basis.

In addition, they had approached it on the basis that we could try it as an experimental project. During the course of the presentation, I indicated to them that it's frequently difficult for the government to try something on an experimental basis, because after it's been there for a while, it becomes something that's very difficult to discontinue. I would say they certainly were of high quality, and it's an intriguing proposal that I'm going to take a very close look at.

DR. BUCK: Supplementary to the hon. minister. Can the minister indicate the progress his department is making on the former minister's promise to do more than just study a province-wide rural ambulance service?

MR. MINIELY: Mr. Speaker, we're in the process of examining that now. I point out to the hon. member that, as I indicated during the Estimates and, I think, during the bill creating the ministry of Hospitals and Medical Care, we have a general feeling at the present time that we should improve the ambulance service. But I think we can't make the decision on the ambulance service totally divorced from the rest of the health care system. The kinds of facilities we build in rural Alberta and what we put in them are inherently related to the ambulance service. It's my view we will have to look at all the questions in a co-ordinated way.

DR. BUCK: Supplementary, Mr. Speaker, to the minister. Can he indicate to the House any time frame, or is this just another ongoing study? Are there going to be definite time commitments when something will be done about rural ambulances?

MR. MINIELY: Mr. Speaker, it's certainly my hope that, as with many other areas of the hospital and health care delivery system, we make substantial progress and improvement over the next three and a half to four years. I've indicated that I don't think any hon. member in the Legislature thinks the conclusions to some of the difficulties and complexities in a health care delivery system, which has been there for many, many years, and operating in a certain manner for many, many years, are going to be arrived at overnight. The questions can be complex. As I've indicated, Mr. Speaker, I think it's my intention to spend several months examining the entire area. I believe we will make better decisions doing it that way than if we rush into fragmented parts of the health care delivery system.

#### Rent Review Boards

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Minister of Municipal Affairs and ask whether he can report any progress on his study of the government's position regarding permissive legislation so that municipalities or cities could set up rent review boards?

MR. JOHNSTON: Mr. Speaker, we have received but one formal request to review this area. As further information is made available, it will certainly be brought to the legislative review committee studying the pending amendments to The Municipal Government Act.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Is a specific review of this matter by your department taking place at the present time?

MR. JOHNSTON: We are reviewing the potential for amendments to the municipal act, Mr. Speaker. Over the summer session we would invite any kind of application.

MR. NOTLEY: A further supplementary question for clarification. Is the particular proposal by Edmonton City Council, that is, permissive legislation for a rent review board, now under study by your department?

MR. SPEAKER: Would the hon. member please address the minister by his portfolio?

MR. NOTLEY: Mr. Speaker, could I direct that supplementary question to the hon. Minister for Municipal Affairs?

MR. JOHNSTON: Thank you, Mr. Speaker. There is no formal review taking place other than by the fact the legislation has been requested and will go through the legislative process to our government caucus.

#### Deafness Detection

MR. BATTUK: Mr. Speaker, my question is directed to the hon. Minister of Social Services and Community Health, and is in reference to the weekend announcement that the provincial Elks association is purchasing a deafness detection mobile unit for almost \$40,000 and that this has already exceeded \$1 million in contributions for such projects.

Could the minister advise whether the government is involved in this in any way?

MISS HUNLEY: Mr. Speaker, I'll direct that question to my colleague, the Minister of Hospitals and Medical Care.

MR. MINIELY: Mr. Speaker, would the hon. member clarify whether he is referring to the mobile speech-hearing van proposed by the Order of Elks? I am not sure what he is referring to.

MR. BATTUK: The provincial association has contributed a little under \$40,000 to the purchase of a mobile unit for deafness detection. I was wondering whether this is a total contribution by the Elks, or whether the government is involved.

MR. MINIELY: Yes, Mr. Speaker, the Benevolent Protectorate Order of Elks in Calgary has contributed some \$40,000 -- I forget the exact amount -- for a proposed mobile speech and hearing detection van which would operate out of the Alberta Children's Hospital in Calgary and would detect problem hearing in children throughout southern Alberta. The Elks have requested the province match that contribution for a fully equipped mobile van similar to what is now operating in northern Alberta as an extension of the Glenrose Hospital. We have not made a final decision, Mr. Speaker, on whether the province will match the contribution of the Elks.

#### Freight Rates

MR. MANDEVILLE: My question is to the hon. Minister of Transportation, the Deputy Premier. There are reports today that Alberta Gas Chemicals Ltd. may abandon its plans for further chemical development in Medicine Hat because CP Rail has allegedly reneged on a freight rate agreement it worked out with Alberta Gas Chemicals last year. Is the minister aware of the situation, and is his department taking any steps to try to solve the problem?

DR. HORNER: Mr. Speaker, I would have to take that question as notice and respond later to the hon. member.



## ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS  
(Third Reading)

## Bill 3 The Appropriation (Interim Supply) Act, 1975

MR. LEITCH: Mr. Speaker, I move third reading of Bill No. 3.

MR. NOTLEY: Mr. Speaker, I would hate to let Bill 3 go through without a few comments about one particular section. That, of course, deals with Syncrude.

Mr. Speaker, I propose to vote against Bill 3 for the simple reason that it does contain money which is going to be used to help fund the Syncrude project. I think it's important in dealing with this matter just to recall very briefly that the Government of Alberta has already made a very substantial financial investment to the Syncrude deal. It's also worth noting that in 1974, as a result of our concern over rapid development in the oil sands, this Legislature approved Bill 55, a bill which gives the Northeastern Alberta Commissioner unusually strong powers. Why, Mr. Speaker? Because we wanted to accommodate the needs of Alberta's participation in the Syncrude project.

With this kind of background it was more than a little disconcerting, in January of this year, to see not only the government of this province, but indeed the Government of Canada presented with a ultimatum by the three remaining partners of the consortium. They simply told us to come up with \$1 billion in two weeks or they were going to leave. Mr. Speaker, after all the initial expenditures by the Province of Alberta, after we had passed legislation which had virtually put the civil liberties of northeastern Alberta in cold storage for the duration of the project, they were going to leave. We know the history of what followed. The Government of Alberta, the Government of Canada, and the Government of Ontario rushed to a meeting. On the basis of having information for but a few hours, the three governments made a very substantial additional investment in the Syncrude deal.

Mr. Speaker, let me for a moment or two review the total cost of the Syncrude plant. According to the Loram report, the Mildred Lake plant itself is going to cost \$2.048 billion. In Hansard, February 6, the hon. Minister of Energy indicated the cost of the utility plant is now going to reach \$300 million; the pipeline \$118 million. From the Harries report, that portion of the infrastructure directly related to the Syncrude project itself will amount to \$224 million. So the grand total, Mr. Speaker, is just \$10 million dollars short of \$2.7 billion.

Mr. Speaker, let's look at the source of funds. We have the 10 per cent equity investment announced in the Legislature last February by the Premier. That will cost us \$205 million; the loans to the partners involved another \$200 million. The utilities plant, which the Alberta Energy Company will now have to assume 100 per cent of the cost of building, will cost us \$300 million; the pipeline, \$118 million; and the community infrastructure, \$224 million. That is something over a billion dollars. Admittedly, Mr. Speaker, \$200 million of that is a loan.

Now Mr. Speaker, because of the tax arrangements made with the Syncrude consortium and concessions granted by the federal government, the companies involved in the consortium are going to be able to deduct much of their cost of construction from tax which would be payable both to the federal government and the provincial government.

I'd just point out, Mr. Speaker, that the value of the write-off of the companies' share from oil companies profits at our 11 per cent provincial rate will be \$158 million; the value of earned depletion an additional \$53 million. Mr. Speaker, that adds up to a total contribution, both direct and indirect, from the Province of Alberta of \$1.25 billion.

But we have the commitment of the Government of Canada too. Their 15 per cent equity investment will cost \$307 million. I referred to the value of the write-off as it relates to the province. When one computes the cost to the federal treasury, that will be another \$359 million of lost revenue; similarly with the earned depletions, \$120 million for a total federal contribution of \$786 million. The Government of Ontario gets off with the least. Their 5 per cent equity investment will cost them \$102 million.

Mr. Speaker, the point I'm trying to make is that of the total of \$2.69 billion, the contribution which will come from both the provincial and federal treasuries as well as the indirect write-offs -- because this is money lost both provincially and federally which would otherwise be paid by the participating companies -- the total amount is \$2.146 billion. The net outlay of the companies, then, is about \$544 million. In short, Mr. Speaker, 80 per cent of the investment is going to come from the public sector. For that 80 per cent we will have 30 per cent of the action. In net terms 20 per cent will come from the three participating companies, and they will have 70 per cent of the action. Not a bad deal for the companies involved, Mr. Speaker, but not a good deal for the people of Alberta.

I want to say something too about the Mildred Lake power plant. Since the Premier made the announcement in September 1973, we've seen some very serious escalations in the cost of building that power plant. This is something we should be concerned about, Mr. Speaker, because we are funding the power plant. If the power plant turns out to cost \$500 million or \$600 million or \$1 billion, whatever the case may be, 100 per cent of that is borne by the people of Alberta.

I should point out, Mr. Speaker, that at the time of the original application to the ERCB in January 1973, the estimate for the power plant was \$65 million. By the time the Premier made his announcement in September 1973, it had jumped to \$100 million, to \$255 million in December 1974, and was estimated by the minister on February 6 in Hansard to be approximately \$300 million.

Mr. Speaker . . .

MR. SPEAKER: Order please. There is some increasing concern on the part of the Chair as to whether on third reading of a bill of this kind -- and the rules as to debate on third reading and amendments on third reading for appropriation bills are the same as they are with regard to other bills. It's undoubtedly true they are debatable at third reading. Although it's difficult to draw a line, it is also difficult to say that on third reading all of the debate which might have been offered on second reading or in committee should be repeated and brought out again. There should be some progression in the matter.

I would ask the hon. member to try to limit his remarks so as not to establish a precedent that we may have difficulty living with -- to limit his remarks and not go to the extent or the scope that he might have done on second reading or in committee.

MR. NCTLEY: Mr. Speaker, I will live within that ruling. As a matter of fact, one could go on about this issue for two or three hours, or certainly for the half-hour length of time one is given.

But I will summarize by simply saying that when one looks at the power plant, which is the basic part of the Syncrude deal and certainly within the purview of our advance for the proposal, the cost of building it has escalated enormously. Mr. Speaker, when one compares the per-kilowatt investment with other plants, whether that be Edmonton Power or Saskatchewan Power, one sees that the Syncrude Mildred Lake plant is going to be a very expensive one indeed.

Mr. Speaker, as I review the deal -- admittedly this formed one of the issues in the election campaign, and I suppose the government can say they received a mandate to implement this deal as announced by the Premier -- I would question whether all the people who voted for the government voted for them because of the Syncrude deal. I know many people had some very serious reservations about this deal, Mr. Speaker. Nevertheless they were generally happy with the government's performance and voted for the government, notwithstanding their reservations.

My concern about this proposal is not only that I think it is a bad deal for the people of Alberta per se, but it concerns and troubles me that we're going to be setting a precedent for future development of the oil sands. I can't imagine any other consortium or syndicate, even visualizing the expenditure of hundreds of millions of dollars in the oil sands, going ahead without extracting the same kind of concessions from the governments of Canada. I say governments, plural, because we have three governments involved.

So, Mr. Speaker, notwithstanding the results of the election, I feel this is one of those issues where members have to speak out when they feel it's a deal not in the interests of the people of Alberta. I don't want to belabor the point. Certainly, it was discussed over and over again during the election campaign, but it is a vital issue which is going to have a profound effect on the future of this province. Because of that, Mr. Speaker, and because in my judgment this deal was ill-conceived and fumbled from the word go, I must vote against this particular appropriation.

DR. BUCK: Mr. Speaker, I'd like to say a word or two. I support the Syncrude concept. I feel that my good friend to the right, whose philosophy is to the left, seems to be rather inconsistent in some of his arguments. It always amazes me the way socialists talk about nationalizing things, having everything nationalized, and in the same breath say, well, we don't like it being nationalized. There seems to be quite an inconsistency in this.

I support the Syncrude concept, Mr. Speaker, because I think Alberta and Canada are going to need that oil. There are some things I can support the hon. Member for Spirit River-Fairview in, and [one is] that the government of the day has not told the people the entire story. I think the people, when they went to vote, were led down the garden path on one or two points. First of all, the cost to the taxpayer of this province for the project should have been stated very, very clearly. It shouldn't have been cloaked in any kind of mystery as to the taxpayers' involvement. That is the first criticism I'd like to make of the government, while at the same time supporting the concept of Syncrude.

Now, Mr. Speaker, getting back to the inconsistency of the socialist's stand. Here is an opportunity the government has embarked upon, rightly or wrongly. I don't particularly support that part of the concept, which is directly opposite to my honorable colleague from Spirit River-Fairview. He wants everything nationalized. So the government, which is supposedly or calls itself a free enterprise government, is moving directly into power production. The hon. member for Spirit River-Fairview doesn't seem to like this. Someday he will have to explain this inconsistency to me.

I do support the hon. Member for Spirit River-Fairview in questioning the costs because, again, I think it is the responsibility of the government members to indicate to the people of this province what the costs will be. In the past election campaign I do not think the government was entirely honest with the electorate of this province when it waffled and skated all over the place and cloaked its figures as to the amount of provincial involvement, the amount of tax dollar involvement.

Mr. Speaker, briefly in conclusion, I support the concept of Syncrude, but I think it's incumbent upon this government to tell the people of this province how many of the taxpayers' dollars are going to be involved in that project.

MR. TAYLOR: Mr. Speaker, I wonder if I could just make three short comments with regard to the bill. I support the bill. In my view the government took the only alternative which was available in Syncrude. I think there were three possibilities. It could have been nationalized. In that case the government would have had to put up all the money, not \$1 billion as the hon. Member for Spirit River-Fairview mentioned, but the whole thing out of taxpayers' money. I don't think that option could have been accepted, would have been accepted, by the people of Alberta.

The other option was to leave it entirely to the oil companies of Canada, the United States, and the world. There were no companies prepared to go it wholly alone. So it would have failed there.

The only option available was for the government to go into partnership with the companies to make sure the interest of the people of Alberta was protected. With the people of Alberta getting half the net profits, plus 10 per cent of the other half, in my view that is an excellent deal for the people of Alberta. When the hon. members say the people have not been advised of this -- I made very sure during the provincial election that the people of the Drumheller constituency were aware of the money going into this, their money. It was still strongly supported by the people. I think the reasoning is quite valid. I asked myself, if Syncrude didn't go ahead, what would we do for oil about 1985 or 1990? Would it be nice to have all that money in the bank, and no oil? With our industries grinding to a halt, our farm tractors unable to operate, we'd become the most ridiculous people on the face of the earth and the most ridiculous province in Canada if any government permitted that to happen. There has to be oil. This is one sure way of getting it -- by government going into partnership with free enterprise and sharing the costs, not merely sharing the profits by getting half the net profits plus their share of the capital, 10 per cent of the rest.

So, Mr. Speaker, in my view the government has put out an excellent deal. I'm quite prepared to put my political future on the line in regard to Syncrude. I think it's going to be excellent for the province and for Canada -- a paying proposition for the people of this province, the people of Ontario, and the people of Canada in years to come. Best of all and most of all, we'll have oil for an increased number of years in which we can continue to enjoy buoyant times in this country.

MR. SPEAKER: May the hon. minister conclude the debate?

MR. GETTY: [Not recorded] different minister, Mr. Speaker.

MR. SPEAKER: Sorry, another minister has sponsored the bill.

MR. GETTY: Mr. Speaker, since it happens to be an occasion on which some hon. members have felt they would like to discuss the arrangements the government made with Syncrude, we shouldn't allow the opportunity to pass with the misinformation that has been presented to the House this afternoon.

I guess it's a case of one of the hon. members who has been burnt pretty badly by something like this, wanting to get one more kick at it. I recall the hon. Member for Spirit River-Fairview pointing out to as many people as were prepared to listen that this last election was going to be a Syncrude election, and that when he had a chance to explain it to the people of Alberta, they would certainly make sure that anybody who supported that Syncrude arrangement was going to get pretty short support from Albertans.

Obviously, Mr. Speaker, we did have the election, the issue was debated, and debated in a lot of places. I think, frankly, Mr. Speaker, the NDP credibility gap became evident and caused Albertans to say, uh, uh, we don't want to support that kind of thinking. Because, as the hon. Member for Clover Bar has pointed out, there are too many gaps in that kind of thinking.

It was obvious that Albertans took an opportunity to assess the case placed before them both by the government and by those who were seeking election under a different party. With the opportunity to assess the arrangement, the people of Alberta obviously made their choice. I think it's remarkable that a member who said this was going to be the Syncrude election would now try to back out of that kind of statement by saying, well, I don't think they were really voting for that matter, I think they were voting on other matters and it really wasn't much of an issue. I guess if it wasn't, it would only reflect on the ability of the party which said it was going to be the issue. They were obviously unable to put it across.

Mr. Speaker, I think we should point out that [through] the arrangement made with Syncrude to have the tremendous potential of the Alberta oil sands developed, we have a tremendous investment in our province: an investment presently shielding Alberta from a national and international recession; an investment which is directly providing, out of \$2

billicn, \$1.1 billicn to Albertans who are and will be working at the site; another \$.5 billicn is going to manufacturers within our province; over the life of the Syncrude plant, as pointed out in the Harries report which the hon. member mentioned, over \$26 million direct investment within this prvince; and another \$12 billicn indirect investment within this province. That is a total of some \$38 billicn, direct and indirect investment, within this province.

Mr. Speaker, it always amazes me that individuals can get up and complain about an arrangement like that. The total risk of the Government of Alberta is 10 per cent of the project. Even more interesting, we finally have the federal government and the Ontario government learning a great deal more about the producing end of the energy business, because we have the federal government in for 15 per cent and the Ontario government in for 5 per cent of the risk. So we now have double Alberta's risk coming from other parts of Canada. We thought that was only right because much of the benefit of this plant will go to other Canadians. Obviously, Alberta has all the oil required for our future, and much of the Alberta oil sands will go to the rest of Canada.

Mr. Speaker, the hon. member also talked about some way in which the companies have 70 per cent of the action for a very small risk. I wonder by what stretch of the imagination he seems to get to those figures. As the hon. Member for Drumheller pointed out, the Alberta government is going to be taking 10 per cent of the risk and two other governments are going to be taking an additional 20 per cent. The Alberta government, therefore, is going to be able to participate to 10 per cent of the profits. But in addition, Mr. Speaker, the Alberta government is going to take 50 per cent of the profits by way of royalties. The Alberta government also has the opportunity to draw up the accounting manual which determines what the profits will be. In addition, there is an option by the Alberta Energy Company to take 20 per cent should it appear to be a good investment when the plant goes into production. So the Alberta government, with a minimum investment risk, and therefore the people of Alberta, is obviously going to be, by far, the group that has the greatest benefits from this project.

I should also point out, Mr. Speaker, that in terms of control, the Alberta government, through the Energy Resources Conservation Board, and the federal government [through] the National Energy Board, will exercise control -- both levels of government -- as to whether the oil will even leave Alberta, and if it leaves Alberta, whether it will ever leave Canada.

We also are able to determine, as I pointed out, what the profits are. We have that control feature. We are also able to determine what the price will be. We have that control feature. The project has to be built under the laws of our province. The project has to meet all the environmental regulations of the province. So in one way or another, the Government of Alberta and, in some respects, the Government of Canada, have retained all the control of the project as well.

Mr. Speaker, I found during the election, prior to the election, and since, that what the people of Alberta were most happy about was that their government, seeing the project in some difficulty, was able to draw together all the facts, and in a co-operative way to pull together other governments and industry. They were able to move and move quickly with the facts to have this tremendous project go ahead. The people didn't want the uncertainty. The people of Alberta were proud of their government for taking these moves. I found it was something that was confirmed over and over again during and after the election.

It is true that there are people who have complained, and there will always be complainers when you are breaking new ground on things like this. But there's no question that the aggressive and positive manner in which the Government of Alberta was able to react to the needs of the people of Alberta and of Canada in making sure the Syncrude project went ahead was something very, very much in the minds of Albertans when they were assessing the performance of the government in the Syncrude project.

[The motion was carried. Bill 3 was read a third time.]

#### GOVERNMENT MOTIONS

1. Mr. Leitch moved:

That this Assembly approve in general the fiscal policies of the government.

MR. SCHMIDT: Mr. Speaker, as I rise to participate in the budget debate, it's indeed my pleasure to address this Assembly for the first time. Mr. Speaker, as I look back, it is not the first time I've had an opportunity to scrutinize a provincial budget.

My constituency of Wetaskiwin-Leduc is a rural riding. With your permission, Mr. Speaker, I would like to discuss the budget in regard to local governments from their point of view, and as it could affect their basic budgets. As I look back, I should like to keep my remarks benevolent this afternoon. First, I've changed hats. Secondly, I'm sure that over the years some of the remarks I have made in scrutinizing some of these budgets have not been that complimentary.

I think, perhaps, it would be easier for the members of this Assembly if we look at local government and its responsibilities. I will divide local governments into their two basic categories, and the areas of responsibility financially.

If you look at an ordinary municipality, it's broken down basically into the municipal and agricultural sides. How are these financed? Basically, the municipal side covers the total aspect of public works, and all the other aspects that fall into local government lumped under one municipal sum. The agricultural aspect and its responsibilities, both to the provincial government and to the members of the municipality, are divided under the various aspects of weed control, crop and pest control, the animal pest acts, and such. How are these financed basically? Other than the usual taxation collected by the municipality, the larger of the two grants that are involved municipally, [there is] the municipal assistance grant, which covers the multitude of sins covered under municipal, services to people. It's well to look at the budget so proposed of an increase in this bracket of some 35 per cent.

In the areas of local governments' responsibility in public works, there is a sharing agreement with the Department of Transportation for those areas which are too large for a normal municipality to carry out under its own financial budget. This area of articles of agreement is the second largest that a municipality depends upon in sharing with the Department of Transportation for the payment of its public works department. It's most gratifying to see an increase in the articles of agreement of some 15 per cent.

The responsibilities from an agricultural point of view are based not only on the regulations, but on the services a local government wishes to provide to its local ratepayers. This, again, is covered by an agreement with the Department of Agriculture in the sharing basis not only of the responsibilities that are placed upon it by the provincial government to administer the acts, but also on a sharing agreement to provide those types of services for the ratepayers. This also is an agreement, and it's very gratifying to see that it has been increased by some 25 per cent.

I would like to touch on probably the most important factor to a rural municipality at the present time. I would have to say that the indication, percentage-wise, does not indicate its strength, its growth, nor its change in local government. I am speaking now of the secondary highway system or the so-called grid road.

For the benefit of those members who are not familiar with the system, it started some 10 or 12 years ago. The intent behind the total concept was to provide not only a good, reasonable access for the individuals who lived within the municipality, but to provide each and every one with good sound access to our numbered and provincial highways. There are roughly 200 miles tied in with each local government.

If you look at 200 miles of road within a municipality, because it is the so-called secondary, it's understandable that these roads would carry the heaviest, fastest, and greatest collection of traffic. Over a period of years, maintenance has been an exceptionally heavy drag on local governments. Now that the secondary highway system is in full production, it's difficult to state on a percentage basis. As each increase comes and each road is completed, municipalities are nearing the date when they will have a complete secondary system. If you will look in the budget so presented, there is an increase of some 26 per cent toward the secondary highway system. As the secondary system increases and nears completion -- and I'm not indicating that it's near completion at the present time, but it's certainly well on the way -- the role of the municipality can change. In so changing, it affects its financial responsibilities.

At the present time, many municipalities, in fact all municipalities, carry a fairly heavy capital load debt because of the construction they are faced with. With the ever increasing completion of secondary systems, their role will change to one of maintenance. There will be a certain capital expenditure in regard to maintenance, but it should place them in a much better position financially to provide other services to the general public.

The only basic difference between the municipalities and the county system, of course, is the addition of the total responsibility for education.

Many areas of smaller grant structures are mentioned. I shan't go into them, because I think we're basically looking at three major areas: the municipal, and the parts the Department of Transportation and Department of Agriculture play in the major role of rural municipalities. Like every other institution, there are many aspects one can enjoy in an overall way that are not directly part and parcel of the basic responsibility.

I mention the fact of the aid to senior citizens, the increase suggested in the budget; the unconditional grants given to further the policing are a direct contribution; the areas of free hospitalization and housing, that not only provide peace of mind, but will eventually provide a stronger tax base for municipalities. In the field of recreation, municipalities are now freer to help in that area and still relieve some of the financial obligations for recreation as it has been in the last two or three years under the various agreements. Agricultural societies have helped rural communities with regard to the financial aspect.

Many things we enjoy may not be a direct financial responsibility. In enjoyment and contentment, it appears the general public becomes complacent to a point that it is agreeable. In looking back over the years, and I am sure some of you will have to agree, if you can have a happy community, the chewing is not always on the members who are in this Assembly. It starts lower down and I think they bite deeper, they're polished by the time they get higher.

Personal income tax is another additive which makes a human being a complete human being, the chance to enjoy life.

Mr. Speaker, I should like to commend the government for recognizing the needs, demands, and rising costs of local government and reflecting these in the budget as presented.

[applause]

DR. BUCK: [Inaudible] this in Hansard.

DR. HORNER: My honorable friend confuses his own ambitions with those of others.

Mr. Speaker, I am happy to take this opportunity to say some words in regard to the budget, particularly to follow up on the very excellent resume my colleague from Wetaskiwin-Leduc made with regard to the question of the budget's impact on rural Alberta. Certainly, he has covered the impact on the governments in rural Alberta. I would like to deal with it in a little broader frame of reference.

First of all, though, this being my first formal occasion to speak in the 18th Legislature, may I offer you my congratulations, and indeed all the members who went out and got elected in their various constituencies. I'm one of those who believes there's a bit of not necessarily status, but they join a particular group, any man or woman who has the courage to put their name on the line, move around their constituency, and ask for the support of their people.

The budget, as we have seen it, has been modified to reflect those changes that have occurred in the ensuing two or three months since it was originally introduced. As I said earlier, Mr. Speaker, I really want to speak in a general way with regard to the question of the development of this province as a whole, the question of how we approach that development in Alberta. I'm slightly disappointed that the hon. Member for Spirit River-Fairview is not in his place nor is the Leader of the Opposition, as I had some special words for both, as I go along.

DR. BUCK: Nasty words [inaudible].

DR. HORNER: I'm sure the hon. Member for Clover Bar will enjoy what I have to say, as well.

The situation, Mr. Speaker, is that we have set out on a route to develop and diversify this province that no other province in Canada has [done]. We have set out to do something about our total growth, our diversification, our dispersal of that growth, which indeed no other country has tried to do. All have accepted the dictum of sociologists that there wasn't much point in trying to do it, that we were all going to live in urban areas, in any case. You can recall, as I have, former mayors of the City of Edmonton telling us in rural Alberta, really, why didn't we just pack our bags, because by 1980, I think, 90 per cent of the people in Alberta would be living in Calgary and Edmonton. Fortunately we elected a government in 1971 that didn't accept that concept of how you should allow your province to grow. I say "allow" in a very general term, because I want to deal with that.

I suppose, initially, we might address the question of whether or not we in Alberta really want growth. There are certain political parties in this province which have said, no, we don't want any growth, it's better we should continue to be hewers of wood and drawers of water. Well, that political party didn't do very well, and didn't get much support from the people of Alberta when it ran around the country espousing that particular policy. I would suggest it's been pretty well shown that the people of Alberta are not in that area.

I suppose the next question we should [raise] with regard to growth is who should do it and how should it, indeed, be formed. I can't help but say very publicly to my socialist friends, they seem to have the approach that governments should be developing policies which will improve government opportunities to be involved in growth. Surely that's the greatest detriment to development in our neighboring provinces. We simply say that governments should be developing policies that will improve the individual opportunity to grow and develop. They are diametrically opposed views.

I must say to the hon. Member for Spirit River-Fairview that his biggest enemy is those two imaginary lines on the maps which designate the boundaries between Alberta and British Columbia and between Alberta and Saskatchewan. Because on either side of us we see stagnation and the inability of their rural communities to have anywhere near the kind of vitality and growth potential ours have shown. This is easily seen, and perhaps more startlingly so, Mr. Speaker, in the southern halves of both Saskatchewan and Alberta, not to say the rest of the Province of Alberta -- and I'll come in due course to the development programs going on there and what has happened.

It's interesting to note, in discussions with a national newspaper which reports on financial matters -- [a reporter] was told by his paper to review what was happening in southern Alberta. He came away amazed and said, why is this happening in southern Alberta? Why isn't it happening around the irrigation areas in Saskatchewan? Why the difference between the no-growth in the Saskatchewan communities and the tremendous growth, vitality, and development going on across the border? I had to say, in my opinion the difference was mainly one of individual attitude; in the socialist state there wasn't any need or room for individual incentive or appreciation of what that development might be. Within Alberta there was, and that was part of the reason we were moving ahead. I can't help but think of John Kennedy's famous phrase about not asking the government to do something for you but rather asking yourself what you can do for your country. It might be appropriate for socialists to have a look at that in some detail.

As we come back to our approach to that kind of development policy in this province, we said at the outset it would be a matter of government leadership in this area. I believe that kind of leadership which gave us decentralization in a meaningful way -- not just talk, but in a meaningful way -- was the catalyst starting that kind of thing happening throughout Alberta. That kind of thing has reached a point, Mr. Speaker, so we can now say we have at least stopped the rural-urban shift characteristic of this province for the last 10 to 15 years. I believe that's a major accomplishment of the last 4 years.

I think more than that though, Mr. Speaker, the question of encouraging value added to the processing of the resources of this province is of primary importance. Value added in relation to agricultural products, but not just restricted to them; rather, the full and better use of our forest products; and value added to the whole structure of the petroleum industry. Of course, we'll be talking about that in the discussions in this Legislature in the months ahead.

The other important thing in our government's role, and the kind of concept we have, is our acceptance of the responsibility for helping local municipalities provide the infrastructure necessary with that growth. Isn't it rather amazing, Mr. Speaker, that we're now talking about problems of growth in Alberta, not problems of stagnation and unemployment as in British Columbia. There are always going to be the problems of growth when you have an expanding economy, a vitality and people with incentive to go out and get things done.

You're always going to have some disagreement on how that's done. The mechanics of putting any program in place are always going to cause a certain amount of friction. I say to my honorable friends in the opposition that they should appreciate the total program before they get too involved in the criticism of the mechanics. Criticism of the mechanics should be of a constructive and not a destructive nature. Or they then say they do not really understand what's happening in their province, nor do they want to. That's their decision.

DR. BUCK: About the only one.

DR. HORNER: I want to suggest, Mr. Speaker, that there are a number of keys to this kind of development throughout the province. Call it rural development if you like. I think the keys are pretty self-evident. We've spent a great deal of our time in the last three and one-half months dealing with the question of farm income, whether or not our primary producers in the agricultural sector, are, in fact, going to have a kind of return equivalent to people in other sectors in this province. I want to come back to some detailed discussion with regard to these keys, as I see them, in the question of rural development.

The next key, of course, is that our primary producers in other areas, in forestry, the petroleum industry, and fisheries, have the opportunity to have the same kind of income as people particularly in the service industries. Surely somewhere along the line, even the socialists have to appreciate you have to produce wealth or you don't have the money to provide all the social services being demanded of government in this day and age.

The third major key in any rural development program has to be the value-added concept I talked about. Value added, because not only does it increase our ability to market goods, but surely in a land-locked province one way to look at things in regard to transportation is to say how much waste are we really transporting. I intend to come back in some detail in regard to that.

The fourth key to rural development, as I see it, is infrastructure. We as a provincial government have to provide the leadership and, indeed, the financial assistance for social and economic infrastructure so these communities can deal with the growth coming their way.

Fifthly, and by no means least important, the question of total quality of life in Alberta becomes a pretty major key to rural development. I think of such programs as our water management program, our water program under the Department of Agriculture, and our rural gas program. Again, some might criticize the mechanics. If they have a breath of imagination they'll appreciate that nowhere else in the world is this kind of program being undertaken or even contemplated. I think of what we've been able to do, as a major step forward, in our ag. societies to improve the relationship between primary producers and the people who serve them in our rural communities.

As we go through those keys, Mr. Speaker, let's just have a look at a number of them, because I think they're pretty important as we go ahead. The farm income situation is a difficult one and is going to continue to be difficult in the longer term. Generally I must say, Mr. Speaker, the people in this province and in Canada, and indeed the media in Canada and this province have to appreciate that if they're going to continue to enjoy the kind of food production we have and the ability to have that food available to them, as their salaries rise, so surely should the farmer be able to anticipate an improvement in his net income. One can't go without the other.

Over the past years, we have done a number of things in regard to the programs for production in agriculture. Those programs will be continued. They have been a major factor in allowing our farmers to have one of the lowest production costs anywhere in North America. I could list those programs in some detail because, as the one who implemented them, I'm particularly proud of their ability to do the job they set out to do.

I wanted to talk not only about the programs so essential for production, but also about the programs in marketing. I think that's pretty essential, when we look at the situation we face in Alberta.

That situation is simply this: in a net aggregate we export outside our province 75 per cent of the farm products we produce. When we also appreciate that we have a central government in Canada which is directing its programs to making central Canada self-sufficient, thereby taking away the very markets that we've been using for years as a base for farm production in the prairie provinces, I think we have some cause for concern, and we should approach the programs for marketing in a pretty vigorous way.

We have said right along to our marketing boards, we didn't expect them to be the usual kinds of marketing boards involved just with regulation and control. They had to live up to the terms of their being set up; they were in fact marketing boards. I have to say, Mr. Speaker, in my experience with them they lived up to that, as far as I was concerned.

The other important thing, Mr. Speaker, is that we haven't signed any national agreements with regard to marketing boards without a clause being there allowing us to actively pursue export commitments which would be outside any national agreement. I think that's important in the total concept, and I would ask hon. members to consider it.

The question, then, of what else one might do in regard to how we market our product, what we can do to expand our thrust into areas our product should be marketed, perhaps where it hasn't been in the past, led to the establishment of the Export Agency. I wanted to say to the Leader of the Opposition, particularly, that I am a little bit disappointed in some of his remarks, because he obviously doesn't understand what, in fact, we were talking about. I could refer him to the speech I made in this Legislature in October of 1974 -- and indeed, in response to questions earlier than that -- the directions we gave the Export Agency in seeking out new markets.

Those directions were pretty explicit. They said it should be a catalyst between the source of supply in Alberta and the market elsewhere. Those directions said to the agency it was not to be involved itself unless it became absolutely essential on a government-to-government basis. Those directions also said it should involve, and make available on an equal basis to all the people of Alberta who were interested in this form of activity, any benefits that might be there. Mr. Speaker, it has done that. To suggest for one moment that it hasn't -- whoever suggests it is unaware of the marketing program which a very dedicated and indeed talented group of people has put on for this province in the last two and a half years.

I could go on and talk about why the agency was formed in the first place. It was formed to try to prevent duplication within government services. It was formed to try to put Alberta's position forward because the federal government wasn't doing it in regard to agricultural products and Alberta industry in particular. The original charge to them was to have somebody become knowledgeable with regard to the various federal programs, because all hon. members will appreciate that at WEOC one of the things we put before the federal government was that we in Alberta couldn't get for industry, agriculture or otherwise, the benefit of all the programs the federal government had in relation to export development. I'm talking now about the Export Development Act, CIDA, PATE, the market development fund Mr. Lang had set up under the Canadian Wheat Board, and a new product development program which was under federal Industry and Commerce. We weren't getting anywhere near our share of these federal programs, and that was part and parcel of the reason for setting up the Export Agency.

One of the things we've been able to do, and I'm going to come to some detail in relation to the Mexican situation, but the only positive offshoot so far has not been what my honorable friends are alluding to, but rather to the fact we finally have EDC, which is the Export Development Corporation, agreeing to longer term financing of exports into world markets.

I've got to remind hon. members that when we're in the export situation we're talking about a very competitive area in which you're competing against the giant Exim Bank of the United States. If we in Alberta, and indeed in Canada, cannot meet with some of these programs elsewhere, we won't be in the ball game. As I've said earlier, we have some real doubts as to whether the federal government bothered to consider our needs whatsoever.

Mr. Speaker, just before leaving the Export Agency, I want to put the question of the Mexican situation and CLIEL on the table very clearly, as I did in October of 1974 in this Legislature, and that can be looked up in Hansard. We responded to a direct invitation from the president of Mexico to go there and talk with them about how we might join together in a major development of exports in that area. There were two things they were interested in, particularly the president. They were: first, a dairy cattle operation; and second, a beef cattle operation.

Their request to me wasn't that the Province of Alberta get involved, but rather that we provide them with interested entrepreneurs in Alberta who would sit down with other interested entrepreneurs in Mexico and try to work out this arrangement. When they were talking about many thousands of head, it became pretty important to Alberta. For my honorable friends to suggest by innuendo and otherwise there was anything else there is to not be aware of the facts.

The initial grant made to CLIEL was on that basis and on no other basis. Membership was open to all. They had to show their faith in that kind of membership by putting up some cash. If they did that, we would join with them and see whether we could develop the Mexican market in a major way. As I've said before in this House, the other major



advantage of that Mexican market was to give us a spring base to get into the tropical countries of the world with cattle accustomed to tropical conditions.

Mr. Speaker, finally on the Export Agency, in regard to Canadian Cane, here was a proposition in which other people had invested somewhere near \$4 million. Here was a machine that worked, and it does. Unfortunately -- and this is what will happen time and time again as we, I hope, will continue to be in that international market place -- changes will happen which no one can foresee. What happened with Canadian Cane is pretty straightforward and pretty simple: the machine was developed to enable tropical countries to take the pith out of sugar cane and use it as cattle feed, and to use the bark in a building product. But when the price of sugar went sky-high and the price of cattle came down, so ended Canadian Cane. But if we in Alberta don't have enough confidence and aren't able to take these kinds of risks, we won't develop the kind of province we need in order to have the diversified growth I'm talking about throughout this province.

Mr. Speaker, as I move on to other primary producers, I hope all honorable gentlemen and women in this Legislature will seriously consider the nature of our thrust into the market place and whether we shouldn't be acting as a catalyst for our companies and our people who have enough imagination and, indeed, nerve to enter into a very difficult operation. I could go on. I'm sure, as the annual report of the Export Agency is tabled, when it shows something like \$45 million worth of products sold, because of their catalyzing effect, and when it shows we in Alberta were able to stabilize and indeed have the best hog prices in Canada because they were willing to be imaginative, people will reassess their thinking in regard not only to the agency, but to the method in which we, as a province, move forward in that very difficult area.

I want to come back to what I was saying with regard to the keys in rural development, the question of other primary industries. In forestry, our forest inventory support program, by financing their inventory, kept many of our smaller operators, and indeed our larger ones, producing last winter to the extent possible. The new tree nursery proposed in the budget is a major step forward in being able to provide a service to our forest industries in the rural areas, which are so important in certain areas as an economic developing factor.

The other primary producers we have, of course, are related to petroleum. The programs this government has brought forward to continue the drilling program are of primary importance in an economic sense to very many rural communities.

The fisheries and the things we can do there have only been scratched in relation to our capacity to be a major producer of fish, both from a farming mechanism and indeed from the lakes we now have, and the expansion of the product in them.

As I said earlier, the third area I thought was a key to rural development is the question of value added -- the question of processing our goods here in Alberta, the question of stopping and thinking how we can beat the transportation problem we face by non-transportation means. That means value added and processing them here.

I can't help but think we've heard a lot from the railways with regard to their objection to the Crow rates. I haven't heard the railways once suggest that we might agree that the Crow rates don't apply to dockage. Then we would have that grain cleaned and treated here. Perhaps the railways need to rethink their position in that regard. If we go as high as 10 per cent on some of the rapeseed we're sending out of this province, and that 10 per cent is dockage, then I happen to agree with them that that dockage shouldn't go at Crow rates.

That's the kind of incentive we require to make sure we're treating that grain here at home and providing those jobs in rural Alberta. We all know what providing those jobs means, or at least all of us, I think, who have been involved in trying to upgrade the economic well-being and vitality of communities throughout Alberta. We know that we need to process the products we have, agriculture, forestry, fisheries, and petroleum products. Surely that should be the basis of our general development and diversification within this province. When I talk about petroleum, let's not forget there is an alternative, perhaps, to the shipment of coal somewhere else for the generation of power. Indeed, maybe we should be shipping the power -- another non-transportation means of dealing with a transportation problem.

As I said earlier, we've accepted our responsibility in regard to infrastructure. That means we've gone so far in our sewer and water programs and in our road program. As we go down the road these are going to be of major importance in helping our communities to grow with them. There are some communities which don't want it. That should be their choice. Maybe that should be the reason they should contribute partially to that. Indeed, I think there are some people in the urban areas who don't understand that the kind of growth, diversification, and dispersal we're talking about can do nothing but help them, because then they become centres of sophistication in such things as technology, finance, and other matters, and their growth is assured as well.

I want to spend just a few minutes if I might, Mr. Speaker, with regard to the role of transportation in the diversification and dispersal of our general development. Right away, of course, we have to look at the various modes of transportation. First of all, the railways. I'm not going to spend very much time in this area, other than to say this: we have the ARR, a railroad which we own and lease to the CNR. We're in negotiations at the moment in regard to a number of factors there. My information is that to maintain the ARR is going to cause continuing problems and [require] a great deal of money, and hon. members should be aware of it. Our losses are about \$6 million a year just on the interest factor without any repayment of principal. The big challenge there will be to try to gradually reduce that loss.

Freight rates have been mentioned a great deal, and I would expect to spend some time on that, either on my estimates or when the new legislation with regard to the Transportation department is introduced. Our involvement in national policy will also be, I think, very important in the years ahead. We have to look at the idea of improving services on a railway because, I think, the railways haven't thought about that. There is some real concern.

The question of rail line abandonment is so important to all our areas. I can only say this, Mr. Speaker: before the Hall Commission starts its hearings in Alberta with regard to rail line abandonment, we will have done an in-depth study in regard to all the areas in Alberta. We will make that study and other assistance available to communities in Alberta to present their case, along with ours, in relation to any rail line abandonment.

The other modes we could look at and are looking at in relation to tying in with this total development policy for Alberta [include] the question of air; the question of the primary carriers, Air Canada and CP Air primarily, and the others coming in from foreign countries; the question of bilaterals, and why we didn't get a better deal with regard to some of our own carriers, particularly western primary carriers, into such areas as Alaska and the northwest United States. I think there's an area in which we have to do a great deal more work. [There is] the question of a regional carrier, of course. The question of our operation or ownership of Pacific Western Airlines is of major importance to this Legislature, and we will attempt to report and respond with regard to Pacific Western. I need only repeat very briefly, Mr. Speaker, our instructions to Pacific Western through the chairman of the board are to run a profitable regional air line to the best of their ability. They will, I'm sure, do that.

More important perhaps to our problem of rural development and the general overall development plan in this province is the question of the rapid development of third-level carriers, an expansion of the service in which some pioneers have done such a great job in Alberta. I expect we will be able to report positively in that area in the coming months.

I then come back to the question of highways. I know we could spend the entire heritage fund in the priorities I've already received from all members on all sides of the Legislature in relation to the highways and roads they would like built. So it has to be a question of some sort of priority. It has to tie in with what we're trying to do in Alberta as a whole. We intend to do that.

The question of increasing the maximum weights, so that our transportation people will be on an equal base, is being looked at. The question of bus services and the regulation or otherwise of trucking are all important matters which have to be looked at and tied in to the overall general development policy for Alberta.

Mr. Speaker, my time has nearly expired. I just want to conclude in this vein. I hope hon. members will appreciate farm income depends either on our ability to market in the market place of the world, or on a consumer subsidy which will enable our producers to have an equivalent return.

I want also to bring to the attention of hon. members that economic factors in any country in the world tend to create isolationism. That kind of isolationism, putting up fences around your community, tends to break down what we're trying to do. That kind of isolationism, and I see it in all the countries of the world having economic problems, may be of some use in the short term. We've already seen in this country, indeed in Alberta's interests, that short-term isolationism in regard to border blockades really hurts us substantially in the longer term. The labor problems in transportation and the allied services of transportation are a vital concern. It's my considered opinion that they should be declared an essential service at the earliest possible time, and be subject to third-party resolution of any disputes.

We are a part of the larger world. I would hope that we wouldn't allow internal factors to cloud our view. We should be able to look forward to being in that larger world. There are a great many reasons besides just selling product, indeed, acquiring product, and knowing what our competitors are doing. The market intelligence we can provide our own producers is absolutely essential. I would hope Alberta, being an area which has been relatively fortunate in the question of recession in North America, would be a leader in preventing this isolationism which tends to creep upon countries and areas when they have some internal problems, economic or otherwise. We in this Legislature have to be big enough and broad enough to understand Alberta's role in the larger world if we're really going to develop this province in this diversified and general way we've envisaged.

Thank you.

DF. WALKER: Mr. Speaker, I would like to congratulate the hon. Deputy Minister on his most excellent exposure of government policy and philosophy. Methinks it makes it a pretty hard act to follow.

Mr. Speaker, the connotation of the term "maiden speech" engenders a sexual context which I doubt very much exists in the literal interpretation of the word in the field of oratory. The dictionary defines "maiden" as a girl or an unmarried woman; secondly, a virgin; thirdly -- and maybe this is a little more applicable -- a machine resembling a guillotine used to behead criminals in the 16th and 17th centuries in Scotland. The fourth definition is also quite applicable -- in the race track it is a race horse which has never won a race.

Mr. Speaker, I'm not sure whether this should be considered my maiden speech, or whether my previous splutterings in this House were considered a sort of oratorical rape.

In any event I shall try to moderate my language to at least a semblance of respectability. During my years of public life, I have not been noted for my delicacy or my tact or refinement. In fact, the reverse has often been attributed to me, especially by the media. I would hope in the years ahead I shall continue to be able to voice my opinions, be they right or wrong, in the way I have been accustomed. I hope in this way to be of service to this Legislature.

I would like to reassure the hon. Member for Clover Bar there are enough watchdogs in our own ranks who are prepared to bark, and if necessary even bite a little should the occasion require. Government is rather like a wheelbarrow at times: it needs a good push once in a while to keep it moving. While the hon. Minister of Municipal Affairs pushed it all over the City of Lethbridge, I would like now to push it around the more important parts of southern Alberta, and take you on a scenic tour.

We have now, after 40 years, delivered the south into the Progressive Conservative fold. In 1935 the Social Credit ranks swept this province by winning 56 out of 63 seats. It was interesting, too, that they never campaigned north of Red Deer at any time. History has sort of reversed itself in 1975. The south will probably just as obstinately stay Progressive Conservative long after the rest of the province decides to go some other way 50 years from now.

The province, south of Calgary, is different in some ways from the rest of Alberta. In the north, new towns are growing from small seedlings with an ambition and vigor which is often lacking in the south. We say, well, we've been here for 80 or 100 years, and we like things the way they are, so why change them? One of the greatest pains to human nature is the pain of a new idea. It is therefore sometimes difficult to find the drive and ambition which so typifies the rest of the province.

In speaking to this debate on the budget, the thing I notice most about it is money. For the first time in the history of the province, it looks as if the south is going to share in a very major part of the financial pot. The eastern slopes are being developed and studied. Two hundred million dollars has been promised for major irrigation, rehabilitation, and headwater storage -- a project which has been long overdue, and I hope will now be accelerated with enthusiasm and alacrity.

Moneys have also been budgeted for small airports, recreational and historic sites, and I hope, for everyone's sake, the upgrading not only of Highway 3 which so concerns the hon. Member for Medicine Hat, but also Highway 2 which runs north and south from Fort Macleod, and concerns my constituency as well as the constituency of Cardston.

My constituency runs from four miles south of Nanton to the Belly River south of Stand Off, with a large panhandle out to Picture Butte. It includes the oldest town in Alberta, established in 1874 by the North West Mounted Police, called Fort Macleod after James Farquharson Macleod, the assistant commissioner at that time. J.F. Macleod's picture is on the fifth floor of this building along with a short bibliography. I would suggest any hon. members who haven't read it should take a run up to the fifth floor. Lots of other famous people from southern Alberta who arrived there at the same time are also mentioned in that corridor. Therefore, we have in this area a large number of pioneers who will benefit enormously from increased pension rates.

In those early days when the bull teams carried goods and whisky from Fort Benton in Montana to Fort Macleod, it became the centre of trade in Alberta. Ladies from Fort Edmonton and Fort Calgary came to buy their evening dresses and fur coats whilst the gentlemen came to buy their booze, and other amenities and comforts.

We had, therefore, a municipal budget in Fort Macleod long before Edmonton or Calgary were even incorporated, and 20 years before the Province of Alberta was born. We are proud of our heritage; we are proud of our connections with the original North West Mounted Police and with our Indian brothers west and south of us, both of which groups made the peaceful settlement of western Canada possible without an angry shot being fired.

In regard to the major packing plant planned by Pelmont Packers for Fort Macleod, it is interesting to note that 600,000 animals per year are shipped east from Alberta, British Columbia, and Saskatchewan. These animals, averaging 400 to 500 pounds, are then fattened in the East, and sent back to us as frozen or canned goods. Ontario with a kill of 20,000 animals per week is the biggest processor of meat in Canada, yet it gets most of it from the West. Alberta should be the biggest processor but, as you can see, we send them the bullets and they fire them right back at us. At a rate of 7 cents a pound for freight on dressed meat, and a loss of 25 per cent on each animal for bones and fat, we are paying an awful lot of unnecessary cartage.

Despite the innuendoes of the press concerning this company and its directors, we feel it is a good thing for southern Alberta and for the province as a whole. For in the meat industry we are still very much the hewers of wood and the drawers of water. How much better it would be if we finished our product here and then shipped it, not only down East, but all over the world.

As a community, Fort Macleod will benefit from increased government assistance to our municipalities, as will the Town of Claresholm 28 miles north of Macleod. The town got its name from a family by the name of Gay who had large holdings extending from the present site of Carmangay to the foothills. When relatives arrived there to share their wealth, Clare Gay got her wish of a brand-new abode on the west side of the property, which then became known as Claresholm. This is now a bustling community with a population in excess of 3,000. It is also bursting at the seams and is heavily in debt as it tries to expand rapidly enough to accommodate new industry and development. I must reiterate that per capita grants in themselves do not fulfil the needs of a community such as this.

Picture Butte, Butte being the Indian word for a beautiful hill, lies in the eastern panhandle and is the centre of the irrigation country which will benefit enormously from the moneys pledged to irrigation extension in Alberta and, I hope, from a new dam which the hon. Premier and I discussed at some considerable length during the campaign.

Another small thriving community is Stavely. It is named after the Rt. Hon. Alexander Stavely Hill. It lies at the northern end of the constituency, getting its wealth from the business done there by the fortunate farmers and ranchers who inhabit some of the most beautiful country in Alberta in and near the foothills of the Rocky Mountains.

A year or so ago there was a little boy in Belfast. He used to bounce his ball all the time. As he bounced it, he would sing a little tune to himself: "The Protestants got the houses. The Protestants got the houses." One morning the priest came out and said to him, "Gee, that's not very nice. You should be pleasant about our neighbors." So the next morning when the priest came out the little boy was bouncing his ball, singing away to himself: "Christ was born in Bethlehem. Christ was born in Bethlehem." The priest said, "That's much, much nicer. Where in Bethlehem was Christ born?" The little boy bounced away, "Christ was born in a manger. Christ was born in a manger." The priest said, "Why was Christ born in a manger?" "'Cause the Protestants got the Houses."

[laughter]

I tell you this only to demonstrate how religion and politics can form a very explosive mixture.

In Fort Macleod some 25 years ago a far-thinking separate school board amalgamated with the public school board and we now have an ultramodern high school which proudly bears the name of F.P. Walshe, who spearheaded that amalgamation and established in the town an ecumenism long before it became the in thing to do. I would like to see other school boards follow that excellent example, set over a quarter of a century ago.

Speaking to this debate, and as we prepare to invest the large sums at present in our treasury, let us be ever mindful that we do not set precedents or institute expenses which our successors 20 years from now may not be able to continue, such as the removal of gasoline tax, reducing old-age pension ages, removal of Alberta Health Care premiums, and so on, as suggested by the hon. members for Clover Bar and Spirit River-Fairview. Perhaps they look at us all as the last of the big spenders.

Let us therefore be careful as we legislate, not only in money matters, but in every aspect of government. Let us not assess the value of a session by the number of laws we pass. For every law, no matter how small, restricts somebody's freedom. We often legislate to affect only 1 or 2 per cent of the population without too much consideration for the 98 or 99 per cent who don't need it. Non-government can sometimes be more effective than too much government.

In conclusion, Mr. Speaker, it is not what we have in the Province of Alberta, but what we enjoy that constitutes our abundance. It is my desire that we not only enjoy what we now have, but leave lots for our children and grandchildren to enjoy as well.

[applause]

MR. BATIUK: Mr. Speaker, at the outset I would like to commend the Treasurer for bringing down the continuation of a good budget over the last few years. I believe, Mr. Speaker, that a budget such as this assures the people of the province for their future. When we look south of us, there have been statements that in parts of the North American continent people are experiencing the worst recession we in Alberta have not thought of. I think a budget such as this, which will provide employment, will ensure that we will be the last in this country to even see a recession.

Before I go on, Mr. Speaker, I would like to make a few comments. In his opening remarks on the budget the hon. Member for Mountain View -- pardon me, I mean Clover Bar -- stated that he felt the Premier did wrong by reshuffling the entire cabinet. No doubt everybody has his views, and maybe he had something. However, he assumed that maybe this should be done once in eight years. When we look at the accomplishments of the present government, and compare them with the previous, we see that more has probably been accomplished in three and a half years than in the previous eight. So I don't think there is really anything so wrong with the change in cabinet.

In his opening remarks, he also mentioned that they harass the government a lot. That's the position the opposition should take. Mr. Speaker, there were a lot of members in the 17th Legislature who felt they were there only to harass the government. Fortunately, however, there are not too many of them left, and half of the opposition at present don't feel that way.

I would also like to mention, and am in accord with, the \$150,000 in the Estimates to provide for research for the opposition. I think this is right, looking at their small number, Mr. Speaker. The only hope I have is that it will be used wisely. Sometimes when I hear some of the opposition make statements, I wonder whether any research is being done. I also wonder, when our Premier was in the opposition with six members, whether he would have got comparable support, if any. However, I am glad our government saw fit to make an appropriation to help the few who are there.

I am also glad there has been a 15 per cent increase for education, even though it has been mentioned that it is not adequate during inflation. However, this was a figure that was given in the previous budget of February. Because many of the school boards got along on that 15 per cent, and maybe they had a hard time making settlements, it would have been very wrong had there been a bigger allocation. I think many boards were able to settle on the previous [budget], and that was because boards and school teachers negotiated in good

faith. Those who lagged to some extent are behind today. However, I think our government will continue to review the costs of education.

I am also very glad to see that we have appropriated \$102 million, an increase of 31 per cent, for the Alberta Health Care. Now, only a few years ago that was the total budget in the province. I am very glad there is such consideration for what is very important, but here, again, a great portion of this has gone for wages. The time is coming when it will have to be looked at again. When you look at caretakers already in the category of \$10,000 and more, I think something will have to be looked at in the future.

Also, the hon. Member for Spirit River-Fairview felt that consumers should be shielded from any increase in prices of fuel. I might say that during my election campaign the NDP candidate assured the people in my constituency that after April 10 there would be an increase of 20 cents a gallon for their fuel. I did strongly stress that on a couple of occasions I heard the premier state that should the prices increase due to a bigger revenue from our exported oil, then an adjustment would be made. I'm very sure the Premier would carry out his commitment.

As for senior citizens, they are getting real recognition from our government despite the fact that the hon. Member for Calgary Mountain View . . . Pardon me. I mean from Clover Bar. I don't know why, whether it's just because the seat that he occupies now is the former member from there, but I just seem to forget. However, the hon. Member for Clover Bar did state that the \$1,000 grant to senior citizens for upgrading their homes was an election gimmick. There is no reason for delay. I myself can agree that if the \$1,000 was given at once, many senior citizens would appreciate it. But sometimes good programs require delay. Yet we think of a political party that back in 1935 committed itself to a \$25 per month grant to every Albertan, and after 40 years this has never materialized. There was a dividend payment once of \$20, but the way it was administered, a good number of those who received it filled up our jails in this province.

The same with income tax. I am glad this step was taken, even though the hon. member did say that one on a \$25,000 income is going to get \$696, and the pensioner may get only \$16. Well, if you don't give anything, you don't expect to get anything. However, when we look at the amount the senior citizens are going to get under assured income, along with the other benefits, I think our senior citizens are being looked after really well.

It was very interesting to hear the hon. Member for Spirit River-Fairview, who always seems to be away when I speak, criticize that the \$255 was probably acceptable, but why [should] the married couple be penalized, that there would not be \$255 for each of them, but only \$495. Well, I don't think there is any penalty, because I'm sure that most of us would agree that two can live a little cheaper together than separately. You're going to have your light bill regardless of whether two are under that bulb or one; the bill is going to be the same. It's the same with your heat: your heating bill is going to be just as much, or maybe even less if there are two in the house. If you have to shingle your roof, it's going to cost just as much. Chances are that when they get this \$1,000 grant, it won't cost them either way. It's the same in many other areas. The tax would be the same whether there's one person in the house or two. Under the tax reduction program, here again, many senior citizens would not be paying any tax whatsoever.

The hon. Member for Spirit River-Fairview mentioned that they are being penalized, and that in case any of the senior citizens want to get married, maybe it would prevent them, just because of the \$15 less they would get. Actually, it's only \$7.50 when you break it up in two. I just wonder if the hon. member, when he made that statement, supposed that when we went to the people of this province on March 26, we looked to secure a mandate for the sole purpose of forming a little lonely hearts club here, and to provide for matrimonial conveniences for senior citizens. I believe that anybody who would refrain from marrying for \$7.50 should never be thinking of marriage. Marriage wouldn't mean anything. Nowadays, Mr. Speaker, I don't think you could get a good hug for \$7.50, let alone have the mate of your choice continuously for a whole month. Mr. Speaker, in my constituency the senior citizens are the happiest segment of society, and they freely mention it.

The budget increase of 50 per cent for early childhood services is another wonderful thing. This program was instituted by our government. One-fifth of the children entering school these days have some learning disability. With early childhood services these disabilities can be detected much sooner and treatment can begin. Some years ago, probably many a teacher felt, well, that child isn't learning because he may be a little dummy and so forth, and in later years it was found . . . So I think this is a step in the right direction.

I'm glad there is going to be \$65 million for recreation and culture, including \$20 million in the first year of the \$200 million program. The people in my constituency appreciate the grants that we have received over the past few years for many areas, whether it was to improve community health or other recreational areas.

Here again, I think that what Les Grant did caused a great disservice to the people in this province. A check was made that this was the only unsound application made by him. From now on all applications will have to be screened much more thoroughly, they're going to take so much more time, and they're going to cost so much more. When the hon. Member for Spirit River-Fairview was reading from the section in the Vegreville Observer that I . . .

DR. BUCK: Clover Bar.

MR. BATIUK: . . . stated in my weekly column that Les Grant . . .

DR. BUCK: Len Grant.

MR. BATIUK: . . . or let it be Len Grant, is the reason the \$1,000 is delayed. In no way did I say it. I've got the paper with me today. If they want me to, I could read it. But I just . . .

DR. BUCK: Read the whole article, John.

MR. BATIUK: Mr. Speaker, if you would let me do it, I sure would. I think this may be a real good time to spend just one minute on it, because I think the statement that the hon. member did make the other day was misleading to the people.

A large portion of the question period was spent . . . [the minister's] approval of a grant of \$2,285 to a non-existent organization, the St. George's Gaelic Society, created by Les Grant of CHQT Radio . . .

Because of his action, a much closer scrutiny will [have to] be made of applications, causing a considerable amount of extra work, cost and delay in future grants. In my constituency, hundreds of grants for community halls, cemeteries, libraries, recreation boards . . . have been received in the past. . . . The people in my constituency expressed appreciation for these programs. Because of this action, [even] the Senior Citizens wishing . . .

MR. SPEAKER: Order please. I don't know how far the hon. member wishes to go, but he is, in fact, reading his own speech.

MR. BATIUK: Mr. Speaker, I wanted to finish. There will be another line. I said:

Because of this action, the Senior Citizens wishing to obtain the \$1,000 . . . improvement grants may have to wait several months longer.

Mr. Speaker, I hope this straightens out the record.

As to assistance to municipalities, I was a municipal councillor for a good number of years. When there was no increase in grants at all, or if there were grants they were very little, we had to live with it. When I see any municipality today receiving a 35 per cent increase in grants, I am sure it is well appreciated. I am sure, when the Minister of Municipal Affairs announced this in Banff this past Saturday, he must have received great applause. I wonder what would have happened had the previous government stayed, and stayed at that \$38 million they froze. I feel very sorry about what the municipalities would have had to face.

I am also glad that \$12.7 million is going to be spent for law enforcement in towns with a population of 1,500 or more, if they wish it. It was mentioned that maybe this should be monitored better, because some towns may not be using it for the purpose intended. However, towns with a population of 1,500 are patrolled by the RCMP, and if any towns larger than that are not taking advantage of it, I think it would be up to their electorates to see that they do.

I am, indeed, very happy to see increased road grants. I might say, it has been mentioned in this House a few times, some are going to feel very sorry the previous Minister of Agriculture has been changed to another portfolio. I can well agree that he has done very well in agriculture, and will do so in the Transportation department. I notice things already speeding along very fast.

To bring back memories of a couple of weeks ago, when the hon. Member for Drumheller, in his remarks in the second reading of one of the bills, stated that the Deputy Premier was the best Minister of Agriculture that this province has ever had, I really felt that two, three, or four years from now the hon. Member for Drumheller, who was at one time a minister of highways himself, will make that statement about the Deputy Premier again.

I would like to recommend to the Deputy Premier that I can see a strong need to consider the program for the street grants in towns and villages, initiated two years ago. Those able to take advantage of them during the first and second years did. Those which have to wait for the third, fourth, and fifth years will be able to do considerably less because of inflation. I hope the hon. minister would consider that those towns which had to wait longer would get some appropriation to help them along in this. However, as I say, I can see a big move ahead in transportation.

I am glad there will be \$16 million for rural gas expansion.

DR. BUCK: Lamco.

MR. BATIUK: Lamco. That's right.

Many in this province will need assistance just because of inflation. However, I would like to say that I must commend the former Minister of Telephones and Utilities for the program he initiated. I would maybe have liked to see that minister hold his portfolio longer than he did. One reason for his much shorter term was that he was appointed after a by-election. Also, to continue the rural gas program he started would provide 80,000 Albertans in rural areas with natural gas, a resource that belongs to them. I know it's a big job. He did reasonably well, and leaving it at the time he did, I know it's going to be a burden to the new minister.

I hope the new minister will put his foot down as the previous one did and let his department know he's the boss; that he is going to make the policies and they are going to

carry them out, and not that the department makes them and the minister carries them out. I think the success of the hon. minister was due to his being able to put his foot down when necessary. I do not doubt the same [applies to] the other ministers. I know they are capable. Many of them have done an extremely good job in that direction.

DR. BUCK: Are you reading your speech, John?

MR. BATHURST: No. From the budget.

I'm also glad that the water supply to the villages and towns is going to be continued.

In my constituency the hamlets and smaller villages particularly have a problem with water and sewer. The former minister started a good program and I hope it continues. People in the smaller areas are human just like anyone else, but because of the high cost of providing this service to them, they do not have it. I hope something will be done to provide this service to all Albertans.

I am also glad the Agricultural Development Corporation has budgeted \$25 million in additional funds. I think this is good. This program has brought a good number of people back to the rural areas of the province, as we had hoped, but I, too, would like to recommend to the minister that he review the program. It seems that some who are farming on a little bigger scale and want to expand don't find it very difficult to get in, but some people who are really capable have had difficulties. I think we'll have to look to helping these smaller farmers who are dedicated and will do well even on a small portion of land.

Mr. Speaker, I don't want to take any more time. I said I just had a few areas I wanted to express. I think this is a good budget and we'll do very well with it. Thank you.

MR. MINIELY: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. minister adjourn the debate?

HON. MEMBERS: Agreed.

MR. FOSTER: Mr. Speaker, I move that you do now leave the Chair and this House resolve itself into the Committee of the Whole for the purpose of considering certain bills on the Order Paper.

[The motion was carried.]

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF THE WHOLE

[Dr. McCrimmon in the Chair]

DR. MCCRIMMON: The Committee of the Whole Assembly will come to order.

#### Bill 20 The Workers' Compensation Amendment Act, 1975

[Section 3 as amended was agreed to.]

[Sections 4 through 12 were agreed to.]

#### Section 13

MR. CRAWFORD: Mr. Chairman, the amendment that is being proposed, Section 13(1), is just being distributed. If I may suggest, because it is only now being distributed, we could come back to it after you've gone through the others. But I wanted to make the remark about it at the proper place.

MR. CHAIRMAN: Have you heard the suggestion and are you agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: We'll come back to Section 13 after the amendment has been distributed.

[Sections 14 and 15 were agreed to.]

Section 16

MR. CPAWFORD: Mr. Chairman, on the document just distributed, Section 16, there's a proposed amendment.

MR. CHAIRMAN: We'll come back to that in order, if that is agreeable.

HON. MEMBERS: Agreed.

[Sections 17 and 18 were agreed to.]

Section 1

MR. CHAIRMAN: We were to come back to, and agreed to hold on Section 1, subsections (2), (3), and (4). Is it agreeable to you, Mr. Minister, to come back to those sections at this time?

MR. CRAWFORD: Yes, Mr. Chairman. I'd like to deal with those now if I might. What we are speaking of is in addition to the discussion the committee had on what is, in fact, two matters. One is the inclusion of compensation coverage in a special, narrow situation related to persons who come under The Disaster Services Act, people who are temporarily employed and who are involved in an emergency or disaster.

We noted at that time there may be occasions when this type of service results in a person being rather quickly -- almost conscripted to the service. It has a potential that it could be against his will in the sense of something like firefighting, as an example, where a quick gathering together of an emergency force is necessary. It just seemed that in those circumstances the person should have all the benefits of compensation. The situation would be that the person would be treated as a government employee and that could mean, if it was a municipal government requiring the service to be performed at that time -- I think there are examples of when that could be, as opposed to the provincial government -- then that municipal government would be the employer for the purposes of paying compensation. They do not pay a contribution based on a class in the same way as in the private sector, but the government involved, whether it be provincial or municipal, depending on the type of emergency service for which the person was called in, in fact assumes the full cost. So if it's a monthly payment over a period of years, the government, whichever one it might be, assumes the responsibility for the full cost. That, Mr. Chairman, is an additional explanation offered to the committee about the significance of subsections (2) and (3).

In regard to subsection (4), about which there was quite a little bit of discussion, I don't mind admitting to the members of the committee that after the discussion we had previously, I deliberately sought the historical information which I didn't have from the Workers' Compensation Board. I now offer to the committee, I think, an interesting and I hope useful and satisfactory recapping of why subsection (4) was proposed in the form it is.

The Workers' Compensation Act, until the consolidation in the statutes of 1970, was based on a different overall principle than the act of 1973. In making that remark, I'm really refreshing all hon. members' memories, and I admit including my own, that one of the principles of the new act was to be the principle of universality; that is a very, very broad and extensive range of situations, almost total, within the province that would be compensatory. Until the Revised Statutes of 1970 which were in force, of course, until 1973, the essence of the previous act, as with many other acts of its type in the country, had been that compensatory occupations were those named. The board had the authority to name classes of employers, classes of industries that the act would apply to.

It was Section 13 of the 1970 statutes that provided the board with the discretionary power to add many, many types of employers to the pre-existing schedule. The board used that over the years where they thought it was appropriate to add other agencies, including some volunteer agencies. However having lost, by the time the 1973 act was passed, that ability to clarify it by adding to the schedule based on an order of the board, it appeared necessary to make it abundantly clear that the new universality concept also included this previously existing power. This subsection (4) is put forward for the purpose of making it clear that that power which had been used in the past was also clearly within the jurisdiction of the board.

Now there were some questions, quite useful questions I felt, Mr. Chairman, asking how the board would apply this. They have basically four rules that they use when pursuing the application of what is, in essence, a volunteer or a non-profit agency. One is that it must be a recognized organization. It must be identifiable as a legal entity. We had examples given in questions of what about the person working on a community league project, and what about someone doing something as a volunteer at a nursing home, or whatever. If the agency that person was working for was a recognized legal entity, even though it was a non-profit voluntary association, that would be one of the tests that had been passed.

Secondly, the board has customarily applied the rule that the organization must keep track of hours. It would have to know who was working and what hours they were putting in.



Thirdly, the organization [must] have some control over the site and the workers. A short explanation of the reason for that would be if an employer wasn't actually acting as an employer, although it was a voluntary association and perhaps on whose premises the work was being done, and wasn't actually exercising some control over what was happening, the board would say, we don't see how we can, on those facts, allow you to make a contribution which may, in due course, become compensatable.

Another one, because members had raised the question of how they would calculate the value of services, the board's policy has been that it would not be based on compensation the person might make in some other role in life. The volunteer who was, in fact, a physician and surgeon wouldn't be compensated on that basis. A value would be attributed to the type of work he was doing as a volunteer. So it's clearly not that difficult for anyone who wants to undertake it to attribute value of, say, a trade in a given community at a given time. If the volunteer was performing that type of work, that is the rate at which the contribution would be calculated. In the event of a compensatable injury, that would be the rate at which payment to that person would be made.

The board has not had any restriction on what type of association might apply. Associations which apply and accord with the guidelines I've just outlined have, in the ordinary course of events, been treated as acceptable.

[Section 1(2), (3), and (4) were agreed to.]

[Section 13 as amended was agreed to.]

MR. CHAIRMAN: Are you agreed to Section 16 as amended?

DR. BACKUS: The amendment (b), does it not apply to Section 15(3) of the bill, rather than Section 16(3)?

MR. CHAIRMAN: I think I said Section 16.

DR. BACKUS: You said 16, but I think it's 15.

MR. CHAIRMAN: Section 16(3) is amended. That's the proposed Section 20 of The Motor Vehicle Accident Claims Act, set by striking out the word "notwithstanding" and by substituting therefor the words "in the discretion of the minister and notwithstanding". Are you agreed?

[Section 16 as amended was agreed to.]

[The title and preamble were agreed to.]

MR. CRAWFORD: Mr. Chairman, I move the bill be reported as amended.

[The motion was carried.]

MR. POSTER: Mr. Speaker, I move the committee rise and report.

MR. CRAWFORD: Mr. Chairman, I have just looked at what the hon. Member for Grande Prairie was raising. Technically, which is the only way we can look at it, I think he is right. Looking at page 9, the small subsection (3) which is amending The Motor Vehicle Accident Claims Act is, in fact, subsection (3) of Section 15 of this bill. Therefore, it should be 15 and not 16. Maybe the record could show that the change is deemed to have been made, along with the other.

MR. CHAIRMAN: Is that agreeable to the committee?

HON. MEMBERS: Agreed.

[Dr. McCrimmon left the Chair.]

\* \* \* \* \*

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bill, No. 20, begs to report same with some amendments, and asks leave to sit again.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, before moving we call it 5:30, tonight we will proceed to Committee of Supply to continue review of the estimates of the Department of the Attorney General, followed by the Department of Advanced Education and Manpower.

I move we call it 5:30.

MR. SPEAKER: Having heard the motion by the hon. Government House Leader, the Chair assumes that you agree without formal indication. The Assembly stands adjourned until 8 o'clock this evening.

[The House recessed at 5:22 p.m.]

\* \* \* \* \*

[The House reconvened at 8 p.m.]

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF SUPPLY

[Dr. McCrimmon in the Chair]

#### Department of the Attorney General

MR. CHAIRMAN: Are there any other remarks on the minister's office?

MR. NOTLEY: Mr. Chairman, just before the committee rose last Friday, we were still left with the question of the land titles amendment. I note from Mr. Clark's comments to the minister: "Will you find out over the weekend why it took us eight months? Check with land titles and find out, so you can come back and tell us on Monday . . .". Is the minister able to report in a little more depth today than he did last Friday? This is with respect to The Land Titles Amendment Act, 1974, and the delay in proclaiming it.

MR. FOSTER: Mr. Chairman, I'm not sure I agree to the use of the expression "delay". The forms and procedures that that amendment contemplated, in fact, which are now in place, could not be commenced until after that act was passed by the House in the fall. It's a pretty complex situation at law. It may have been, in the absence of a provincial election this spring, that we could have saved a month or two, in terms of the then Attorney General, in the supervision of the procedures and the forms, et cetera. That may be. But members opposite seem to be suggesting that there was some curious, as yet unannounced reason for this unexplained "delay". I simply say to you, in frankness, the procedure is a complex one. It may be that we could have saved a month or two without an intervening election. There's nothing more I can say other than what I've earlier replied in this House.

MR. HORSMAN: Mr. Chairman, if I might address a few remarks on the general topic of the department. First of all, perhaps I am one of those slow-learning lawyers from southern Alberta to whom the minister is referring in regard to The Land Titles Amendment Act, 1974, and the review. But I think it has been well done in the forms which are now supplied by the Land Titles Office. May I say the information should be there for the monitoring system that is being sought.

May I just comment briefly on the Kirby Board of Review. First of all, the establishment of that review was pretty much welcomed by practising members of the bar in my part of the country. I had occasion to appear before the Board of Review and to make representation on behalf of the Medicine Hat Bar Association. I was interested that a budgetary item is included. I certainly wish to congratulate the Attorney General for doing that, even though the report is not as yet before the House. Certainly it will prevent the necessity of special warrants, and I think that is a useful procedure to adopt. I hope we will have an opportunity to review and debate the Kirby Board of Review report when it is presented. I look forward to doing that, hopefully in the fall session.

One word on district court judges, if I may. There was some concern in southern Alberta that there is some move towards centralization by the appointment of only one chief judge in the district courts. We hope the new Attorney General will keep in mind that we've had a very successful experience over the years, as far as decentralization is concerned, by having district court judges resident in Lethbridge. They were able to serve southern Alberta very well without a great deal of travelling. Hopefully, that will be carried on.

Of course, there has been a terrific increase in the workload of district court judges, particularly in consequence of having the divorce jurisdiction. Accordingly, it's my opinion -- and I hope the Attorney General will take this into consideration -- that

Lethbridge really requires three resident district court judges. I hope that will be reviewed very carefully.

Certainly I think this question of decentralization is most important, and while there is the necessity of travel, I hope the new chief judge for the whole province will not just mean a centralization of control in either Edmonton or Calgary. [I hope] the districts outside those two major metropolitan areas may continue to be served well by their district court judges, and that the workload will be fairly evenly distributed. I understand, for example, there are 43 contested cases on the Lethbridge district court docket for the month of June alone. That's a pretty heavy load for one district court judge hearing that particular court. So I would urge the Attorney General, as I understand it is his prerogative to allocate the judges throughout the province, to have at least one more reside permanently in Lethbridge.

I wish to make those general remarks. I hope that will be taken into consideration when the assignment of new court judges is dealt with under Bill No. 1, for the good of the administration of justice in southern Alberta in particular.

MR. TAYLOR: Mr. Chairman, I was going to hold my remarks until we got to the particular section, but it will probably save time now, because what I have to say follows what the hon. Member for Medicine Hat was just saying.

It appears, with reference to criminal appeals, that there is going to be quite a backlog in Calgary unless something is done this year. I can understand somebody who is waiting to appeal his conviction under the Criminal Code for impaired driving not minding a bit, because he can keep on driving until the appeal is heard. If he loses that appeal, his suspension goes into effect. But many people do become very irate, and in the interest of justice it's very annoying to have to wait month after month.

I believe the judges in Calgary could handle a great many more of these criminal appeals if there was another Crown prosecutor. That seems to be the reason for the backlog. If another Crown prosecutor could be appointed in Calgary, I'm sure that that same excellent administration of justice Calgary is noted for could continue this year. So I would urge the hon. minister to take a look at this matter and see if another Crown prosecutor can be appointed in Calgary.

MR. R. SPEAKER: Mr. Chairman, I have four or five questions to ask the minister. Would it be all right to ask them at this point?

One was with regard to fees to various lawyers who are hired for various responsibilities. One thing brought to my attention was with regard to agricultural development loans and the fee charge in relation to fees paid to lawyers who do other jobs for government. The implication was that there were two different fee schedules. I wonder if the minister could comment on that.

MR. FOSTER: I think that's the subject matter of a question on the Order Paper, Mr. Chairman, and is not, strictly speaking, part of the vote to which we are now addressing ourselves. My memory of the situation is however, and I stand to be corrected, that the Agricultural Development Corporation has a list of solicitors around the province whom they use, generally speaking, unless the individual purchaser or client wishes to select another solicitor.

Secondly, generally speaking, I think they are guided by the local bar tariff less a certain percentage. I'm not sure I'm correct in this, but I don't think the Agricultural Development Corporation pays the full tariff on mortgages or land transactions, for example, that the local bar association permits. That may differ around the province. It may be the counsel here can help me, but I think that's the case. I don't understand the rationale for that, but I think that may be the case. However, I would point out that the fee is not paid by the corporation. It's paid by the client, charged back to the individual, usually through the proceeds of the mortgage or whatever the transaction is.

MR. R. SPEAKER: The minister mentioned a list. Does the Attorney General keep a list for the other departments of government?

MR. FOSTER: I don't have a list that shows the names of all the lawyers doing work for government. I would someday be interested in seeing it myself, but I haven't got a list.

MR. R. SPEAKER: Each department has its own list? It can hire a number of lawyers, and there is no co-ordination? I think that's the point I would like to get at.

MR. FOSTER: No, on the contrary. As I understand it, the practice in the past has been -- and it's a practice I would like to continue -- that before any department decides on its own to engage outside counsel to carry on a certain activity involving the professional legal community, it works through the office of the Attorney General. Maybe we have that capacity in the department, in which case we make that available to them. If we don't have the capacity in the department, and we agree with the individual initiative, we will then engage outside counsel for that department.

You will see a legislative requirement written into several provincial statutes -- and the best example I can think of is many of the statutes of the Minister of Consumer and Corporate Affairs -- that certain offices must consult with the Attorney General's department before they engage outside counsel, for example the Securities Commission. I think the unfair trade practices bill mentions that as well. As the hon. member has

pointed out, there is a need to co-ordinate not only the number, but the type of legal services going on outside government, and for someone, presumably the Attorney General, to have some idea of the complexity of legal activity for the entire government.

I have simply not been in office long enough, Mr. Chairman, to know the legal involvements of all my colleagues, and indeed the various Crown corporations, agencies, et cetera. But I am endeavoring to discover that.

MR. R. SPEAKER: The second area was with regard to the Public Trustee. The concern was how the money the Public Trustee had in his care was invested. For example, one case reported to me was that the sum of money was earning 6.25 per cent, but there was a 2 per cent fee. At that time the going rates were at least 8 to 10 per cent, and the client, or person dealing with the Public Trustee, felt he lost at least 2 per cent on his money or earnings. What safeguards have you to prevent that?

MR. FOSTER: It may be that in individual cases private arrangements could be made. I am not aware if there are such arrangements. I believe the options of the Public Trustee are defined in The Trustee Act, where the Public Trustee can only invest in certain kinds of approved investments or securities. Generally speaking, these are not very high risk -- well secured. You know, the second mortgage rates of 14 per cent are not an investment possibility for the Public Trustee. So the interest rates will be a little less than what you might gain in some sectors of the private mercantile community.

MR. R. SPEAKER: The other area I want to ask about at this point in time is the Legg inquiry. I was wondering, first of all, what procedure was followed to pick the judge. Was that done by cabinet or by yourself through recommendation?

MR. FOSTER: It was essentially done by me after discussion with a number of colleagues. Briefly, the procedure is -- and I think I commented on this last day -- the Attorney General phones the chief judge of the district court, indicates what our desires are, and asks the chief judge for his permission to appoint a member of his court to conduct an inquiry. Normally, I discuss the nature of the inquiry and what our requirements, if any, may be in terms of time. Normally, the Attorney General has in mind one or more judges whom he might wish to discuss specifically with the chief judge.

For example, in the last year or so, I think there have been a couple of inquiries which involved district court judges. I'm sure they've done a first-class job in all cases, but I don't think it would be appropriate, for example, to call upon His Honor Judge Roger Kerans so soon again. So I would say to the chief judge, as I did, I don't think that's appropriate, and I would be asked whether I had someone in mind. Looking at the rest of the court, considering who has performed in an inquiry capacity in recent years, I'm left with a series of judges.

I made the suggestion that we might in this case want to consider Judge Legg. It's entirely the privilege of the chief judge to say: (a) whether he'll offer anyone to assist us -- but the district court practice is that they will; and (b) who that is, because he's responsible for the assignment of workloads. In this case, the chief judge indicated to me that he would have no objection whatever if I wished to contact Judge Legg. As I had his approval, which is a necessary condition precedent, I talked to Judge Legg about it, discussed the inquiry, and he agreed to act. At that point, it was my responsibility to recommend the appointment to the Lieutenant Governor in Council, which I did.

MR. R. SPEAKER: At the point Judge Legg takes on a staff of solicitors, do you make recommendations, or does he make the decision as to what staff he takes on and who does what?

MR. FOSTER: I understand, Mr. Chairman, that the appointment of commission counsel, which is really what you are describing, is the Attorney General's prerogative. In this case, again as I recounted last day, I considered a list of counsel who I felt, after discussion with a number of people, would be well able to take on this responsibility. I then selected the person who was to operate as counsel. I mentioned last day, I think to the Leader of the Opposition, who this person was and roughly what process I went through.

MR. NOTLEY: Mr. Chairman, just to follow that up. During an inquiry such as the Legg inquiry, who approves the expenditures, that is, the breadth of the inquiry? Obviously, certain costs are going to be involved; commission counsel could spend a small or large amount of money. Who approves the money necessary for investigation and for the total cost of the inquiry, outside of legal bills, which individual people who are protecting themselves may pick up on their own?

MR. FOSTER: As I understand it, Mr. Chairman, fees and commissions in Vote 1207 is the appropriation which accommodates the expenses of a public inquiry, including commission counsel and counsel for other parties who may be called before the inquiry and have need of representation by counsel. The policy of the department in the past has been that if the chief commission counsel recommends Citizen X be represented by counsel paid for by the Crown, the department pays the bill. I don't see any compelling reason for that policy being changed.

MR. NOTLEY: Mr. Chairman, just to follow that up, is it a general rule when you have an investigation -- let's take for example the Alberta Housing inquiry investigating the activities of Mr. Orysiuk, and now the Legg inquiry, which will at some point investigate very directly the activities of the former deputy minister of agriculture -- that these people have their counsel paid for by the government, or is that something which would be up to the commission counsel? Is it his prerogative solely to determine which counsel for which people will be covered from the public purse?

MR. FOSTER: Mr. Chairman, having no personal experience of the situation, my understanding is that upon the recommendation of the commission counsel, we pay the solicitors' fees of the parties involved in commissions. I assume that he is probably in the best position to judge which parties should properly be before the inquiry and whether it's fair and reasonable in the public interest that the Crown should stand the cost of their representation.

In the Legg inquiry, there may be people who should be before it, who may be called, who need to be represented, who will be, and whose fees we should pay. On the recommendation of the commission counsel, we will pay them. Maybe somewhere in the distant past, the commission counsel has said we should pay A, B, C, and D, and the Attorney General of the day has said, well, I only agree with A, B, and C, but not D. I don't know. I simply have no experience with that. I can't imagine that being the case, but it's a possibility.

MR. NOTLEY: So, as Attorney General your policy would be automatic. Once the commission counsel recommends, let's say, A, B, C, D, F, G, these people would be paid out of this appropriation and that's that.

Are you in a position to advise just what the general average is in terms of an inquiry? We have, for example, the Kerans inquiry of a provincial nature. How many of the parties appearing before it who have obtained counsel, in fact have their counsel paid out of public funds?

MR. FOSTER: I don't know. I don't have the information. I can get it, but I haven't got it here.

#### Appropriation 1201

MR. KUSHNER: Mr. Chairman, I would just like to ask one question on 1201. With regard to salaries, it seems they doubled. I don't quite understand. I wonder if we could get some clarification on it?

MR. FOSTER: Mr. Chairman, I think the previous Attorney General did not have an executive assistant. He had a legal assistant whose salary was not part of this vote. That's the major part of the salary differential you see there.

While I'm on my feet, discussing the earlier question -- to show you how new I am -- I understand the commission counsel and the commissioner discuss the representation of various parties. Upon their advice, this is done. That clarifies the situation. So the commissioner is involved, recognizing that the judge has the powers of the commissioner and can call whomever he wishes before the inquiry, in terms of parties.

MR. KUSHNER: Just another question to the minister to follow this up. I notice you had four people on staff last year, and you still have four people. Where is that additional person?

MR. FOSTER: First of all, Mr. Chairman, last year the other person was a secretary and not an executive assistant. There is also some money in there for a car for the minister, but not that large a car.

Appropriation 1201 agreed to:

\$107,270

#### Appropriation 1202

MR. NOTLEY: Just one quick question. Are all the senior personnel in the department, the deputy ministers, what have you, the deputy attorneys general, members of the Civil Service Association, or do you have people on contract, in the top echelons of your department?

MR. FOSTER: As I understand it, Mr. Chairman, no deputy minister and no senior person in any department is a member of the Civil Service Association, and I'm sure the hon. member understands that. They're members of the management group. It's only when you get below that level that you involve yourself with the Civil Service Association.

MR. NOTLEY: Mr. Chairman, that's fair enough. The point I was trying to make, however, was not that they were members of the Civil Service Association. Perhaps I didn't put my question very well. My question really was whether they were full-time employees of the

Government of Alberta or, as is the case with several other departments, the deputy minister, in effect, was on contract.

MR. FOSTER: The only person who comes to mind in a senior position who is not public service if you will, Mr. Chairman, is Dr. John Butt, who I believe is on a contract. I see the heads shaking, so I think I'm right.

MR. KUSHNER: Mr. Minister, if I may, on 1202 there seems to be quite a few additional people. I wonder if the minister can explain. I think it's around 28 people or so. That seems to be an awful lot.

MR. FOSTER: Mr. Chairman, I think last day I went completely through the manpower and staffing differentials, the orders in council, and the special warrants. I even broke out the various numbers of people who were hired by category.

I would just suggest the hon. member might want to look at Hansard, because I don't think it's fair to take the time of the House to go through that whole list again, but I will if you want to.

Appropriation 1202 agreed to: \$5,683,750

MR. CHAIRMAN: The hon. Member for Edmonton Kingsway has asked leave to introduce visitors. Would you agree?

HON. MEMBERS: Agreed.

#### INTRODUCTION OF VISITORS (reversion)

DR. PAPROSKI: Thank you, Mr. Chairman. Mr. Chairman, I have the privilege of introducing to the members of the Assembly Mr. Charles Gravett, a prominent and well-known member of the Alberta community, who has served long and hard and well for many years in his capacity as the Executive Director of the Misericordia Hospital in Edmonton. I would ask him to rise and be recognized.

#### Department of the Attorney General (continued)

|                    |             |
|--------------------|-------------|
| Agreed to:         |             |
| Appropriation 1203 | \$1,502,070 |
| Appropriation 1206 | \$162,900   |
| Appropriation 1207 | \$462,700   |
| Appropriation 1211 | \$499,150   |

#### Appropriation 1214

MR. NOTLEY: Mr. Chairman, on this particular vote, I notice there is a drop of 10.5 per cent. Does the minister expect, as a result of March 26, that crime is going to go down by that much that we can put less money for crime compensation than before?

MR. FOSTER: Well, for that and other reasons, Mr. Chairman.

MR. NOTLEY: Would the minister like to elaborate the other reasons the vote has gone down? Every time we turn around, we hear crime is going up, and that there is a more and more serious problem. It seems rather strange, under the circumstances, we would have a reduction in the estimate.

MR. FOSTER: Mr. Chairman, I agree it seems strange there would be a reduction. But that appears to be the best advice we have from the board in terms of their compensation requirements for this fiscal year.

MR. TAYLOR: Mr. Chairman, I want to mention one point in connection with the Crimes Compensation Board. It relates to the answers you filed in reply to a question. I was trying to find out the percentage of the amount paid out by the board through the use of alcohol and drugs. In both cases, you say there are no percentages kept.

I'm wondering if the Crimes Compensation Board couldn't, with very little extra effort, keep tab of cases in which money is paid out because whoever did the damage or injury was intoxicated or under the influence of drugs. When we look at crime today, at least in my view, some large percentage is done by people under the influence of alcohol or drugs. I think this would be an excellent opportunity to find out whether this assumption is correct or otherwise.

There's a lot of, maybe it's loose talk, but I think there's some support for it, but no definite evidence of what the abuse of alcohol and drugs is costing the people of Alberta and of Canada. I'm talking about the abuse, not the use. I think the Crimes Compensation Board might be in an excellent position to note when money is paid out because the person who did the damage was intoxicated or [using] drugs. I'm just wondering if that could be looked at, to see if something could be done towards gathering those statistics.

MR. FOSTER: Mr. Chairman, the question having been asked by the hon. member from Lethbridge, the board is now aware of your concerns.

As I recall the return, according to their records, the incidence of drugs was very, very low, and incidence of alcohol in terms of complicity in the work of the board is very, very high. No actual count or percentages have been kept, but the question is a good one. We'll address it to the board.

MR. NOTLEY: Mr. Chairman, if I may just pursue this, I still find the minister's answer a little bit difficult to follow, because I notice the comparable forecast for '74-75 is \$313,000, and we're reducing it, as it says, by 10.5 per cent.

I wonder if perhaps the Attorney General could give us a little bit more information on the nature of the Crimes Compensation Board. I notice there's no provision for full-time people. It would appear we have a part-time board that would meet occasionally. I would like to know how many members are on the board, what the terms of appointment are, and what their tenure is. I would also like to know to what extent there is provision for some administrative back-up because, again, I see there's no vote here for salaries. We have fees and commissions, and other expenses, but no salaries. Do they use some other part of the administrative set-up of the Attorney General's department to operate, or what?

Again, I find it just a little difficult to understand why we would have a rather substantial drop in compensation, considering we're going on the forecast for '74-75 as opposed to the estimates.

MR. FOSTER: Mr. Chairman, I believe there are three members on the board. George Bryan is the chairman. I think they're appointed by order in council. I'm not sure whether or not it's a three-year term, but the legislation will reveal that.

As a matter of interest, breakdown of awards, going back the past few years, is: in 1974, \$180,000; the year before, \$108,000; the year before that, \$133,000; and the year before that, \$71,000. They vary, depending upon the kind of claim.

I would refer the hon. member to the specific legislation which established the terms of reference of the board. They have not had that many cases to deal with. I have, in the draft annual report -- which isn't ready yet, and which I will table when it is -- a listing of the various cases before them in the past few years. Curious as it may seem, it's the advice of the board that in this particular year, the level of compensation they will be paying out will not be as high. I haven't analysed the individual cases, but in some cases they provide compensation on an ongoing basis for a period of two or three years. In other cases it's a one-time payment and their view is, given the history of the cases, the kinds of cases before them and projecting the kinds of cases which may happen this year, they'll only require that level of funds for compensation.

MR. TAYLOR: Mr. Chairman, perhaps the thugs are becoming more sophisticated and are carrying out their crimes when nobody is at home.

MR. LITTLE: Mr. Chairman, does the Crimes Compensation Board submit a report of its own?

MR. FOSTER: Yes, it submits an annual report. The report for 1974 is in the process of being put together. It's not yet ready, however.

MR. NOTLEY: Mr. Chairman, to the minister. Are you in a position to give us any general breakdown as to the type of compensation? You mentioned figures, but do we have any general breakdown of the type of compensation claimed for assault or for one type of thing or another?

MR. FOSTER: Well, for example, using the 1973 annual report, which is the most recent statistical information I have, of \$108,000 in claims, \$72,000 was for loss of earnings; \$8,600 for medical expenses; \$9,800 for pecuniary loss to dependants of victims; \$8,700 under the heading of pain and suffering; and legal fees, \$2,200. The kinds of cases they would be dealing with would be: 51 cases of assault causing bodily harm; 7 of wounding with intent; 6 of attempted murder; 5 of robbery; 2 of common assault; 2 of murder; 1 of dangerous use of a firearm; and 1 of criminal negligence. The statistics are available, and I'd be happy to provide them if you'd like them.

Appropriation 1214 agreed to:

\$280,000

Agreed to:

Appropriation 1215

\$85,840

Appropriation 1216

\$2,101,440

Appropriation 1218

\$2,043,660

Appropriation 1219

\$128,200

Appropriation 1220

MR. KUSHNER: Mr. Chairman, I certainly like to have some explanation of the philosophy. I'm certainly not trying to criticize the government. I'd like [to ask] some questions, and I'd like some answers as well. We have 82 additional people, Mr. Chairman. I think I'd like to know, what is this shift here?

MR. FOSTER: Well, Mr. Chairman, as I said in the last 10 or 15 minutes, I went through the entire staff changes last day. I don't remember when it was, but I did.

Some 46 new people will be involved in 1220: the possibility of 1 chief judge; 10 solicitors; 14 support staff you might loosely define as clerks, stenos, typists, et cetera; and 21 positions which are vacant and open subject to the Kirby report, which we anticipate will involve the appointment of more provincial judges and more staff. As I said last day, Mr. Chairman, in Vote 1220 there is something like \$600,000 as a contingency fund for the Kirby commission report.

Appropriation 1220 agreed to:

\$4,940,140

Agreed to:

Appropriation 1225

\$1,015,950

Appropriation 1226

MR. TAYLOR: Mr. Chairman, is there some plan for extending the legal aid plan to other legislation this year?

MR. FOSTER: As a matter of fact, Mr. Chairman, the Legal Aid Society is recommending the extension of their program in certain new areas, both in terms of jurisdiction and function of counsel in the program. They asked for my opinion as to whether that would be appropriate, and my reply was, could you give me some idea of the anticipated budgetary requirements of this extension and the priorities you see, recognizing that we may not be able to move on all new initiatives. The short answer is, yes. The joint legal aid committee, the society, the department, and myself will be discussing the appropriateness of an extension, both in terms of jurisdiction and of function.

MR. NOTLEY: A quick question to the minister. Is there any cost-sharing arrangement with the federal government for all or part of legal aid? If so, what is it?

MR. FOSTER: It's approximately 50 cents per capita, Mr. Chairman. We're hoping to negotiate a little sweeter deal with the federal government than we have had in the past.

Appropriation 1226 agreed to:

\$2,000,000

Agreed to:

Appropriation 1227

\$595,000

Appropriation 1232

\$1,579,380

Appropriation 1233

DR. PAPROSKI: Mr. Chairman, a question on these two appropriations. Would the hon. minister indicate to us whether, in fact, the revenue is greater than the expenditure in these two areas -- revenue from whatever source when you go through the Land Titles Office? Do I make myself clear?

MR. FOSTER: No.

DR. PAPROSKI: Well, when you register and so forth, do you not pay a fee for this? In other words, there's an expenditure of whatever it is in those two appropriations. What is the revenue in those two areas?

MR. FOSTER: I don't have the revenue figures at hand, Mr. Chairman. Perhaps the Treasurer has them. There are at least two kinds of fees paid to the Land Titles Office. One is a fee for service, that is the charge for registration. The other is an assurance fund fee, which flows to the province and is used to guarantee the correctness of the service. If there is an error or mistake that by law the Crown is responsible for, we may be stuck, if you will, in paying the bill, whatever that is.

I don't know that anyone has ever costed out whether the fee-for-service part of it is appropriate to the cost of the premises. I know there are a number of fees charged in the Attorney General's department in all sectors, not simply Land Titles. We'll be doing a review of the fees in the course of the next year and establishing a policy as to whether a fee should be charged and if so, at what level.



DR. PAPROSKI: Well, Mr. Minister, I'm not sure you are clear what I'm really indicating. In other words, I would like to know, not necessarily at this juncture -- you can provide that information at a later date or even privately -- the fees that are charged. What was the total amount of fees in a given year, that fiscal year, relative to the expenditure we have?

MR. FOSTER: I haven't got the information, but we can get it.

DR. PAPROSKI: Fine. Thank you.

Appropriation 1233 agreed to:

\$2,149,430

Appropriation 1251

MR. KUSHNER: I don't want to be asking how many pencils or rulers or paper clips he is using, but again, Mr. Chairman, there are 61 people. I wonder if the hon. minister would like to clarify in a language I can understand so I can communicate to the constituents.

DR. BUCK: That's probably as conservative as possible, John.

MR. FOSTER: Mr. Chairman, there are something like 31 new positions in the Public Utilities Board, which were approved by cabinet in June 1974, but which are now being funded through this vote. They are, in fact, staff that are required for several reasons. One, partly because they were previously lacking staff. Two, The Natural Gas Rebates Act, in regulations, has forced substantial additional involvement upon the board. The jurisdiction of the board in some respects has been expanded, and additional staff is required there. If you like, I can break down the various administrative positions, senior officers, auditors, clerk stenos, rate design analysts, economists, clerks, et cetera, who are anticipated in this addition. I could provide the hon. member with a copy of the material if he would like it.

MR. KUSHNER: Mr. Chairman, to the hon. minister. I would like this background information in all these questions I have asked so I could be able to answer, in case I am asked questions in my constituency or the City of Calgary. I don't know how I can make a proper assessment if I don't have that information.

MR. FOSTER: Yes.

MR. KUSHNER: I would like to ask a further question. Why is this type of information not available in the document, so a person can study and assess it? Or is that not the policy?

MR. FOSTER: Mr. Chairman, I wasn't in this House before '71, but my understanding is that there was no such information of any kind in the budget that was produced by the then government. Not only did you not know how many salaried man-years there were, but you had no idea how many wage or contract employees were involved.

DR. BUCK: We still don't know.

MR. FOSTER: We have gone a considerable step forward in revealing to the public and all who are interested how many people are there, how many are salaried, how many may be in wage positions. So, I agree with the hon. member that a complete and full disclosure is appropriate and, indeed, in the public interest, and I will be happy to co-operate with him if I can.

MR. NOTLEY: Mr. Chairman, just before we move away from 1251 -- I hate to leave the minister in such a smiling, happy mood -- I would like to ask the minister what role he foresees for the Public Utilities Board in terms of doing more research itself. Traditionally, the role of the Public Utilities Board has been to hold a hearing. You would then have the company asking for the rate boost present its case, and you would have the various interveners try to prove the rate increase wasn't necessary.

I know that The Public Utilities Board Act, when it was set up, envisaged sufficient administrative staff to be able to analyse, investigate and look into the question on its own, as opposed to just being an arbitrator. My question really is: when the Premier announced a change, he emphasized the quasi-judicial role of the Public Utilities Board. Is it the government's view that the Public Utilities Board should continue essentially as a quasi-judicial body, in effect just refereeing between two sides? If that's true, to what extent are we going to improve the opportunity of consumer groups to make representation?

We brushed this topic very lightly -- and I say very lightly -- on Friday, because you mentioned that you had concerns about consumer protection before the Public Utilities Board. But you didn't go into any detail as to what the government planned to do about it. This is particularly important, not only with respect to some of the traditional areas where we see Public Utilities Board adjudication -- rate hearings, et cetera -- but now with various consumer things. Milk pricing is a good example. Propane comes under

the provisions of the Public Utilities Board. So, we have a whole new area of adjudication by the board. Now that's one question I'd like you to answer: to what extent are we going to move to fund consumer representation on a reliable basis so the adversary role, if you like, can be played to its fullest in the hearings?

The second question I would like you to comment on is the issue of what responsibility the board itself has to ascertain the facts and to find out, for example, just what a reasonable power rate is? What is a reasonable return on invested capital for a dairy farmer whose milk is controlled by the Public Utilities Board and the various other factors?

It seems to me that on your answers, one can make some conclusions as to whether we see an enlargement of the Public Utilities Board with more staff, or whether we see it continuing its essentially adjudicatory role.

MR. FOSTER: Excellent questions, Mr. Chairman. I really don't think I have thought either question through adequately to respond, but I'll do what I can with what I've got.

You're quite correct that the board today is essentially an arbiter in an adversary pleading situation -- adversary relationship. They have, I think, minimal staff, and one of the questions is: do we arm the board with a substantial addition to staff? If you're to follow the model of a number of public utilities boards in many jurisdictions in the U.S., you may have several hundred people on staff performing this function.

The government has made no decision on this. The time will come when we have to address our minds to it, and that time is coming very quickly. My personal preference is that we not develop a very substantial staff in the Public Utilities Board. We should, as much as possible, call upon outside expertise, contract work, et cetera, develop and utilize the professional capacity in our community, rather than build a board of several hundred people as appears to be the experience in a number of other jurisdictions.

Without having examined the situation and with that very important caveat, I am assuming there are procedural changes that can be made. They may be changes in the way they gain evidence and how that evidence is used, that the board is now not able to change that we can. I note there is a national group, and probably others, looking at this whole question of utility regulation in this country. Given the high inflation of the last couple of years, with more and more companies coming back to the boards once or twice or three times within the year, instead of once every two years, the machinery of the board is simply not established to accommodate that kind of rapid review mechanisms, the procedure of mechanisms, the administrative support are simply not there to accommodate that. Right now the PUB is extremely busy. It may be that its jurisdiction should be narrowed even further than it is today. I don't know. I'd like to look at that.

The hon. member will recall the Land Compensation Board, which was appointed in this past year, and that the expropriation function has been taken away from the board. There may be certain other functions that either should be added to or taken away from the board. I simply haven't addressed myself carefully and seriously to that problem but, of course, will do so.

On your second point, I accept the fact that the board has the responsibility to ascertain the facts, not simply to rely on the adversary relationship of the courtroom environment, if you will, to bring all the facts forward. If we could rely on a well-informed party on the one hand and a well-informed and equipped party on the other, to present the facts, as you can in the adversary relationship of a criminal court, for example, fine. But I'm not satisfied that that capacity exists today. This point, for example: we've been relying on certain consumer groups before the PUB to say to it, the public interest is vested in you. Here are the utilities companies. Let's have it out. Somehow we will sit here and decide where the public interest lies, what is a reasonable rate base, et cetera.

The consumer groups have been able to gain some financial assistance from the Department of Consumer and Corporate Affairs to do this. No doubt that practice is valid. It should be continued. I would like to look at that. It may be that the capacity of the board to award costs to parties before it should be expanded. In this, for example, you find that capacity amounts to something like \$80,000, which really isn't very much money when you consider the costs of some of these hearings. One consumer group alone, on one hearing, could easily chew up \$50,000, \$60,000, or \$70,000. Where the board goes out and initiates inquiries of its own -- and it has done so in the past year, particularly in propane -- it may be that the board has some responsibility to assist in the payment of those costs. The company can charge it back to its rate base. However, if the advocates of the public interest are independent, they have great difficulty in experiencing that cost.

I'm probably talking around the subject, Mr. Chairman, and not directly to it in terms of solutions. Part of that is that I simply have not gone into this problem in any depth, but intend to do so. Given my earlier comment about staffing, and the role and function of the board, I start from that position and will move forward from there.

MR. NOTLEY: Mr. Chairman, I welcome the Attorney General's statement that he does intend to follow this matter up, because this seems to me to be a real problem to a lot of consumer groups. As you point out, they can go to the board. They can state their case. The board, theoretically by the legislation, has the power to award costs. But if we've got an appropriation which has in it \$80,000 for costs, that's not going to go very far.

It seems to me I recall a Red Deer alderman once telling me that the City of Red Deer at one point made representation to the Public Utilities Board on power rates. Their

particular case came to about \$50,000 -- one city's case before the Public Utilities Board. That's the sort of situation where if we're going to make sure the consumer voice is strongly represented, they have to be in a little better position. Right now they're playing Russian roulette. They may get compensated or they may not. No matter how you work out some sort of loan system, when it comes right down to the final analysis, all they've got is the board's decision of none or some of the costs.

In my view, to make the adversary system at all workable, we simply have to have, within the estimates for the Public Utilities Board, sufficient leeway so that a consumer group can go out and do the job in terms of hiring competent consultants so they know what they're talking about when they present a case. You get both sides properly aired, not just some group that sits together over coffee on a Sunday afternoon, pulls together a brief, then presents it. That's not going to adequately protect the consumer -- not the kind of in-depth study that is required.

I think we have been fortunate to date on our power hearings, generally, that the REAs and the farm movements have been able to pull together and present pretty good cases to protect the consumer. But, as you say, we now have a different situation where we have so many of these hearings. They're hitting one after another in rapid repetition. It seems to me that the urgency of redefining the role of the Public Utilities Board and giving it the funding and muscle are both necessary -- both the funding for the adversary system to work, plus the administrative muscle to do independent research. It seems to me that the importance of doing that is really pretty crucial.

MR. FOSTER: Mr. Chairman, I appreciate the member's remarks. He referred to the Red Deer case. My former law firm represented the city in that case, and I know whereof you speak. It was more than \$50,000, I don't mind telling you.

However, the solution is not simply the addition of more and more money. I've tried to suggest one thing we should look at, and look at very carefully is the evidence procedure of the board. They go through many, many hours on the presentation of certain kinds of evidence in one hearing, and find they have to go back and do exactly the same thing a little later the same year. There may be ways we can accommodate this evidence problem that will substantially reduce the costs involved, yet do more work than we've been doing in the past. I don't know. I simply hear counsel expressing this as a valid concern -- opinions I respect. I want to look at the problem.

Appropriation 1251 agreed to: \$1,018,355

Total Income Account agreed to: \$26,355,235

MR. FOSTER: Mr. Chairman, I move that the vote be reported.

[The motion was carried.]

#### Department of Advanced Education and Manpower

DR. HOHOL: Mr. Chairman, in examining the estimates for the Department of Advanced Education and Manpower, I reviewed several approaches. In view of the extensive statements made by the hon. Premier and myself in prior discussions and before the House with respect to the functions of Advanced Education and Manpower and the reasons they were brought together, I chose to leave that section for further discussion should that be the pleasure of the House. I will address myself very briefly to the institutions themselves, by name and number only, and to the function of the departments in terms of divisional services, and then be prepared to discuss the estimates of the department in any detail.

Mr. Chairman, in examining the estimates, we are looking at four universities, six public colleges, four provincially administered colleges, four Alberta vocational centres, The Banff Centre, and two technical institutes, NAIT and SAIT. Mr. Chairman, it's important to note that along with these institutions are several bodies or groups or associations which influence policy and deal rather directly with the government. These include the faculty associations and presidents of each of the institutions I've mentioned, the chairmen and boards of governors of the four universities and six public colleges, and the heads of affiliated private colleges: Concordia, Camrose Lutheran, and Canadian Union.

There are six minister's advisory committees. Internally, there is a deputy minister, several assistant deputy ministers, directors, assistant directors, and a planning secretariat. Together with my colleague, the hon. Minister of Education, we form the authority for the Alberta Educational Communications Authority.

Those, sir, are the institutions with which we deal. In working with them, the major functions of our department in the area of advanced education have to do with securing, allocating, and ensuring the efficient and effective use of resources in the institutions of advanced education. To the best of our ability, we attempt to anticipate and to plan the nature of proper government relationships and activities with respect to institutions of higher education. We also try to identify the needs and establish some approach to meeting them within the resources and allocations of those resources, and the goals of the whole system.

We attempt, through in-house training programs, to do our share in the preparation of a competent labor force for Alberta in the years to come. In Advanced Education, we attempt to clarify for the institutions, for ourselves, and for Albertans, legislation relating to higher education. We attempt to co-ordinate programs so that we have the least gaps and overlap. We attempt to provide consultative services from Advanced Education to areas relating to that department. And we attempt to interpret Advanced Education services and functions generally to the public.

In the Manpower division, Mr. Chairman, we attempt to plan and implement the Alberta manpower policy, which was tabled before the House by the hon. Premier in 1972. We attempt to maintain contact and liaison with industry, both management and labor, with the federal government, and with the higher education and public school systems. We attempt to help in the orderly development of career planning.

We are certain, Mr. Chairman, there's a real onus on government to make certain that accurate and up-to-date information is available to all Albertans of whatever age when they're considering the furtherance of a particular career or a change of occupation or career.

We attempt to assist employers in the matter of looking at job opportunities, recruitment information, and availability of employees.

We attempt to encourage, promote, and support industry in on the job training programs for young people. We feel that training right on the job with competent supervision and demonstration is equally important as training within an institution. That is the work we do in Manpower.

I should like to comment very briefly on the work of the planning secretariat, which may come up for discussion during the estimates. We put this resource together shortly after we had the Manpower component in place. It has four or five important and significant responsibilities: to develop long-range plans to meet the social and economic policies of government; development, maintenance, and operation of planning, information, and research systems; identification and assignment of planning and research priorities within the department; liaison with research and information agencies in Alberta and the federal government; and management of contract research funded by the Department of Advanced Education and Manpower.

I should like to close my opening remarks, Mr. Chairman, by commenting that following my visit to nearly every institution of advanced education in Alberta, of four or five significant priorities that the presidents and chairmen of boards of governors brought to my attention, was not surprised at all, the matter of institutional financing. To that extent, I reviewed over the past years the approaches used by the department on behalf of government, and I'll simply outline the situation with respect to financing that may be important to discussion of the estimates.

When the Alberta Universities Commission was disbanded in May 1973, a task force was set up to examine the mode or system of distribution of resources to universities and colleges. When that occurred, the plan was shelved pending a review by the department itself. At that time, a three-year finance system was put together to take in the years 1973-74 to 1975-76, which is the current budget year and the estimates we will be examining.

Now, Mr. Chairman, for several reasons the department, on behalf of government and with the agreement of the leadership of the institutions of higher education, agreed to extend the three-year finance program for a fourth year. That fourth year would be 1976-77. The purpose of that postponement would be to give us a full measure of time in which to do a very careful study of the best ways of approaching the matter of distribution of resources to institutions.

The one-year, 1976-77, decision was then followed by a series of visits by officials of the department to all the institutions to look at the possibility of the extension, then have a one-year study. There was general support, in fact specific support, from the leadership of the institutions and the University Affairs Advisory Committee that it would be in the long-term best interests of government and the institutions which they fund, possibly to extend the financing system for one year and have an in-depth study of the system we are presently using for funding education, and how we might in the years to come. This may be something on which I would personally welcome discussion, advice, counsel, and criticism about how we might approach the study itself, should we determine to proceed that way.

I might point out too, Mr. Chairman, that another significant year is 1977-78, when the federal-provincial agreement with respect to funding of secondary school education -- which in some measure includes Grade 12, and of course, all the institutions of advanced education. So we have certain significant years that limit and at the same time provide us with an opportunity in which we might take a very careful look at the very important and significant matter to government, to the people of Alberta, and to the institutions themselves, of financing higher education.

Thank you.

Agreed to:  
Appropriation 3001  
Appropriation 3002

\$105,300  
\$3,287,238

## Appropriation 3003

MR. NOTLEY: Mr. Chairman, I wonder if the minister could report the function of the committees to the committee. We had discussed this in past legislatures, but I'd like to know how often the advisory committees will be meeting, if there is going to be any turnover in the committees, or what the tenure of the members of the committees is.

DR. HOHOL: Mr. Chairman, the thing is at the pleasure of the government. I have not had opportunity, though I've had invitations to attend these. I'm going to make it a point, as soon as circumstances permit, of meeting with each of the committees. My understanding is that they meet regularly. I know that the native education committee, for example, is meeting at Lac La Biche in a few days, and that it met about two months ago. I don't know if every committee meets as regularly or less regularly, but they certainly meet. They send minutes, and sometimes additional reports, to the ministry on matters that come before them.

Certainly the intention is to work with them. We dedicate ourselves to the proposition that these advisory committees are proper to have. To the extent our government and the department reflect due consideration and reflect it in some action with respect to recommendations, I think the committees will be effective.

MR. NOTLEY: Mr. Chairman, just to follow that question up. To what extent do the committees make recommendations with respect to funding? Let me just use the example of the university advisory committee. What role would the university advisory committee have in recommending to you that, say, the University of Alberta budget should go up 15 per cent, UC by 20 per cent, and the University of Lethbridge by 15 per cent? To what extent is that their role? Or is their role one of a rather vague set of recommendations which may or may not relate to the nitty-gritty of who gets the money and when?

In other words, what I want to raise and have you comment on, Mr. Minister, is the concern, which you can well appreciate, in the past House when the government decided to dispense with the Universities Commission and the Colleges Commission, which for both their good and bad points -- one of their good points was that they did represent a buffer between the department and the institutions and, as a consequence, provided the institutions with some feeling of security that they wouldn't have to deal with the partisan politicians; they could deal with the university politicians instead. I think, in a sense, those are much rougher politicians to deal with than those of us in this House.

Having said that, Mr. Chairman, still raises the question: to what extent are these committees operative? The minister says they meet regularly. Does that mean once every two months, once every month, once every two weeks, or once every six months? In other words, do they meet enough so that, in fact, they can represent the kind of buffer which can reassure the institutions on this particular issue?

DR. HOHOL: I'd like to define two ways, Mr. Chairman. One, I have to be perfectly candid and say there would be no way I would view the advisory committees as a replacement, in kind or in part, for the universities or colleges commissions. It wouldn't be fair to give that kind of interpretation. Certainly the hon. member didn't, but as minister responsible I also want to be fair. That's not the case.

Having said it, I just want to restate the proposition that any advisory committee must have all the concerns and considerations of the institution on whose behalf it advises. In that sense, one of the most frequent topics to which the committees will address themselves and thereafter the government through me, will be the matter of funding. I point out too that hon. members will appreciate that in the university community there are at least several groups which advise on fiscal policy, budget, and distribution of resources within the institutions prior to the institution obtaining the resources from government, when the institutions make up their case for the budget for the subsequent year. Certainly this group will be one of those.

I intend to be very open with the committees, as I am sure they will be with me, and to elicit their support and help in advising on all matters which affect the university or college, whichever group they represent. This will have to do with facilities, students, the academic community, and indeed, with money.

MR. NOTLEY: Can the minister tell the committee to what extent -- let me use the universities committee as an example. Are you in a position to advise the committee to what extent the university advisory committee made proposals on university funding accepted by your department? I am not talking about the general financing of universities two, three, or five years down the road, but about direct allocation, because I understand there is some unhappiness. It is my understanding that the University of Lethbridge didn't get quite as big an increase as the University of Alberta or UC. I want to bring that up when we get to it. But the point I am raising is: to what extent do the estimates reflect the direct recommendations of these advisory committees, and to what extent are the decisions made by the department on its own volition?

DR. HOHOL: Mr. Chairman, absolute candidness requires me to say that at two and one-half months old, if I can put it that way, I simply don't know. I have looked over the minutes and can draw some inferences, but not all.

I have a meeting scheduled with the particular committee the hon. member is referring to. At that time I will be able to establish its satisfaction or lack of satisfaction with respect to the subject under discussion. So I couldn't say what effect it had on the final determination of the budget by the department and the Executive Council. The question is a very proper one, and I'll apprise myself of the information -- I would guess the kind of capability the committee would want and need, if it were to feel it was doing a mature and significant thing with respect to the constituents the committee represents.

Appropriation 3003 agreed to:

\$400,000

#### Appropriation 3009

DR. WEBBER: Mr. Chairman, I would like to comment with regard to this particular appropriation. In my opening remarks here a week or so ago, I indicated that in our future plans in this province we shouldn't overlook the challenge of providing future generations with the best educational opportunities. Included in this was a view to supporting research in our universities and colleges for the improvement of the quality of learning.

I guess this particular fund is designed to improve the quality of learning in our postsecondary institutions. It disturbs me somewhat to see that the program, which began in 1974-75, has had a decrease this year of 16.7 per cent. I think this type of fund is trying to get at a very important aspect of improving education and teaching in our postsecondary institutions. I was wondering if the minister could make a remark or two as to why the decrease in this particular area has taken place.

DR. HOHOL: I'd like to comment in two ways again, Mr. Chairman. I'm wondering if the hon. member and I are reading the significance of the 16.7 per cent in the same way. Looking at the heading for ceilings changed from the 1974-75 forecast, we would have to look at the actual [figures] for 1974-75. There is a decrease of approximately \$300,000. The only defence one can make is: you lose some and you win some. But I want to comment on the fact that on the total projects currently under review or approved for 1975-76 in the estimates as we have them before us, we have \$280,000, which would amaze you.

I could speak at length about this particular part of the appropriation because this is where you not only teach or do research at the university, but you learn how to teach differently or better. You not only do research, but learn how to do it differently or better. The innovative function of higher education is significant.

I appreciate the hon. member's comments. Should the projects all find favor with the review committee, and it is a fairly stringent one, there could be adjustments if those were indicated.

Appropriation 3009 agreed to:

\$500,000

#### Appropriation 3010

MR. BFADLEY: Mr. Chairman, I was just wondering if I might ask the minister a few questions under this appropriation. First of all, I'd like to commend the government on the fine job it's doing in providing a very high level of assistance to students gaining a higher education in the province.

I'd just like to ask him one question. Under Appropriation 3010, is the province providing financial assistance to students attending educational institutions outside the Province of Alberta and outside the country, say in the United States? If so, is the assistance available on the same basis as it is to students attending educational institutions within the province?

DR. HOHOL: Subject to checking the details of the question, I would respond this way: the financial assistance to students is in Alberta only, with significant exceptions. We have scholarships to universities abroad -- one in Wales, for example. We have colleges for outstanding students of ages 14 and 15 for a period of 2 years. Initially the fee for this kind of instruction was \$3,600, then it moved to \$4,500. Next year it will be around \$5,000. We have several universities like those -- about 2 in Canada, about 3 abroad. Two more are being put together within the next 2 or 3 years. We usually support 1 or 2 students at higher cost at each of these universities.

But in the United States, for example, the student from Alberta would have to meet the requirements of an American college for American scholarships. An American student coming to Alberta, or from elsewhere in Canada, would in the main have to meet the scholarship requirements of the universities and the Students Finance Board regulations pursuant to them. Again Mr. Chairman, this doesn't take into account certain special arrangements through the federal government and foreign nations to bring students from underdeveloped countries to our universities as part of our aid program to underdeveloped nations, or sending teachers, technicians, or others to foreign countries on the financial support of Canada or our own province. If I have not completely covered your question, I would attempt to do so further now or later.

DR. BUCK: Mr. Chairman, the question I had was along the same line. I don't think you answered the question: if the student from Alberta wants to attend a university in the United States, can he apply for a loan? That's the first part of the question.

Secondly, are there grants, or is any assistance available, for married students who have one or two dependants and who would like to move, say, from here to the University of Lethbridge? Are there grants, or is any assistance available for these students moving their furniture and their household belongings?

The third thing I would like to know, Mr. Chairman, is if the minister can inform us what percentage of the loans to the students at the universities, NAIT, SAIT, and all the other higher levels of learning go into default -- are not paid?

The last concern I have is where a student, usually a married student, will apply for a loan. He can be completely independent of his parents, but the board that is letting out the loan will go back to his parents and say, because your parents are making \$15,000, \$20,000, \$30,000 a year, your parents can help you. But the student is completely independent of his parents. Many students who are acquaintances of mine have been rejected for loans, and they feel this is not fair.

DR. HOHOL: Mr. Chairman, in the order of the questions. To the best of my knowledge, and I am sure I am accurate, an Alberta student could not get a loan from the Students Finance Board in Alberta to attend a college or university in the United States.

With respect to movement of a married student from one region to another, again, to the best of my knowledge, that isn't the case. You could not get that kind of assistance. However, if there are special circumstances where aid is necessary, it could be provided more in the needs form, or competence award form, rather than a mobility kind of assistance.

The next question had to do with the percentage, and I could not . . . It's a detail, Mr. Chairman, that I would get from the records, and will supply the hon. member and the House.

With respect to the last question, I agree with the hon. member. Even today I met with the chairman of the Students Finance Board and we're reviewing the regulations with the intention of making some changes in them. Personally, I take the view that we haven't made the change, but I will be candid in everything we discuss. I am of the same view as the hon. member. If a youngster, for reasons which are his or his family's, but for whatever reason, does not live at home, he is clearly looking after himself in one way or another to the best of his ability. If his aspiration is to be a student for some time, the fact that his father would support him if he were at home, to me, becomes rather academic, as it apparently does to the hon. member. If that were the case, he would be at home and his father would be assisting him. There may be valid reasons that he's not.

So I concur that once the student is on his own and paying his own way, whether at work or at school, he should be open to scholarship aid on the merits of the case. One of the criteria of those merits would not be the fact that his father could afford to send him to school.

DR. BUCK: The hon. minister said scholarship. I meant loan.

MR. PLANCHE: Mr. Chairman, if my information is correct, to go to schools or universities outside the province, you pay a premium over and above people who attend from their own state or province. I presume the same thing is true in the universities in Alberta. In other words, an out-of-province person pays more tuition than . . . Not so? I see.

I assume there is a limited enrolment in faculties. In other words, so many are allowed into each faculty each year. I wonder if you could tell me what percentage of the enrolment in the undergraduate faculties at the University of Alberta is from out of the province? Do you have that figure?

DR. HOHOL: [Not recorded] but I'd be happy to get the reason for the [not recorded].

DR. WEBBER: I wonder if the hon. minister would make comments pertaining to the fact that our senior citizens get free tuition at some of our postsecondary institutions, whereas at an institution such as Mount Royal College in Calgary, I understand senior citizens cannot get free tuition.

DR. HOHOL: Yes, Mr. Chairman, this is something we looked at. We felt, in terms of the autonomy of institutions of higher education, that we would leave this kind of circumstance for them to determine. So the hon. member is quite right. Some institutions provide a non-fee situation for senior citizens. Others charge partial fees, or provide the fees but charge for something else, like students' union fees, social fees, and so on.

For example, in the University of Alberta credit programs, if a senior citizen shows proof of age, he is responsible for all fees except instructional fees. These are quite high. The tuition is waived for senior citizens; other fees are his responsibility. The extension department, which handles both credit and non-credit courses, just had a spring session for pre-retirement people. It was completely free to the senior citizens. In addition, those who needed transportation were provided free transportation.

So, in reply to the hon. member, this is a matter for determination by each institution. Each one approaches the problem of senior citizens either by the book or by some other criterion.

MR. PLANCHE: Mr. Chairman, could I ask one supplementary question of the minister? In view of the fact that we've established there is a maximum enrolment in each faculty, in addition to the question I asked about what percentage is out of province, I'd also like to know what percentage is from out of the country. I would also like to know what other universities in Canada don't have a differential between in-province and out-of-province tuition fees.

DR. HOHOL: I should now like to give this information for the record, saying I haven't the detail with respect to some of the faculties. I understood the hon. member's question in the context of graduate school. It isn't that usual for undergraduate schools to have quotas, if that's the hon. member's question. Subject again to detailed examination, my response would be that the undergraduate schools of Alberta do not have a ceiling. This might be dictated by space or some circumstance of the moment or the time, but in undergraduate schools they are not. There could be exceptions for cause, but not as policy. This question has to be placed in the context of graduate schools, and indeed some graduate schools.

Now with those understandings, Mr. Chairman, we will look. I'll present to the hon. member and to the House, if it's the wish of the House, the information for which I was asked, with respect to outside students from the nation, from the continent, and from abroad at the universities, with respect to absolute numbers and, if the hon. member wishes, in terms of percentages.

MR. PLANCHE: Mr. Chairman, my question is, to be more precise: I'd like to have it for graduate and undergraduate. The question I'm trying to get at, Mr. Chairman, is: are some provincial students being displaced? I'd like to know what that number is. I'm trying to get at that point.

In addition to those questions, I'd also like to know what other universities in Canada don't have a fee differential? In other words, I know of no other one, but I may stand corrected.

DR. HOHOL: Just to respond so that there's as little as possible left to report in the future, the matter of displacement is really one of debate. Certainly I'll provide the information, but I wouldn't wish to give the impression, Mr. Chairman, that I view the question in the same context as the gentleman who asks it. The notion of displacement is one of debate. It's one of a value judgment. I respect the hon. member's view, if he was indeed expressing a view. But I want to make it clear that it isn't a displacement circumstance as I understand it.

There are so many places in a quota graduate school like medicine or law. Certainly, students who qualify may not have the opportunity to enter this year, because students from elsewhere made higher marks, so they're at the university and an Alberta student is not. But at the same time, it may be that an Alberta student has done the very kind of thing elsewhere in the nation, on the continent, or abroad. All I'm saying is, this is debatable, and a properly debatable issue. So in that context, I'll get the gentleman the fullest information I can.

I want to say there's a real concern and a real effort to maintain a proper balance, a proper, I don't like the word "mix", but certainly the kind of number arrangement that is reasonable and fair to Albertans, to Canadians. Indeed, if we're going to look out to the world, if we're going to be cosmopolitan and look outward, we have to make room for students. Yet we cannot do this at large prejudice or bias to the ratepayers, to the constituents and students of Alberta.

MR. MUSGREAVE: Mr. Chairman, I'd like to ask the minister if he thinks it's fair and equitable that some of the institutes of higher learning give free education to senior citizens who may be quite capable of paying for it themselves.

DR. HOHOL: Again we're in the area of value systems and debates. The question I think is answered rather comprehensively by the fact that there is no means test for senior citizens to get pensions. So I suppose the hon. member, and I'm not familiar with his resource capabilities, would likely fail a means test for income as a senior citizen at age 65. But that circumstance won't faze him or me or anybody. Nevertheless, to place it in context, the expenditures here are minimal. I think the principle involved is that we don't have a means test for senior citizens.

MR. MUSGREAVE: I just want to point out to the minister that I agree with him. On the other hand, we have a very effective means test in the Income Tax Act to make sure that those who have lots, pay lots.

I just want to ask the minister a further question. Does he not feel that by this universal approach that we may be denying a source of funds to other projects which, you know, are perhaps more in need or more deserving?

DR. HOHOL: Mr. Chairman, I would have to say, no. I think this is more a gesture of respect and awareness of the contribution over a large number of years of people of that age. The money in absolute dollars and in percentages is very, very small. The research people say it is not significant at the .05 level margin of significance. So it's not significant in terms of money.



I think it is significant that some universities make this kind of gesture, and I believe that's what it is. I would be certain that the money spent in this area would not deny anyone else entering an institution for a course or a program for a year or for ten.

MR. BATHURST: Mr. Minister, in 1974 there was a provision that anyone who had to change his residence to enrol in the University of Lethbridge [received] an outright grant of \$500. Has there been a change since? To anyone who had to change his residence to enrol in the University of Lethbridge in 1974, there was an outright grant of \$500. Is this still the same, or has there been a change?

DR. HOHOL: Without being clear that that's the exact amount, I would take the hon. member's figure that that's what it is. Yes, that's the case. There is a slight additional funding of the University of Lethbridge because of low enrolments and the economies of scale that at some point, I think, have diminishing returns too, but certainly not at that level of enrolment. The University of Lethbridge provides a compelling argument that the university, providing excellent service, needs some measure of extra funding. But it has to be some measure. It can't be out of proportion.

MR. NOTLEY: Mr. Chairman, I would like the minister to comment on the Students Finance Board's present policy with respect to remission of loans. For some time, we had a remission system. Then, during the mid-sixties, we got away from that and had straight loans. In the last year or so, we've gone back to a mix.

My question is: what is the current amount that will be remitted, and how far back will the remissions be applied? Is it a year back or two years back?

I have had representation made to me by people who went to graduate school, say in the early seventies, but apparently don't qualify for the remission. On the other hand, the students today can have a certain amount of their loan written off. I'd like the minister to comment on what role he sees the board taking or what changes he sees the board making in terms of the whole question of remission of student loans.

DR. HOHOL: Mr. Chairman, the present practice is to remit 25 per cent of the loan. To the best of my knowledge, subject to checking, it's not retroactive. It's remitted on the prior year's fees and over a period of two years. So after one year, a student gets a remission of 25 per cent of his loan, which he can then apply to the second year of studies. That happens again after the second year of study.

We are examining the proposition that it would be fair and reasonable, and in the interests of the student, the province, and society generally in Alberta, if we were to remit 50 per cent of a loan so as to make university and other kinds of advanced education accessible to as many people as possible.

I should comment that it is not at all usual to remit loans to graduate students. The purpose of scholarships, loans, and grants for the most part across this nation is for students to obtain an education defined as a four-year degree program. The hon. member's constituents or friends could well be master's candidates and would not fall under the area of remission benefits.

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| Appropriation 3010 agreed to: | \$7,459,000 |
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| Agreed to:         |             |
| Appropriation 3011 | \$1,000,000 |
| Appropriation 3012 | \$2,720,000 |
| Appropriation 3015 | \$2,388,293 |

Appropriation 3017

MR. NOTLEY: Mr. Chairman, the minister is probably aware of the various ins and outs of studies concerning the establishment of a board to bring together the Fairview College, the Grande Prairie College, and the Grouard institution. At one time too, there was a study to see [whether] there could be co-ordination between British Columbia's institutions and the institutions in northwestern Alberta. I would like the minister to comment on his particular views on this matter.

Personally, I would recommend to him that we set up a board for the Fairview College. I think one of the most encouraging happenings in the field of secondary education in the last two or three years has been the excellent recovery of the Fairview College. Two or three years ago it was clearly one of the sick men of the college system. I think there was widespread feeling throughout the system that the days of the college, as an effective institution of learning, were numbered. As a matter of fact, your deputy minister recommended that it either shape up or ship out. He suggested perhaps an alcoholic rehabilitation centre, which didn't go over too well with the people in the area.

However, the point I want to make in raising this, Mr. Chairman, is that there has been a remarkable recovery. I think part of the success stems from much better staff morale. We have an absolutely first-rate choice as the principal of the institution. He has been able to get the staff pulling together, has gone out seeking new courses, and has broadened the role of the college and the courses available at the college.

But I would like the minister's comments. We have stuck Vermilion in this new Keyano College. I'd like to know what role he sees for Fairview.

DR. HOHOL: Mr. Chairman, very frankly I was hoping the hon. Member for Spirit River-Fairview would ask for my assessment of the college. I was prepared to say exactly what he said. And I don't have to say it.

I had the pleasure of visiting the college. It has made a remarkable recovery, probably for the reasons indicated. There's no question about the future of the college. It shall be, not because someone says so, but because it is there, flourishing and growing. That has been most encouraging. The enthusiasm of the place was of the kind that my flight back was delayed some considerable time because there were so many things to show, see, and talk about.

I think that with the short time I've had to look at the institutions of advanced education, I have to circumscribe my comments with some care. But as far as the colleges in the north, while keeping an extremely open mind and having to spend some considerable time looking at the whole north, I would make these comments. They would apply to any area of Alberta where there is a region that has some distance with respect to miles and several institutions. As far as Fairview College and the community college at Grande Prairie are concerned, I would say this: each one is providing a service different from the other -- distinctive and reflecting the aspirations and nature of the countryside. I think that is excellent. I think any institution should maintain that kind of integrity.

That is one thing I can go on record for. Each college has to respond to the people in that fairly large area. Now, there is no question with respect to any capability of the two colleges to work together. That is also the case. There can be visiting arrangements of staff so that, for example, music isn't a major enterprise in both, yet [is] an experience in both. There are other examples of how this can be done. Flying people in might be even less expensive in these circumstances than going by car.

I would say too that Fairview naturally looks north. It could look toward some -- and has some -- students from British Columbia. That is a reasonable kind of approach. In planning programs, I am not clear that there should be a tight relationship between any two institutions. There should be co-ordination. That they should watch for overlap or gaps, or that they should work together goes with the kind of leadership we believe we have in the two institutions. But to tie them to some kind of unnatural marriage when the two areas and the two colleges have a different philosophy and clientele is something I would find extremely difficult to recommend or implement.

The question of a possible board, Mr. Chairman, again is the subject to a good deal of study. My impression is that most colleges, including this one, should have a board representative of the people of the area, who can assist the president, staff, and the community in reflecting the aspirations, hopes, and kinds of things the area should like the college to respond to, and make it indeed a community college. So, I will be looking at and examining with a good deal of favor the notion of a board for that particular college.

Appropriation 3017 agreed to: \$997,639

Agreed to:  
Appropriation 3020 \$934,000

#### Appropriation 3022

DR. WEBBER: Mr. Chairman, I would just like to make a couple of comments on public colleges. Several items have been brought to my attention by former college board members and others. First, there may or may not have been in the past a tendency for an excessive representation of the higher income brackets on our boards. In either case, I think there should be representation from as broad a cross section of the community as possible, of course considering the talent that is available.

The second point is with regard to possible tardiness or slowness in making appointments to boards. I believe several boards in the past year have had one and possibly more vacancies for fairly long periods of time. Since the boards have the responsibility of determining policies of this college, I think it's important that they have as full a complement as possible.

Number three, and probably more important, I think that when appointments are made to boards, the appointees [should] be given a set of guidelines regarding their roles as board members. What I mean by this is some possible job description outlining their responsibilities as board members.

MR. HORSMAN: Mr. Chairman, may I just ask the minister a couple of questions? First of all, may I say I was pleased to hear his support for the concept of boards as indicated in regard to Fairview College. But having been in the budgetary process at the college level not so long ago, I would like to point out some of the difficulties or concerns felt by board members.

The budgetary process and the approval of budgets are matters left too long in many cases. There is a great deal of concern that boards don't in fact know whether they have the authority to operate, and to operate with a good deal of autonomy. After all, autonomy is a relative thing. You can have it, but if the money is cut off at the source, you don't have it.

So I would like to urge the minister to see what he can do to ensure that boards are informed as soon as possible about their budgetary approval. In this regard, may I ask

the minister whether all the boards of the various public colleges have been notified of the approval of their budgets? In particular, have there been any significant cuts from the budgetary requests of the various boards of the colleges?

DR. HOHOL: Mr. Chairman, in response to both honorable gentlemen, the counsel is proper. I'll try to take it, not just into consideration, but into performance, and make sure that a proper cross section is on boards of governors, that they are appointed in time, that they are clear on the functions and onerous duties and responsibilities which boards of governors carry out, and that budgets are moved up by several months to make sure they know well in advance of the beginning of the year so they can plan staff, space, equipment, programs, and so on.

I appreciate the discussion of the recommendations. I'll take them under very close consideration and performance.

Appropriation 3022 agreed to:

\$18,089,000

#### Appropriation 3023

MR. LYSONS: Could the minister comment on Lakeland College, in regard to the earth-moving course there? I felt this was a commendable course. A great deal of work was accomplished and a great many people, both men and women, were trained in operating heavy equipment. I would like his comments, if this is the time.

DR. HOHOL: Mr. Chairman, I was going to say the reason we didn't return with that particular program was we moved all the earth that needed moving. But my colleague may not agree.

Anyway, the intention of the program is to train young people in a particular geographic area where that kind of competence might be particularly required over a period of time. Having a college there, and having a competent staff and a number of young people, we did have an exceedingly successful program. It was also exceedingly expensive. It cost \$60,000 to train 24 students for 5 weeks. It's an expensive course because of the cost of equipment.

This year we moved that particular program to Fort McMurray, a very natural, a very normal, and a very usual [place]. I think limitation of funds for programs, in terms of equitable distribution, is the real reason we didn't do it in Vermilion two years in a row. We studied very carefully and consulted with the Alberta Roadbuilders Association and the operating engineers union to see where it might best be placed this year. It was quite unanimous that it would be Fort McMurray. We will return to Vermilion should funds and the program itself warrant it.

I appreciate the hon. member's question and point.

Appropriation 3023 agreed to:

\$1,354,549

#### Appropriation 3024

DR. PAPROSKI: Mr. Chairman, one more question on colleges, if I may, to the minister. Regarding the task force dealing with nursing training in hospitals versus colleges, I wonder if the minister would comment on the status of that report, and also comment on whether the number of nurses taking registered nursing courses in colleges is expanding or stable at this juncture, until that report is filed?

DR. HOHOL: Mr. Chairman, the programs are on line and continuing. They are in no way affected by the time and function of the task force. The task force has its frame of reference and commitment in terms of a requirement to table this report in September.

DR. PAPROSKI: Mr. Minister, the real question I'm concerned about is: the report coming in may in fact have a direction opposite to what is happening. Will the minister take into consideration that maybe the course should not be expanded until the report comes in?

DR. HOHOL: It is hard to prejudge a report. I simply take the pragmatic view that the requirement for nurses is normal, natural, and if not acute, is at least fairly grave. It is reasonable to feel the approach we now are using to the training of nurses is turning out excellent nurses. If the report of the task force has overwhelming evidence that we should do some other things, then clearly we'll examine those and likely accept them, [although] we may not. The point is, we simply can't close the store, if I can put it that way, and wait for a report. The nature of reports on any activity of government, industry, or labor -- we really can't await a report. They are not incompatible.

Appropriation 3024 agreed to:

\$2,923,409

Agreed to:

Appropriation 3030  
Appropriation 3031  
Appropriation 3032

\$956,093  
\$273,962  
\$4,700,000

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| Appropriation 3033 | \$1,977,595 |
| Appropriation 3034 | \$835,173   |
| Appropriation 3040 | \$814,800   |

Appropriation 3041

MR. ZANDER: Mr. Chairman, are you dealing now with Appropriation 3041?

AN HCN. MEMBER: Say what you're going to say.

MR. ZANDER: Mr. Chairman, I'm concerned with apprenticeship training. It appears there are some difficulties for some of our young students coming to the apprenticeship board. First of all, they don't find a sponsor, and secondly, I was told some of the unions are primarily dominated and controlled by the need for apprentices, so the journeymen are actually trying to keep the apprenticeship enrolment down. Why do we have to include people who come from out of the country, when we have sufficient manpower? Young people want to get into apprenticeship and cannot do so now.

DR. HOHOL: This is a fairly general kind of criticism. In some ways it stands up, and in some ways, Mr. Chairman, it simply does not. The approach to entry into apprenticeship often requires preapprenticeship training. In other words, a youngster may not be ready to move into a rigorous, vigorous, and tough academic and on-the-job training program. I say it not for ornamentation's sake. I think it's to the credit of all Albertans, and the prior government and ours, that the apprenticeship program in Alberta is viewed in the nation and elsewhere as the best in Canada.

I should say that in the last year and a half we graduated as many apprentices as we did in the four, five, or six preceding years put together. There are some problems, as there are bound to be if you have governments, management, and labor working together on some apparatus that will set the criteria by which a youngster will move to the apprenticeship program. We have the apprenticeship branch, and the apprenticeship committee, which is really somewhat autonomous, works with local committees across the province. There are appeal procedures for youngsters, including appeal to me personally, so that what the hon. member says is certainly a fact in some cases. Whenever it is a case, I would appeal to members to help the youngsters by telling them where to go: the apprenticeship board; the apprenticeship branch; if you are familiar with the act, work with him; take him to the Manpower division head, or to myself personally.

I would not wish any youngster who wants to be an apprentice in any trade to have that kind of thing denied him, because it needn't be. Very often it requires pretraining. When the program takes four years, if you have to take several months of prevocational training, you are looking at five years. Sometimes the youngster says, no. The criticism falls into that area.

MR. ZANDER: Another question to the minister. If industry is reluctant to accept green apprenticeships within the companies now, couldn't the department move in the way that government departments could possibly accept some of them in apprenticeship? [This would] give these young people who come out of our colleges and universities, or who graduate from our high schools, at least an equal chance to participate in the industrialization of the province.

DR. HOHOL: The hon. Member for Drayton Valley is right on. We're examining that feasibility. It's something that you move into with some hazard because you then have two kinds of apprenticeship programs: the government-sponsored one in a direct way, and one in which the government is a partner to the apprenticeship branch. I should not wish to leave the impression that we should generalize about industry. There are some corporations, some large ones, some medium-sized ones and some small ones, which are doing an excellent job. There are some big ones -- and who knows, I might be prepared to name them sometime for the record, because they are just not performing and they don't have apprentices. They simply work with graduated journeymen. This isn't fair. It isn't proper. It isn't the kind of performance that you'd expect from industry. Unions, too, ought not to be generalized about. While some might wish to exercise some control about how many enter so that there is a scarcity on the other end, it relates to collective bargaining. On the other hand, some unions are very, very effective and helpful. They have sponsored apprenticeship programs, training on the job, and so on. You can't generalize. I'd like to be fair and honest on the floor of the House.

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| Appropriation 3041 agreed to: | \$2,000,000 |
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| Agreed to:         |             |
| Appropriation 3042 | \$1,853,312 |
| Appropriation 3045 | \$1,800,000 |

Appropriation 3046

MR. R. SPEAKER: Mr. Chairman, to the minister. Does STEP come under that appropriation?

DR. HOHOL: Yes, it does.

MR. R. SPEAKER: In the terms of reference for STEP and employment, do daughters or sons aged 16 or over qualify for the program? Is that the basic . . .

DR. HOHOL: Mr. Chairman, STEP is a term. The Summer Temporary Employment Program is the general language that covers several programs, one of which is the farm program. It is this one the hon. member is talking about. In this case, the answer is yes. One child of the parents is eligible for assistance through this fund.

MR. R. SPEAKER: Are grants also available to these young people over the age of 16 in farm processing industries, such as say potato processing?

DR. HOHOL: Yes.

MR. R. SPEAKER: Now the third area that's just a little different. I had a call this morning from a fellow who has a son who is 17. He would like him to work with him in his undertaking parlor during the summer for training. He also needs the help. Now does the son qualify?

DR. HOHOL: To the best of my knowledge, no. I could check in the little red book, but I'm sure, if that's the case, the assistance for youngsters working for their parents is only in the case of the farm program, not in other activities.

MR. R. SPEAKER: Could the minister just very quickly outline the difference between industries -- farm-based, I'm certainly in support of that. But I also had a hotelkeeper in a little town in my constituency say, look, I have a youngster who needs summer work. I need people to work in my hotel and I can't get them. They're going over to the processing plant and getting subsidized wages. I can't keep labor. I'm competing with government, I pay my taxes. How do you rationalize this kind of thing? You know, you select one group and not another.

DR. HOHOL: Well, it's a fair comment, Mr. Chairman. This is how we shake down and improve our programs. I recall when Dr. Horner and I were talking about the farm assistance program about three years ago, we were estimating, in an experimental way, 200-400 youngsters. We were trying to get an occupational group that's in dire need of assistance, and impossible of help at all. We were trying to get young people from cities and towns interested in the countryside and get them out to help with farm work. We wanted to see what would happen.

What happened in our first year was that over 2,000 youngsters went out to the farm area. It's a value judgment we made on the basis of the circumstances. Again, value judgments can be made and I respect those made. We'll be reviewing the program this fall and reporting to the House on it. It's something we'll take into consideration.

The kind of thing that the hon. member describes should really be covered by the small businesses part of our Summer Temporary Employment Program. This youngster could well qualify under small businesses rather than some other part of STEP.

MR. R. SPEAKER: Mr. Chairman, further to the minister. Let's say a town or a village wants to hire young people on a summer basis, does it qualify for subsidization?

DR. HOHOL: Yes, there's a municipal component in PEP and STEP. Under both, we co-ordinate federal, provincial, and municipal programs at the provincial level.

MR. R. SPEAKER: What was the deadline for the applications? Has it passed? It was last Friday, I believe.

DR. HOHOL: There were really two deadlines, Mr. Chairman. One was April 15. The other was when all the funds provided for us by Executive Council were committed. I think those of us in line departments and other related areas of government who used the cut-off date when the money was committed are more or less on. Those who used the date -- you can appreciate that if there are enough applicants by a certain date, you can have more commitments than you have money allotted.

The important thing is: when there are youngsters today in Alberta looking for work, and there are more than there were last year, I believe the people of Alberta in the months to come will support in a substantial way youngsters to get jobs to assist in work experience, to get money to help them in their education, their work or whatever.

MR. R. SPEAKER: With regard to the small business section of STEP. The son of the undertaker, the specific case I referred to, could he qualify under that particular section?

DR. HOHOL: To the best of my knowledge, not so. But I should like to invite the hon. member to give me a memorandum or a name and a phone number. I will certainly follow it up personally and respond to him after we make that kind of determination.

Appropriation 3046 agreed to:

\$9,500,000

Agreed to:  
 Appropriation 3055  
 Appropriation 3056

\$14,598,104  
 \$15,541,769

#### Appropriation 3060

DR. PAPROSKI: Mr. Chairman, just a few questions here. I'd like a response from the minister with respect to Athabasca University. I wonder if the minister would comment on the allegations that a dollar spent here is not warranted concerning the activities going on at Athabasca University. What are, in fact, the dollars spent per capita at Athabasca University relative to other universities?

DR. HOHOL: I think in all fairness, I should like to make the comment that you'd have to place the allegations in the context of the source and the expertise and competence of people who make that kind of judgment. You have here a very specialized university providing special services to people, probably in the number of 750, who would not otherwise get them. Certainly on a comparison basis, we're spending more money per student at Athabasca University than at any other institution of advanced education.

One of the strengths of the five universities we have in Alberta is that no two are the same, no two aspire to be like each other. They have their unique kind of characteristics and functions. This is one of the more notable experiments in education in North America, and the value judgment can be made in many ways. I think that the college we're talking about has a particular and unique function in developing new ways of learning, new technologies of learning, and new systems of teaching. These we need, and we need them sorely.

They have three areas of content, but I'm particularly concerned with process. How does the process of education really occur? How do you apply the psychology of learning, and we know what this is. How do you apply it in the learning-teaching circumstance?

So, it would be difficult to say that Alberta is not getting its money's worth. What value do you place on 750 people who would not otherwise have any access because of the circumstances they are in? The technology, the capability of this university to provide this unique kind of strength in terms of education, can only grow, can only get better. So I do not sense within me the capacity to be defensive about the expenditures of Athabasca university.

Appropriation 3060 agreed to: \$135,640,000

|                    |             |
|--------------------|-------------|
| Agreed to:         |             |
| Appropriation 3064 | \$274,522   |
| Appropriation 3065 | \$1,793,118 |
| Appropriation 3066 | \$923,557   |
| Appropriation 3067 | \$1,466,544 |
| Appropriation 3068 | \$1,306,546 |

Total Income Account agreed to: \$238,413,523

|                    |              |
|--------------------|--------------|
| Agreed to:         |              |
| Appropriation 3082 | \$24,845,000 |
| Appropriation 3083 | \$10,600,000 |
| Appropriation 3084 | \$2,000,000  |

Total Capital Account agreed to: \$37,445,000

DR. HOHOL: Mr. Chairman, I move the resolution be reported.

[The motion was carried.]

MR. HYNDMAN: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[The motion was carried.]

[Dr. McCrimmon left the Chair.]

\* \* \* \* \*

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions, begs to report same, and asks leave to sit again.

Resolved that a sum not exceeding \$26,355,235 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Department of the Attorney General.

Resolved that a sum not exceeding \$275,858,523 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Department of Advanced Education and Manpower.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, tomorrow evening the Assembly will sit, and in supply will consider the Department of Agriculture and the Department of Consumer and Corporate Affairs. Both departments will be considered on the report of the subcommittee chairmen.

I move that the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: This Assembly stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:26 p.m.]

