

Provincial PC pontificates on party platform

by Denise Workun

"Alberta's economy has gone from the 14th to the 12th floor while the rest of the country's economy has dropped from the 10th to the 9th floor" said Provincial Treasurer Lou Hyndman, speaking on the 2nd floor of the Law Building.

Hyndman spoke Friday to the U of A PC Club on "The Alberta Economy and Heritage Savings Trust Fund."

He said, "the economy in this province today is still one of the strongest in Canada."

Hyndman pointed to "Alberta's relatively high level of retail sales, per capita take-home pay, and percentage of employed in the labour force," as indicators of a healthy economy.

Rather than seek a return to the economic boom of the late 1970's, Hyndman said "we must look with realistic optimism toward sustained and gradual growth."

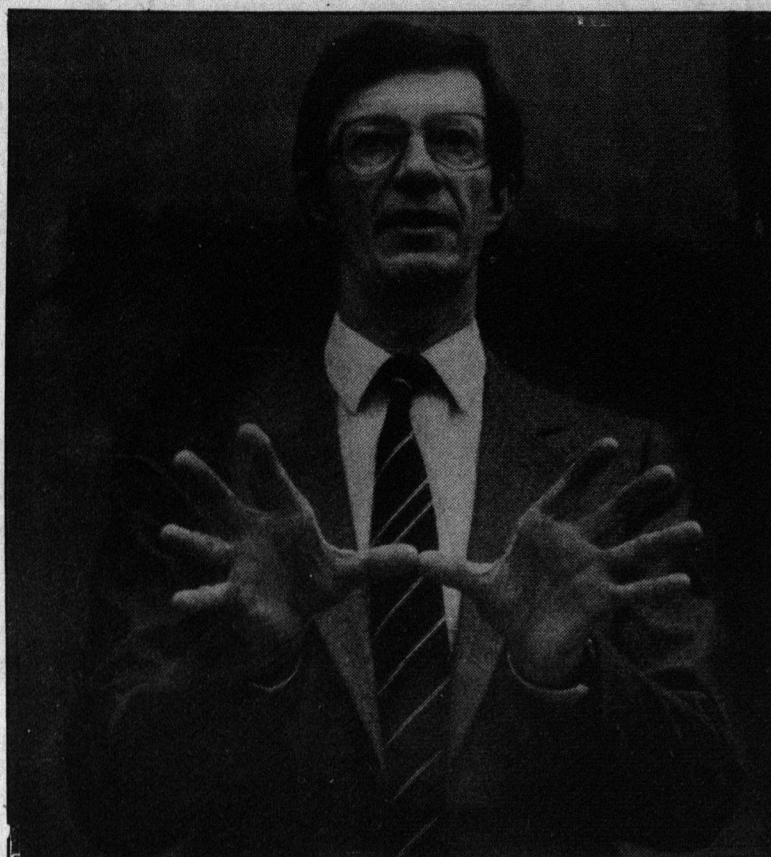
He emphasized the "private sector as the strength and the engine behind economic growth."

There has recently been public debate over the Alberta government's tax giveaways. Royalty tax credits outweigh corporate income tax by \$171 million in 1982-83.

The upper limit on tax credits, which weighted the system in favour of the smaller companies based in Alberta, was recently lowered. This new policy shifts the advantage toward larger corporations.

When questioned about this issue, Hyndman affirmed the "need to subsidize the corporate oil sector in order to preserve the industry's infrastructure."

Non-renewable oil resources are presently being extracted for



Provincial Treasurer Lou Hyndman waives his hand poof, the debt vanishes. If we wave our hands, will he vanish?

Photo: Tim Kubash

substantially lower revenues than could be expected. Hyndman was asked about the rationale behind subsidizing oil production at a time when oil prices are so low. He replied "it is necessary to maintain present levels of oil revenues because they bring in half the total provincial budget."

"There are problems with early resource extraction (before it is economically viable) especially with regard to tar sands development," he admitted.

Hyndman's controversial

decision to raise Alberta's personal income tax by 13 per cent will provide the government with an extra \$220 million for 1984. This move eats into one of the strongest elements of the Alberta economy, consumer spending.

"It is necessary to cut back spending and raise personal income tax to decrease the government's deficit," he said. Hyndman added, "we must be credible as a government for investors to come here and we cannot be credible while con-

tinuing to run deficits of that level."

When questioned about the government's strategy of diversifying Alberta's economy, Hyndman pointed to Alberta's "unique position" in the Canadian economy. He explained, "we're landlocked with a low indigenous population and therefore must be realistic about our problem areas."

"We must cash in on our own special advantages such as computer software, medical technology, and pharmaceuticals," but stressed that "oil is a base from which we can all grow again."

With respect to the Heritage Trust Fund, Hyndman spoke with optimism. Though he admitted "we're using the Heritage Fund earlier than we thought," he added "the Fund is proving its worth now that we're in tougher times."

Presently, 15 per cent of resource revenues, rather than the 30 per cent retained in the past, go into the Trust Fund. This means the Fund is remaining relatively stable in terms of growth. A portion of the fund is now being diverted to help pay off the government's deficit.

Hyndman justified this use of the Fund's resources by stating "it makes sense to divert the Heritage Fund for this rainy day in order to decrease the deficit."

Hyndman was also questioned about the provincial government's endorsement of hospital user fees. He expressed

his support for the policy and stressed the "need to build a cost consciousness approach into the population." He justified user fees as "a disincentive to overuse of the medical system."

While Hyndman admitted there "are problems with this approach," restricting access of lower income groups to medical service, he said "choices must be made to curb the escalating health costs which threaten to eat into funds for education and other social services."

User fees are to be implemented at the discretion of all hospital boards.

Hyndman said "making hospital expenditures more visible to the public will hopefully encourage them to use their resources more efficiently."

When asked whether the government is planning to implement any student employment programs, Hyndman pointed to the \$60 million already designated for non-permanent student employment programs. He stressed that "the private sector is the most viable area to provide permanent jobs. It is the government's role to ensure a healthy economic environment," he said. "The problem with government jobs is that they are either illusionary or a means of reshuffling funds in the budget."

The PC Club will be presenting Peter Pocklington at noon Wednesday, February 15 in the Law Building, Rm. 207. All are welcome.

Grant drops out of race

Independent candidate Michael Grant has dropped out of the race for Undergraduate Representative to the Board of Governors.

"I'll leave the politics to the hacks, I'm content to remain a real student," says Grant.

Chief Returning Officer Glenn Byer received a letter from Grant yesterday morning saying

that Grant had decided not to run.

Originally Grant was one of four candidates for the Board of Governors. The remaining candidates are Barb Donaldson, Grant Borbridge and Jim Shinkaruk. All three are running as independents.

Grant's name will not appear on the election ballot.

B of G cuts

continued from page one then a whole list of other equally dubious reasons. They were finally forced to suspend the policy of buying houses because of public outrage.

But Board of Governors Chair John Schlosser doesn't think the University is doing badly, in light of the current economic situation.

"I don't see any real purpose in marching on the Legislature. I think we are being treated as well as anyone in the province is, certainly as well as other universities," he says.

Horowitz disagrees, "I think we have to come at it (the provincial government's policy toward education) in more ways imaginable. If the situation is better at this University than at others it may be because of the noise we have made."

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