

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday, June 10, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

PRESENTING PETITIONS

MR. HORSMAN: Mr. Speaker, I would like to beg leave of the Assembly to deal with petitions. May I point out that due to a procedural matter I shall ask that the Assembly suspend the rules in order to allow the presentation of the petitions on private bills. I wish to point out that pursuant to Standing Order 74, the proclamation and the publishing of same shall be done for the first time in any year in which the Assembly is meeting. This is the second time this year in which this Assembly has met. I should therefore ask that the rules be suspended or amended in order to allow the presentation of these petitions for private bills.

I therefore ask the permission of the Assembly to proceed.

MR. SPEAKER: May the hon. member have the required leave and unanimous consent to the extent that it may be necessary?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, I beg leave to present the petitions for private bills as follows:

J.R.W. Sykes, B. Sawyer, B. Scott, and A.F. Womack for an act to amend certain settlements resulting from the last will and testament of the Hon. Patrick Burns;
The Alberta Wheat Pool for an act to amend The Alberta Wheat Pool Act, 1970;
The Alberta Children's Hospital Foundation for an act respecting Alberta Children's Hospital Foundation;
John E. Logan for an act to incorporate the Institute of Accredited Public Accountants of Alberta;
Hector Couture for an act to provide for the extension of time for filing a statement of claim by Hector Couture, beyond the period allowed by The Limitation of Actions Act;
The Canada West Insurance Company for an act to amend an act to incorporate The Canada West Insurance Company.

I beg leave to notify the Assembly that the first meeting of the committee will be held Monday, June 16 at 10 a.m., the place to be announced later. At 10:30 I will call forward the second bill, which is The Alberta Wheat Pool Amendment Act.

INTRODUCTION OF VISITORS

MR. KIDD: Mr. Speaker, on your behalf it gives me great pleasure to introduce through you to the members of this Assembly, 40 Grade 9 students from the St. Thomas More school in your constituency of Edmonton Meadowlark. They are accompanied by their teachers, Mr. Althouse and Mr. Frank Letain. They are seated in the public gallery. I would ask them to rise so they can be recognized by this Assembly.

MR. TAYLOR: Mr. Speaker, I have great pleasure in introducing to you, and through you to the hon. members of the Legislature, a very distinguished Albertan who has spent 25 years in the coal mines of Alberta: 6 years as a coal mine manager in the Drumheller field and another 19 as a coal mine manager in other parts of Alberta. He has had a great deal to do with the development of coal mines in various parts of Alberta and has had a very exciting career as a coal mine manager. I'd ask Mr. Andrew Wilson, in the Speaker's gallery, to stand and be recognized.

MR. ZANDER: Mr. Speaker, it is indeed my pleasure today to introduce to you and to this Assembly, 27 students of the Drayton Valley Junior High School in the Town of Drayton Valley and the constituency of Drayton Valley. They're accompanied by 2 teachers, Mr. Berezan and Mr. Sawchyn, and their bus driver, Mr. Halushka. They are seated in the members gallery. I would ask them to rise and be recognized by this Assembly.

MR. KUSHNER: Mr. Speaker, I want to introduce to you, and through you, a group of 19 Grade 6 students from my constituency of Calgary Mountain View -- as a matter of fact, from my community in Bridgeland -- with the assistant principal, Mr. Richard Steffen, and Mrs. Hartzler. Two of them have been to the city before, but none to the Legislature. I hope they will rise and be recognized by this Assembly.

MR. MUSGREAVE: Mr. Speaker, I would like to introduce to you, and through you to the members of this Legislative Assembly, a member of Calgary City Council, Alderman Don Hartman, who has served with great distinction on this council for the past several years. I would ask Alderman Hartman to please stand and be recognized by this Assembly.

TABLING RETURNS AND REPORTS

MR. DOWLING: Mr. Speaker, by way of additional response to questions posed by the hon. Member for Drumheller, I wish to file with the House a document regarding the establishment of the film industry in Alberta, and to table the response to Motion for a Return No. 136.

MR. RUSSELL: Mr. Speaker, I have a variety of reports to table at this time from the Environment Conservation Authority: the Paddle River Basin report, the annual report of the Environmental Research Trust, the annual report of the Environment Conservation Authority, the proceedings of the fourth annual joint meeting of the Public Advisory Committee on the Environment, and volumes 1 and 2 of the proceedings of the public hearings on the use of pesticides and herbicides in Alberta.

DR. WARRACK: Mr. Speaker, I'm pleased to table the answer to Motion for a Return 130, as ordered by the Assembly.

ORAL QUESTION PERIOD

Oil and Gas Pricing

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural Resources and ask if he plans to meet with the federal Minister of Energy, Mr. Macdonald, in the near future regarding the question of oil prices?

MR. GETTY: Mr. Speaker, I believe I responded to the same question yesterday by saying that negotiations were going on regarding oil and natural gas pricing and that, probably before it was all worked out in any final form, further ministerial meetings would be necessary.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Are dates set as of now for such ministerial meetings between the hon. minister and his federal counterpart, Mr. Macdonald?

MR. GETTY: Not a firm date, Mr. Speaker.

MR. CLARK: Mr. Speaker, in light of the Premier's absence, a supplementary question to the minister. Is the minister in a position to indicate to the House whether the Prime Minister and the Premier have to date arranged meetings dealing with the oil price issue?

MR. GETTY: Mr. Speaker, the hon. Prime Minister announced in Ottawa yesterday that he would be phoning a variety of premiers regarding oil and gas pricing. He mentioned he would be phoning the Premier of Alberta, and he is presently doing so.

MR. CLARK: Mr. Speaker, a follow-up to the question. Can the minister indicate to the House whether a meeting on this specific matter has been agreed upon between the Premier and the Prime Minister?

MR. GETTY: Mr. Speaker, I'm not listening in on their telephone conversation. It's difficult for me to say.

MR. CLARK: I would assume there's been no meeting organized then.

Visit of French Minister

MR. CLARK: Mr. Speaker, while we're on the subject of meetings, a supplementary question to the Minister of Business Development and Tourism. Will he be meeting with the French minister of trade and commerce when he arrives in Edmonton later this week?

MR. DOWLING: Mr. Speaker, I understand the host for that meeting is our good friend, the Minister of Federal and Intergovernmental Affairs. However, I've been invited to partake of some of the social occasions, which of course I'm going to do.

MR. CLARK: I think we'll leave that one there.

Megavitamin Therapy -- Hearings

MR. CLARK: Mr. Speaker, a second question, to the Minister of Social Services. I'd like to ask the minister if the hearings dealing with megavitamins presently under way are public?

MISS HUNLEY: I don't have all the details before me of the plan for the hearings. I believe some of them are. Subsequent to a question which I believe arose in the House last week, Mr. Speaker, I received some indication from the committee promoting the use of megavitamins that they were not too satisfied with the proposal we had placed before them. It was being discussed further. I am now under the impression that the suggested arrangements are satisfactory, but I would have to get additional information.

MR. CLARK: Mr. Speaker, a follow-up question. Would the minister be in a position to indicate to the House whether in the course of these hearings there is cross-examination of people who come forward to present briefs or points of view?

MISS HUNLEY: The hearings we had in mind, Mr. Speaker, were not really intended to be a cross-examination such as one might expect in a court. In view of the fact that we are attempting to obtain information rather than arrive at something that might perhaps be considered almost a judicial decision, I question whether cross-examination is necessary. I know that's one of the issues that has been discussed and perhaps is still under discussion, though we are trying to work out with those who have agreed to conduct the inquiry for us a suitable atmosphere in which all sides of this case can be heard.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister in a position to indicate to the House whether there is a physician on the committee hearing the various points of view who has had, shall we say, some professional experience in the use of megavitamins?

MISS HUNLEY: I am unable to answer that question, Mr. Speaker. I'll have to look into it and advise the hon. member and members of the Assembly.

Canada Winter Games -- Prizes

MR. R. SPEAKER: Mr. Speaker, my question is to the Attorney General. This is with regard to the unclaimed prizes from the Jeux Canada Games at Lethbridge. How will the Attorney General's department dispose of these prizes when they are received by his department?

MR. FOSTER: Mr. Speaker, I wasn't aware we were in possession of unclaimed prizes. I'll look into the matter.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Attorney General. One of the unclaimed prizes is a trip to Hawaii. Would the minister reserve that right for himself, or would he be benevolent in his . . .

MR. FOSTER: I think after a good deal of consideration, Mr. Speaker, I will claim the prizes and the benefits.
[laughter]

Manpower Requirements

MR. GHITTER: Mr. Speaker, my question is to the hon. Minister of Manpower and Advanced Education. I'm wondering if the government has undertaken any ongoing studies relative to present and future manpower needs in the Province of Alberta.

DR. HOHOL: Mr. Speaker, in terms of working documentation, discussion, and study papers to make certain we know to the best of our ability what's happening in the manpower supply/demand equation, we're constantly working on that kind of thing. I wish to be extremely careful and make certain I wouldn't use the literal or dictionary definition of the word "study" in the context of what we're doing in manpower on the subject under discussion.

MR. GHITTER: Supplementary, Mr. Speaker. I'm wondering if the hon. minister could advise the House whether he intends to undertake studies of a more formal nature in the future relative to our ongoing manpower needs in the Province of Alberta.

DR. HOHOL: This is a consideration indeed.

MR. GHITTER: Further supplementary, Mr. Speaker. I'm wondering if the hon. minister could advise the House whether he has any indication as to the present or future shortfall manpower needs in the Province of Alberta.

DR. HOHOL: Mr. Speaker, we have indicators based on trends over the last decade and some capability from those projections to predict what may happen in the years to come, in two ways: first, in total manpower supply and demand in any occupation; secondly, in particular activities within an occupation, for example, in the building trades.

MR. GHITTER: Supplementary, Mr. Speaker. If I were to put a motion on the Order Paper to get the return of those figures, I'm wondering if the hon. minister would advise whether they are available.

DR. HOHOL: Probably not, because they're the kinds of things that industry, labor, and government use in terms of indicators of the kind of direction one or the other or a third party might take in terms of policy or practice. Some of the information is classified in the sense that it is used to assist one or the other of the three groups to progress in making predictions. It would not normally be shared because it is the kind of information a competing company or corporation, for example, might use to make some assessment of what the competition would do.

Secondly, to table figures like that would be to inevitably clothe them in the definition and description of validity and reliability. At this point in our efforts the work is more in the direction of indicators and possible kinds of interpretations of what may occur in years to come. In terms of the research meaning of studies or reliability or validity, I would have to say they're not of that kind. They're more indicators than real predictors of anything that will occur within a particular occupation.

MR. GHITTER: One final supplementary, Mr. Speaker. Is it then possible to receive any information from the hon. minister's department that would assist the members in understanding the future needs of this province on a manpower basis?

DR. HOHOL: Yes, no question about it. I thought we covered a good deal of that in the estimates yesterday. If there is any specific information the hon. member wishes to have, I'd be most generous in supplying it.

Canada Winter Games -- Prizes (continued)

MR. FOSTER: Mr. Speaker, perhaps I could add a further response to the question asked by the hon. Member for Little Bow concerning the Lethbridge games. I'm advised by the hon. Member for Lethbridge West, who was the lottery chairman of the Winter Games, that prizes must be claimed by March 15, 1976, or they will be funded to the provincial government. I regret that information, Mr. Speaker, since that Hawaiian trip cannot be claimed until then.

Industrial Relations -- Complaints

MR. YOUNG: Mr. Speaker, my question is to the hon. Minister of Labour. I'd like to know whether the Board of Industrial Relations has an unusual backlog of cases at this particular time.

MR. CRAWFORD: Mr. Speaker, not to my knowledge. I'd be glad to check into the backlog and give the hon. member the information.

MR. YOUNG: Mr. Speaker, a supplementary. I'm wondering if the minister would undertake, when he is making that check, to check on the case of unfair labor practice which was generated in early February. From the best information I've been able to find, it is still before the Board of Industrial Relations. That is the one concerning Ralph Berkes Painting.

Oil and Gas Pricing (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier and ask if he's in a position to report to the Assembly on his telephone conversation with the Prime Minister of Canada?

MR. LOUGHEED: Mr. Speaker, no, I'm not. I think the nature of the conversation is such -- and I presume it's one of a number -- that I don't think I am in a position to make any comment to the House at this time.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Can the Premier advise the Assembly whether the timetable of oil pricing was discussed?

MR. LOUGHEED: Mr. Speaker, again I'm in the position at the moment, and the nature of the discussion is such that I really cannot provide any useful information to the House.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Can the Premier advise when we can anticipate an announcement in this Assembly on the question of oil pricing?

MR. LOUGHEED: Mr. Speaker, I don't think I could be definitive with regard to that. As soon as there is something concrete which would be useful, I certainly would be prepared to advise the members of the House what has occurred.

MR. CLARK: I wonder if I might ask a supplementary question of the Premier. Is the Premier in a position to indicate to the House whether as a result of his discussions with the Prime Minister he will be meeting with the Prime Minister? Or has a meeting, in fact, been set up on the issue of oil pricing?

MR. LOUGHEED: Mr. Speaker, at this time I could not anticipate whether there would be a meeting with the Prime Minister on that particular subject in the near future.

Federal Budget

MR. CLARK: Mr. Speaker, I wonder if I might ask one more supplementary question of the Premier. Is the Premier in a position to indicate to the House whether the federal government has asked the premiers to meet with them prior to the federal budget coming down?

MR. LOUGHEED: Mr. Speaker, I think I might be breaching the confidence of the Prime Minister's communications with me in that regard. I think it's possibly a question that would have to be directed to him -- if he did, in fact, call a meeting. At the moment I don't anticipate that would occur.

Oil and Gas Pricing (continued)

MR. NOTLEY: A supplementary question to the hon. Premier. Can the Premier advise whether there are ongoing discussions on oil pricing with provincial officials, Alberta Petroleum Commission officials, as well as federal government officials?

MR. LOUGHEED: Mr. Speaker, the use of the word "ongoing" in the hon. member's question is such that I would have to answer in the affirmative. We really have been having ongoing discussions regarding prices, at the official level, continuously since September 4, 1973. I presume they'll continue.

Crimes Compensation -- Medical Payments

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Hospitals and Medical Care. A very short explanation is required first. The crimes compensation report indicated that considerable money is paid to medical doctors.

My question is: do the doctors bill medicare, or is that bill paid separately by the A.G.'s department?

MR. MINIELY: Mr. Speaker, I'd have to check that and report back to the hon. member.

Impending Teacher Strike

MR. ZANDER: Mr. Speaker, my question is directed to the Minister of Labour. Are there any new developments in the proposed teachers' strike in the north-central zone that is going to be in effect tomorrow at 8 o'clock?

MR. CRAWFORD: Mr. Speaker, I think there has been recent publicity to the effect there would be a strike tomorrow morning. I have no information at the present time to contradict that.

MR. ZANDER: A supplementary, Mr. Speaker. Are negotiations going on between the two bodies?

MR. CRAWFORD: Mr. Speaker, there is always a certain degree of contact in a situation like this. It is not necessarily continuous throughout the period of negotiations. I do not know if there is contact today, for example. Whether there would be a walkout or not, the parties would presumably be back in touch within a reasonable time.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Minister of Education. Has the Department of Education established any contingency plans with regard to exams and marks for the students of these particular schools?

MR. KOZIAK: Mr. Speaker, the boards involved in the present dispute are accredited and entitled to provide marks on the basis of the full year's progress of the student and the superintendent's recommendations. In the event there is some dissatisfaction by students in Grade 12 with the marks they received from their local board, the facilities of the Department of Education are, of course, open to them to write departmental examinations.

School Financing

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is the department planning any special funding beyond the present funding for smaller school jurisdictions? This seems to be one of the concerns in these areas.

MR. KOZIAK: There is nothing planned that isn't provided for in the estimates for the present fiscal year.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Will the minister be tabling an analysis or report with regard to funding of small schools and related jurisdictions?

MR. KOZIAK: That matter isn't presently under consideration, Mr. Speaker.

Hunting Licences -- Exemption

MR. BATIUK: Mr. Speaker, I would like to direct my question to the Minister of Recreation, Parks and Wildlife. Since senior citizens are exempted from purchasing fishing licences -- and all senior citizens are not fishermen -- would the minister consider exempting senior citizens from [purchasing] hunting licences?

MR. ADAIR: Mr. Speaker, I would have to take that as notice and respond after I've had a chance to review it.

Predator Control Program

MR. APPLEBY: Mr. Speaker, my question is also directed to the Minister of Recreation, Parks and Wildlife. I would like to ask if he has had an opportunity to assess the success of the predator control program in effect in this province in the past year.

MR. ADAIR: Mr. Speaker, at the moment I have not.

MR. APPLEBY: A supplementary, Mr. Speaker. Does the minister's department have any means of monitoring the wolf population in the province?

MR. ADAIR: Yes we do, Mr. Speaker, in co-operation with the Department of Agriculture.

MR. APPLEBY: A supplementary, Mr. Speaker. Would the minister know if the wolf population is increasing?

MR. ADAIR: I would have to take that as notice. I can't respond to that right now. I don't know.

Municipal Tax Assessment

MR. MUSGFEAVE: Mr. Speaker, I would like to direct my question to the hon. Minister of Municipal Affairs. It is my understanding that the City of Calgary has established a municipal mill rate for 1975 taxes that, in effect, sets a different rate for an owner living in a multiple dwelling such as a duplex or triplex.

If the hon. minister confirms this situation, would he request the city council to reconsider its action? Failing that, would he consider amending the municipal legislation so discriminatory taxing powers would be removed from the jurisdiction of local councils?

MR. JOHNSTON: Mr. Speaker, that is certainly a complex issue. In response to the first part of the question, there is a split mill rate with respect to multiple family dwellings, yet this cannot exceed the commercial rate in the City of Calgary.

Secondly, a general comment. The City of Calgary has just completed a court case, Mr. Speaker, with respect to the implementation of a split mill rate, and they came out very successfully. So at this point it would be doubtful whether we would introduce legislation to take a position contrary to that.

I must admit that the balance of the question was a bit difficult for me to put in the context of a quick answer, but certainly I would be willing to discuss it further.

MR. GHITTER: A supplementary, Mr. Speaker, to the hon. minister. While the minister is considering the proposal raised by the hon. member, I'm wondering if he would also consider the impact of the high assessment upon belt-line communities in our urban cores and the deteriorating effect on those communities to see if anything can be built within our tax structure to assist these particular communities now under very severe pressure?

MR. JOHNSTON: Mr. Speaker, this particular case with respect to assessment, not only in the City of Calgary but in other major urban centres and fringe areas attendant to those urban centres, will certainly be a major problem facing the Provincial Municipal Finance Council in the forthcoming term. It will be a matter of high urgency for us to review it at that time. Certainly I think we'll have to find some new formula to attempt to better assess and tax these landholdings.

Gasoline Retailing

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Business Development and Tourism and ask if he is in a position to report to the Assembly on the meetings he has held with large integrated oil companies concerning the concerns of the ARA?

MR. DOWLING: Yes, Mr. Speaker, I am. Briefly, we met with four major companies, discussed the problems from their standpoint, and had additional contact with some members of the ARA in the interim. Our position at the moment is to complete our meetings with the major oil companies and then call the principals of the ARA to visit with us and discuss the matter.

MR. CLARK: A further supplementary question, Mr. Speaker, to the minister. Has he given further consideration to the desirability of holding a meeting with representatives of the ARA and the large integrated oil companies together, under the good auspices of the minister?

MR. DOWLING: Yes, of course we did give that consideration earlier, Mr. Speaker. Our position relative to having all the major companies involved in that kind of meeting is that it would put them in a very difficult position relative to the federal anti-combines act.

MR. CLARK: A further supplementary, Mr. Speaker, to the minister. Is he prepared then to have each company attend a meeting with representatives of the ARA under the good auspices of the minister so we get around the problem of the combines act?

MR. DOWLING: Mr. Speaker, I understand the private sector in typical fashion has done better than we could propose doing. In one particular instance they scheduled some 30 regional meetings with all the members of the group that represents their company. Another one is proceeding in the same manner. I believe most of these meetings are being accomplished.

In some instances not only the members of the ARA but some of the people involved as retailers for the company have refused to attend such meetings, but the option and the invitation are, of course, open for them to attend.

Visit to Japan

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. I understand the two members for Edmonton Norwood and Camrose have left on their trip today.

My question is: does this action prohibit the hon. members from becoming the minister of transport or [taking] other related portfolios because of a potential conflict of interest in the future?

MR. SPEAKER: The hon. member seems to be clearly asking a question of law, the answer to which might be sought elsewhere.

MR. R. SPEAKER: Mr. Speaker, not to debate the issue, I certainly look at the seriousness of the intent of the question. We have established in this session certain ground rules for senior civil servants. The Premier has outlined certain ground rules for the ministers. I felt even as MLAs there is a certain ground rule here. I want to take my example from precedent.

When as a cabinet minister I was invited by a company which wanted me to take some administrative training to attend a meeting in the United States -- it was a one-week course -- I took the matter to cabinet and indicated this was available to me. They would take me there. The training was relative to the responsibilities I had as a cabinet minister. At the time it was very clearly stated to me through cabinet: first, I would pay from my own pocket for any course I took part in, or the government would pay for it because I am a cabinet minister; secondly, any tuition fees or expenses at such a course would be at the expense of myself or government, but not an outside company.

To me, Mr. Speaker, this case is very similar. My question had serious intent, not light.

MR. SPEAKER: The hon. member has -- and I say this with respect -- made it abundantly clear that what we may become involved in here if we are going to have questions and answers on this topic, is a debate on opinions concerning certain guidelines. I would suggest if that is the hon. member's intention, it should be done by means of a resolution on the Order Paper.

Offshore Mineral Rights -- Alberta Position

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Premier too. It concerns a reasonably well-publicized trip of the Premier over the weekend.

I would like to ask the hon. Premier whether his views on offshore mineral rights are the official position of the Government of Alberta, or whether he is staking out a position on Canadian federalism.

MR. LOUGHEED: Mr. Speaker, the position I took is the official position of the Government of Alberta.

With regard to a rather long-standing dispute -- I believe it traces itself back at least to 1968, when a proposal was made by the Prime Minister with regard to the sharing of offshore revenue of the various provinces with a view that a certain portion would flow 100 per cent to the federal government, other portions would flow 50 per cent to the federal government and 50 per cent to provincial governments -- it's been our evaluation for some time that there would be some merit in the Canadian public interest to see some significant discoveries encouraged off Labrador, off Sable Island, and generally in the coastal waters of the Atlantic provinces.

All these provinces are the recipients of a significant portion of equalization funds. We think it would be good for Canada if there were fewer provinces obliged to rely upon equalization to meet their needs. We would welcome, as I am sure all Canadians would,

significant discoveries in production off the east coast which would strengthen our supply position. We think, too, it would be very important to resolve the issue, in this case with joint management of the discoveries and exploration between the federal and provincial governments to have 100 per cent of the revenues flow to the provincial governments involved.

Natural Resources Control

MR. TAYLOR: Mr. Speaker, I don't know whether the hon. Member for Spirit River-Fairview is psychic. My question to the hon. Premier is along the same line but in a slightly different context.

I was wondering if the hon. Premier found on his trip to the Maritimes strong support for provincial governments having full control over the revenue from all natural resources.

MR. SPEAKER: Order please. With great respect, I don't think the question period is the time to see how successful the hon. Premier might have been in conducting an opinion poll while he was in the Maritimes.

MR. TAYLOR: A supplementary, then, to the hon. Premier. Did the hon. Premier get a feeling while he was in the East that he would like to live in Ottawa?

Impending Teacher Strike (continued)

MR. ZANDER: Mr. Speaker, my question is again directed to the Minister of Labour. Has either of the groups in the dispute, the ATA or the ASTA, approached your office at any time for aid to settle this dispute?

MR. CRAWFORD: Mr. Speaker, the Department of Labour arranged for the appointment of a conciliation officer, if my memory is correct. The conciliation officer then proceeded to make a recommendation to the parties. The hon. member's question is, was my office approached? Certainly the services of the department were utilized at that point.

AOC Loan -- Drilling Industry

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Minister of Business Development and ask if there were discussions between his office and the Alberta Opportunity Company prior to the decision by the Alberta Opportunity Company to assist Kenting in acquiring drilling rigs.

MR. DOWLING: Mr. Speaker, only to the extent that when a loan is processed and has the approval of the Opportunity Company, the board comes forward for further ratification by cabinet. That documentation was forwarded to my office, and it proceeded in the normal fashion.

MR. CLARK: Supplementary question, Mr. Speaker, to the minister. Did the government cause a directive, a policy position paper, or any other kind of policy indication to go to the Alberta Opportunity Company prior to the decision regarding Kenting?

MR. DOWLING: Not to my knowledge, Mr. Speaker. Our position on any loan application is that it proceed in the normal fashion without influence whatsoever. If someone comes to my office now in my new capacity I furnish them with the application forms, indicate we do have an office in Ponoka and other offices throughout various parts of the province, and the application is processed in the normal fashion. Depending on the type of application, the process sometimes does take a bit of time. The Opportunity Company is private-enterprise oriented and does a great deal of study before it makes a recommendation, yea or nay, relative to a particular application.

MR. CLARK: Mr. Speaker, a supplementary question to the minister so I don't misunderstand the answer. Would it be fair to assume there was no discussion between the government and officials of the Alberta Opportunity Company prior to the Opportunity Company making its recommendation to the government regarding Kenting Drilling?

MR. DOWLING: Mr. Speaker, as I indicated earlier, the situation is this. An application for a loan to the AOC approved by the board of that organization must receive cabinet approval or approval from legislative council if it is for an amount over \$500,000. It therefore has to come before legislative council, and it's my duty to bring that matter forward.

MR. CLARK: Mr. Speaker, perhaps I might have one more opportunity to try to shed some light on the question. Just so I don't misunderstand the minister, were there discussions the minister knows of between any cabinet minister or government officials and officials of the Alberta Opportunity Company regarding the loan to Kenting Drilling prior to the recommendation coming from the Alberta Opportunity Company to the minister's office?

MR. DOWLING: If there were, Mr. Speaker, it was only a matter of gaining additional information relative to the application.

Indian Affairs -- Alberta Position

MR. TAYLOR: My question is to the hon. minister in charge of native affairs. Is the hon. minister planning to visit Indian reserves this summer, particularly the Blackfoot Indian Reserve at Cluny and Gleichen?

MR. BOGLE: Mr. Speaker, in reply to the Member for Drumheller, I have visited a number of reserves to this point in time, and I plan to carry on once the House is out. The Blackfoot Reserve is one I will be visiting.

MR. TAYLOR: Further supplementary to the hon. minister. This comes from some of the people of the Blackfoot Reserve. Does the hon. minister carry on a hands-off policy on items under the federal government, or does he become an advocate for the Indians with the Indian Affairs department?

MR. BOGLE: Mr. Speaker, it's my understanding that it's this government's position that in no way are we to undermine the relationship between the treaty Indians of the province and the federal government. We are attempting to provide services to treaty Indians which they are entitled to as Albertans.

Municipal Tax Assessment (continued)

MR. KUSHNER: Mr. Speaker, I'd like to direct this question to the Minister of Municipal Affairs. Could he advise the House if he is considering revising the municipal assessment act? I had several calls, early this morning as a matter of fact and especially from the older area of my constituency, that the taxes are extremely outrageous and unjust. I wonder if the minister is considering revising it, or is it being revised at all?

MR. JOHNSTON: Mr. Speaker, I'm not too sure whether the hon. Member for Calgary Mountain View is referring to the assessment manual which has the techniques used to assess property both in the city and across the province, or if he is referring to the various taxation acts we're dealing with. If he could clarify that, I'd be glad to provide the answer.

MR. KUSHNER: The manual, Mr. Minister.

MR. JOHNSTON: Mr. Speaker, I'd be the first to admit I do not have too much detailed information with respect to the assessment manual since it involves a series of complex formulas and arrangements and, certainly, judgments. I can't see any immediate changes forthcoming to the processes involved, primarily because I'm sure they are somewhat loath to make changes pending, perhaps, consideration by the Provincial Municipal Finance Council. I suggest that if there possibly are inequities involved, they are spread throughout the province and are applied consistently throughout.

Environment -- Athabasca River

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Environment. It's a follow-up question to one I posed yesterday concerning North Western Pulp & Power Ltd. dumping untreated waste chemicals into the Athabasca River.

Has the minister had an opportunity yet to have the department check out this problem?

MR. RUSSELL: Mr. Speaker, I did ask the department to check that out and as of 2:30 today I hadn't had their response. I will report to the hon. member as soon as I have the answer.

ORDERS OF THE DAY

WRITTEN QUESTIONS

162. Mr. Notley asked the government the following question:

- (1) Who is the prime engineering contractor for the construction of the utility plant for the Syncrude Mildred Lake project?
- (2) Who was responsible for hiring this contractor and under what terms and conditions?
- (3) What fiscal arrangements are in place for the payment of the capital cost of said utility plant either by the Government of Alberta or the Alberta Energy Company?

MR. GETTY: We agree with that question, Mr. Speaker, and assume it will now be made a motion for a return.

MOTIONS FOR RETURNS

159. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A list of all grants issued under the provincial labor assistance for livestock facility development program, including the names of all individuals or groups who received grants, the amount of each grant, and the date each grant was issued, from the time the program was implemented to the present.

[The motion was carried.]

160. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A list of all loan guarantees issued under Section 11 of The Department of Industry and Commerce Act showing in each case the date, the amount of the loan, the name and address of the organization and/or person on whose behalf it was issued, the purpose of the loan, the name and address of the lending institution, and the effective interest rate.

MR. NOTLEY: Mr. Speaker, I move Motion for a Return No. 160, standing in my name on the Order Paper.

I might just very briefly comment that I recognize 161 is redundant, and when we get to that point I'm going to ask that it be withdrawn, but we have not yet had the information tabled for 160.

MR. DOWLING: Mr. Speaker, I'd like to move an amendment to Motion No. 160 by adding after "a list of all loan guarantees issued under Section 11 of The Department of Energy and Commerce Act", the words "for the fiscal year 1974-75".

[The motion as amended was carried.]

161. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A list of all grants made pursuant to regulations under Section 10 of The Department of Industry and Commerce Act showing in each case the amount of the grant, the name and address of the organization and/or person to whom it was directed, its purpose, and the date on which it was issued.

MR. NOTLEY: Mr. Speaker, I would request permission from the Assembly to withdraw Motion for a Return No. 161. After I had introduced it, the minister outguessed me and has already tabled the information, so it's now redundant.

[The motion was withdrawn.]

163. Mr. Notley proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A copy of the full report of Loram International Ltd., dated February 4, 1975, regarding Syncrude Canada Ltd.'s cost estimates for the Mildred Lake project and the utility plant.

MR. GETTY: Mr. Speaker, the government must advise they are unable to support this motion for a return, the reason being that it was one of a series of documents prepared in order that we could make an evaluation of the various aspects of the Syncrude project when that project was in deep difficulty.

The government did, however, have a summary and conclusions of the Loram report prepared. It was tabled in the House with all the other reports. It was necessary, however, that certain matters needed in the Loram main report not be made public, inasmuch as they affected the competitive position of the Syncrude project and participants. If we had taken the position that these sensitive, competitive matters had to be made public, it's quite possible we never would have been able to obtain the necessary information from the Syncrude participants and the contractor, Bechtel, in order to have the Loram report prepared. However, recognizing the interests of the Legislature, the government did insist on the summary and conclusions report which was tabled in the House.

MR. SPEAKER: May the hon. member close the debate?

HON. MEMBERS: Agreed.

MR. NOTLEY: With great respect to the hon. minister, in my judgment the answer he has given today is just not good enough, no better than the answer we had last winter when the matter was originally discussed.

Mr. Speaker, the minister has noted the government released the summary of the recommendations. But unfortunately, that summary really didn't contain adequate information to give fully the background needed for members of this Assembly to make an objective judgment as to whether the construction costs went up by a reasonable amount.

Mr. Speaker, without belaboring the point, let us keep in mind that the projected construction costs of the Syncrude plant have spiralled to an unreasonable degree. When the Premier made his announcement in September of 1973, we had a figure of approximately \$1 billion. By the time the Syncrude deal was concluded, the figure had gone up to more than \$2 billion.

Mr. Speaker, in my judgment it isn't good enough for us just to get a summary of the report. I also note in rereading Hansard of the time, that when the Shell people briefly took part in the participation, they were given access to the Loram report -- not just a summary, but the entire report. It seems to me this whole argument about not making this information available because somehow it's going to affect Syncrude's competitive position goes out the window when you recognize that the one group which had access to it other than the participating governments was the Shell consortium. Mr. Speaker, it seems to me that defeats the government's argument that somehow this information can't be made public because it would undermine the competitive position of Syncrude.

Mr. Speaker, as I see it, the entire information contained in the Loram report is absolutely crucial if this Assembly or anybody else in the province is to be able to make anything like an objective assessment as to whether Syncrude is a good or a bad deal, and more important, whether the increase in the construction costs is justified.

Therefore, I simply conclude by saying that once again, Mr. Speaker, the door has been slammed shut, and vital information which the public needs to have at its disposal has been denied.

[The motion was lost.]

164. Mr. Mandeville proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) The name of each legal firm engaged by the Agricultural Development Corporation during the fiscal years 1973-74 and 1974-75, including the name of the specific lawyer or lawyers dealt with in each firm.
- (2) The nature of service supplied by each of the above, including the fees charged for each such service.
- (3) The amount of legal fees paid for land transactions by the Agricultural Development Corporation for the fiscal years 1972-73, 1973-74, and 1974-75, including:
 - (a) a total dollar amount for each of those years;
 - (b) the number of such legal fees paid out in each of those years; and
 - (c) a copy of the tariff schedule, if any, used to determine such fees.

[The motion was carried.]

165. Mr. Mandeville proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

A list of all loans and guarantees of loans, including dates, amounts and purposes of same, obtained from the Agricultural Development Corporation in the fiscal years 1972-73, 1973-74, and 1974-75 by:

- (1) present employees of the Agricultural Development Corporation and/or the Department of Agriculture; and
- (2) persons who have been employed by the Agricultural Development Corporation and/or the Department of Agriculture during the fiscal years 1972-73, 1973-74, and 1974-75.

MR. MOORE: Mr. Speaker, I would like to move an amendment to Motion for a Return 165 as follows: the words "A list of all loans" be struck out and replaced by the words "A list of all direct loans". The reason for the amendment, Mr. Speaker, is that there are a number of loans guaranteed by the Agricultural Development Corporation in a partial way. The decision of whether to make those loans is one made by the individual banks, treasury branches, or credit unions where the loan is obtained. It is difficult if not impossible for us to get a list of all the individuals who have obtained guarantees in that manner.

[The motion as amended was carried.]

166. Dr. Buck proposed the following motion to the Assembly:

That an order of the Assembly do issue for a return showing:

- (1) The number of insurance companies which sold automobile insurance in Alberta as of:
 - (a) May 31, 1974,
 - (b) May 31, 1975.
- (2) The name of each such insurance company which has completely withdrawn policies covering automobiles.
- (3) The name of each such insurance company which requires that automobile insurance be sold only to customers who will also buy household insurance.

MR. CLARK: Mr. Speaker, I ask that we hold Motion for a Return 166 until Thursday.

MR. SPEAKER: Is this acceptable to the Assembly?

HON. MEMBERS: Agreed.

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Moved by Mr. Notley:

Be it resolved that this Legislature recommend the establishment of a select committee of the Legislature to review conflict of interest legislation as it applies to all statutes of the Province of Alberta respecting both the municipal and provincial levels of government.

[Adjourned debate: Mr. Young]

MR. YOUNG: Mr. Speaker, it's with a great deal of pleasure that I rise for for the second time.

[applause]

The applause was distinctly louder than the first time.

AN HON. MEMBER: [Inaudible] sit down.

MR. YOUNG: I shall do that shortly.

Mr. Speaker, on the last occasion I spoke to this particular motion I indicated it was my opinion that the matter before us is one on which there is quite a divergence of opinion. I subsequently had the opportunity to read Hansard and noted particularly the remarks of a number of members, and how difficult the challenge will be to meld those opinions and viewpoints to a common statute or a standard piece of legislation.

Mr. Speaker, I just want to reiterate that I believe the conflict of interest matter before us is one on which there are expectations which are not possible to meet in statute. As I mentioned, having observed the remarks of some members, I believe there are members of this Legislature who share a different point of view from mine as to what can be accomplished with statute. I mentioned the other day that I do not believe it possible by statute, no matter how we develop that statute, to make it so clear that it can be applied by everyone to their particular situation beyond a shadow of a doubt. The decision, which that individual as an elected member of this body or of a municipal council or school board must take, can and probably will in the course of years to come be challenged on occasion. It just seems to me that to hope for a statute which will indicate clearly to everyone what action to take in all the unique circumstances in which the elected person may find himself or herself is just not possible.

I think our conscience must be our guide. I think the possibility and, as a matter of fact, the full knowledge that any conduct which does not appear to be completely acceptable may be challenged at any time -- that knowledge will in itself go a long way to guide members to probe the depths of their understanding of whatever statute exists.

But I am of the firm opinion there are some persons who will see an action on the part of one member, however well intentioned, and choose to challenge that decision or action and suggest that it is a conflict of interest. There are, of course, reasons some citizens may wish to do that, and we are quite familiar with them. There may be some short-run political gain from their point of view. They may disagree with the stand taken

by the member on quite another issue and wish to cause a bit of embarrassment. Those are situations which can arise and no doubt will arise no matter how we write the statute.

It's my view the statutes do need to be reviewed. It's my view as well, Mr. Speaker, there will be a challenge before anyone who does that review, in order to try to determine how narrowly or how broadly to determine what does constitute a conflict of interest. I mentioned earlier that I think there are problems if we define it too narrowly. There are problems if we define it too broadly.

We have the situation in the City of Edmonton at the moment, where there is some question hanging over the heads of councillors whether they can, if they are renters, vote on a certain matter in connection with rents. I am sure if we are not extremely careful, it can be so written and so construed that almost everyone at some point will be immobilized and unable to contribute to the decision-making process of the elected body.

Mr. Speaker, I have come to only one conclusion during the course of the debate I have heard so far. The matter we have before us is a most complex one, and it isn't possible to arrive at a neat solution which would prevent the occasions when the decisions taken by members might be challenged. It is dealing with a topic on which I think different members of the public have quite divergent points of view as to what is or what should be acceptable.

Mr. Speaker, I am convinced that the substance of the motion, which is that the legislation be reviewed, is a good suggestion. However, I am not yet convinced that it should necessarily be done by a select committee. In his closing comments maybe the hon. Member for Spirit River-Fairview will be able to persuade me in that direction.

MR. R. SPEAKER: Mr. Speaker, in entering the debate on the resolution, I think I was inspired to say a few things following question period.

It's unfortunate we have to work towards written law to govern ourselves in this particular area with regard to conflict of interest. I think the values of our society and people certainly make these decisions for us. However, it seems these ground rules are not clear. There is not consensus or consistency within our social value system. That makes judgment necessary at times. I guess at times it is necessary to write things into the law.

I want to comment on the matter with regard to, first, the members of the Legislative Assembly, and secondly, candidates in an election, and relate that to conflict of interest legislation.

When I raised questions in the Legislature earlier today, I believe I expressed my particular concern. We have to ask ourselves just what the issue is and what the questions are. I used the example today of the two members of the Legislature taken to Japan with their passages paid, supposedly for individual practical experience and, maybe, potentially to bring something back to this Assembly. I don't know. That hasn't been clarified. Nor has it been clarified to me which air line it is. So I can't make any accusations or connections between the members and work they have done in the Legislature.

But the question I do raise with regard to that is the responsibilities those members of the Legislature have on certain issues which may be raised in the Legislature concerning that particular air line, concerning trade or commerce with that particular nation. Let's say they are hosted there. Maybe their expenses are paid. Maybe they are wine, dined, and boarded. Who knows? If they are, what obligations have they placed on themselves when they come back to this Assembly?

I think the biggest obligation and concern when they come back to this Assembly is: if we vote on something with regard to that air line, can they vote? In the next year or two, they may be elevated to cabinet positions. Can they legitimately deal with matters of that particular air line on an objective basis? I would have to say, no, they cannot. Because their attitudes have been tainted, colored, and distorted. And certainly in my mind, a . . .

MR. SPEAKER: Order please. With respect, the hon. member is making allusions to the conduct of two other hon. members. Although it is being done perhaps hypothetically and by way of example, with great respect, I would have to say it is being done in a way which could easily be seriously misconstrued.

If the hon. member wishes to deal with the conduct of any other hon. members, including the two he referred to, there are means of doing it directly on the Order Paper. Of course, the hon. member himself would in that event be, and is anyway, responsible for what he might be alleging with regard to other hon. members.

MR. R. SPEAKER: Mr. Speaker, in indicating this as an example and as a situation which has been raised in this Assembly -- the Premier explained to us the two members have been given permission to go -- I certainly feel it is an actual situation and not hypothetical. Nor was I trying to infer that a crime has been committed. I am saying that it could potentially be committed in the future. That's what I am saying. Because of that fact, the hon. member's resolution is certainly going to be supported by me.

Any kind of conflict legislation we have before us in this Legislature should be reviewed. I think that's basically the point I want to make. Certainly, Mr. Speaker, I was not trying to infer that a conflict of interest has occurred at this point in time. I also indicated in my question today to the hon. Premier that a conflict of interest could potentially occur. I think that's the point I wanted to make.

In that light, I want to recommend to the Assembly that The Legislative Assembly Act is one of the acts we should review and reassess. We have amended it from time to time

and made certain recommendations because certain situations occurred. Never have we taken an in-depth look at The Legislative Assembly Act and at situations confronting the members of the Legislative Assembly, which 20 years ago weren't possible but are today. They are possible because our means of travel is different, our response to citizens is different, and our work as MLAs involves us in many different activities and enterprises.

Many of us are in business and have different enterprises. Activities such as this could cause types of conflicts we are not aware of. The government has become more involved in the lives of people in the last 10 years -- grants, loans, and assistance we have never seen before are being made available. Some are legitimate dollars which could assist us in whatever enterprise we are carrying on. There are places where, as MLAs, we could fit into a normal role and, where grants are allotted, possibly be eligible. At this point in time, The Legislative Assembly Act just isn't clear with regard to those grants. It has not been reviewed in light of present situations. I certainly support that we do that.

The second area I want to cover is with regard to The Election Act. I feel this is another area of potential conflict of interest. During a campaign, many of the candidates, for example, want to serve coffee to a particular group they wish to speak to. The Election Act isn't clear on whether giving coffee at a gathering is legal or not. It's a very, very unclear situation. Many candidates or members sitting in the Legislature over a period of time, without real knowledge of the severity of that particular section of the act, I am sure have given coffee, drinks, pop, small sandwiches, et cetera to a group or gathering, not knowing that potentially there was some difficulty in that area.

I'd certainly suggest that The Election Act be reviewed to clarify that, to protect the candidates and prevent situations from occurring which are very minor, perhaps irrelevant to the campaign, but legally could disqualify a candidate or a member of the Legislature. I think we should review that particular aspect.

Mr. Speaker, those are the two points I wanted to make. I certainly support the review and support the resolution of the hon. member. Thank you.

MR. LITTLE: Mr. Speaker, I too would like to speak to this resolution. It would appear that conflict of interest has plagued governments and government officials since time immemorial. If you would permit me, I would like to quote some legal authorities.

In 1854, in the case of the City of Toronto v. Bowes, we have the statement that,

. . . a person cannot be both Judge and party. No man can serve two masters. He that is interested with the interests of others cannot be allowed to make the business an object of interest to himself; because, from the frailty of human nature, one who has the power, will be too readily seized with the inclination to use the opportunity for serving his own interest at the expense of those for whom he is entrusted.

The next authority is from the early 1900s. Mr. Justice Ives of the Supreme Court of Alberta in R. v. McNamara expressed it in this way:

No person should be, or become member of a municipal council who cannot give a disinterested vote on a matter of dispute that may arise. If his judgment may be clouded by self interest in the matter of contract or quasi-contract, he should not be a member of that council.

The final quote I would like to make is by Mr. Justice W. G. Morrow in his inquiry into the affairs of the City of Edmonton. Mr. Justice Morrow had this to say:

It is almost impossible today to avoid reading newspaper articles or hearing broadcasts reporting on political contributions and with [such] insinuations of corruption, conflict of interest, or other related abuse of office. Edmonton is not alone [in this]; it seems to be almost universal, certainly in [both] Canada and the United States.

Mr. Speaker, from recent events it would appear that the public has become particularly sensitive to these problems, particularly in the light of Watergate, and no doubt the public views most public and elected officials with a certain degree of suspicion as a result of all these affairs. It would appear that the Canadian government is presently addressing itself to the problem in view of the newly passed Election Expenses Act. Although contributions to political parties and political individuals have become traditional, it is quite distasteful to some. But I dare say it will go on indefinitely, because if we were to eliminate this practice it would mean, of course, that only the wealthy would be able to stand for political office.

During the Edmonton inquiry to which I just made reference, it appeared that most of the witnesses had trouble understanding the all-embracing nature of the term "conflict of interest". Most of them in their evidence expressed the opinion that they let their conscience be their guide. However, unfortunately, their conscience did not always correspond with the law of the land.

Another problem expressed by the witnesses was their understanding of the term "pecuniary interest", whether direct or indirect. With your approval, Mr. Speaker, I will read sections from The Municipal Government Act, 1970.

29(1) A person is not qualified to remain a member of council [that is, a municipal council] if he

(f) uses information gained through his position as a member of a council to gain a pecuniary benefit either directly or indirectly.

And in the same section:

- (m) has a pecuniary interest, whether direct or indirect, in any subsisting contract with the municipality under which money of the municipality is payable or may become payable for any work, service, matter, or thing.
- 30 (1) A member of a council ceases to be qualified to remain a member of the council if he fails to comply with subsection (2) or (3).
- 30 (2) A member of a council shall not vote in the council . . .
- (d) on any question in which he has a direct or indirect pecuniary interest.

In reviewing this particular section, Mr. Justice Morrow observed that it would be difficult, if not "impossible to find any civic official in this day and age who has not at least some indirect pecuniary interest in the outcome of [almost all or part of] city business."

It might be useful at this point, Mr. Speaker, to read the terms of reference of this inquiry, which are rather all-encompassing:

1. Whether any person improperly or unlawfully offered or attempted to give to any member of Council or official of the City of Edmonton, any money, loan, advantage, or benefit.
2. Whether any member of Council or official of the City of Edmonton, or any agent of a member of Council or of an official of the City of Edmonton, improperly or unlawfully solicited, demanded, or accepted any money, loan, reward, advantage, or benefit from any person, company, association, or group.
3. Whether any member of Council or official of the City of Edmonton improperly or unlawfully arranged or attempted to arrange by Bylaw, resolution, or recommendation, any benefit, consideration, or grant, to any person, company, association, or group.

There are a number of other terms of reference, but these cover the areas in which, I believe, we are interested.

It would also appear from this inquiry that municipal officials are much more vulnerable to violations of conflict of interest than provincial officials, as they can more directly affect zoning and other areas of development of land.

Mr. Justice Morrow, in his summing up, suggested that we adopt a code of ethics. However, if we are to be realistic, we must accept the fact that the lobby has become almost a way of life in political life today. In his summing up, Mr. Justice Morrow did comment that he thought it was extremely wise for those members who did meet with developers and others in the community to meet with them in their aldermanic offices in the city hall, rather than the more or less clandestine meetings in restaurants -- lunches, dinners and so forth, which gave an aura of suspicion.

One of the aldermen involved in the inquiry, a Mr. Hayter, had a contract to do public relations work with a firm of developers. At a certain point he himself felt that it could be a conflict of interest; he returned most of his fees and sent a letter to the developers, terminating this contract.

There is one paragraph in this letter which, with your permission, Mr. Speaker, I would like to read to the Assembly, because I think it sums up the uncertainties of the public official. It reads as follows:

A person in public life must tread cautiously in the areas where even a hint of conflict of interest might exist. There are always people who will attempt to read the worst into anything an elected person does. I want my conduct in public office to be completely above suspicion. I don't want to leave myself exposed to the innuendoes of unscrupulous individuals who revel in irresponsible attacks upon the integrity of politicians.

I think he sums it up very neatly there: the "innuendo". I'm sure that in the past several years many of us have read of inquiries where it was merely a trial by innuendo. You can't undo it once it is done.

As I stated earlier in this presentation, this conflict of interest is a most vexing problem to both elected and appointed officials. But it is one with which we must come to grips. However, if our laws are too restrictive, we will discourage good men from seeking public office, which would be a travesty upon our democratic system. All legislation, if we do adopt legislation, must be extremely specific. I would suggest that its objective should be aimed at removing opportunity and temptation, rather than taking the steps of punitive action against the alleged offender after the fact.

A very good example of the type of legislation which I suggest is that which has been adopted by a good number of municipal governments of putting all purchases out to tender, and requiring two or more bids on the tender, taking it completely out of the area of temptation.

As I say, we must address ourselves to this problem, but with a great deal of caution. If we did adopt restrictive legislation which had the faults that I suggest, the cure could be much worse than the disease.

Thank you, Mr. Speaker.

DR. BACKUS: Mr. Speaker, I'd like to speak on this motion. I believe it to be timely in that steps taken by our Premier, and certain actions that have taken place with regard to a question of conflict of interest in municipal government, have certainly brought before the public this question of conflict of interest. It is certainly timely to bring the matter up for debate when the public is very conscious and aware of it.

On the other hand, Mr. Speaker, I don't think conflict of interest has suddenly become a question of concern either to provincial or municipal governments in the last year or two. I can remember back as long as 10 years ago, when I was on the school board, our convention in Banff was entirely devoted to the question of conflict of interest. In fact, at the time, we drew up a code of ethics under which we felt members of school boards should act. I think, too, the previous as well as the present government has been very conscious of the question of conflict of interest. I think the very restrictive Election Act and the restrictions in The Municipal Government Act and The Legislative Assembly Act are all obviously directed toward guarding against this problem of conflict of interest.

I still feel that a question of conflict of interest is essentially a moral issue. I'm very aware that to legislate on moral issues is something that becomes very difficult if you try to write your acts to cover every possibility and alternative. On the other hand, if one generalizes in terms of moral issues, it does, of course, leave opportunities for individuals who maybe don't have the same standards most of us regard as correct to enact acts of conflict and be able to get away with them as a result of the legislation.

The other factor, of course, that I think is equally serious is that it does give the opportunity for certain members of the public to accuse members of either local or provincial government, by direct accusation or indirect innuendo, of breaches in this moral issue. I don't know whether a committee reviewing all this legislation would, after many meetings, come up with effective changes to the legislation. I certainly know that the present government is genuinely concerned with the question of conflict of interest. This is quite obvious by virtue of the fact that the Premier has taken a number of steps to bring to the public notice the position of his ministers, so the minister himself may, in fact, be fully aware of the areas in which there might be some conflict of interest.

I still believe the issue is one of our moral decisions as individuals. I imagine many of us will be attending the breakfast by the mental health people tomorrow morning and the dinner by the ATA on Thursday evening. I think if one were to restrict the concept of conflict of interest, we wouldn't attend any of these functions. It is in fact, obvious that we are receiving gifts, receiving financial outlay on the part of these groups, because undoubtedly they wish to influence us in their favor.

On the other hand, I think we can treat this as a degree of conflict. I think they and we are aware of the fact that even though they do buy us breakfast or dinner, we are not going to decide in their favor in contravention of what would be to the public good. I think, because both parties are aware of this, occasions such as these two and many others do occur. Because both parties are aware of the fact, they become more of a friendly gesture, a recognition of the part the government and Legislature must play in the activities of the teachers and of mental health; and on the other hand, a recognition on the part of the Legislature of the support given them in their work by these various bodies.

In raising the question of forming a legislative committee to consider conflict of interest, one even wonders whether, in fact, this committee wouldn't be in conflict of interest in that it would be deciding what was and what was not conflict of interest. So the whole argument can be carried to an extreme point and I therefore say it can become ridiculous.

On the other hand, I think most of us who have reached these positions have done so by virtue of a certain degree of integrity. When we do face questions where we question ourselves whether what we are doing is a conflict of interest, we withdraw from the debate and the decision-making. I think this should remain to some degree an individual moral issue, perhaps with guidelines, rather than further complicating the laws beyond how they are already written.

However, as was so ably pointed out by the hon. Member for Calgary McCall, we have had recommendations with regard to municipal elected officers. They, in fact, have appealed for help and advice in this matter and for a review of legislation. I would certainly have the feeling that I'm sure the government has taken this appeal on their behalf very much to heart, and will be acting quite rapidly in providing those changes being sought by municipalities with regard to amendments to their act.

I therefore wonder if it is necessary to delay that process by appointing committees to discuss the things which have already been fairly widely discussed both in the House and out of it, discussed in our constituencies, discussed by the legal experts such as Mr. Morrow, and have been reported on very adequately and very fully.

It is my feeling that now to appoint committees would just further delay something I feel can be acted on much more rapidly. I certainly would believe it is being acted on by the government, because I recognize the government's desire to maintain that high moral standard with regard to the subject of conflict of interest.

It would therefore be my purpose to vote against this motion, not because I feel the motion isn't very important -- I join in the debate because I feel it's important to debate it -- but because I feel the particular approach recommended by this motion is unnecessary in view of the recognized attitude of the government. It would in fact do nothing but delay the action which I am sure the government is taking.

MR. NOTLEY: Mr. Speaker, in rising to conclude debate on this resolution, I certainly . . .

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

HON. MEMBERS: Agreed.

MR. NOTLEY: . . . wish to thank the hon. members who have taken part in the debate. We've had some excellent discussion on this particular issue. In concluding debate, Mr. Speaker, I would urge all hon. members of the Assembly to support the resolution. The importance of this resolution, as has been pointed out by a number of speakers, is that it is extremely timely. We have the situation with respect to The Legislative Assembly Act, The Municipal Government Act, The Election Act. Numerous examples have been cited where these acts really are somewhat outdated in certain areas, while they need to be strengthened in others.

So, Mr. Speaker, it's my view that the best way to deal with this very complex situation is for the Legislative Assembly to appoint a committee and authorize it to examine the entire question of conflict of interest in its complexity. In so doing, I think we would be making it clear to the people of Alberta that the elected representatives of the people in this province are concerned about the issue. We are not just talking about it, but are clearly committing ourselves to do something about it.

With those words, Mr. Speaker, I would ask the members to support the resolution.

[The motion was lost.]

2. Mr. Clark proposed the following motion to the Assembly:

Be it resolved that this Assembly urge the government:

- (a) to introduce a fall budget or supplementary estimates during the fall sitting of the Assembly accompanied by an appropriation (interim supply) bill to cover the anticipated necessary expenditures during the balance of the fiscal year which are not covered by an existing appropriation in order that financing by special warrant be minimized, and
- (b) to table at the same time an estimate of the grants to be made to municipalities during the next fiscal year.

MR. CLARK: Mr. Speaker, I'd like to think the proposition I'm putting before the Assembly is quite straightforward. Basically, what the resolution is asking is that in the fall when the Assembly reconvenes, in the course of business the Provincial Treasurer would bring forward to the Assembly an interim supply bill.

Included in this interim supply bill would be the anticipated amount of money the government is going to need for the various votes for the rest of the fiscal year. At that time there would be an opportunity for members to discuss the interim supply bill, to debate the various propositions put forward by the Provincial Treasurer.

Mr. Speaker, the second portion of the resolution asks that the government at the same time consider bringing forward estimates of the grants to municipalities for the next calendar year.

I'd like to deal, Mr. Speaker, with the first matter, that is the need for us, at this particular time, to be prepared to reassess our budgeting procedure. As all hon. members are aware, the budget comes down as it did two or three weeks ago when the Provincial Treasurer brought down the budget. Then we go through the estimate book, appropriation by appropriation.

From my standpoint, the most uninspiring and perhaps most nauseating portion of all the estimate studies comes when you get to the very back of the estimate book. It's that portion that says, Supplementary Estimates of Expenditure of the Province of Alberta for the fiscal year, whatever it is.

Basically, what we're being asked to do on that occasion, Mr. Speaker, is approve the special warrants or approve the additional expenditures which took place during the year. Now I fully recognize this is a practice that goes on virtually in all provinces in Canada. I am aware that in the House of Commons, the federal government brings down supplementary estimates. There is a time, more than once a year, when the opposition and other members -- government members too -- have the opportunity to go through those supplementary estimates. Then those supplementary estimates go to the committee. That's really the purpose of part (a) of this particular resolution: in the fall the Treasurer would bring forward supplementary estimates which he anticipates would be the bulk of the additional expenditures for the rest of the year.

I'm sure some of the new members, hopefully all members, would be interested in the amount of special warrant usage we've had in this province. When those of us on this side of the House, in rather small numbers, sat on the other side of the House -- let me be very frank -- there were special warrants, and on some occasions sizable amounts.

In the first year the present government took over, there was something like \$94 million in special warrants. In fairness, over \$8 million had been passed on by the former administration prior to the election at the end of August. In 1972, the special warrants amounted to approximately \$31 million. In 1973, the special warrants were close to \$97 million. In 1974-75, the special warrants are in the vicinity of \$300 million.

What we will be asked to do later on this year, when we get to the conclusion of the estimates, will be to vote on both the operational and the capital special warrants for the year, which will be over \$300 million. We're being asked to vote on money that, one, is already spent. Secondly, we're being asked, on some occasions, to vote on money which very severely alters the estimates of some departments. Let's just take a moment or two and look at the effect special warrants have had on some of the departmental estimates this year.

We look at the Department of Agriculture. In 1974-75, the budget for the Department of Agriculture was something like \$42 million. Yet the special warrants for the year are something like \$60 million. Now this may be a good opportunity to say that I don't want any hon. member to interpret by what I'm saying that I'm against every program involved in the expenditure of \$300 million. But what I am against is the fact that the Legislature comes and discusses it after the fact.

If we went the route of the Treasurer bringing in supplementary estimates in the fall, we would go some distance toward removing the necessity for special warrants. There would still be the need for some, but we would be able to reduce that substantially. It seems to me that the hon. members might want to look at it from this standpoint: it adds a great deal to the Legislature if, in fact, we're discussing the expenditures of those moneys before rather than after they're spent. When you look at \$300 million this year, out of a budget that was estimated at about \$1.6 billion for last year, you can see that's a pretty substantive portion of the budget.

Moving on from the Department of Agriculture, where we actually had almost \$20 million more in special warrants than there was in the total budget for the department, we can go to the Attorney General's department, where special warrants last year were half the estimates for the department. That was basically for one item of \$10 million. It would, I think, have added a great deal to the legislative process in Alberta if we could have had a discussion right in the Legislature on why that \$10 million had to be expended by the Provincial Treasurer. If I recall correctly, it was dealing with a trust company which had problems in the province, and we had to pay this back to the federal government.

We can look at the Department of Highways last year. We will find in the capital portion of the estimates, when we study them later on this year, that something like an additional \$22 million was spent on highway construction. Perhaps the former Legislature erred somewhat in not getting some sort of commitment from the Minister of Highways as to how many miles of construction he anticipated, and looked at it from that standpoint. Nevertheless, if the Legislature were in a position to be involved in these kinds of discussions during the time it was being spent, it seems to me it would add a great deal to the Legislature and to the budgeting process, as far as that goes.

I think also, Mr. Speaker, it would reduce a great deal of pressure on the government from the public service to push for special warrants, whoever the government might be. I note one particular special warrant we will be asked to approve this year is \$4 million for renovation of community halls and restoration of cemeteries, which I'm sure many members thought was a good program. But, hon. members, we are being asked to discuss this matter for the first time ever, perhaps two weeks from now, after the money is all spent.

Unless I missed the session a year ago when we dealt with the Estimates, there wasn't one mention in the Speech from the Throne [or] the budget, or any comments made by the minister or anyone else that this kind of program was in the works. Now if this kind of program is needed, let's bring it forward. If it wasn't included in the budget dealt with in the spring session, it could be dealt with in the fall session.

Dealing with that particular program, it's interesting to look at the mechanism by which special warrants come into being. If hon. members were to look at The Financial Administration Act, Section 36 -- that's the section where the power for special warrants is -- it says:

Where, at any time the Legislative Assembly is not in session, the Treasurer

(a) reports that a Minister having charge of any matter has certified that, in the public interest, an expenditure of public money is urgently required with respect to this matter and

(b) reports either that

(i) there is no legislative authority for an expenditure with respect to that matter, or

(ii) there is legislative authority for an expenditure with respect to that matter but the amount of money so available is insufficient,

the Lieutenant Governor in Council may order a special warrant to be prepared to be signed by himself authorizing the expenditure for the amount estimated to be required, which shall be placed to the credit of the appropriate account and against which cheques or orders may issue the usual form as they are required.

So, we have a section of The Financial Administration Act, which makes the special warrant approach possible. I emphasize the point again, all governments use this route. But we could take a substantive step in the direction of having the decisions made here in the Legislature if we were to commit ourselves to a fall budget or to supplementary estimates coming down at that time. Then, in fact, we would be involved in the discussion of the public business when it's relevant, not spending time in two weeks talking about \$300 million which, for all intents and purposes, has already been spent.

The second portion of the resolution, Mr. Speaker, deals with this question: at the same time the supplementary estimates or interim supply bill comes before the Assembly [so would] estimates of grants to be made to municipalities during the next fiscal year. All members are aware -- certainly most, if not all -- that municipalities in this province operate on a calendar year from January to the end of December. It's not very often that the municipalities know what kind of grants and assistance they're going to get from the province until some time after the start of their year.

Both the Minister of Municipal Affairs and the Minister of Education, I'm sure, are now wrestling with municipalities which still, at this time of the year, haven't set their budgets, be it plebiscites or some other kind of problem. If we're really concerned, first of all, with making the municipalities more accountable, if we're really concerned

about making the jobs of municipalities and councillors more meaningful, and if we're really concerned about having municipalities as equal partners in this province, let's let them start to budget at least a couple of months before the start of their calendar year or two months before the start of their fiscal year, rather than force them, as we do now, to start to budget, at least from the provincial standpoint, after their year has already started.

In my own area, the County of Mountain View, they still haven't finalized the school budget. They've got five months of actual operation of the education system left in the year -- whatever is left of June, September, October, November, and December. It is just an impossible situation from the standpoint of local government, as I see it. If we were to commit ourselves to move in the direction suggested here, at least municipal governments would know one or two months before the start of their calendar year. They would have some indication of where they stand. From time to time on both sides of the House, or all corners of the House, there come very nice flowing comments about how we need to upgrade municipal governments, how we need to encourage more respected people to seek municipal office, how we need to make that kind of opportunity more challenging. Frankly, I can think of nothing more blooming frustrating than to be a school trustee or municipal councillor under today's circumstances and have the kind of budgeting situation we have. I'm not being critical of the present government although I enjoy doing that on occasion. I'm really not. This isn't the occasion to do that at all.

What I'm trying to set before the members is a situation that has grown for years. I'm sure some member is going to get up and say, well, why didn't you people do it, you had 36 years.

AN HON. MEMBER: Agreed.

MR. CLARK: Well, doggone it, we didn't do it. We likely should have.

AN HON. MEMBER: Right on.

MR. CLARK: But that doesn't stop us from looking at the thing now.

MR. TRYNCHY: I agree.

MR. CLARK: I'm surprised you'd agree with anything I say. But let's make the point . . .

AN. HON. MEMBER: You're lucky he's listening.

MR. CLARK: . . . let's make the point that the Member for Whitecourt is agreeing.

But going further than that -- with the tremendous increase in our budget, with the increased problems municipalities are facing, I'd like to think this is an appropriate time for us to move in the directions outlined here.

Mr. Speaker, to conclude my comments, suffice it to say by moving in this direction, we'd really be doing three things. First of all, we'd have an interim motion of supply in the fall with the amount of money the government feels it would need, in addition to the estimates we'll be approving shortly, brought before the Assembly to be discussed. That would avoid the ridiculous situation of discussing estimates after they are spent.

Secondly, it would go some distance toward making municipalities much more aware of the kind of revenue they can expect before they start their budget year.

The last comment I make, Mr. Speaker, is that I would hope hon. members would be prepared to give this proposition pretty serious consideration.

MR. MUSGREAVE: Mr. Speaker, I would like to make just a few brief comments. I don't have the experience the Leader of the Opposition has with regard to practices in the past on special warrants. I would point out that I appreciate the fact that \$300 million is a substantial sum of money. But what he is in effect suggesting by the restriction of this process is restriction of the ability of the government of this province to govern.

The people of the province have given this government a strong mandate to look after their financial affairs and to see that programs are conducted in their best interest. There are occasions when a minister may decide that a particular program should be enlarged or its direction should be changed, or some substantial requirement for additional funds becomes evident to the minister and cabinet. I think it would be most unfortunate if the government didn't have the ability to spend these moneys through use of a special warrant procedure.

I suggest though that if the hon. Leader of the Opposition would perhaps go back and look at his figures vis-a-vis the special warrants developed in the last 36 years against the total budget of those particular years, perhaps the percentage of warrants in relation to the total budget would not be as significant as he suggests is apparent today.

MR. CLARK: Two wrongs don't make a right.

MR. MUSGREAVE: I agree that two wrongs don't make a right. I'm not suggesting, Mr. Speaker, that they do.

AN HON. MEMBER: Two Conservatives don't make a Liberal either.

MR. MUSGREAVE: Mr. Speaker, I'd like to speak to the second part of the motion, with which I'm more familiar. In doing so, I'd like to quote from the hon. Minister for Municipal Affairs. On June 2 he advised this House that:

I think the most important aspect in the near term will be the question of revenue sharing between the provincial and municipal governments. It would seem, however, that no rational settlement can be made without first defining the areas of responsibility which accrue to the province and to the municipalities.

Mr. Speaker, none of us in this House are naive enough to suggest that the determination of these areas of responsibility is going to be an easy task. Every jurisdiction in North America and many in Europe are still wrestling with it. But I do believe the Provincial Municipal Finance Council will make a real, hard, honest attempt to come up with a clear definition of the responsibilities of cities and how they will pay their bills.

I would suggest that tabling an estimate of grants to municipalities in the fall budget would really be of little help to local councillors or to city taxpayers. For example, Mr. Speaker, in 1974 the total budget of the City of Calgary was \$131 million. Of this budget, 70 per cent comes from city taxes. Slightly over 8 per cent, \$10.9 million, is grants from the provincial government.

With the greatest respect to the hon. Leader of the Opposition and to the intent of the motion, Mr. Speaker, it should be obvious that historically grants have not been less than [in] previous years and, as the Minister of Municipal Affairs advised on June 2, this year unconditional grants were approximately 15 per cent higher. If the intent of the budget is to try to aid municipalities in setting their goals, I suggest, Mr. Speaker, it's rather a weak attempt. Fifteen per cent of 8 per cent is slightly over 1 per cent. I would suggest to you, sir, that municipal politicians can do their budgeting quite well without that kind of help.

I would urge all members of the House to consider making presentations to the Provincial Municipal Finance Council, to try to resolve how we can divide the powers of the city to tax and govern from the powers of the province to tax and govern.

There are requests for financial aid from municipalities. The City of Calgary, for example, wants us to take over the cost of the ambulance service. They want us to pick up their \$10 million bus deficit. They want us to pay for all sorts of social health programs. They want us to subsidize their sewer system. There have been requests in the House to pay for land banking. The list is endless, Mr. Speaker. The requests for handouts from municipalities come from all sides of the House and from all parts of the province.

Mr. Speaker, as I read the motion, the intent is that the hon. Leader of the Opposition assist municipalities in budget planning. Frankly, it's too small, too restrictive, and loses sight of the overall needs and desires of many citizens for a fresh approach to municipal financing and the resulting government responsibilities of city councils.

MR. NOTLEY: Mr. Speaker, in addressing a few words to this resolution, first of all I think we should keep in mind that under this particular resolution there is no statement that the right of the government to issue special warrants would be taken away. In fact, the government could still on occasion pass special warrants.

The point is, the number of special warrants would not need to be nearly as great, because there would be an opportunity during the fall session to discuss not only the interim supply motion, but also the supplementary estimates. I would say, Mr. Speaker, that our objective should be to reduce the number of special warrants passed. Certainly the amount last year, some \$320 million, approximately 16 per cent of the budget, is a large percentage and one we should try to reduce.

It's important, Mr. Speaker, to look at this resolution in light of the traditional right of the Legislature to control expenditure of public funds. That, of course, is one of the basic rights of Parliament and what our system is all about.

As I see it, Mr. Speaker, there are three things which make this resolution not only workable, but consistent with our parliamentary traditions. The first is that the interim supply motion would allow hon. members the opportunity during the fall sitting to discuss whatever general issue they want to raise. Mr. Speaker, we have provision now in the fall session for general debate. It's just a normal resolution that's presented. The interim supply bill could make provision for this general debate.

The second thing is that the provision for supplementary estimates is, as has already been pointed out, something that the federal government is doing, and would allow members to consider expenditures before they're in fact made. Too often we have accountability after the fact. That's a debate we've often had in this Legislature. Nevertheless, Mr. Speaker, where there is a reasonable opportunity to budget in such manner that debate can take place before these programs are authorized by special warrant, surely it is not unreasonable to take that course.

The very fact that we have a fall session of the Legislature provides us with the latitude to do the things suggested in the motion we are presently considering. If we had only one session a year, and that session were in the spring, obviously this proposal would not be workable. But a fall session does give us an extra dimension. It seems to me, in recognizing that, we should insist there be an opportunity to consider the supplementary estimates for the various departments.

I want to say a word or two about part (b) of this resolution, "to table at the same time an estimate of the grants to be made to municipalities during the next fiscal year".

I would agree that the government, through the municipal commission, has to reassess its position, and it's a very complicated and difficult subject to examine. I would also agree that the change in the grants, per se, to the municipalities may not be that large an amount for a town or city, or what have you. Nevertheless, there is still the principle of the thing. That is the principle that this information should be made available, if possible before the budgeting process of the local level of government takes place.

But one area, Mr. Speaker, that perhaps isn't covered specifically in this resolution but does represent a large part of the budget, is the funds under the school foundation plan. There is certainly no question about that. A very large percentage of the cost of the basic education system in the province is dependent upon the grants made under the school foundation plan.

Now what has happened in past years? Let's take last year as an example. We had the debate where the minister announced the new foundation plan formula for this current year, but it was done after the general debate occurred in the Legislature. It was done in the dying days of the fall session, and there was really no opportunity to debate whether the Minister of Education's announcement for the new grants for education for the 1975 year was adequate.

Mr. Speaker, one of the advantages of this particular resolution, because I would see (b) being extended also to include grants under the foundation plan to school divisions and counties in the province, is that we would be able to discuss formally in the Legislature not only before the local levels of government have to make up their minds what their budget will be for the coming year, but also that we in the Legislature would have an opportunity to pass comment on whether those grants were adequate or not.

We have the ridiculous situation throughout the province at the present time, Mr. Speaker, as many hon. members know, because of the grant structure which was announced last November by the Minister of Education that supplementary requisitions have had to be increased -- in many areas increased by more than the 15 per cent which is allowed. As a consequence, there are demands for referendums from one end of the province to the other. As I believe the Minister of Education advised during question period the other day, in the case of the two areas where have been held, those have been turned down. We now have the local educational authorities in an awful mess, faced with problems halfway through the school year, where they are going to have to make serious cuts which will reduce the quality of education.

Mr. Speaker, we are in a position now where we will be able to debate the grants in June of this year when the minister's estimates come before the Assembly. But it would have been far better, not only for the school boards of this province, but indeed for the whole debate on educational funding, if this debate could have occurred last fall before the school boards started their new financial year.

So, Mr. Speaker, the proposal advanced by the Leader of the Opposition is a reasonable one, and one surely consistent with the concept that the purse strings should be rigidly controlled by the Legislative Assembly.

MR. TRYNCHY: Mr. Speaker, just a few brief comments on this resolution. Last January 31, I spoke at some length on what I thought about special warrants. Looking back in Hansard, I covered a lot of the details of the special warrants pretty completely.

Just to go over them again very briefly. I listened to the hon. Leader of the Opposition when he talked about agriculture, where we have \$60 million in special warrants compared to a total budget of \$40 million. Mr. Speaker, if this special warrant were \$100 million more I would be happier, because this is one place we really need it. If he were to campaign in his area in agriculture and say, we've spent \$100 million more than this, I think the people of that area would accept it, as they have throughout the province. Even though I agree with him on one little point, there are a number of points on which I don't agree with him.

MR. CLARK: I feel more comfortable.

MR. TRYNCHY: I'm glad he does.

Going back over the special warrants, I wonder which one of these items the hon. members of the opposition would delete? Which program would they cut out? It's nice to stand here and speak about special warrants, but the public, as a whole, don't really care what we do in here as long as we spend the money or invest it wisely, and report back to them how it was done and why it done. I think that is a point we should consider.

We've moved in quite a few areas. It was interesting to see there was some mention of highways, that we overspent a certain amount of dollars. I'm glad we did. But what would a fall budget do to us as far as highways are concerned? We meet in October, and at that time the highway construction season is over. So we're behind the fact anyway. The hon. Leader of the Opposition is saying we should bring it into the fall budget; decide whether we are going to move ahead when the ground is already frozen. Again, I point out some deficiencies in his speech.

I would like to go back even further than that. Last fall the Provincial Treasurer tabled a full resume of all special warrants for scrutiny by all members and by the public. It was accepted. I might mention that never before has there been a fall session, and the Social Credit government for the past number of years used special warrants. Of course I agree with that too, because emergencies will occur between

sessions. I don't care how you plan it, there are going to be certain times you have to move with a special warrant.

Let's go back to August 1972, I believe it was, when we made a special warrant of \$12 million to assist senior citizens with eyeglasses, hearing aids, and so on. We didn't feel it was right to keep the senior citizens waiting, so we moved in that direction. If we hadn't moved, I can just hear the opposition say, well, you could have used a special warrant; why didn't you do it? But, you know, that's politics. It's his turn today to criticize the government and I guess it's our turn to try to correct some of the inaccuracies.

Mr. Speaker, I would like to deal with special warrants because the hon. member behind me spoke very clearly on municipal financing. I'll just mention a few words on that as I go along.

In Lands and Forests you look under fire suppression, fire control, and wildlife damage. How can you really assess what you are going to need? Some years you don't have any fire control at all. In this special warrant we have spent millions of dollars for fire suppression. Now if it's a wet year, you don't have this. So then they'll come back when we do the estimates and say, why did the minister budget so much when he knew he wasn't going to spend it? Foolish of the minister. So when you underbudget you get criticized again. But you have to look at it fairly and squarely.

There's a special warrant -- and I had some remarks on this last fall -- on the reduction of capital debt for new towns in Alberta. I guess I should remind members again how we incurred this debt, \$4,614,386. That was done by the previous administration many, many years ago. It provided funds for towns which never expanded, never grew, never are, or never will be. Some of the debt retirement -- it's quite fantastic when you see there was a debt retirement for one town of \$3,420 per capita because of good budgeting by the Social Credit government. That's why we had to write it off. Whether you do it in the House or with special warrants, I think the public really is concerned. Spend it wisely, tell us why, and tell us where.

We move on and see special warrants under nursing homes. I don't think we are doing enough there, even though we have special warrants. We're still crowded. We need more care in our nursing homes. I would approve double the special warrant or triple the budget. I can't see anything wrong in that regard.

We might even move to something done in the House a few years ago. The hon. Deputy Premier talked about it yesterday: the Alberta Resources Railway. It was estimated [at] \$31 million, and was approved in this House. A few months later, it was estimated to be \$100 million. The total cost to the public was \$130 million. Ever since then, we've been paying, as people of Alberta, \$6 to \$8 million yearly in interest alone.

Mr. Speaker, just the other day we heard why we can't move with our \$1,000 grant to senior citizens, outlined in the campaign. And there are good reasons for that. I think governments need flexibility to move in whichever direction is necessary, as we go along. But when you look at these \$1,000 grants, I think they have to be handed out wisely and accurately. We heard from the hon. Member for Clover Bar that we should do it right now. It doesn't matter if we have a program. It doesn't matter if we have an act or the minister is ready. Let's do it now. Then what would they say if there were some misgivings? They'd say, well, we'd have moved a little slower. We'd have put in an act. We'd have provided a good program and then we'd have brought in a special warrant. That's probably what they'd have done.

Mr. Speaker, when we speak of special warrants, I'd like to go back to my campaign in March. One of the first things I did was take the special warrants we had issued. I knew there would be some concern, especially with the Social Credit candidate in my area, because I guess he was told to campaign on that theory. In the first forum we had, he brought up special warrants, and he did a pretty good job. After it was all done, I corrected some of his inaccuracies, and the member who got 2,000 votes in 1971 apparently didn't do so well when he mentioned special warrants. He only received about 500 votes in the final analysis.

Mr. Speaker, when we speak of special warrants, I don't really think we are concerned whether we spend the money by special warrants or in the budget, but let's spend it wisely. Let's show the people where it has gone, how we did it, and why we did it. I think that's the important thing.

I'd like to close by saying we should maybe slow down on special warrants, but when the need is there -- and I have found no special warrant estimates in the last year where the need was neglected. So I'd move along and say we use special warrants where we have to, and let the people of Alberta decide whether we're right or wrong.

MR. YOUNG: Mr. Speaker, with respect to this particular motion, I'd like to make a few comments which, I think, open up an aspect of what would, in fact, be the effect of the motion, which I do not think has been touched upon.

It seems to me that the motion which asked for supplementary estimates or an interim supply bill would be expecting something more of the Legislature than we are accustomed to at the present time. It's my view that when the federal government sometimes brings down a supplementary budget, it does so more with regard to fiscal policy in terms of gearing the economy, either cooling it down or, hopefully, warming it up or whatever it sees as the objective of that particular time. That's a responsibility, Mr. Speaker, which provincial governments have generally not accepted.

It may well be a responsibility which in time we will come to accept as more of a provincial responsibility than we have in times past. It's my view to date that this is

not generally seen as a responsibility of our provincial government. I would further submit, Mr. Speaker, that the experience of the federal parliament in dealing with this particular problem or challenge has not produced such outstanding success as we would like to see at times.

First of all, it's very, very difficult to analyse the direction in which the economy is going. Frequently there is considerable lag in terms of the data available to the analysts. Secondly, there is on almost every occasion a debate among those doing the analysing as to what the data, such as it is, portends. Thirdly, there is always a difference of opinion as to what should be done about the situation as analysed. We are only too well aware that frequently the lag is so great between the capability of a federal parliament to move, that it can be debated quite seriously whether its supplementary budgets are really of positive impact in terms of the objective, whether it has in mind to speed up or to slow down the economy.

Mr. Speaker, I think that if the Legislature becomes more of a full-time body in terms of the days of sitting, the number of times or frequency of sitting, this may be a role we will come to accept. That, it seems to me, would anticipate a much larger and different type of economy than we now have.

Mr. Speaker, as I listened to the debate, one of the hon. members seemed to be suggesting that a reason for the motion would be to supply members of the Assembly with an opportunity to debate issues on a rather broad scale in the autumn sitting, as it has come to be called. At the same time, an hon. member acknowledged that there is this opportunity since we have had fall sittings, that a motion has been placed on the Order Paper. It is wide in scope and gives members the opportunity to debate just about any aspect they care to.

I would submit that I am quite concerned about the opportunity for members of the Assembly to debate issues, and to debate them at the appropriate time. There is a timeliness to debate. Sometimes it is pointless to debate after the fact. This is obviously of concern.

I think there are many ways to engage in debate that we, as members of this Legislature, have failed to develop. There are possibilities, especially under the amended rules we are using for this session, for the opposition, or for any member for that matter, to place a motion, but particularly for the opposition on Thursdays to place a motion which would indeed be timely.

To take the illustration which the hon. Member for Spirit River-Fairview drew, the announcement of the foundation program grants, I would see that it would be quite possible to so draft a motion that could be brought forward on a Thursday to cover the possibility for debate of that type. I think we need to look at this motion in the light of that amendment. It would certainly give more scope than existed before.

Mr. Speaker, another point I want to make in particular is that even now, even in the budget debate as we know and exercise it, we are in the process of debating and approving proposed expenditures two months after they have begun to run. There is no way I can see that that possibility can be precluded.

I'm not sure, Mr. Speaker, that's really the important point in a budget debate. A tradition of our legislative system, at least my understanding of the tradition, is that for a government to be defeated or forced to amend in any substantive manner the budget as tabled either in the Legislature or in Parliament is tantamount to a defeat which must be taken to the polls. Custom, apparently, has long established that those kinds of amendments to the budget are never made.

Mr. Speaker, I have always regarded the budget debate in a manner quite different from any attempt to make amendments, or to make changes in the budgeted appropriations. Rather, Mr. Speaker, it has been my view that the purpose of the budget debate and the study of the appropriations is more to give members an opportunity to make their suggestions, to make their criticisms, and to make their inquiries in a manner which will be useful, first, to the minister responsible for the administration of a particular program during that year, and secondly, as a guide to the government, to the Executive Council in terms of its decisions in drafting the next budget.

It's my understanding that the budgeting process for this government begins as early as six weeks from now, if not earlier. The budget as tabled in 1976 will reflect decisions taken as far back as mid-1975. The budget we are now debating reflects decisions which were made almost a year ago. Now it's true that there have been many more recent decisions which have had some implications, but not all that many.

Mr. Speaker, it seems to me that our traditions in this Legislature, and also the way this Legislature functions, the way they operate, the most useful contribution members can make is to explore carefully the introduction of new programs, and the budget ramifications of these. This can be done during the review of the appropriations and, quite frankly, Mr. Speaker, I think there are many of us who would, and do, have second thoughts about just how effectively we do accomplish this, from time to time, in the system as it now stands. I would submit that there is a great deal of possibility for improvement here, a great deal of opportunity for more probing of the respective appropriations than we do.

Mr. Speaker, I wanted to reflect for a moment on the matter of the advance notice to municipalities which is the (b) portion of the motion before us. For some time, I was employed by the Alberta School Trustees Association and have had many, many occasions to consider the problems of school boards and their budgetary uncertainties. After a few years of that, Mr. Speaker, I came to the conclusion that school boards would always like to know in advance what they're going to get. If they know far enough in advance, they

will then undertake to try to change the amount they are going to get. If their employees, and the people from whom they purchase goods and services, know far in advance how much the school boards are going to get, they will then engage in tactics and strategy in order to extract a larger portion than does exist there in order to get the maximum.

I am quite sure, Mr. Speaker, that this exercise has been engaged in, in 1975, within the Province of Alberta. While we find many school boards now in a difficult position, it's not because they didn't know the amount of money they were going to get. It's because the groups which use a portion of that money and which are able to influence the amount, for instance in salary negotiations, have been able to use the knowledge, the certainty, of the amount the school boards are going to get to persuade the people with whom they are dealing that a larger portion of that than may rightfully belong to them did, in fact, go their way. When I say "rightfully belong to them", Mr. Speaker, I use that to express the view that in the overall there may have been some idea, some proportion based upon the relationship of previous years, that should have gone, or has traditionally gone to personal services, for instance, which has been changed in a larger proportion of the total amount gone there this year.

Mr. Speaker, I am aware that municipalities have the same problem. As one who at one time tried to co-ordinate some exercises between school boards and municipalities, I know that the allocation and the certainty of a government grant inevitably leads to demands and pressures to spend all of that, and a little bit more. It doesn't matter whether it's to put it on streets, or whether it's to put it in salary negotiations, Mr. Speaker. The knowledge that there has been an increase of that amount suggests to many people that their proportion should be that much, and if they can get 2 or 3 per cent more they've got a good deal. Mr. Speaker, that's what I think would occur if we had extended advance announcements to municipalities.

What I think is more important, Mr. Speaker, for the planning of municipalities is their knowledge that inevitably their grant will be at least as large as the preceding year. Inevitably they will have the same, or likely the same, responsibilities they had the year before, and these may or may not have grown. They can predict that somewhat on the basis of their population and the group to which they must respond and provide services. This is what is really important because, Mr. Speaker, I doubt any provincial government has really seen a local government go into bankruptcy as long as that government was proceeding in a responsible way. Mr. Speaker, I am therefore unable to agree with the (b) section of this motion at all.

Mr. Speaker, in closing, I'd like to reiterate that I see behind this motion a somewhat changed role for the Legislature were it to be adopted. I see, perhaps, an acceptance of responsibility by the provincial government which is not now general in Alberta, and I think not elsewhere in Canada, that is the fiscal responsibility in a broad way.

Mr. Speaker, I think the motion is an attempt to bring within the purview of the Legislature more opportunities to review government programs than may now exist. As I've already said, it's my view we currently have plenty of opportunity; the rules as amended this year provide more opportunity, and what the members of the Legislature really need to address themselves to is how better to make use of the opportunities at hand.

MR. TAYLOR: Mr. Speaker, I'd like to say a word or two, very briefly, on the resolution.

I supported orders in council and special warrants when I was on the government side of the House, both in the House and out on the hustings. So I can't see why I should change my position because I happen to have changed my seat. I think there's good and sound reason, as I said when I was on that side, for special warrants and orders in council. On the public platform outside, I argued many times the reasons for orders in council and special warrants. Consequently, I feel the same way about orders in council and special warrants. Without them we'd simply put handcuffs on the government, and they would be unable to fulfil the first function of democracy which is to carry out the things people want carried out. Because something comes up when the Legislature isn't in session doesn't say it isn't what the people want. It may be very, very urgent.

That brings me to the community hall and cemetery program last year. The Legislature wasn't in session, but I welcomed that program. I welcomed it because the people I represent welcomed it. They couldn't care less whether it was done by special warrant or included in the Treasurer's budget. They just couldn't care less. They were more concerned about getting their community halls fixed and their cemeteries updated. That money came in very, very handy, and did a tremendous amount of good to almost every community hall in my riding. I suppose 90 per cent of the community halls in the province became much more comfortable and more usable, because the government initiated the program. I'm not going to condemn it now when I supported it. I was very glad to go to my people and say, this is a good program, let's use it on our community halls, simply because it hadn't been discussed in this Legislature first. The people I represent couldn't care less about where it was discussed first. They liked the program, and they made use of the program. I supported it then, and I support it now. I'm not going to oppose it simply because it might be politically expedient to do it, and I doubt even that.

When I was on the government side I found those who made much ado about orders in council, saying so many orders in council were passed, and this was bad. I always argued the other way. A typical example I used then I use now. In Highways, when several bids came in and the top bid, for some reason or other, was not considered suitable by the department or by the minister, then the minister, under our present legislation, couldn't

award the contract to the second bidder. It had to be done by the entire cabinet, by order in council. That seemed logical to me. That's one typical example where an order in council is wise.

The argument I make about orders in council and special warrants is that everything's above the table in an order in council and a special warrant. They're public documents. They go out to everybody. They go to the newspapers. Anybody can have access to them, so nothing's being hidden. If a government was spending money not authorized by the Legislature without an order in council or a special warrant, then I would be very much concerned. That would be doing something under the table. That would be doing something completely wrong. But as long as a government does it, makes it public, and lets everybody know what it's doing, I say what is wrong with that? I said that when I was on the government side and I say that now.

The government eventually will have to take responsibility for every cent it spends, whether it does it wisely or prudently, unwisely or recklessly. The people of this province aren't illiterate. They'll come to the decision on what happens, what that money does, whether we get full value for the dollar, and so on. They're more concerned about that rather than the detail of whether it was discussed in the Legislature before or after the money was made available.

So I say, Mr. Speaker, using the cemetery and the community hall program as an example, I think this is an excellent program. As a matter of fact, for years we tried to get some cemeteries in this province updated. They were a disgrace. Many mothers and fathers wept over the sight of their cemeteries because just nothing was being done. Cattle were in them, the grass and the trees were growing, they weren't even fenced.

I remember after months of struggle getting a little fence put around one cemetery in the Wayne district. I remember that little fence brought more happiness to one mother who had twin children buried there -- a very, very sad event -- during the flu years of Drumheller. The twins were born and they passed away, and she couldn't even afford a casket. She made their caskets out of apple boxes. They buried them in that old Wayne cemetery. It's still there, but their graves weren't even marked. Cows and horses were eating in the thing. Finally, after months of struggle, we were able to get one fence, a little fence, put around that cemetery. Well, that wasn't good enough. When I heard of this program, I wrote the minister a letter of congratulation and urged him to do something about this cemetery, the unmarked graves.

People sometimes come hundreds of miles to visit an old cemetery in parts of this province, in my riding and I suppose in everybody's riding. Some have said to me, how is it that you can leave a cemetery in such a disgraceful condition? I don't even know where my child, my husband, or whatever the relative happened to be, is buried. Is this the way modern civilization acts? Is this the way we respect our dead? I never had any answer, because we didn't have a program. So I was happy when the program came in. My people and I couldn't care less whether it had been discussed or not in this Legislature first. I was glad to see the money and I was glad to make use of the money. I hope that cemetery program goes ahead.

I think it's proper for us to mark a grave, at least to show who is buried there. A little marker isn't going to cost very much, but what pleasure it brings to those whose loved one happened to be there. It doesn't cost very much to put a fence around some of these cemeteries, to keep the cattle and horses out. But that fence means more than money will ever mean to those who have loved ones buried in that cemetery. How many unmarked graves we have, I don't know. I know there's a great number in the cemeteries in the Drumheller constituency. This program is going to bring happiness to many of the loved ones still around, who want to do something about the place their loved one is buried, and where his remains rest.

I support special warrants and orders in council. I would be very worried and probably have a resolution on the Order Paper if we were spending money without special warrants, where people didn't know how the money was being spent. I said this when I was on the other side and I say it again: as long as we have special warrants and orders in council that put everything above the table, that show the people the amount of money being spent and the purpose for which it is being spent, I don't think we have too much to worry about in this or any other province. Let the day come when governments start spending this money without special warrants, without orders in council, without making it public before it is spent, then we'll have an awful lot to worry about.

MR. SPEAKER: May the hon. Minister of Education revert to introduction of visitors?

HON. MEMBERS: Agreed.

INTRODUCTION OF VISITORS (reversion)

MR. KOZIAK: Mr. Speaker, there is presently a review of educational policies in Canada, which is a joint project of the Council of Ministers of Education, the Government of Canada, and the Organization for Economic Co-operation and Development.

We have very distinguished guests in your gallery, Mr. Speaker, from the Organization for Economic Co-operation and Development. They are presently in this city reviewing the

educational system in western Canada. I would now like to introduce the members of this committee to you, Mr. Speaker, and also some special guests from the Province of British Columbia, following which I would ask that the members of this Assembly recognize these guests in the appropriate manner.

Mr. Speaker, the representatives of the Organization for Economic Co-operation and Development are: from the Federal Republic of Germany, former Deputy Minister of Education, Frau Dr. Hildegard Hamm-Brucker; Professor Harold Noah, economist and Professor of Comparative Education at Columbia Teachers College; Dr. Pierre Vanbergen, Director General for the Organization of Studies, Ministry of French Education, Brussels, Belgium; Dr. Kjell Eide, Director General of Planning and Research, Ministry of Education, Norway; Dr. Beresford Hayward, Head of Country Programmes for Education Policy Planning, Paris, France.

Mr. Speaker, from our province to the west, the Minister of Education, Deputy Premier and Government House Leader, Mrs. Eileen Dailly, and her Deputy Minister, Mr. Jack Fleming.

MOTIONS OTHER THAN GOVERNMENT MOTIONS (continued)

MR. SPEAKER: Are you ready for the question?

MR. CLARK: Mr. Speaker, in making my concluding comments on the debate, let me say rather frankly, it's pretty obvious the government has made up its mind . . .

MR. SPEAKER: Hon. members are aware that the debate of the hon. Leader of the Opposition will conclude the debate?

HON. MEMBERS: Agreed.

MR. CLARK: It's pretty obvious, Mr. Speaker, the government has made up its mind, in its wisdom or lack thereof, depending on your point of view, that it is not going to move on this particular matter at this time.

I've appreciated very much the comments made by the various members in the House. Let me simply say that this motion genuinely attempts, in fact, to have the Legislature assume a greater responsibility and larger role in the fiscal responsibility to the people of the province. If the members of the Legislature don't feel that's the direction in which they want to move, all well and good, albeit that's obviously the way it's going to go. It's all well and good for some hon. members to stand in their places and talk about special warrants last year and say, there were \$320 million worth of them, which ones are you against. One would hope that after having been in the House for a while, members would become a bit more imaginative in their arguments. We heard that argument . . .

AN HON. MEMBER: A warmed-over argument.

MR. CLARK: Well, poorly warmed over at that. We've heard that argument a number of times and it really doesn't add a great deal to the debate.

I was interested in the comments made by the hon. Member for Edmonton Jasper Place and his assessment of, shall I say, the attitudes of school boards and local governments; that if they in fact knew how much money they were going to have very long before they finalized their budget, they would clamor for more. That may be the government's attitude. That's really not the way we found local governments over a period of some time.

I would commend, for the reading of some of the hon. members, some of the requests from the municipal associations asking the government if they could have an indication some time before of what kind of money they could be looking at. It's all well and good for the hon. Member for Calgary McKnight to say that makes up a very small portion of the budget of Calgary. It may be, but I can assure the hon. member it is a rather sizable [part of] the budgets of the Calgary public and separate school boards, if he would like to check into those particular areas and take the opportunity to talk to a number of the rural governments across the province. I'd be willing to make a small wager that members would find [municipalities] feel this would be a big step in the direction of making it easier for them to do their jobs.

However, Mr. Speaker, at this particular time the government doesn't feel it wants to move in this direction. I recall a year ago, dealing with the estimates, we should have been dealing with the special warrants, but we, in fact, almost missed that area altogether. It's well and good for some hon. members to try to construe the purpose of this particular motion, to say there shouldn't be any special warrants at all. There's no indication in the resolution that this would prevent the government from passing special warrants. That's why I referred to Section 36 of The Financial Administration Act and made no mention of that being taken out of The Financial Administration Act at all. However, I appreciate that some members rather enjoy using that kind of technique in strengthening a rather weak argument.

As far as the question of orders in council is concerned, I don't recall any mention being made of the government not being able to pass orders in council. There was no indication of this particular direction at all.

So, Mr. Speaker, we come to the last comment I'd like to make on this motion. I simply say that this is the second opportunity in the course of this session that we've tried to go to bat for municipalities. We'll be going to bat for them later, on Thursday of this week.

The comments made by some of the members about the provincial-municipal finance study were interesting. For some of the newer members, you might be interested to know it was about a year and a half or two years ago that the government announced that particular study. We've had nothing since that time. It's all well and good for members to talk about not wanting to do it on a piecemeal basis; we want to wait and do a full-blown study. Well, we can wait. The municipalities are going to wait.

AN HON. MEMBER: Ask about the cabinet shuffle.

MR. CLARK: But now it has been completely forgotten as far as municipalities are concerned. However, the municipalities will have to carry on under their difficult circumstances for a bit longer. Hopefully, next Thursday the government will be in a somewhat more charitable mood when it comes to municipalities.

[The motion was lost.]

MR. POSTER: Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Does the Assembly agree to the suggestion by the hon. Deputy Government House Leader?

HON. MEMBERS: Agreed.

MR. SPEAKER: Do hon. members agree that when they reconvene at 8:00 they will be in Committee of Supply?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until the Committee of Supply reports.

[The House recessed at 5:23 p.m.]

* * * * *

[The House reconvened at 8 p.m.]

COMMITTEE OF SUPPLY

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will come to order.

Department of Agriculture

DR. BACKUS: Mr. Chairman, Subcommittee B has had under consideration the Department of Agriculture. I therefore beg to move:

Be it resolved that a sum not exceeding \$48,637,760 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Agriculture Department.

MR. CHAIRMAN: Are you agreed with the report of the subcommittee?

HON. MEMBERS: Agreed.

MR. MOORE: I want to respond to a number of questions asked during subcommittee study of the Department of Agriculture estimates for the current fiscal year. Before doing that, I want to make a few brief general remarks about the department, the thrusts in which the department has been involved in the past years, and some of my considerations with respect to the work of the department during the coming years.

First of all, Mr. Chairman, I want to say I have been quoted on a number of occasions in recent weeks, correctly and sometimes incorrectly, with regard to the thrusts of the department, new programs, and the continuation of existing programs. My statements [were that] this department would perhaps try to do a better job of existing programs, and that perhaps you wouldn't see as many changes in future months as you've seen since 1971. Those remarks, Mr. Chairman, had to do partly with a document circulated in August 1971 entitled, Agriculture in the 70's.

That document outlined a number of new thrusts this government would take with respect to agriculture in Alberta, including market development, agricultural credit, surface rights, and a good number of other areas. It resulted in the formation of the Alberta Export Agency, the marketing division of the Department of Agriculture, and the Agricultural Development Corporation, which has played a major role in agricultural credit. It resulted in a reorganization of the structure of the department, which in my view is now prepared and in a position to do an excellent job of serving the agricultural community in this province.

My remarks [on] the future of Alberta agriculture and this department were predicated on the knowledge that my predecessor, the Deputy Premier and former Minister of Agriculture, Dr. Horner, has been able, in three and a half years, through reorganizational efforts, to put the Department of Agriculture in a position where, in my view, it is capable of meeting the objectives of the farmers of this province. I want to express my appreciation to the Deputy Premier and former Minister of Agriculture for his efforts in that regard, and I think all other members should.

I also want to say, before moving into some of the areas where members had requested information, that I have inherited a most conscientious and dedicated staff throughout the department, that has responded in a very major way to me being minister of the department. I look forward to that kind of continued co-operation from them.

Mr. Chairman, during [sub]committee study of the estimates of the Department of Agriculture, in three or four areas there were requests for information that I didn't have, [and] which I said I would provide to the Committee of Supply.

One of those requests was with regard to a program developed two years ago, in which children under the age of 18 could borrow money from chartered banks with the guarantee of the Agricultural Development Corporation, wherewith they could get involved in purchasing livestock or seeding crops or some other aspect of agriculture. It would provide them with experience in both management and finance. Some concern was expressed about the way in which the program had operated and the losses that might have been incurred. For the record, to May 31, 1975, future farmer loans have been obtained by 2,414 persons under 18 years of age.

The maximum loan in each case, Mr. Chairman, was \$300 for first-year applicants and \$600 for applicants in the second or third year. To May 31, 1975, the total amount guaranteed by the corporation was \$751,580. Of that amount, the government has been called upon to guarantee some 120 loans amounting to \$39,171. In terms of the kind of people we are dealing with, when you consider children who are having a learning experience in agriculture, I would view the program, in terms of its losses, as so far having been very successful in achieving the directions it set out to achieve.

In addition, Mr. Chairman, I have questions with regard to the livestock watering program, financial assistance for sewer and water projects, and farms for domestic use. My information is that the ARDA livestock water program does not, in fact, cover domestic sewage and water systems. It is a program designed to assist persons who have livestock in developing water supplies for livestock. The maximum amount of grant available is \$550. In addition to that, of course, the Department of Agriculture does provide services or aid with respect to the development of domestic water supplies in a technical way.

Perhaps some of the confusion comes from the federal PFRA program which assists individuals with domestic sewer and water applications. Their grant is equal to \$550 as well. When possible, we try to co-ordinate our efforts with PFRA so there is no duplication of grants when the same individual receives a grant from both the ARDA and the PFRA programs.

In addition to that, Mr. Chairman, I was asked about Appropriation 1179, which is disappearing in terms of the extent of its expenditures. It's commonly referred to as the Slave Lake program. We've had district home economists there over the last three to four years who are providing a service largely to native people in that area. I was asked if there was any monitoring or evaluation of the results of that program. I would have to say that the monitoring or evaluation that has been done has been largely the extent of persons who live in that area, who are concerned about the kind of service that should be provided to native people in terms of homemaking and so on. I've written a good number of letters testifying to benefits they see in the program. In fact, we have not yet done any kind of formal, comprehensive evaluation program.

In addition to that, some concern was expressed by one member with respect to the feed freight program. Hon. members should know that during last winter, on request, a number of areas were designated as areas where feed freight assistance would occur. Those areas were Cochrane, and Worsley in northern Alberta. On January 31 we extended the program to Foremost. On March 11 it was extended to Warner. The original program was for hay which was moved from July 1974 to April 30, 1975. The deadline was subsequently extended to May 31, 1975; the program has now been cancelled. The news release which was contained in a recent issue of the dairy branch letter was probably a rerun of one issued in December 1974.

Those are all the points I am aware of, that members raised during subcommittee. I would just close my remarks by saying, if there are any additional areas in which members want information, I will do my very best to provide it.

MR. MANDEVILLE: Mr. Chairman, just a few general remarks on the Department of Agriculture. I would certainly have to say that our past Minister of Agriculture did a tremendous job in this area. I do think the emphasis was a little strong as far as grants were concerned. I would just like to make a few comments on a different aspect. I do hope our new minister will take a good look at some other areas, and I'm sure he will.

I am thinking of the extension department of Agriculture. We do have the research centre in Brooks. They are doing a job for agriculture in this province; however, I don't think they are able to get out and relate to the actual producer. I think we have to have more emphasis on research centres such as this and others, to go out and provide a relevant service to our prime producers. I realize it's really a hard area to work with.

We have the horticulture research centres set up. Their production is really tremendous if you have a small plot of land. They are not really looking at the economics of it. They are looking at what type of production you can get, without realizing that the costs are fairly high. This is one area I hope our new Minister of Agriculture will take a good look at.

At the research centre in Brooks, we presently have a gentleman by the name of Dr. George Collin, who is trying. He is getting into different areas of the province and setting up pilot projects and experimental areas. I think this is good, providing they will get out and work with the actual producer himself.

Another area in the extension department that I think needs some consideration -- I know I give it lots of thought myself, and I just haven't come up with the answer -- is our district agriculturists. I know they are trying to do a good job. I have made many surveys, and I am surveying all the time, on just how they are relating to the prime producer. Sometimes I find it is really difficult for them to get out and relate their experience, and work for the actual farmers themselves.

Several times I have been a little disturbed. I was watching TV on one occasion this spring. Some of the people from the Department of Agriculture were advocating we were going to be short of seed and fertilizer. Well, the fastest way in the world to create shortages is to get out and advocate that we are going to have shortages such as this.

I realize we had a report. I read part of the report where we have taken -- I think it cost in the neighborhood of \$200,000. I think that could be brought down off the shelf, and maybe there would be some good information in this report that would help to get our extension department in Agriculture right down to the grass roots, to the producers themselves.

As I said, I think sometimes we get involved in too many grants as far as our agricultural operations are concerned. And many of them have worked out really well. There was one very successful program that our Deputy Premier came up with, and that was the guaranteed potato loan. It literally saved the potato growers in southern Alberta about two years ago. They came out, and I don't think one of those loans is in bad condition at this time. They were a bit shaky at the time because the potato industry was having a real tough time of it, and the minister came up with this guaranteed loan of \$150,000 per potato grower which worked out very successfully.

I do think our price of land -- farmland that is, productive farmland -- is escalating, but I don't think we have any alternative. We've got to let it escalate. We've got to get it in the competitive market so we can compete with industry as far as our productive land is concerned. And I think what we've got to do -- the Alberta development corporation at the present time is doing a real good job as far as I'm concerned. I commend the staff for letting out the loans. They're able to assess the individuals themselves. Sometimes I've watched Farm Credit. They serve loans on the equity the individual has. I don't think this is really the method and the means of assessing an applicant. The Alberta development corporation has been assessing the individual on the capability of the farm, and I think it's working out very successfully. I would like the minister to take a look at it.

Let's have longer term loans. I realize we've got long-term loans now, but I think we've got to have them [for] a longer term. Instead of having too many grants in the field of agriculture, maybe this is where we could have them subsidize the interest rate. I realize it's being subsidized now at the 7 per cent, and our young farms we're subsidizing, but so that we can . . . I'm not advocating that our land should go any higher. The only thing is, it's got to be competitive. I mean, if we're going to stop industry from taking our agricultural land out of production, there is only one way to do it, Mr. Chairman, and that is to make it competitive with all other aspects of industry in the province.

Taking our land out of production -- and I was just reading a report where urbanization is going to take 30 per cent of our productive land out of production by 2000. Coming up yesterday, I was listening to the radio and they were indicating that we have six productive acres per capita in Canada where the balance of the world has five-eighths of an acre per capita. If we don't put in some type of stopgap to stop this, we're going to be facing the same situation they are facing in the rest of the world. Our food production is very important.

Another quote I heard on the radio at the same time yesterday was that Ontario was losing one acre of productive land per hour.

Another area -- I realize it's not in the minister's area -- is freight rates. I think the biggest discriminatory factor we have in western Canada is our freight rates. The federal government has made one move. I realize it's a minor move towards equalizing freight rates, but I think we should all get in there at this time and try to promote it, try to get our freight rates equalized. I did hear one report the other day where some professor, I believe he was from the United States, was indicating that we didn't have inequality in freight rates. Well, I certainly disagree with this, because we do. We have freight rates that are certainly not equal between the West and the East. However, I do realize we've got to continue to keep our Crowsnest freight rates. I was really pleased with the Member for Pincher Creek-Crowsnest when he mentioned the fact that a lot of people think the Crowsnest freight rates are subsidized. Well, Mr. Chairman, I don't really think they are subsidized. We give that rail company the mineral rights for 20 miles off these rights of way from the spur tracks and these main lines. I certainly think we deserve to hang on to our spur lines and also to retain our Crowsnest rates. I think we deserve this.

Just one other brief remark, and that's on our cattle situation. I mentioned it in my speech on the Speech from the Throne. I would like our government if they could put any pressure on the federal government to see that we've got free trade between the United States and Canada. We have to have a complete free flow of cattle between the United States and Canada if we're ever going to have stability in the market. I think we are at a late point in time right now to start doing this, but I think it's time we made a start on it. The simple reason is that the Americans have got their cattle market straightened out, but we in Canada haven't. We still have an overproduction of cattle; we've got too many cows, and we've got a lot of yearlings that have to hit the market before fall. I don't really think we've seen a really bad depression in the cattle market in Canada. I certainly hope we are not going to be restricted from marketing our cattle across the line.

With those few remarks, thank you, Mr. Chairman.

MR. NOTLEY: Mr. Chairman, I have a few general remarks, then a series of questions I'd like to pose to the minister.

First of all, I would like the minister to give us his views on the whole question of farm stabilization programs. I realize this is an area of federal jurisdiction, but certainly when we talk generally about the Department of Agriculture, I think we, as members of the committee, would like to know the government's view of the various moves that might be made to stabilize farm income.

I know with respect to the hog program -- we have mentioned that in the question period and the minister made some response. But question period is not really a good opportunity either to ask questions or to answer questions. So I would like the minister to give us, if he would, a statement of position of the Government of Alberta on this province's position re farm stabilization programs, the extent we feel the federal government should move. The minister has been quoted in the press, for example, as saying that farm stabilization should not be designed to guarantee a profit, but just to cover losses. I would like him to expand a little bit on that.

Similarly, Mr. Chairman, we had quite a debate a year ago in the Legislature over feed grain policy. I don't suppose there is much point in going over that again. But I would ask the minister to advise us just what the government's view is on how well the feed grain policy has operated since its inception last year. More particularly, is the government willing, or ready I gather, to support the request of the Government of Saskatchewan that the suggested plebiscite on feed grain policy be held this summer?

I think the minister will recall that last year the minister in charge of the wheat board, Mr. Lang, inferred -- I don't think he ever promised it as such, but he certainly inferred that there would be a referendum among Prairie farmers on the new feed grain policy. I would like to know just where the Government of Alberta stands on that particular question. If, in fact, a plebiscite is to take place, would the government hold information meetings similar to the ones held by the Department of Agriculture prior to the rapeseed vote in the fall of 1973?

Mr. Chairman, when the minister responds, I would also like him to enunciate the Alberta government's position now, under his leadership of the department, on the role of provincial marketing boards. I realize the Alberta government is probably not overly enthused about any extension of federal marketing, but I would be interested to see just what role they see for provincial boards and where there is a dovetailing. Again, this is harking back to something that was raised in the question period about the Canadian egg marketing authority and just what interrelationship with CEMA the minister sees for our provincial agency.

The Member for Bow Valley raised the question of land values. I won't really comment on that, Mr. Chairman, except to say that we do have the Land Use Forum conducting hearings now. Presumably the forum will be making its report in the fall, perhaps even in time for our Legislature. That will give us an opportunity to debate the question of land use.

I would pose just one additional question to the minister. I have a series of separate questions dealing with appropriations, but I'll raise those afterwards, because they deal with more specialized problems. But dealing with the cow-calf loan, it's my understanding that at the end of the year the loans will be due, and will not be extended. I would ask the minister, in his response, to comment on that, because it's my understanding that some people are under the assumption it will be extended. I think we

had better get that straight. Presumably there would be some flexibility if the bottom drops out of the cattle market, but again, I hope we don't have to cross that particular bridge.

In general then, Mr. Chairman, those are just some initial comments. I have a number of specific questions, as I mentioned before, dealing with the estimates in a more detailed way, but I would like a response from the minister, especially dealing with those overall general issues of agricultural policy.

MR. TAYLOR: Mr. Chairman, my comments are going to be very short, because I was on the agricultural committee, and the hon. minister went to great length to answer all questions. I appreciate that very much. However, there are just three points I would like to mention or emphasize.

One, we are living in a world where food production or available food is getting in short supply. I'm very alarmed that today some people are talking about cutting down production in some parts of Canada and United States. Already the United Nations tells us that one-third of the people of the world go to bed hungry every night; that a good third of the boys and girls of the world are growing up undernourished. Even when we look around Canada we find undernourishment not too uncommon. In my view we are living in an age when the areas that are known as the breadbaskets of the world should be producing to the greatest possible degree. Consequently, I would like to encourage the minister to use his influence, not only provincewide but nationwide, to encourage policies that will encourage our people to produce more. Irrigation is one thing that can produce greater food supplies.

The reserves of food in the world today are alarmingly short, as the World Conference on Food decided just a few months ago. I think, whether we like it or not, we are our brother's keeper. If we want to remain creditable as one of the great suppliers of food to the world, we have to make sure we increase our production and have food available. I believe several years ago when we had our elevators full and couldn't find markets, many people were crying, overproduction, cut down production. The federal government even started to pay farmers for not growing wheat. Then we found a shortage almost overnight, and we didn't have enough to go around. We could have sold far more than we had. That time will come again. The late R. B. Bennett, before he became Prime Minister of Canada, talked about blasting his way into the markets of the world. If we're going to produce, we have to have markets. I think that goes hand in glove with the ideals of production and producing to our greatest potential.

The second point I'd like to deal with is this matter of the price of land. The people in my area, and I'd say practically all the primary producers, are quite concerned about the rising price of land. It's a very fine thing when you're selling, but it's the effect it's having on the overall picture of agriculture that's worrying most of our primary producers. In the first place, land is being sold today at prices that aren't competitive, as the hon. Member for Bow Valley just mentioned. It's not competitive, it's over, way over, the price. Surely a competitive price enables the buyer of that land to pay it back if it's amortised over a reasonable period of time, and make a living during that 15- to 20- year period.

At some of the prices being charged, or being paid or offered for land today by syndicates, some of which are foreign, [they] will never in the wide world be able to repay the capital. As a matter of fact, if prices drop, they'll be lucky if they pay the interest. This is a pretty serious thing. Certainly, land is one of the best investments we have in the world today, in Canada today. Now I'd like to keep it that way. But I certainly don't like to see foreign syndicates coming in and offering very high prices that aren't competitive. The only people who are lucky, are the people who are getting that money for their land and getting out of production. Many of them are then being hired to farm the land on a rental basis.

There's a number of bad effects from this. I imagine we'll get the full report from the land-use committee. But the bad effect seen by the people of my constituency is that it's greatly discouraging the young people. Young people can't raise that kind of money. With a little simple arithmetic and a pencil and paper, they find they're mortgaging not only the next 20 years of their lives, but the lives of their children as well. This is frightening. It's also going to have an effect on the board that provides money for young people to buy farms. It is doing a good job, but a very difficult job, when it has to meet prices such as the syndicates are charging. I'm hoping there will be some method found, when the land-use committee reports, to deal with this problem in a realistic way.

One thing I would like to see the government consider is some type of land bank where the farmer himself is not going to lose, because he may not be permitted to sell to foreign corporations. I, for one, don't want to wake up 10 or 20 years from now and find that much of our agricultural land is in the control of people who aren't even Canadians.

One way to make sure today's producer gets a fair price for his land, and we preserve or reserve this land for Canadian use, is to establish some type of land bank where the government can purchase the land and sell it back in various ways to Albertans, then to other Canadians who want to farm. This will also go a long way towards preserving our family farm. I think this is a very important item. But it's the effect it's having on young farmers and on the government board which is trying to encourage the family farm which is indeed very discouraging and very frustrating.

So I would simply deal with those two items, and ask the hon. minister, in establishing stabilization of prices, to make sure that our agricultural producers get a return that has a profit to it. We live in a profit motive system, and for too long

farmers have been expected to produce at cost. Primary producers are entitled to a profit, and they should be getting a profit for the work they do, the hours they spend, and the investment they make.

But we then come to the other end of the spectrum, the consumer. We certainly want to make sure that our consumers are able to buy the food. It's going to be a challenge indeed to the hon. minister, the government of this province, and the Government of Canada to meet two needs that seem to be diametrically opposed: first, to make sure the producer gets a proper return and a proper price for the food he produces; and secondly, to make sure there are ways and means -- I'm satisfied there are ways and means, but we won't discuss them now -- by which the consumer can have available and be able to buy the food we are able to produce in this country.

MR. MOORE: I'll respond to the topics raised by the hon. Member for Spirit River-Fairview and the hon. Member for Drumheller.

First of all, with regard to the cow-calf loan situation, I have said before, and say again, that we do not intend to make an extension or write off the cow-calf loans which will become due, the first ones about October 25, the end of October 1975.

Those loans, as hon. members will know, were secured from the banks with a provincial government guarantee. The banks have an obligation to effect collection. If, after some considerable time, they are not able to collect, there will be involvement by ourselves. That isn't to say, Mr. Chairman, if there are some very, very difficult circumstances in the industry, that we won't be looking at ways and means of making sure that people are not forced out of business. But they're in two entirely separate issues, and I think it's only fair for me to say now, so it's clear to those people who are involved, that we expect, when their calves are sold and when that loan expires, that it will be due and payable.

With regard to the questions from the hon. Member for Spirit River-Fairview about the feed grain policy and the plebiscite, as hon. members would know, I was one of those, although not Minister of Agriculture at that time, who was in favor of a competitive and different kind of system with respect to the marketing of domestic feed grains.

I suggest to hon. members that one of the great difficulties in the feed grains policy, particularly as it applies to livestock producers, in particular in Alberta and western Canada, has been that a number of the major grain companies, which I thought and still think have a responsibility to provide feed grains at realistic prices, at realistic profit margins to the livestock industry of this province, have not responded in anywhere near the way they should have to the domestic feed grains policy. In my view, there's an opportunity for companies which are interested in serving the domestic feed grains market to do a great job, provide the livestock people of this province with feed grains, and make a profit in so doing.

I have no difficulty whatever in supporting a plebiscite with regard to feed grain marketing policy. I do think the program, having been in effect less than a year, probably needs some considerable time yet before a plebiscite is called.

Mr. Chairman, I might also add I'm gradually coming to the view, with respect to marketing boards, that rather than demand that a certain percentage of the producers apply by signature to our agriculture products marketing council, we create a plebiscite to vote out the marketing board that has been in existence for some time. I'm coming to the view that it may well be, when a marketing board is implemented, we should provide in our legislation requirement for a vote some period down the road. I would say, generally in three to five years we would automatically have a vote of producers to see whether, in fact, they wanted to continue with that particular marketing board.

On the subject of land prices, Mr. Chairman, I would say that I, along with most members I suppose, have and express concerns about the escalation of agricultural land prices, particularly when that escalation is the result of people purchasing land for reasons other than to make a normal profit in the agricultural industry. That applies to people purchasing land for speculation that urban development might occur, or speculation that land is the best hedge against inflation. [They] do not in fact intend to do anything with that land.

However, as I indicated earlier in the Legislature, our concerns about land prices, land use, and land ownership came to the extent that we decided a year and a half ago to form the Land Use Forum. That forum is finding out what the people of this province, both urban and rural, think about land use and land ownership. Mr. Chairman, I look forward to the report of the Land Use Forum, and can assure all hon. members that I, as Minister of Agriculture, and our department, would be mighty interested in the recommendations and suggestions that come out of that report.

I might say, as well, that recent surveys by our department have indicated that although we hear and see prices of \$400 and \$500 an acre for prime agricultural land, and that's largely in central and southern Alberta, the average selling price of agricultural land in this province in 1974 was \$108 per acre. Of course, Mr. Chairman, that includes some very low-quality agricultural land, and perhaps some that's not developed to anywhere near the extent that other [land is]. It does give you an indication that what we hear about agricultural land prices is always the highest prices prevailing in a particular area.

In addition to that, our Agricultural Development Corporation has, since its implementation, followed a policy of not inflating land prices by quite often turning down loans for land purchases that we think are over and above what that land is actually worth for farming purposes. Indeed, that results in some criticism of the Agricultural

Development Corporation. But hon. members who were involved in rural Alberta and agriculture a number of years ago will know that in the early 1960s the Farm Credit Corporation came in for some severe criticism for having made loans a lot of people thought were above the productive value of that agricultural land. In the Agricultural Development Corporation, we will continue that thrust of ensuring we don't make loans to people to purchase agricultural land at values we think are inflated for other reasons.

That brings me to three other subjects mentioned by the hon. members for Spirit River-Fairview and Drumheller: world supplies of food, agriculture stabilization, and marketing boards. I'd like to deal with them all together.

My view on agriculture stabilization is that in this country we cannot afford to have 10 separate, distinct programs in 10 different provinces that tend to tear this nation apart in terms of food production. I view with some dismay the program recently developed in British Columbia with regard to payments to beef cattle operators. The reports I have read indicate that retroactive to January 1, 1974, the Government of British Columbia will be paying in the neighborhood of \$20 million in stabilization payments to beef producers. That's not so bad when you are in a province that produces 4 per cent of Canada's beef and has a far larger percentage than that of Canada's population. If that same program were to come into effect in Alberta, retroactive to January 1, 1974, and for that calendar year, my estimates are that it would cost the provincial Treasury \$200 million, about \$170 million of which would be a consumer subsidy to eastern Canada.

I don't believe, Mr. Chairman, that the taxpayers or the farmers of this province want that kind of stabilization program. Hon. members well know, and the Deputy Premier mentioned it in his speech yesterday, that this province produces a large amount of food, and of that total almost 75 per cent is not required by the residents in this province and is shipped outside Alberta's borders. For that reason I said to Mr. Whelan -- I met with him in Ottawa early in April and followed that up with a letter to him regarding Bill C-50 on agriculture stabilization -- that it would be a major effort on our part, during the course of the next few months at least, to try to help develop a national agriculture policy, one that takes into account not only the need for stable food supplies in this country, but the need, as the hon. Member for Drumheller pointed out, for production to serve markets around the world.

I don't believe we in Alberta can restrict ourselves to producing only for Albertans. I mentioned a figure of 75 per cent of our production going out of this province. Mr. Chairman, I don't want to be the Minister of Agriculture who says to three out of four Alberta farm families, we don't have room for you because we have decided to bring in marketing boards with supply management features, with price control that will produce food for the people of Alberta. That isn't the direction this department is taking.

It brings me, Mr. Chairman, to the Canadian egg marketing board mentioned by the hon. Member for Spirit River-Fairview. Aside from the Canadian Wheat Board which serves an area in western Canada, that is the only national marketing board which has adopted supply management features, price fixing or adjusting, whatever you want to call it, that exists in Canada today. It's been fraught with difficulties, not so much because provinces couldn't agree, but mostly because there is an inward thinking when you get to Ottawa and eastern Canada that we should kill chickens rather than find a place to put eggs. Frankly, I am a bit tired of sitting down at meetings and talking about ways to reduce production to achieve a rational price for farmers. I think the government of this country, and certainly the government of this province, for sure has more interest in the marketing of food on a worldwide basis and the stability of our agricultural industry than to restrict our operations to just Canada or Alberta.

Therefore, Mr. Chairman, in the months and years ahead, as long as my responsibility continues in this department, I will view the development of marketing boards with supply management features that tend to reduce production to achieve price levels and to produce only for this province or a part of this country in a way that won't allow them to proceed.

I know many of you look on such things as the poultry marketing board or the Hog Producers' Marketing Board as boards that try to achieve those ends. There's quite a difference between those two. The poultry marketing board does set quotas, does control production.

I want to hold out to you the example of the Alberta Hog Producers' Marketing Board, which is not involved in quotas, which is involved in the regulation of the market in an attempt to deliver the product to the market in a reasonable sort of way. The Alberta Hog Producers' Marketing Board, in my view, has been very effective in carrying out that function. Indeed, hogs are selling today in Alberta for considerably more than they do in the rest of Canada in terms of the freight differential.

I don't believe any other points were raised by the two hon. members, Mr. Chairman, so I'll close with those remarks.

MR. NOTLEY: Mr. Chairman, I'd like the minister, if he would, to follow up with a word on the national agricultural policy he mentioned. I certainly agree with him that if we can achieve a national price support or stabilization program in all these areas, we're far better off than having B.C. go ahead with theirs, and Alberta go ahead with some variation -- Saskatchewan had a four-price system for hogs last year. Certainly, if we can persuade the federal government to come in with a more realistic program -- I think the complaint of the people in both farm organizations is that the program, for example the hog program, just isn't realistic. There's no way the federal government is going to pay out any

money, because the way they calculate the subsidy, it is very, very unlikely that the time will ever come when they'll have to pay out.

So what I would like the minister to do -- he's given us a general statement of his philosophy -- I'd like him, perhaps, to be a little more specific as to what steps he's taken since assuming office to meet with the federal government on this general matter of a national agricultural policy in the broadest sense, and to what extent he's been meeting with other provinces.

MR. MOORE: As briefly as I can, the situation is that the federal government, through the House of Commons, has passed and approved amendments -- I beg your pardon, I'm not sure if they're completely passed, but they've seen their way through committee study -- to Bill C-50, which is the agriculture products stabilization act.

The amendments largely provide a situation wherein the average level of payment over the previous five-year average was raised from 80 to 90 per cent. In addition to that, it is possible, under the terms of Bill C-50 in federal legislation, to provide a level of payment over and above 90 per cent. It can go up to 100, 110, 120 per cent, whatever.

The problem, as I see it, is not with the legislation. My review of that piece of legislation -- it wasn't that extensive, but certainly I did have some considerable time to look at it -- would indicate that that is a vehicle through which, without further legislation on Ottawa's behalf, we can provide some good policies of national stabilization. The problem then becomes one of implementation. I had a look at the cost-of-production figures they were using with respect to beef cattle and found they were very outdated. In fact, they were taken from average five-year Statistics Canada figures for average farm operating costs across Canada, and didn't relate in any way to the cost of producing beef.

The same situation, although I haven't seen the production figures, I presume applies to the hog plan. In addition to that, not at any time have they taken into consideration the cost of marketing in those stabilization plans. When you're looking at paying \$5 to \$7 a hundred to ship red meat to eastern Canada from Alberta, certainly in agriculture stabilization you've either got to correct those inequities, which we've been promised on at least two different occasions -- when the conference was on in Calgary two years ago, and when Mr. Lang introduced the feed grains policy -- that there would be some changes in the freight rates with regard to the shipment of red meat to eastern Canada.

When you look at those kinds of things, we just have to have some recognition in eastern Canada and in Ottawa that the agricultural industry in western Canada -- British Columbia, Alberta, Saskatchewan, Manitoba -- is indeed just as important as the industry in Ontario and Quebec. We haven't had that recognition. All I can say, Mr. Chairman, is that I intend to fight for that recognition. I intend to make submissions. An annual meeting of ministers of agriculture, including the federal minister, is being held in July of this year, whereat agricultural stabilization will be the main topic of discussion.

If, in fact, in due course it evolves that our agricultural industry in Alberta is suffering because of lack of action from the national point, we may have to consult with other provinces. I hold the example of the cow-calf advances, which were the result of consultation between Alberta, Saskatchewan, and Manitoba, and came in basically at the same time -- the same type of program.

I hold for example, the subsidies paid with respect to hog production a couple of years ago, which were somewhat different in each province, but met that same objective. These certainly went much farther in terms of co-operation than we've been able to with the government in Ottawa.

I don't know whether we are going to be able to achieve those results. I guess one of my prime concerns and one of my jobs is to see if we can achieve a national stabilization program. In the event that fails, and our industry in this province is in trouble, I may be coming to the Legislature for other suggestions.

MR. NOTLEY: Mr. Chairman, just a brief comment in answer. Have you had any discussion with the federal minister on the cost-of-production index you mentioned? I can appreciate this is a problem. It seems to me, too, that I'd be a little worried about the five-year period. It seems to me, with the wild fluctuations that have occurred over five years in most agricultural commodities -- when you consider the fact that in 1971, barley was selling for 58 cents a bushel -- that that perhaps presents a problem. Certainly, I can agree with you that the index we use to determine the cost of production as well as the cost of transportation has to be basic to any national stabilization plan. Have you discussed these two features specifically with Mr. Whelan, and can you give us any assurance that we are making progress?

MR. MOORE: I haven't discussed them in meetings or personally, Mr. Chairman, but on returning from Ottawa in early April, I did, in fact, have the marketing economists in our Department of Agriculture develop what I thought were very accurate statistics with regard to current costs in beef production. I provided those to Mr. Whelan, with a letter outlining my thoughts on Bill C-50, as well as extending what we in Alberta thought were accurate costs here. I did that because I made the comments in Ottawa, and I make them again here tonight, that production costs are not equal across Canada.

Prices are not equal across Canada, and that's another point I didn't mention in my earlier remarks. The beef stabilization program is predicated on prices averaged among Toronto, Winnipeg, and Calgary markets. You know the Calgary market is the best market in Alberta as a rule. Surely, if we're going to have any kind of meaningful stabilization

program, we ought to have prices based on an average within this province, or at the very least, within a part of western Canada.

So those things have been communicated in a general sort of way at meetings, but specifically by figures that we supply with regard to cost of beef production.

MR. CLARK: Just two hopefully rather short questions, Mr. Chairman, dealing with Appropriation 1178, the Agricultural Development Corporation. From the notes that I have, as far as committee was concerned, we are in a situation something like, salaries up 20 per cent and personnel down 25 per cent. Apparently in 1974-75 some of the salaries for the Agricultural Development Corporation were paid out of Appropriation 1160. Can the minister give us, shall I say, a body count as to the staff complement as far as the Agricultural Development Corporation is concerned?

Secondly, can the minister give us some sort of assessment as to whether he's satisfied with the period of time it takes the corporation to make decisions? We'll hold it there for now.

MR. MOORE: I think the explanation was provided in committee with regard to the figures contained in the estimates. That is, 76 people in the 1975-76 estimates and a comparable 101 in the '74-75 estimates. In actual fact, I don't believe those 101 people ever appeared in the Agricultural Development Corporation or under their administration during '74-75. What those numbers really involve is loans officers or second district agriculturists who acted in the capacity of loans officers in some locations. During '74-75 they provided positions, where we would have more loans officers in every second DA office. That amounts to about 30, so that we might expedite the work of the Agricultural Development Corporation in terms of processing loans. What happened then was those loans officers never came under the Agricultural Development Corporation, but rather were a part of the extension division, which is what district agriculturists and home economists are under. In actual fact, I think there are some 25 new positions within the Department of Agriculture in the '75-76 estimates. I apologize, in that the actual numbers of employees in that particular category should have been provided, rather than the estimate for '74-75. I don't know if that explains your . . .

In addition to that I'd like to make some general comments with respect to the Agricultural Development Corporation. I know that many hon. members have been concerned about the length of time it takes to process applications and so on. One of the prime considerations I have been involved in during the course of the last two months is meeting with the board of directors of the ADC, in an effort to try to find out where those bottlenecks of delay were occurring, to speed them up. In terms of manpower placement, certainly the placement of loans officers throughout our district agricultural offices is the number one priority at the moment, and we're proceeding with that.

Our difficulty lies in several areas. One of the common ones, in fact, is for individuals to go to a district agriculturist or a loans officer and make an application by word of mouth, without the realization and perhaps without having been told that they had to provide further documentation, fill out forms, and so on. Then down the road two or three months, they write to their MLA or the minister's office and wonder what happened to their loan. We trace them and find they still had an obligation to provide some information.

Next to that, of course, is a situation where we were putting a lot of pressure on our staff in the district agriculturist offices with regard to other programs, emergency programs and so on. They simply didn't get some of those loan applications filled out and in a proper perspective to send on to the ADC. We now have a situation, I think, that is in place in Camrose in the Agricultural Development Corporation, where every loan that comes into that office, regardless of whether it's appeal or whether it's a loan that's handled by the staff of the corporation, which would be one that would be under \$100,000, is handled on a two-week basis, which would be 10 working days. Either the application is approved or denied, or a response is submitted to the individual or to the district agriculturist or loans officer that further information is required.

In closing, Mr. Chairman, all I can say to the Leader of the Opposition is that I'm certainly well aware of the difficulties experienced by some people in getting answers. We're working very diligently on that, and a few months from now I hope to be in a position where we can say that those loans are expedited with greater speed than any other lending institution of a comparable nature.

MR. CLARK: Mr. Chairman, just following up the comments of the minister. I wouldn't be taking the minister's comments out of context if I were to say that once your application goes from the DA's office with an affirmative recommendation and gets to the corporation office, either you or the DA will hear within 10 days.

MR. MOORE: Mr. Chairman, once the . . . I guess I have to think about the Queen's mail delivery. Once the application arrives in Camrose, I've instructed the staff there, and they've told me they can comply with a situation where they can either give an affirmative answer or denial with respect to loan approval, or respond to the district agriculturist or the loans officer that further information is required. And indeed, a number of loans come in that for some reason or other don't have enough information for the corporation to make a decision one way or the other. So you're correct in saying that is in fact where we're at today, and I will be providing a copy of Hansard to the staff at the corporation.

MR. CLARK: I'll be pleased to remind them on occasion.

Just one other comment with regard to the development corporation, Mr. Minister. That deals with this question of people who aren't able to make their payments. What is the status now at the corporation as far as taking action on foreclosures? There have been some in the Bonnyville area. Also, loans or guarantees where organizations have either gone into voluntary liquidation or declared bankruptcy. How's the staff complement, how does that work right in Camrose itself? And the real difficult question, I guess: where does the corporation stand now as far as the accumulated bad debts are concerned?

MR. MOORE: Well, Mr. Chairman, all foreclosures or problems with respect to persons unable to meet their commitments are taken before the board of directors of the Agricultural Development Corporation, which meets every two weeks for two full days to review those kinds of things, appeals, and so on. I've instructed the corporation to be as lenient as possible with respect to persons who, through perhaps no fault of their own, due to market downturn and rising input costs, have not been able to meet their payments.

On the other hand, I have told them they have to view each case on its individual merits. If, in fact, we see a situation where the corporation has substantial sums of money lent to an individual or group of individuals and the corporation doesn't feel the management ability and desire is there to maintain and continue that operation and eventually pay it off, I have told them we will have to use our prerogative to wind up the operation, liquidate it, or do whatever we can. I think in all fairness to those individuals involved, we would be less than fair if we kept saying to people, no matter what your management ability, no matter what your desire, we'll continue to fund you.

So hon. members should be aware that from time to time you will continue to hear that over the course of the last three years some individuals or groups of individuals who have borrowed direct funds or have had loans guaranteed by the corporation will be subject to bankruptcy, receivership, liquidation, whatever.

MR. CLARK: Can you give us some indication of the amount for the last year?

MR. MOORE: I'm sorry, Mr. Chairman, I don't have any accurate figures with respect to the losses of the corporation in terms of that. I don't for the last year, no.

MR. CLARK: We could get that motion for a return, could we?

Just one last comment, Mr. Chairman. The minister may feel this is coming from a rather surprising source, but I think I would be fair in saying on behalf of my colleagues, that some of us over here were somewhat sceptical when the minister was appointed the Minister of Agriculture. Might I say to him that as far as my colleagues and I are concerned, we're very favorably impressed with the attitude and approach the minister is taking. Now that doesn't mean he's got free sailing for the next three years. We're just getting you ready for next year. But seriously, I commend the minister on the way he's approaching his responsibilities and the co-operation we're receiving in the House.

Total Income Account agreed to: \$48,272,760

Agreed to:

Appropriation 1181	\$115,000
Appropriation 1186	\$250,000

Total Capital Account agreed to: \$365,000

MR. MOORE: Mr. Chairman, I move the resolution be reported.

[The motion was carried.]

Department of Consumer and Corporate Affairs

MR. LITTLE: Mr. Chairman, Subcommittee A has given consideration to the following resolution, and recommends the same to the Committee of Supply:

Resolved that a sum not exceeding \$5,158,817 be granted to Her Majesty for the fiscal year ending March 31, 1976 for the Consumer and Corporate Affairs department.

MR. CHAIRMAN: You've heard the report. Do you all agree?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. HARLE: Thank you, Mr. Chairman.

I have just one comment. Because of some confusion on the evening we were dealing with appropriations 3301 and 3302 in subcommittee, I think it was understood, certainly by

the hon. Member for Clover Bar and myself, that two individuals mentioned in 3301 and 3302 as contracts of personal service were not included in the salaried man-years, and wage and contract man-years figures indicated under each of those appropriations. In fact, since then I have discovered the contracts of personal service are included in the wage and contract man-years figures. I would just like to clear that up.

MR. R. SPEAKER: Two questions to the minister. One is general, and the second more specific.

Maybe this was asked in committee, but we were in the committee on agriculture. With regard to car insurance rates, is there an ongoing person or persons within the department monitoring car insurance rates? That's the first part of the question.

And a specific request with regard to insurance rates on MLAs' cars. In the last year -- this is my own personal experience -- my car insurance rate with the same insurance company has gone from just between \$150 and \$170 to \$436. Is this common with MLAs in the last year? Have the insurance rates increased accordingly with each member, or is this just some unique situation which should be recorded?

MR. HARLE: Mr. Chairman, with regard to automobile insurance, there is the Alberta Automobile Insurance Board. They carry on a function, under The Alberta Insurance Act, to keep in constant touch with the rates used for automobile insurance. The department, of course, has a superintendent of insurance. He also watches the situation with regard to rates and, I might say, so do his investigators and people who are called upon to investigate complaints with regard to rates.

I would say that the increase suggested by the hon. member from \$150 or \$170 to \$436 would seem to be somewhat unusual. However, I suppose it depends on the classification you fall into with regard to your application for insurance, and what sort of coverage you have.

MR. R. SPEAKER: In a situation such as that, you're recommending, Mr. Minister -- I'm talking about constituents in general plus my own situation -- that the concerns should be directed to the board for review. Is that what should happen?

MR. HARLE: Mr. Chairman, I would say, refer it to the superintendent of insurance.

MR. TAYLOR: Mr. Chairman, I wonder if I could just say one or two words on this matter of automobile insurance. There appears to be a great deal of concern around the country that premiums are going up, and of course everything else is going up. I think the point many people want to know is: are insurance companies taking advantage of inflation and raising their rates unnecessarily? If we're going to continue to have a great many accidents, and if the total amount of the premiums doesn't come up to pay the total cost of the claims, then it doesn't matter whether it's government insurance, private insurance or what kind of insurance. There are going to have to be increases in the premiums if it's going to pay its way.

There is some concern now that the total expenditures are less than the total premiums, plus the earnings from reinvestment. A few years ago, when we were examining this and when the same feeling was evident, I remember asking the representatives of the board insurance companies from Montreal how their costs were compared to their expenditures. They said, well, we're losing money every year. I said, every one of your board companies is losing money every year? And they said, yes, every one of our companies. I said, well, in that case, I suppose you'd be very happy to have the government take over the insurance because I'm sure you don't like losing money. They said, oh no, no, no. We wouldn't like that at all. We wouldn't like that at all. And this is the type of thing that worries people in regard to the insurance industry. There's either some very bad public relations being carried out, they are faking something, or they are not being square with the people.

I think 90 per cent of the people of Alberta are prepared to accept the insurance rates if it is shown to them that the income is less than the expenditure, that they're not making a profit. Everybody expects them to make a reasonable profit. In light of this feeling, rather than have another royal commission and so on, which seems to accomplish nothing except stirring the people up a little more, I'm wondering if the automobile insurance board couldn't use its authority in the act to make a pretty thorough review of this without a lot of fanfare, but a thorough review of the total expenditures and the total income, and what the total income is from reinvestments -- I emphasize what the total income is from reinvestments -- and then give a picture. A statement like that coming from the minister at the spring session, I think, would alleviate a lot of worry, whatever the result is.

Automobile insurance is one thing where we can decide how much we are going to pay, to a degree, if the insurance companies will play the game. I say that carefully, because there have been times in the past when the insurance companies have taken it out on the agents. Instead of making the increase as high as they could, or any increase at all at times, they have cut down the premiums on the agents to the point where some agents today are having a pretty difficult time making a living with automobile insurance. The percentage of the premium that now goes to the agent is far less than it was when I sold automobile insurance many years ago, far less, and you may expect it to be so. On the other hand, most people's income today is going up. Agents are put in a position where

they may be the buffer for the insurance companies. I think that is another aspect that should be looked into pretty carefully.

When I look at sometimes 200 automobile accidents in the City of Edmonton and a similar number in Calgary in one weekend, and when I go to the auto body shops and see what the slightest dent is costing people who have to get it repaired at \$11 or \$13 an hour, no wonder the rates of insurance are getting worrisome. When you look at the court decisions in regard to judgments, which haven't been too unfair or conspicuously high in this country compared to the United States, it gives you a feeling that maybe the insurance companies are right. Maybe they are going in the hole. If they are going in the hole and they are operating a good efficient business, it doesn't matter whether it's government or private insurance, there's still going to have to be an increase in premiums. It's just that simple, because if we can cut down accidents and the costs of insurance, the premiums will automatically be lower if everything is on the up and up.

I think that's what many of the people of Alberta are worried about: that things aren't all on the up and up. I do think a careful review of this by the Automobile Insurance Board would do a great deal towards making the agents, the people, and the companies, if they are on the up and up, feel that the people of Alberta are being fair.

We have examples on both sides of us now, and even in Manitoba where they've swung to government automobile insurance. I am not sure that these provincial governments are making any money out of it, or if they, too, are now finding there has to be an increase in premiums. It wasn't quite as rosy as it looked from the outside.

I think if we can give a proper picture to the people, we can be sure the people will make the right decision. But if they don't have that proper information, we are going off in tangents, and it is going to be unpleasant for everybody.

I'm asking the minister -- I'm not wanting a statement tonight -- to give some consideration to see if his Automobile Insurance Board, which is composed of able people, could carry out, without fanfare as I said before, an investigation into the expenditures and the income and see what the result actually is.

MR. MILLER: Mr. Minister, in view of the fact that some private insurance companies have left the province this year, has any monitoring been done as to whether the rate of insurance has increased appreciably? I had a trucker contact me. Last year he had insurance with one of the companies that has since left the province. His insurance for his truck at that time was less than \$1,000. Since the company has left, he has to find another company, and the cheapest insurance he can get now, with similar coverage, is \$3,000 with a high of \$4,000. I was wondering if it's due to the fact that companies have left, that there's less competition. I just can't believe it's because the truckers' accident rate has gone up that much. It's my experience, generally speaking, that truckers are some of the best units we have on the road.

MR. HARLE: Mr. Chairman, answering some of the observations of the Member for Drumheller, I think there are perhaps three aspects of automobile insurance that are causing the greatest difficulty at this time. The first perhaps is that, as you know, insurance companies are obligated to keep reserves against losses, based on an actuarial amount of future claims against the policies they write. Those reserves, of course, have to be invested, and with the stock and bond market being what it is today, the result is that the insurance companies are concerned about the value of the reserves available for potential claims. Therefore, many automobile insurance companies simply don't want to write any more insurance, because they can't. The reserves they have are tied up with the actuarial commitments they have on the policies they have written. Now this is one factor which is affecting the industry at the moment.

Another factor, of course, is the premium-to-loss ratio. As I said in the House the other day, in 1971 the premium-to-loss ratio was 66 per cent. In '72 it was 62 per cent. In 1973 it was 76 per cent. In 1974 it's 81 per cent. For the year 1974, when you look at the individual companies, the premium-to-loss ratio varies all the way from 60 per cent to 184 per cent. Now, there are some companies that don't write very much insurance. If they have large claims against their policies, it could well be they are paying out more than 100 per cent on the dollar they have received in premiums. In point of fact, I don't believe the insurance companies are taking an undue advantage of inflation. I think inflation has caused some of the difficulty. For example, the hon. member was talking about the actual cost of repairs of automobiles. I understand, for example, that the wage rates in garages right now are somewhere in the neighborhood of \$18 per hour. So these claims have increased as a result of inflation. Rather than taking advantage of inflation, I think it's inflation that has put the insurance companies into their present predicament.

Also, we have the problem of an increasing number of accidents. This, of course, increases the number of claims. If you will recall the report of the Alberta Insurance Board, they indicate quite definitely that they believe steps have to be taken to try to reduce the accident rate.

I think it's clear from the legislation, and from the point of view of trying to understand the office of the minister, that the minister must look after those people, consumers if you will, who have actually purchased insurance. His primary aim must be to ensure that those insurance companies that have accepted applications for policies have the reserves and the assets to back up the potential claims.

As I indicated, because we have an insurance exchange system, no one in the province who wishes to drive, and obtains a driver's licence and motor vehicle registration, should

be prevented from driving because he cannot get insurance. The problem with the truckers arises because the insurance exchange only covers up to \$100,000 worth of liability. What is happening is that many of these truckers have to get excess insurance -- some \$200,000, some \$300,000 -- because the people they work and haul for are insisting on that type of coverage. It is somewhat difficult for the individual trucker to find this type of coverage. I understand one of the companies which has withdrawn from the province did, in fact, insure a lot of truckers. I would also say to the hon. Member for Drumheller that I am in the process of preparing a ministerial statement which I hope will be ready and presented this spring before the session ends.

To the hon. Member for Lloydminster, the monitoring is done in this way: the insurance companies must, of course, file their rate structures with the Automobile Insurance Board. Now, legally the board only has the power to set the rates for the minimum insurance required under the act. But in point of fact, the companies have been filing their whole rate structures, and the board has in effect been passing judgment on their applications. Not all companies do that, however, because there is, in fact, no legal requirement to go through the board.

Also, Mr. Chairman, there is an addition to that, the monitoring by the superintendent of insurance. The member mentioned the trucker whose insurance increased to \$3,000 to \$4,000. I would suggest he bring that particular situation to the attention of the superintendent of insurance who will look into it and see whether this is reasonable. I may say that the superintendent of insurance has gone to every effort to make sure truckers do get the type of insurance they need.

MR. R. SPEAKER: Mr. Chairman, I think mine is more a statement than a question.

First of all, I appreciate the minister's defence of the insurance company. On the platform and even, I think, in this Assembly, I know I have done the same thing: attempted to defend private insurance companies. I believed that was the way the system of insurance should be delivered to citizens in the province. That was the type of system we supported.

But my faith in that particular system has become shattered quite often, particularly in the last year or two. I can see the insurance companies forcing not only government, but the people of Alberta into wanting a government insurance type of program so they can protect their rates and buy insurance which they think will be at a reasonable rate, politically.

In my own mind, I'm not convinced that government insurance at this point in time is cheaper than through the private agency. I'm not convinced of that. But on a political basis I know we, as a group of elected representatives, could pass a government insurance program at this point in time, and it would be supported by the people. That's just a political fact of life. I think that's a very sad state of affairs.

I don't know whether the insurance companies here in Alberta put us into that position. Maybe the managers and general managers of Alberta have good intention to maintain it on a sound basis, that they're delivering a good service. I often feel the companies with their head offices in the East are pumping through information desiring huge sums of money from the industry here, and are going to force themselves out of business in Alberta. I think that's the most unfortunate thing there is. It's a sad situation. We can be the best private enterprisers in the world, but if you're not politically right in circumstances such as this, you're not going to be right in reality. When you're talking to the insurance companies, I think that's one message you should get across to them very, very specifically. Point out to them that they're not doing their industry any good.

I think of examples in my own constituency. I don't know how many drivers under the age of 25 have come to me. Time after time they have rates between \$400 and \$500. They just can't afford them. They're just starting out in life. What concern has the insurance company for that kind of thing? I've even raised the issue of my own personal experience. Where does that put me, as a person, in attitude towards a company? I think that's just a little lack of discretion.

In information we have, we find that one insurance company, the Royal Insurance Company, doesn't want to supply auto insurance to a consumer unless that consumer takes a whole package -- house insurance, home insurance, fur coat insurance. Then they'll give him auto insurance. Well, you tell me what kind of public relations that is. They're heading only one way at the present time.

Mr. Minister, I think that message must be gotten across to the insurance industry. I'm sure you have attempted to tell them that particular thing. Former ministers have attempted to do the very same thing, but they're not listening to the political sounds at this point in time. As I stated to the chairman, the words I give now are a statement, a statement I hope the insurance companies will read, because it's the fact at the grass roots of Alberta. I think they had better start listening to it.

MR. HARLE: Mr. Chairman, I would just like to thank the hon. member for the statement he made. I would also like to keep it in my back pocket when I do my missionary work.

MR. CLARK: Mr. Chairman, while the hon. minister is preparing himself for his missionary work, I wonder if he would do a bit of specific checking as far as Royal Insurance is concerned. If the minister wants a copy of the letter they have sent out to their agents, I'd be pleased to supply it to him. Have you already got some from that particular

company? Okay, I'll get it for you. Will you have the superintendent of insurance check it out, then advise?

MR. TAYLOR: I don't want to prolong the debate. I also want to commend the minister on his statement. But I think some of the words of the hon. Member for Little Bow should be taken at their face value by the insurance industry.

One of the difficulties I've found -- I've been on two or three commissions, and I see it here tonight -- is that the figures given showing the loss-to-premium ratio, are always the insurance companies' own figures. This is the part that makes it difficult to swallow. That's why I suggested that a look should be taken at this by somebody who has nothing to gain, who isn't part of that insurance company. Many people say that figures don't lie, but you can make figures do almost anything you want. This is quite common. But I have yet to see an investigation in this province, in Manitoba, or in B. C.

I don't know of any others that I've looked into where there was somebody who went to the insurance companies and examined their books. It's always their figures they give at face value that they're losing money. The part that makes me leery is whenever I was able to say to them, "Well, do you like losing money?" "No, no we don't like losing money." "Then you don't mind if the government takes this over?" "Yes, we do mind. We want to keep on losing money," which doesn't make sense to me. So I would like to see somebody look at their books, and if they can come out and give us the picture, not the figures of the insurance company but the figures of an impartial accountant who checked them, I think these figures are going to mean something to the general public. Today they simply say, those are the insurance companies' figures.

I would like to emphasize, too, that the handwriting is on the wall for the private insurance industry if they don't start convincing the people that they're giving a good deal, and are charging the lowest possible premiums, because people are getting very, very annoyed. They don't believe the insurance companies anymore. Even agents are now getting very worried. I've had three agents come to me in the last three months. They say, what's happening with the insurance industry? We're free enterprisers, but these companies are not playing the game. They won't write policies. We can't place our people. The agents are being left in a ridiculous position. One even showed me two letters from Wawanesa in Manitoba, and Saskatchewan Mutual in Saskatchewan, both good companies. I've written for both companies. I've found them top-notch companies. But these agents showed me letters. They say, don't write any more insurance for us. We don't want any more. Well, what kind of business is that? If you're running a store and somebody comes in to buy a can of coffee, well, we're not selling any more coffee. It's all on the shelf, but we're not selling any more coffee. How long would you stay in business? So I say the handwriting is on the wall unless the industry starts paying attention to the signs that are becoming very, very apparent.

MR. CHAIRMAN: Are you agreed to appropriations 3301 to 3332?

HON. MEMBERS: Agreed.

Total Income Account agreed to:

\$5,158,817

MR. HARLE: Mr. Chairman, I move the resolution be reported.

[The motion was carried.]

Department of Business Development and Tourism

MR. DOWLING: Mr. Chairman, just very briefly in introduction, it's a privilege for me to be involved in this new Department of Business Development and Tourism, and with all the people who are involved or have been involved in the Department of Industry and Commerce, the Northern Alberta Development Council, the northern development group, Travel Alberta, which I am very familiar with, the Alberta Opportunity Company, the Alberta Export Agency, and others involved on the fringe area.

Mr. Chairman, I very much appreciate the work that was done by my predecessor and the members of his staff in Industry and Commerce in particular, in initiating many of the projects and programs. We, of course, intend to continue and, over the course of the next few years, perhaps strengthen [these] in our accent on the development of smaller businesses and a greater tax base for rural Alberta.

We would also like the members of the Legislature to know that the Northern Alberta Development Council and the northern development group, now under the Department of Business Development and Tourism, would mean to me that that branch of government now has the facility of a line department to come to its assistance when a line department function is required. I also think it's important, Mr. Chairman, that we recognize the contribution Travel Alberta has made to the economy of Alberta over the last number of years, from a situation in 1970 when it was realizing some \$325 million to 1974 when that escalated by some \$200 million to \$525 or \$527 million.

It's our hope that through the Alberta Opportunity Company, the research council, and the other areas where export lies in the Department of Business Development and Tourism,

we can come to the assistance of the business community all over Alberta by lending the expertise we can afford it through farming out studies to the private sector and, in so doing, give it an opportunity to extend its businesses and prosper with Alberta in this very important time in our development.

It's not to say, Mr. Chairman, we are going to neglect any of the major industries that are in the wings to be developed. As you obviously recognize, as a result of the last election we have a number of strong right wingers who are going to guide the ship of the present government over the next four years. We'll see to it that we don't stray too far left.

Very briefly in summary, Mr. Chairman, I believe that our job in Business Development and Tourism is not to get involved directly in the private sector by equity positions or that kind of thing, but to be in a position to respond rapidly to requests by the private sector for services that various branches of the department might have at their disposal. I think in particular of marketing assistance, regional offices, development or assessment of what might be developed in rural communities, technical assistance, and things of that nature.

As well, of course, we have to be in a position to establish policy relative to the arm of government. We now have two arms of government: the marketing division of the former Department of Industry and Commerce, and the Export Agency. It is my hope that after considerable study, perhaps early in the summer, we will be in a position to take some policy position relative to how these two arms of government might be melded into one solid form in order to be of greater service to the producing and the manufacturing part of our economy.

One thing the members of this Assembly can certainly rely on is that we'll make every effort with the Department of Agriculture and other departments we will relate with. And two, there will be a minimal amount of duplication. That was mentioned by the Minister of Agriculture in his presentation just a few minutes ago.

Essentially, Mr. Chairman, our budget, you will see, is virtually a no-growth budget during this reorganizational period of the fiscal year 1975-76. We have a sum total increase of six staff members, and in total what I would consider a no-growth budget.

MR. NOTLEY: Three very quick observations about the Business Development and Tourism appropriations. First of all, I would like the minister to perhaps be a little more specific about what role he sees in the future for the Alberta Export Agency. I would like him to comment, very specifically, on a motion for return which was tabled last fall, in which it was stated that the Export Agency did not consider it proper to release the names of those firms which had obtained contracts as a result of work by the Export Agency.

I would like the minister to advise the committee where we stand on this matter, because it seems to me, Mr. Chairman, to be very important if an Alberta agency is going to spend, and in Appropriation 1631 we have \$297,000, to obtain business opportunities around the world. If these opportunities are equally available to all the producers, that's one thing. Certainly under those terms it wouldn't be necessary to make the names available. But as I understand it, most of the deals are of a more unique nature than that and, as a consequence, they are not really the kinds of opportunities which are readily available to all the producers in the province.

That being the case, Mr. Chairman, if we're going to use public money to open opportunities for the private sector and the private sector is not able to share in that in total, but some businesses are going to obtain the benefit, then that information should be made public.

I raise it because I was rather interested and a little bit concerned, as a matter of fact, dismayed at the language in the motion for a return of last fall. I would hope, as a result of the current hubbub over the Export Agency, the government has reconsidered its position on that matter, and where business opportunities are not equally available to all Albertans, but where they are assigned to one or two or three or four companies, that information would be made available.

The second observation I'd like to make, Mr. Chairman, is with respect to the Northern Alberta Development Council. I remember the very first report the Minister Without Portfolio in charge of northern development tabled in this House in 1972. It was really a rather melancholy report in which he wondered aloud what the role of the council was, where the government was going in terms of northern development, and so on.

Mr. Chairman, what concerns a number of people in northern Alberta, and this is no disrespect to you, is we now see northern development shuffled into a department which is very large and has a number of responsibilities where, I suspect, your attention is going to be concentrated. I'm not saying any minister is going to deliberately downgrade northern development. I'm just saying when one looks at the other things you have on your plate, there is a real danger that northern development will, in fact, be relegated to a less important position.

I would ask the minister, therefore, to expand on what role he sees for the Northern Alberta Development Council. Why was this council put into the Department of Business Development and Tourism, as opposed to continuing as a department under a minister without portfolio as was the situation formerly. What role does he see for the council in terms of working with regional organizations? The most obvious example is the Peace River Regional Planning Commission. I know, from attending several meetings of the Planning Commission, that a number of the representatives were quite anxious to work out some sort of arrangement with the Northern Alberta Development Council so there could be co-

ordination of activity between the council on the one hand and the Peace River Regional Planning Commission on the other. I realize the Northern Alberta Development Council is a much larger area to cover than that area which is in the confines of the Peace River Regional Planning Commission. Notwithstanding that, the bulk of the northern population is within the planning commission's boundaries, and I would see a lot of merit in the council working in close liaison with the planning commission.

Mr. Chairman, I would like the minister to comment on Appropriation 1626, regional development, which has gone up slightly. I would like him to expand on just what the government sees in terms of regional development policies in the Province of Alberta, and a little more specifics as to the details of Appropriation 1626.

DR. BUCK: Mr. Chairman, just a comment or two, and I'll cover some of the areas more when we go through the appropriations.

I listened very carefully to the minister to try to find out exactly what the priorities in his department are, and I had a difficult time trying to establish in my little mind that he had laid out any priorities. If I missed them I do apologize, but I listened very diligently, and I don't think I could get any priorities that had been established. But I am sure the minister must have some, and I would be pleased to hear what they are.

On speaking on the northern development council, I would like to know if they are going to be moving more into the area of tourism than they have been. I know when we went up the Mackenzie highway on a tour of the Territories in 1968 or '69, all the people along that highway were concerned, [asking] is the government going to be moving into and trying to develop this as a tourist area. So I would like to have the minister's ideas and observations on this. I am always concerned, and becoming more and more concerned, about the development corporation ADC, because as I stated . . .

MR. CLARK: AOC.

DR. BUCK: AOC. I apologize.

They seem to be moving more and more into large loans. I appreciate the fact that the hon. minister thought I had been doing my homework by reading the provincial Gazette. I would like to inform the hon. minister that you find a lot of interesting things in The Alberta Gazette, and some of them are not always that flattering to some of the arms of government. I am alarmed if we are taking the direction that the Opportunity Company is becoming more and more for the big businessman, because the philosophy is supposed to be helping the little businessman. The big fellow can look after himself most of the time. The little fellow is the one who needs help.

I am concerned when we are talking about rural communities and their development that this is an overlap into another department. We have to look at the problem of municipal financing. We have to look at paving some of the streets of the towns and villages. I am glad to see that the Minister of Municipal Affairs has come to, because this is an area where if we are really genuinely concerned about developing, diversifying, and decentralizing, we have to do more than we have been doing for water, sewer, streets, and all the problems we have in the small communities. They are just not in a position to be able to provide all the necessities to attract business to these small towns and villages.

The last point I would like the minister to consider very seriously is the presentation the Edmonton Chamber of Commerce made to the cabinet on the relationship between the research council and management courses. One of the central themes was that the chamber felt the tax incentive program the government is proposing is not going to help the new fledgling businesses. It's a problem for the company that has been in business three, four, or five years. Maybe they need tax incentives. The minister to your right is shaking his head and saying, no, but I'm sure the minister, in his brief tenure, knows more than the Edmonton Chamber of Commerce. But the chamber did an excellent job of research, and their suggestion should not be ignored.

So, Mr. Chairman, with those few words, I would like to say that even though the minister says he has a no-growth budget, let's hope he has some growth and some thrust and some forward-looking direction in his department.

MR. DOAN: I'd like to ask the minister: on Appropriation 1632, what is the connection of tourism to the spending of \$1.5 million in the carrying charges of the lumber industry?

MR. DOWLING: Mr. Chairman, I hope I can respond to each of the questions. If I don't, I'm sure the hon. members will ask them again.

Regarding the questions from the hon. Member for Spirit River-Fairview, I don't recall the motion for a return to which he refers. I am assuming it involves some studies or work that was done by the Export Agency, by the private sector, in an attempt to benefit a particular segment of our economy. Perhaps, Mr. Chairman I might ask the hon. member to . . .

MR. NOTLEY: The motion for a return, if I may summarize it -- I should have brought it along with me. Quite frankly, I didn't think we'd get to your estimates tonight, Mr. Minister, but we went a little faster than we thought.

The motion for a return was presented to the Legislature in the fall session, asking for the names of all the companies and the deals which had been made as a result of

activity by the Export Agency. Not generalized, but the names of the concerns which had received contracts or made deals as a consequence of the work of the Export Agency.

MR. DOWLING: Yes, Mr. Chairman, I understand now. A motion for a return is presently being gathered. It will be tabled for certain before the House is adjourned in the spring. I'm not in a position to comment on it at this point because I don't know the details of what it contains. But in the course of time I will be, and I'm sure you'll ask the question at the proper time in the question period.

There is no question that the philosophy of the Export Agency is to -- through their studies, through their marketing expertise, and through engaging the private sector as they have so very ably [done] by enlisting the assistance of many people from that area -- make that expertise available to anybody in the private sector. I had some conversations with the hon. Member for Olds-Didsbury regarding this matter just a few days ago, and I assured him that I would take it upon myself, over the course of the summer adjournment, to meet with some of the people he suggests regarding their views on what the Export Agency should be. I see nothing to preclude my attitude that all information available through the Export Agency will be available to everyone. I can't see how it could be worked effectively otherwise.

With regard to the Northern Alberta Development Council, I appreciate the views of the Member for Spirit River-Fairview that perhaps the Northern Alberta Development Council and the northern development group might be lost in the shuffle of a whole group of people in a major department. I don't believe that will be the case. The Northern Alberta Development Council will still have its annual meetings. The chairman of that council is still the Minister of Business Development and Tourism.

It is my intention to attend every one of those meetings, and barring the session being under way, I will attend them for the total time of their meetings. We have a meeting slated, I believe, for the hon. member's area in the very near future, during the month of June. At that time he will obviously be receiving an invitation to that meeting.

I believe the Northern Alberta Development Council and the northern development group will receive a great deal of benefit from having that line department on which to rely. They have been more or less a stimulus organization. Both the council and the group have been the stimulus for other departments of government to react, to do something. Surely the strength of the numbers in the Department of Business Development and Tourism, and the various facets of the private sector that that organization represents, should put them in good stead to develop the northern part of our province in a very major way over the next number of years.

I never forget, having lived in the northern part of the province for a number of years, the fact that two-thirds of our province, in area, is located above the City of Edmonton. So I have some personal priorities in that regard.

The hon. Member for Clover Bar wanted to know what the priorities were. I may not say them very well. First of all, this year, since we are in a no-growth situation, it's obvious that I would like to have that period of time to reorganize and establish some major priorities.

Having had this short time to examine the department and what it is composed of and see the people who are involved, it's very obvious that our mandate is: to expand smaller business all over the province, to do whatever we can to increase the tax base of those towns outside the major urban centres, to continue the accent by the Alberta Opportunity Company in rural Alberta, and to promote an attitude of decentralization. There are any number of things we might consider doing, and some of them have been mentioned in this House during the question period and at other times.

Regarding the Northern Alberta Development Council and whether tourism will become a major thrust of that particular branch of government depends on the private sector. The Northern Development Council reacts to the presentations made at their regular monthly meetings and, as a result of those presentations, makes representations to the various branches and departments of government, in order that they might stimulate that department or branch to move into a particular area.

I think tourism obviously is a great potential for the Peace River country or the total of the north country and for all parts of the province, excluding the national parks, along with the Calgary Stampede and the Edmonton Exhibition, which are sort of the base of the tourist industry. We need not promote those.

During the time I have had some responsibility for Travel Alberta, I haven't ever promoted them in a major way, except in international markets where we are out there competing with countries all over the world for that tourist dollar. My priority is to make 245,000 square miles of Alberta a tourist destination, not just those 5 areas that I mentioned, the 3 major national parks and the 2 major cities.

Regarding the AOC loans, I really hate to bring this up, but some time ago in this kind of debate, it was on a bill, my honorable friend for Clover Bar mentioned that there were 2 loans made, one to Neonex International Ltd. and the other to ATCO Industries Ltd. That's totally correct, but they were made by the Alberta Commercial Corporation in about 1967; it wasn't the Alberta Opportunity Company. Neonex and ATCO were, in fact, recipients of loans in that period of time.

I should say we are in the process of developing a summary form on the philosophy of the Alberta Opportunity Company. I should say there will be a further accent on the limitations on the loan program as established at the very beginning. There have been occasions over the last period of time when extra special consideration had to be given to a loan application. The one that comes to mind is the one that went to a drilling company

to maintain the drilling capability in Alberta, rather than have it move across the line. The company would own the equipment, would receive a two- to three-year contract for those pieces of equipment, and the equipment would be lost from Alberta and from Canada forever. So the conditions of that loan are, during the pay-out period of eight years, that equipment must remain in Canada and cannot be moved without the express permission of the Alberta Opportunity Company.

With regard to municipal financing, I leave that to my honorable friend on my right. Regarding the street paving program, of course that's involved with the Department of Transportation. But the hon. Member for Clover Bar obviously knows that I, being a rural Albertan who has spent almost his entire life in rural Alberta, have some considerable priorities in that area of the province.

I think in terms of those constituencies I have seen very recently, what the street paving program has done for them, and what the new thrusts of the present Department of Transportation have meant to some of the communities I'm very familiar with. I think they are putting heart into that department of government, and are taking into consideration every possible presentation made by any group regarding where they want their highway to go and what that highway should do. It should not just start at one side of the province and escort people through it.

We are aware, of course, of the Edmonton Chamber of Commerce presentation regarding taxation, and did read it very thoroughly. We believe they do have some positive points in that presentation, but I also would like to note some major negative ones. I won't go into the details. I'm obviously aware of the presentation. I would like to point out, however, that that Edmonton presentation does not represent the position of the Alberta Chamber of Commerce. We did take time to question the incoming president of the Alberta Chamber of Commerce on that very subject.

The hon. Member for Innisfail mentioned Appropriation 1632 and wondered what Tourism is doing with that amount of money paying interest charges. That appropriation of \$1.5 million is there to pay the interest charges on the lumber inventory incentive loan program. That program was initiated by the former Minister of Industry and Commerce and his colleagues to shore up an industry in a very difficult time. The program pays for inventory presently in stock and accumulated inventory over a particular period of time. The interest charges are shared 50-50. At an interest rate of 9 per cent, 4.5 per cent is paid by the provincial government and 4.5 per cent by the applicant for the loan. I believe that interest charge is subsidized only to December 1975, and the loan must be paid off in total by August 1976.

Mr. Chairman, I believe that answers all the questions I was asked.

MR. CLARK: Mr. Chairman, I'd like to ask the minister if he'd be just a bit more specific on the details of the loan to Kenting Drilling. In the course of being a bit more specific, would he care to indicate . . . What about the rigs Kenting owned before it acquired the money to acquire these from the Alberta Opportunity Company? Did the government say they were to keep those rigs in Canada?

MR. DOWLING: Mr. Chairman, regarding that particular loan, we did examine the flow of rigs back and forth across the line to the United States over a period of time. We found over a period of about a year, I think, that we were in a net negative position of about 17 rigs. I may be wrong in exact numbers, but it was about that number. It appeared from the Alberta Opportunity Company's examination of the application that the 8 rigs in question owned by Keen Drilling were in fact destined for drilling areas in the United States. In making the recommendation, it was the position of the Opportunity Company that if the loan were not granted, those rigs would, in fact, move to the United States. On that basis, and because we wanted to assure the drilling industry there was in fact some considerable interest by this government in preserving a particular part of our economy, we in cabinet chose to approve that loan. I should say as well that some of the members of cabinet with particular responsibilities did check with the organization of drillers. They believed it was a good move, and it received their recommendation.

MR. CLARK: Mr. Chairman, the minister didn't answer the question. Did the government put any stipulations upon the other rigs that Kenting has? It's one thing for the government to make this money available to Kenting when the government wouldn't to other companies. The Alberta Opportunity Company could turn down other drilling companies that wanted assistance and made this money available to Kenting. One of the questions that has to be answered either now or in question period or some other time is: did the government say to Kenting, look, you've got to keep all your other rigs here in Canada?

MR. DOWLING: No, Mr. Chairman, they did not. But they did specifically require that the eight rigs that were involved in the loan program must remain in Canada.

MR. CLARK: To follow the discussion along. The Alberta government made this money available to Kenting to buy these rigs. So we have a situation where the government can say to itself, it has kept those rigs in Canada. So, what Kenting is doing now is going out, and sending out of the country the other rigs they would likely have kept in Canada. That's a really great deal.

MR. DOWLING: I would like to know if that's fact. If the hon. member has some factual information, I'm sure the House would be really pleased to hear it.

MR. CLARK: Just check with people in the industry. Just going back to the question . . .

MR. CHAIRMAN: Order, please. I think we're getting away from the actual picture of Business Development and Tourism. Perhaps, if you would, it's getting into question period more than anything else.

MR. CLARK: Well, we can, Mr. Chairman. This is the committee. We can't ask this kind of question in question period, and the Speaker quite often says there are better opportunities in the House. I can think of no better opportunity than during the committee estimates. What I'd like to ask the minister is: what will the cost to Albertans be, after the first year, as far as the Alberta Opportunity Company is concerned? How much money do we have tied up in the loans to Kenting Drilling? How big is the loan? How much money do we have tied up in it? What is the pay-out period?

MR. DOWLING: Mr. Chairman, the pay-out period is 8 years. The loan is \$4.1 million. The percentage rate is 9 per cent.

MR. CLARK: Has there been any discussion between the government and the Opportunity Company, and Kenting with regard to those rigs having first priority to do the drilling in Suffield?

MR. DOWLING: No, Mr. Chairman, I don't think that was part of the application. There was no mention of Suffield.

MR. CLARK: I'm not suggesting that it's part of the application. Don't get me wrong. I'm suggesting: have there been discussions between the Opportunity Company and the minister or other officials of the government, and Kenting. As sure as a cat is a kitten, as soon as the rigs down the road have problems drilling in Alberta, they will be back on the government's doorstep, and where do you think they're going to want to drill first? Obviously it's going to be in Suffield, because the government has got an interest there.

MR. DOWLING: Well, Mr. Chairman, the members obviously recognize that there's a great deal of gas still to be discovered in Alberta. The purpose of keeping those rigs in Alberta was so the operators would have an opportunity to participate in the excellent drilling incentive program which was established by this government some months ago.

Agreed to:

Appropriation 1601	\$80,925
Appropriation 1602	\$84,000
Appropriation 1610	\$112,000
Appropriation 1611	\$152,000
Appropriation 1612	\$307,000
Appropriation 1614	\$2,935,000
Appropriation 1615	\$10,000
Appropriation 1620	\$98,000
Appropriation 1621	\$500,000
Appropriation 1622	\$612,000
Appropriation 1623	\$216,000
Appropriation 1624	\$363,000
Appropriation 1625	
Appropriation 1626	\$640,000
Appropriation 1628	\$116,000

Appropriation 1631

MR. CLARK: I wonder if I might ask the minister if he can give us some sort of time line when he'll have this reassessment of the Export Agency. The minister referred to discussions I'd had with him. My discussions centered primarily around that portion of the Export Agency that deals with livestock. The minister is aware of an organization which is developed in Alberta, Alberta All Breeds. My suggestion to the minister would be to take half the money the Export Agency used last year, and in some cases squandered last year as far as export in livestock is concerned, and make that available to this All Breeds Association. As the minister knows, there are a number of people in this province who have a great deal of expertise in that area. Up until now, the Export Agency certainly hasn't tapped these resources.

So I would like to ask the minister two questions: one, when does he hope to have this reassessment of the Export Agency complete? Secondly, what's his attitude toward this All Breeds group and what's his reaction to making a portion of this budget available to that group and having them responsible for exporting livestock outside the province?

MR. DOWLING: Mr. Chairman, those are excellent questions. I did have a conversation with the hon. Member for Olds-Didsbury about this very item, as I indicated earlier.

It's our hope that within a very short time -- and I would suspect as I suggested, by mid-summer, being the middle of July, something of that order -- we should have what I hope would be an adequate assessment so we might know what direction the international

marketing division of industry and commerce and the Export Agency, along with other marketing divisions of the various departments of government, might take together.

It's my view we should, at all cost, avoid duplication. We have engaged the services, on a permanent basis, of a new man for the marketing division of the former department of industry and commerce. He comes with some considerable experience in the marketing area and comes from trade and commerce, after having some considerable experience in the federal department of industry. He is doing an in-house study on what he believes the two branches of the now Department of Business Development and Tourism should be doing. It's our purpose to engage a private consulting firm to examine the various facets of government engaged in this kind of activity, and to make a presentation to us.

My attitude toward the the All Breeds council is a very positive one. I look forward to having meetings with some of the members the hon. member has proposed. I meet during the summer or during the period when we're not in session. At this time I'm not in a position to propose that a portion of the money go directly to the All Breeds council or foundation. That, in fact, would be in contravention to what I said earlier, that every organization should have equal opportunity with the funds, the expertise, the knowledge, and so on, available through the Alberta Export Agency. However, that doesn't mean I won't listen to a presentation of any kind by any group, relative to a very important part of this government, a part that can really make a contribution in international marketing, in establishing, for a landlocked province, new markets all over the world.

Appropriation 1631 agreed to: \$2,097,200

Agreed to:

Appropriation 1632 \$1,500,000

Appropriation 1650 \$5,920,000

Total Income Account

DR. BUCK: Mr. Chairman, in the sections which have salaries in all the appropriations, how many people are on contract salaries?

MR. DOWLING: On contract? The hon. Member for Clover Bar probably means wages. Temporary staff, this kind of thing?

DR. BUCK: Yes. As the minister is aware, in some departments even the deputy ministers are on contract salary. We found out there are only 100 of these people in the department of social development. I would like to know if there are many people in this category of contract salary.

MR. DOWLING: Yes there are. They are broken down in man-year estimates, but in some cases that's a little confusing.

For example, in Travel Alberta for this fiscal year '75-76, we have 39 people under wages. However, I think that would represent approximately 170 people who would be employed for a period of about 3 months. The reason for that large number is: we use university students, high school students, and anyone 18 or over -- except in exceptional circumstances -- to man our 14 information centres located at the border points throughout the province.

The other area that shows a considerably large number is the Alberta Export Agency, which has a total of 21. But those are people engaged for an interval. For example, a young fellow is now doing a very short study, on behalf of the Export Agency, that will take a matter of three months. He's in that group. Ten of those are contract employees who would be on permanent staff.

DR. BUCK: Mr. Chairman, in which category are the executive assistants and deputies? Straight salary or contract salary?

MR. CHAIRMAN: Would you repeat the question please?

DR. BUCK: The deputy minister, he's straight salary? Are the people in the deputy minister's office straight salary, or are they contract?

MR. DOWLING: Yes, they are. All of them are on straight salary. Until very recently, the deputy was on contract.

DR. BUCK: I'd just like to say I'm glad to see somebody on the front bench has finally admitted that. Even though this is supposed to make everything so clear, it's anything but clear when we start looking at man-years, man-hours and one-half and one-third man-years. It muddies the water a little.

MR. CLARK: Mr. Chairman, could we ask the minister, what is the situation of the director of Travel Alberta? Is he still on a contract arrangement?

MR. DOWLING: The director of Travel Alberta, as well as the four major employees of Travel Alberta, came on stream in 1971 or 1972 on a contractual basis. Having fulfilled the term

of that contract -- a period of two and a half to three years -- for those people we felt could be of particular use to the government, we did offer them the option of renewing their contracts or going into the civil service. In three cases out of four, they chose the civil service route. In my opinion, that was a mistake. I would have preferred they stayed on contract so they were in a position where they could be fired. However, they did choose the civil service route.

MR. CLARK: Maybe that's why they chose it.

Total Income Account agreed to: \$15,743,125

MR. DOWLING: Mr. Chairman, I move the appropriation 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:

- (1) Resolved that a sum not exceeding \$48,637,760 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Department of Agriculture.
- (2) Resolved that a sum not exceeding \$5,158,817 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Department of Consumer and Corporate Affairs.
- (3) Resolved that a sum not exceeding \$15,743,125 be granted to Her Majesty for the fiscal year ending March 31, 1976, for the Department of Business Development and Tourism.

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, as to business tomorrow, Wednesday, we will continue in Committee of Supply beginning with the Department of Utilities and Telephones, followed by the Department of Labor, and the Department of the Solicitor General, followed by the Department of Government Services if the House moves at that speed.

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: The Assembly stands adjourned until tomorrow afternoon at 2:30.

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