

LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, April 21st, 1972

(The House met at 2:30 pm.)

PRAYERS

(Mr. Speaker in the Chair.)

PRESENTING PETITIONS

MR. WYSE:

Mr. Speaker, I present a petition to this Legislature on behalf of the people of Redcliff and Medicine Hat, who lost their jobs at Dominion Glass due to The Beverage Container Act. Some 95 employees of Redcliff plant were laid off during the month of December. Mr. Speaker, on their behalf I humbly pray that this Legislative Assembly take such steps as may be necessary to repeal or amend the provisions of The Beverage Container Act or otherwise to relieve your petitioners from the hardships occasioned to them by the provisions of the said act. Therefore, I present their petition.

INTRODUCTION OF BILLS

Bill No. 207 - An Act to Amend the Municipal Government Act

MR. SPEAKER:

The hon. Member for Calgary McCall.

MR. MC CALL:

Thank you. Mr. Speaker, I beg leave to introduce a bill being an Act to amend The Municipal Government Act. Mr. Speaker, this bill provides for the same parliamentary immunity now being afforded to elected government representatives such as MP's and MLA's in their respective Assemblies. When approved, Mr. Speaker, it would mean that no member of council, alderman, mayor, or any elected member of a municipal council is liable to any civil action or prosecution, arrest, imprisonment, or damage by reason of any matter or thing, put by him before a properly constituted council meeting by petition, resolution, motion, or otherwise, or anything said by him before the council meeting.

[Leave being granted, Bill No. 207 was introduced and read a first time.]

Bill No. 52 - The Statutes Repeal Act, 1972

MR. TRINCHY:

Mr. Speaker, I beg leave to introduce a bill being The Statutes Repeal Act 1972. This bill will repeal a number of acts that are no longer in use and some acts that were never proclaimed in force. I am pleased to report that one of the acts to be repealed is The Alberta Social Credit Realization Act, which I feel is of no value to this government. . . [interjections]

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MR. SPEAKER:

Order please. There is no room for argument on the introduction of a bill.

[Leave being granted, Bill No. 52 was introduced and read a first time.]

MR. HYNDMAN:

Mr. Speaker, I move, seconded by the hon. Mr. Minielly, Bill No. 52, The Statutes Repeal Act to be placed on the Order Paper under Government Bills and Orders.

[The motion was passed without debate or dissent]

Bill No. 56 The Co-operative Marketing Associations
Guarantee Amendment Act, 1972

MR. TOFCLNISKY:

Mr. Speaker, I beg leave to introduce a bill, being The Co-operative Marketing Associations Guarantee Amendment Act, 1972. The purpose of this act is to allow the guarantee to the Provincial Treasurer for capital cost borrowing by certain types of co-operatives. The proposed amendment is to allow the act to be broadened so that water co-operatives could have capital cost borrowing guaranteed, also to raise the limitation of the liability under that act from \$5 million to \$10 million.

[Leave being granted, Bill No. 56 was introduced and read the first time.]

Bill No. 78 The Agricultural Societies Amendment Act, 1972

DR. HCFNER:

Mr. Speaker, I beg leave to introduce a bill, being The Agricultural Societies Amendment Act, 1972. The purpose of this bill is to relieve communities particularly included in fairly close proximity to the major metropolitan areas of the restriction which, now in the present act, would prevent them from forming an agricultural society. The amendment primarily allows ministerial discretion in relation to the setting up of new agricultural societies within the province.

[Leave being granted, Bill No. 78 was introduced and read the first time.]

Bill No. 208 The Corporate Farming Act

MR. NOTLEY:

Mr. Speaker, I beg leave to introduce a bill, being The Corporate Farming Act. Mr. Speaker, the purpose of this bill is to provide legislative protection for the family farms from the invasion by large corporate enterprises. Mr. Speaker, it is modeled on legislation introduced a number of years ago in several American states, most particularly the state of South Dakota. The bill specifically excludes family farming corporations, however. Mr. Speaker, although this type of legislation has been on American statute books for some time, this is the first time, to my knowledge, that this type of legislation has been introduced in a Canadian legislative body.

[Leave being granted, Bill No. 208 was introduced and read the first time.]

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INTRODUCTION OF VISITORS

MR. STRONBERG:

Mr. Speaker, it gives me pleasure to introduce to you and to the members of this Assembly a class of 44 students, their teacher, Mrs. Shcemaker, and their principal, Thor Clausen, all from my constituency of Meeting Creek. May I ask the class to stand and be recognized by this Assembly?

MR. WYSE:

Mr. Speaker, I would like to introduce to you and to the members of the Assembly, some 35 people from Medicine Hat and Redcliff. These are the people who have travelled all the way up here today from my constituency to request amendments and changes to The Beverage Container Act. I wish them to stand and be recognized by the Assembly at this time.

MR. DIACHUK:

Mr. Speaker, I wish to take the opportunity at this time to introduce to you and through you to the members of this Assembly from the Constituency of Edmonton Beverly that I represent, some 48 Grade VI youngsters accompanied by their teacher, Mr. Wiese, and three of the parents who provided transportation, Mrs. Kirk, Mrs. Odynski and Mrs. Ronaldson. Will they please rise and be recognized by the Assembly.

MR. PURDY:

Mr. Speaker, it is my pleasure today to introduce 35 students, their teachers, Mr. Kendrick, Mr. Willard, bus driver Mr. Dumont and one parent, Mrs. Labuda. These children are Grade VII and Grade VIII students from the school in Wabamun in the Stony Plain constituency. I would ask that they rise and be recognized by the Assembly.

MR. COOPER:

Mr. Speaker, it is my pleasure today to introduce to you a variety group of 50 students from Grades V, VI, VII, VIII and IX from the school in the village of Minburn, in the Vermilion-Viking constituency. They are accompanied by their teachers, Mr. Kulmatycki, Mr. Ripper, and by two bus drivers, Mr. Davis, and Mr. Polishuk. They are seated in the public gallery. I would ask them to rise and be welcomed.

FILING RETURNS AND TABLING REPORTS

MR. LEITCH:

Mr. Speaker, I wish to file returns to Orders for Return No. 164 and No. 167.

DR. HCRNEF:

Mr. Speaker, I have pleasure in tabling the report of the interprovincial study on a proposed Prairie Agricultural Machinery Institute and to acquaint the House that this report is being tabled in the Legislatures of Manitoba and Saskatchewan today. Also, to suggest very briefly that there is no commitment by this government as yet to the budgetary implications which are contained within the report; that we would consider several steps necessary prior to making a decision in that regard. We would hope that we would have some input from the federal government in relation to capital grants, and also in relation to a contribution to the operation of such an institute.

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There will be available for each member of the Legislature a copy of the report. I would appreciate receiving representations from the various members from the agricultural and farm organizations throughout Alberta in relation to the concept that is outlined by the committee, which is composed of representatives from my department and the Departments of Agriculture in Saskatchewan and Manitoba.

DR. WARRACK:

Mr. Speaker, I am pleased to file the amended part of Motion for Return No. 169. The other part of this motion was dealt with and filed on Tuesday.

DR. HOHOL:

Mr. Speaker, with respect to a notice of motion for a Return No. 147, requested by the hon. Member for Wetaskiwin-Leduc on March 22, 1972, I should wish to get some instruction from the House on this matter. Speaking to our personnel people, the request for tabling of information with respect to staff over a period of two years beginning on September 10, 1972 would be extremely difficult and costly in time.

What I would like to propose is to file this kind of return beginning September 30, 1971. I discussed this with the hon. member and while he suggested that it would be more favourable to him if the date were August 30, if I was to get the support of the House he would accept this return as of September 30, 1971.

HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it then that the House agrees that the return as described by the hon. minister will satisfy the requirements of the Motion for Return to which he refers?

DR. HOHOL:

Thank you, Mr. Speaker, and the Assembly. I will therefore table this reply to a Return No. 147. While I am on my feet, Mr. Speaker, some time ago a question in the Assembly addressed itself to the matter of reciprocal pensions between British Columbia and Alberta. I should like to report, sir, that correspondence between the appropriate officials, Mr. Wickens, the Executive Director of the Public Service Pension Board for Alberta, and Mr. Forest, the Commissioner of Municipal Superannuation of British Columbia, indicates that while there is little movement between public servants between the two provinces, the correspondence also indicates that we have entered into discussions to make the pensions transferable and portable between the public service of British Columbia and that of Alberta.

ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Member for Athabasca followed by the hon. Member for Medicine Hat - Redcliff and the hon. Member for Whitecourt.

STEP Program

MR. APPLEBY:

Mr. Speaker, I would like to address a question to the Minister

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without Portfolio who is chairman of the Summer Temporary Employment Program, the hon. Bob Dowling. And I ask this question, Mr. Speaker, because I have had a number of inquiries not only from students, but from municipal authorities as well. The question is, what progress has been made in getting the summer temporary employment program under way?

MR. DOWLING:

Mr. Speaker, we have written to every municipal district in the province, every town, village and city in the province, every department of government, to inform them that the Summer Temporary Employment Program would be under way perhaps three weeks to a month earlier than last year's ecology program. We also alerted the private sector in hopes that they would dovetail in behind us and do what they could to provide jobs for students in the summer. We have a few guidelines, one of the most important of which is that the students, or the young people between the ages of 18 and 24, create the highest degree of unemployment during the summer period. This amounts to some 10% of our labour force in the summer. We have in the last two or three days finalized our program which is on a contingency basis, depending on how serious the employment problem is this summer. We have allotted funds to the municipalities, to the towns, villages, and so on throughout the province, to the various departments of the government, and the notices of these will be proceeding this weekend, and I hope prior to the end of today. We have one major office in Alberta and that is in the City of Edmonton. It is operated by the manager or chairman, I suppose, Mr. Dave Chabillon, and the address is 9908-109 Street for any member who has someone in his constituency who would like to apply for a job regardless of whether it is assisting the information centres of the Alberta Tourist - Alberta Government Travel Bureau, or getting involved in the environment program, or the Department of Culture, Youth and Recreation. Each department of government, Mr. Speaker, will operate their own programs by themselves. They will be given the funds by which they will operate these programs, they will not be given very much, if anything, to provide equipment. Our purpose is to provide jobs, not shovels or cars, or equipment, or trees or anything of this nature. The number of Mr. Chabillon, if hon. members would like to record it is, 423-1619, for anyone who would like to call his offices.

I would be interested in any questions that any member has regarding the program. I am very excited about it, and particularly pleased with the way the private sector has come in behind us with programs of their own. The placement program of the City of Edmonton and the City of Calgary is to be commended. I attended a breakfast this morning with the principles of this program which is sponsored by the Chamber of Commerce. They have done a very commendable job, as a matter of fact 51% of the young people applying for jobs in this placement program under the City of Edmonton have located jobs through this organization. If there are any further questions, Mr. Speaker, I would be happy to answer them.

MR. LUCWIG:

Mr. Speaker, a point of order. Any question that requires a lengthy speech to answer is out of order and it defeats the purpose of the Question Period. I think if the rules are checked you'll note that that is a proper rule to apply . . . [Laughter] . . . The hon. members may well laugh about it but if this is allowed and a minister can take up the whole Question Period by a speech that he had advance notice of, I think it's absolutely out of order and makes a mockery of the Question Period.

MR. DOWLING:

On the point of order, Mr. Speaker, as you well know I am not in the habit of running off at the mouth as some members are.

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MR. LUDWIG:

I think that that's exactly what the hon. minister did - he ran off at the mouth and twice at that. Furthermore, Mr. Speaker . . .

[interjections] . . .

MR. LUDWIG:

On a point of order, the hon. minister ought to retract his statement, it's unparliamentary, it's an insult. And if the rules provide for ministers to insult members - I believe that this is not in the interest of the business of this House and it will make a shambles out of the proceedings in this House and I demand that the hon. minister withdraw his statement. It was an insult -- and he's the last one to talk about running off at the mouth.

MR. DOWLING:

Well, Mr. Speaker, if I might just make a point. I think that the question was really legitimate. I have not had an opportunity to give any information regarding the STEP program up to this point. I was doing it in, I thought, good taste until the hon. member on the opposite side decided to make it something different. I truly am interested in the STEP program, and I'm sure we're on the right track, and hopefully over the next number of months we will be able to develop something so it is on a continuing basis, rather than something that is on a contingency basis. And on that basis I would respectfully request that the hon. member accept it as it was presented and not make something out of it other than what it was.

MR. LUDWIG:

Mr. Speaker, to speak to the point of order, I believe that if a minister wants to make a presentation by way of a lengthy speech he is entitled to do so under Orders of the Day. I submit, once again Mr. Speaker, that you ought to rule on this matter now - that if you permit ministers to carry on and on with a lengthy reply that it does defeat the purpose of the Question Period.

MR. SPEAKER:

The matter has occurred. I shall take the hon. member's comments and keep them in mind on a future occasion of this kind. Without reflecting on the remarks made by the hon. minister I do agree that the hon. member for Calgary Mountain View is stating correctly that an answer to a question in the Oral Question Period should not require a lengthy statement of policy which could be made under Orders of the Day.

MR. APPLEBY:

A supplementary question, Mr. Speaker. I wonder if the hon. minister would tell us how long he anticipates this program to be in effect?

MR. DOWLING:

Yes, Mr. Speaker, as briefly as I can. From May 24th weekend, since it's a summer program, immediately the young people get out of university until the time they resume their classes in the fall - with regard to the tourist information centres the May 24th weekend until the long weekend in September.

MR. GHITTER:

I'm very interested in this program, Mr. Minister. I'm wondering what the age qualifications are with respect to applicants?

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MR. DOWLING:

Yes, Mr. Speaker. The age qualifications are age 18 - 24. The reason for this -- unfortunately because of financial limitations we couldn't extend it beyond this point. We felt that we must zero in on the area where the employment problem was the greatest, and this is the age, from 18 - 24.

DR. MCCRIMMON:

Regarding the tourism section, Mr. Minister. Could you tell me how many are going to be involved in the tourism section of this program and when is the commencement date of this part of the program?

MR. DOWLING:

Mr. Speaker, there will be approximately 120 young people involved and that's only in Alberta, in the information centres which we operate on the border. There are additional information centres in foreign countries and I speak particularly of the United States. The program starts on the May 24th weekend and extends to the long weekend in September and interviews can be had at the Alberta Government Travel Bureau offices.

MR. SPEAKER:

Order please. I would suggest that we have had sufficient supplementaries on this point and if the question requires any further elaboration it be placed on the Order Paper.

The hon. Member for Medicine Hat-Redcliff.

The Beverage Container Act and Unemployment

MR. WYSE:

Mr. Speaker, I would like to direct a question to the hon. Minister of the Environment. Ninety-five persons have been laid off at the glass factory at Redcliff as a direct result of The Beverage Container Act. What benefits do you see which can justify such a large number of people added to the rolls of the unemployment?

MR. YURKO:

Well, Mr. Speaker, with the indulgence of the House, I can only suggest at this time that it is going to take me several minutes to answer this particular question, irrespective of what you had stated in connection with the last question.

Mr. Speaker, I think it ought to be made very plain to this House and to the people in the gallery, that it was the previous government that passed this piece of legislation and it was left up to us to . . .

AN. HON. MEMBER:

You voted for it!

MR. YURKO:

That's right, we voted for it, Mr. Speaker, and it was left up to us to implement this legislation. Now I want to suggest, Mr. Speaker, that the hon. member has in fact brought this question up several times and he indicated that he was going to prove, without a

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shadow of a doubt, and these are his words; "that in fact this legislation resulted in unemployment in Medicine Hat." He has had ample time, Mr. Speaker, to lay before me his proof; he has had ample time to have investigated the loss of markets from the Red Deer plant in connection with the new plant built in British Columbia; he has had ample opportunity to determine the general depressed conditions of Alberta, with respect to the glass plant in Medicine Hat; he has had ample time to have approached the retailers in this province to determine what action they took irrespective of this act.

Mr. Speaker, to wind up I want to suggest that he has had ample time, also, as this legislation has been on the Order Paper for several weeks now, to bring in an amendment, which he hasn't done. I don't know if he has the intelligence . . .

AN. HON. MEMBER:

How can you amend a bill before it gets to committee?

MR. SPEAKER:

Order please! The question perhaps required some latitude to be allowed in the first place, but I would suggest that the hon. minister might refrain from debate on the matter.

MR. YURKO:

Perhaps now I might answer the question.

AN. HON. MEMBER:

Agreed!

MR. YURKO:

Mr. Speaker, to my knowledge there have been a number of reasons for the layoffs in Redcliff-Medicine Hat. One of the main reasons that I was given to understand was the building of a new glass bottle factory in British Columbia with DREE funds. The second reason was the general depressed economic climate during 1971. The third reason was a fairly rapid shift in marketing that is occurring to convenience containers -- from glass bottles to cans basically -- and I must suggest that it is beginning to look like we might have arrested this trend. Certainly in B.C. there are indications that this trend has been arrested with the legislation there.

I would also like to suggest that the legislation in no way bans any containers. It produces or imposes no restrictions on any container be it a glass bottle, a can, or whatever it is. But the retailers, on their own, at some point in time, decided -- or some of the major retailers decided -- that they weren't going to use non-refillable bottles for some particular drinks and, as a result, they had imposed a condition on the market entirely disassociated from the conditions of the act as it presently reads.

DR. BUCK:

Mr. Speaker?

MR. SPEAKER:

The hon. Member for Whitecourt is still next.

MR. WYSE:

Supplementary question to the hon. Minister of the Environment. When I questioned you on March 8th about layoffs at the Dominion Glass Plant at Redcliff, resulting from The Beverage Container Act,

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you denied that there had been any layoffs attributable to the question.

AN. HON. MEMBER:

The question!

MR. WYSE:

Just a minute -- I have to give you this information -- and stated that the 95 layoffs at Redcliff were attributable to competition from the new Consumers Glass Plant at Lemingston, British Columbia, and to The British Columbia Litter Act. Okay, my question. Mr. Speaker, how can you say there were layoffs as a result of The British Columbia Litter Act and claim, at the same time, that there were no layoffs as a result of The Beverage Container Act, when both acts are substantially the same?

MR. SPEAKER:

I would suggest that the hon. member's question clearly invites argument and is out of order.

HON. MEMBERS:

Agreed.

Environmental Control Jobs

MR. NCTLEY:

Mr. Speaker, I have a question for the hon. Minister of the Environment or the hon. Premier. Has the government given any consideration to passing legislation which would compensate men and women laid off as a result of environmental control legislation?

MR. YURKO:

Mr. Speaker, this government, of course, is in the process of making jobs for Albertans in many areas. One of our primary considerations is the generation of jobs in a number of different sectors in which we are involved. The purposes of environmental legislation and of the environmental thrust is to, in fact, generate jobs in service industries. I think, Mr. Speaker, it is recognized that the number of production jobs is decreasing very rapidly and the number of service jobs is going up very rapidly. The whole intent of the Department of the Environment besides maintaining a quality environment is to generate jobs.

Mr. Speaker, last year this government committed \$13.5 million to sewage plant construction and operation which is resulting in a substantial number of jobs. Last year this government set up a STEP program which is resulting in a substantial number of jobs in the environmental area. Last year this government committed somewhere between a half million and a million dollars worth of studies in the environmental areas which created a substantial number of jobs.

Let me suggest to you, Mr. Speaker, that this government is establishing standards in connection with gas plants and other plants in this province which creates a very substantial number of jobs, for technicians, for engineers, for labourers, and for every other type of discipline that you can possibly imagine, and Mr. Speaker, I just want to reiterate that the whole area of environmental concern, of environmental management is directly associated with generating jobs, and particularly generating jobs in the service industry which are going to be so vitally needed in this province and in this country in the years to come.

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MR. WYSE:

Mr. Speaker, supplementary to my question regarding the 95 people that were laid-off at Redcliff. I'd like to table a letter...

MR. SPEAKER:

This is not a supplementary question. The hon. Member for Whitecourt followed by the hon. Member for Calgary Mountain View and the hon. Member for Smoky River.

MR. TRYNCHY:

Thank you, Mr. Speaker. My question is an easy one and should require a very short answer. I would like to know, from the hon. Minister in Charge of Tourism, do you have to be 18 before commencement of the STEP program work, or can you be 18 during employment of this program?

MR. SPEAKER:

This is a supplementary which was previously ruled out of order. The hon. Member for Smoky River.

Agricultural Development Fund

MR. MCCRE:

Thank you, Mr. Speaker. A question to the hon. Deputy Premier. Will the \$5 million which has been budgeted for the Agricultural Development Loans Act be used as interim financing under the Alberta Farm Purchase Board when the budget is approved?

DR. HCFNER:

No, Mr. Speaker. As I've tried to outline to the House before, the operations of the Farm Purchase Board will be taken over by the Agricultural Development Fund and we would hope that we would develop then a variety of programs with the assistance of local development committees in each county and municipality throughout the province who would have some input into the direction which these loans would take. As I have mentioned prior to this in the House, that these loans could be used in a variety of ways. One of the guaranteed provisions might be the provision of consolidation of debts and the re-establishment of a farmer on an equitable financial basis.

MR. MOORE:

One supplementary, Mr. Speaker. Will only those farmers who cannot obtain credit from the Farm Credit Corporation be considered for loans under The Agricultural Development Loan Act?

DR. HOFNER:

No, Mr. Speaker, as I also mentioned earlier, we are trying to get some co-operation and co-ordination between the Farm Credit Corporation which is a federal body and the loaning that we will do through the Agricultural Development Fund. I think everyone appreciates that we will require the major amounts of capital that the Farm Credit Corporation can provide in relation to the direct loan program. However, we would hope to supplement this with the Agricultural Development Fund and with our other guaranteed loan programs. I want to say again, though, Mr. Speaker, that our approach to this matter will be through local development committees, and a direct kitchen table approach to the farmer to sit down with him and try and work out a financial situation which will improve his income and allow also the cash flow to repay his indebtedness.

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MR. SPEAKER:

The hon. Member for Calgary North Hill followed by the hon. Member for Edmonton Norwood and the hon. Member for Macleod.

DR. BUCK:

Mr. Speaker, on a point of order. I would like a ruling, Mr. Speaker. My understanding of the rules in relation to the Question Period is that it is a privilege extended mostly to the hon. members of the opposition to ask questions of the hon. ministers. And Mr. Speaker, I would say that it is very, very evident that on Fridays the hon. members on this side of the House, when they have a legitimate question are not entitled to that privilege, because of the action on that side of the House, Mr. Speaker.

DR. HCFNER:

On a point of order, Mr. Speaker. Of course the hon. member is completely wrong. Every...[interjections]...every member in this Legislature has the right to use the Question Period to question the Executive Council on the administrative responsibilities of each of those ministers. It isn't restricted at any time, nor has it ever been intended to be restricted to members of the opposition.

MR. FARRAN:

Mr. Speaker, I wonder if you would give me the floor.

MR. TAYLOR:

Mr. Speaker, on a point of order. I concede what the hon. Deputy Premier says is correct, but it is very, very strange that they have all their questions on Friday afternoon and none for the rest of the week.

DR. HCFNER:

Mr. Speaker, we have seen because of the advent of television into the House, certain other things happen on Friday afternoons that would not have ordinarily happened otherwise.

MR. FARRAN:

Mr. Speaker. . .

MR. SPEAKER:

A supplementary on this side of the House. I should interject that the Chair would take a serious view of any observations that might be made to the effect that one side of the House was being preferred over the other during the Question Period.

SOME HCN. MEMBERS:

Agreed.

DR. BUCK:

May I speak to that point of order, Mr. Speaker. I was not making that reference at all. I was just asking a ruling if the privilege was basically meant for the members of the opposition. This is what I was asking, Mr. Speaker. There is no reflection upon your ruling, Sir.

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FCC Loans

MR. RUCKWELL:

Mr. Speaker, a supplementary to the hon. Minister of Agriculture on these Farm Credit Corporation Loans. Would the hon. minister consider the resolution sent in by the National Farmers Union of making money available through the Treasury Branches to repay these FCC loans in order that these family farms may be saved?

DR. HOFNER:

Mr. Speaker, I did answer that question yesterday, but to expand upon it for a moment and to make it very clear, in my view a moratorium as requested also by the NPU would not be wise for agriculture at this time and would cut off much needed credit into that area. Secondly, we have taken an approach to the FCC in an attempt to get them to delay any foreclosure procedures so that our farmers would have an opportunity to rearrange their affairs and become viable. In my view, that then means that we should again sit down with them individually through our counselling and extension service, to see under which program they might rearrange their affairs the best, under which program they could realize the best income for their families and still have the cash flow to repay their indebtedness. Whether or not we can use the chartered banks -- and we are using them, Mr. Speaker -- and the treasury branches and the credit unions in our Guaranteed Loan Program in a commodity way. We intend to use the Agricultural Development Fund in addition to that, to again re-establish people on a sound financial base, having regard to the principles that I have enunciated many times -- income and ability to repay their obligations.

MR. FOSTER:

A supplementary, Mr. Speaker to the hon. minister. Do I take it then that the \$50 million fund referred to will include the \$21 million that is in The Alberta Farm Purchase Credit Act at this time? Secondly, for the time being then, there is nothing really to replace The Alberta Farm Purchase Credit Act?

DR. HOFNER:

No, Mr. Speaker. The hon. Member for Wainwright is trying of course to make a political point on Friday afternoon to suggest that the \$50 million dollar fund is only an extension of the Farm Credit. So, Mr. Speaker, I think I will have to take a few minutes to outline the development policies in agriculture again.

Number one is the Development Fund which has a maximum of \$50 million and which includes \$21 million involving the fund of the old Farm Purchase Board. The repayments from this fund will be available, along with the \$5 million that the budget has put into the Agricultural Development Fund. In addition to that, Mr. Speaker, I have announced in this House over the past several months a variety of programs using the guaranteed provisions of the Department of Agriculture. The first one was the expansion of the guaranteed livestock loan from a pilot project in the Peace River country with a change in the regulations to allow farmers to borrow on their own breeding stock or their young stock, and with the expansion and liberalization of the regulations we've been able, up until March 31st, to put \$5 million into this program in northern Alberta and in the grey wooded soils of western Alberta.

In addition to that, Mr. Speaker, I've already announced a pretty substantial guaranteed loan program in the dairy industry where we expanded the guaranteed livestock loan of \$10,000 per farmer to dairy cattle for all of the province. Additionally, with a special program of \$6,000 per farmer to upgrade their dairy

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operations of the individual farmer of this province, we've initiated that program and the regulations have been in effect since April 1st. A special program was initiated because of representations from southern Alberta, particularly in relation to the plight of the potato growers, and working with a dedicated staff who managed to get regulations into effect within two weeks, we will be able to announce very shortly a program that will be of major assistance to the potato growers in southern Alberta.

MR. LUDWIG:

A point of order.

MR. SPEAKER:

Your point of order please?

MR. LUDWIG:

The point of order is, Mr. Speaker, that I believe that it is not permissible for a minister to recycle his previous speeches in this House.

DR. HCFNER:

I only responded, Mr. Speaker.

MR. SPEAKER:

I must take the position that the question has been fully answered.

HON. MEMBERS:

Order! Order!

DR. HCFNER:

With respect, Mr. Speaker, I was asked by the hon. Member for Wainwright about our credit programs and I intend to do so. I have another about two seconds to complete the program. We have approached each of the marketing boards in . . .

MR. HENDERSON:

Sit down. You've finished. Order!

MR. SPEAKER:

Order, please. I must remain with what I said before that I believe the hon. minister has fully answered the question and that the hon. Member for Calgary North Hill now has the Floor.

[Interjections]

MR. SPEAKER.

Order please. Does the hon. member wish to extend another invitation? I suggest that the hon. Member for Calgary North Hill proceed with his question.

AN HON. MEMBER:

All I want is an answer, Mr. Speaker.

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Ombudsman and Workmen's Compensation Board

MR. FARRAN:

Mr. Speaker, I'd like to put a question to the hon. Minister of Labour. Sir, the Ombudsman reports in his annual report that he's having continual difficulty with a certain agency of the government. It's on page 26 of his report. I think I'd have to read it for you to understand. It's only a short sentence so you will understand what I'm referring to. On page 26 the Ombudsman said, "I had already recommended some amendment to The Ombudsman Act which if passed will, I trust, clarify a difference of interpretation of one section which I have had with one agency only. That section has to do with the production of information to the Ombudsman and no other department or agency of government seems to have encountered the same difficulty of interpretation. All other departments or agencies are most prompt in forwarding to me any of their files I require for study." I presume, Mr. Minister, that this is the Workmen's Compensation Board. Am I right?

DR. HOHOL:

Mr. Speaker, that is correct.

MR. WILSON:

A supplementary question...

MR. SPEAKER:

I believe the hon. member has a supplementary himself.

MR. FARRAN:

Mr. Minister, what can you do about it? Does the Workmen's Compensation Board respond to the directions of the minister?

DR. HOHOL:

Mr. Speaker, keeping in mind your instructions to the Assembly this afternoon, I will put it this way. I have to recall that the Workmen's Compensation Board is not an agency of government. A minister speaks for the board in the Assembly. I have worked closely with the Workmen's Compensation Board and the chairman. The difference that brings about the difficulty that the Ombudsman has had in literally taking files of clients from the Workmen's Compensation Board offices and to his own office has been brought about by a different reading by both gentlemen of a particular section of The Ombudsman Act.

These are men of stature and both of them feel very strongly that each reads the act accurately and appropriately. To this point I have been able to work out a resolution so that the Ombudsman can send his staff to the Workmen's Compensation Board and take out such files as he deems necessary, and from these files take such information as he feels necessary.

At this point we are respecting the position of the chairman of the Workmen's Compensation Board to the extent that his reading is such that he chooses to keep the files in his own office and not let leave of them physically.

MR. FARRAN:

Another supplementary, Mr. Speaker. In view of the difficulty more than one person seems to be having with the chairman of the Workmen's Compensation Board, does the hon. minister intend to set up an independent review board to look at long-term grievances?

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DP. HOHOL:

Mr. Speaker, I should not wish to anticipate the recommendations to this House of a legislative committee which will bring down a report next year. However, a frame of reference will be set for this committee. It is my personal view as minister responsible for the act, that this would be one of the frames of reference, that there be appeal beyond the Workmen's Compensation Board itself.

Prisoners and Workmen's Compensation Board

MR. WILSON:

Supplementary to the hon. minister. Is it the intention or policy of the government to recommend to the Workmen's Compensation Board that prisoners be covered by the Workmen's Compensation Board in the event of accidents while they are working at the prison?

DR. HOHOL:

It is an excellent question, Mr. Speaker. The situation in the Act precludes this at this time. Without anticipating, in all fairness, the legislation which we will bring with respect to the Workmen's Compensation Board -- and this will occur soon -- it is my attitude that this would be a proper way to move, so that people from the jails who work outside whether an employee is covered by Workmen's Compensation or not, have the same benefits as other general public employees. So my attitude to you would be a positive one in response.

MR. SPEAKER:

The hon. Member for Edmonton Norwood, followed by the hon. Member for Drumheller and the hon. Member for Little Bow.

Misericordia Hospital

MRS. CHICHAK:

Mr. Speaker, my question is directed to the hon. Minister of Health and Social Development. I wonder if the hon. minister would advise the House as to the progress of the old Misericordia Hospital building regarding readiness with respect to occupancy by the handicapped children.

MR. CRAWFORD:

Mr. Speaker, the question was asked in the House before and to the hon. Member for Clover Bar I would say that this government moves at such a pace that from time to time there is progress.

DR. BUCK:

Mr. Speaker, backwards and not forwards.

MR. SPEAKER:

Order, please.

MR. CRAWFORD:

Mr. Speaker, I want to thank the hon. member for giving me notice of her question in regard to the progress of moving 96 patients from the Red Deer School Hospital to the recently renovated centre in Edmonton for the care of the mentally handicapped, which will be at the site, as the hon. members know, which was formerly the Misericordia Hospital downtown in Edmonton.

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The patients will be moved by ambulances and the first of them will be arriving in Edmonton at about 10 o'clock next Monday, after a one and one-half hour drive from Red Deer. A total of 24 will be moved during the day; the next movement of patients will take place on the 8th of May. The reason for the delay between the two moves is to allow medical and nursing staff sufficient time to do complete medical workups on each patient, and to ensure that all of the services are in working order. The use of this particular facility and the redesigning of the wing in question, Mr. Speaker, means that we have been able to provide an excellent facility for intensive care in a very short period of time.

MR. SPEAKER:

Order please. I believe the hon. Minister is going considerably beyond the scope of the question.

Task Force Entertainment Expenses

MR. TAYLOR:

Mr. Speaker, may I address a question to the hon. the Premier. Has the government decided to provide to the Conservative caucus committees, otherwise called task forces, public money for entertainment purposes?

MR. LOUGHEED:

Mr. Speaker, I think that matter has been adequately dealt with in the estimates.

MR. TAYLOR:

Supplementary. The hon. Premier can then perhaps tell me why \$20 was provided to the chairman of the Task Force on Urban Affairs at public expense, for entertainment. The public are entitled to know what the entertainment was.

MR. LOUGHEED:

Mr. Speaker, I am sure the public are very well appreciative of the fact that our government feels very strongly that it is a government of 48 members, and for that reason I think these matters have been fully answered.

MR. TAYLOR:

Supplementary, would the hon. Premier answer the question and say what the entertainment was for? is entitled to know the type of entertainment they are paying for?

MR. LOUGHEED:

Mr. Speaker, I think the public have considerable confidence in the government and in their ability to deal with these matters. I think the matter has been fully answered.

MR. TAYLOR:

Can this government not answer a question?

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Lacombe and the hon. Member for Spirit River-Fairview.

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Conservative Handbooks

MR. P. SPEAKER:

Mr. Speaker, a question to the hon. Premier. In reply to your question yesterday, you indicated that the government has given Conservative handbooks to the deputy ministers and the senior civil servants of government. The question is, have you had an opportunity to consider the matter and to consider tabling the document?

MR. LOUGHEED:

Mr. Speaker, in regard to my concern not to launch into a long reply to that question, I believe it is quite clear that the public of Alberta paid considerable attention to the platform that was presented during the last election campaign by the Progressive Conservative Party. I feel very pleased that having done a review of it recently, it was quite apparent to me, although it was quite clearly a four year program, it is obvious that in a very short seven months we have been able to accomplish a very substantial portion of this program. I think that we have been able to start well over two-thirds of the numbers of items in terms of new directions, and I am very pleased about that.

I do think that it is an important document and there is a great deal of public interest in the new directions that are contained there and the challenges facing our administration. However, it is a document that does not, in the true sense, come within the format of a government document in terms of tabling in the Legislature. I feel that because the hon. member has expressed interest in the matter and wants to be further acquainted with the need for new directions in this province it certainly is a matter to which we will be giving very careful consideration. I hope in a matter of days to be able to determine what our views are, relative to providing copies for all the members.

MR. R. SPEAKER:

A further question, Mr. Speaker, to the hon. Premier. If in his assessment, the document is very significant and certainly one that is giving directions, why couldn't the document be tabled without further consideration? He has made certain commitments, he has directed the Civil Service of Alberta to fulfill those commitments, therefore, at this time the document should be public information. Is he afraid then of the commitments he has made?

MR. LOUGHEED:

Mr. Speaker, on the contrary of being afraid, I am extremely proud of that document on our record. A great deal of the matters that have been expressed there -- perhaps Mr. Speaker, I could have an opportunity to reply -- a great deal of the items that have been laid forth in that platform, of course, were contained in the Speech from the Throne and the budget. It particularly dealt with our priorities regarding human rights and senior citizens, mental health and handicapped children. We thought it was very important for the senior civil servants in the province to have a copy of this document so that they would know the new directions that we're proceeding with. But, as I say, if there's a strong feeling on the other side that they want to be better informed about the new directions, at least some of them, then certainly we'll be prepared, as far as I'm concerned, if it is a public document in the proper sense, to report back to the House and table it.

MR. STEEN:

Mr. Speaker, a supplementary question to the hon. Premier. I'm wondering if this is the same document that was given to the Civil

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Service last fall and of which my office requested a copy and was refused?

MR. LOUCHEED:

Mr. Speaker, I don't know about his query, if it was the same document that was given to the Civil Service. As far as the request that came from the hon. Leader of the Opposition, I don't know that there was a refusal to it; if there was I'll check into it. And if there is, as I say, a strong feeling that the members on the other side would like to see the very effective performance of this government in meeting its obligations, then I am very pleased to consider it.

MR. R. SPEAKER:

Mr. Speaker, a further supplementary. If the Premier feels that it is significant why he can't he make the decision? That's all we ask, a decision or a commitment today. Why can't he make it today?

MR. SPEAKER:

The hon. member's question has been answered several times.

[Interjections]

MR. TAYLOR:

A supplementary to the hon. Premier. I thought the public service was beyond . . . [Interjections]

MR. SPEAKER:

The hon. member is submitting argument and not asking a question.

MR. LUGHEED:

Mr. Speaker, I think that last allegation that was made by the hon. Member for Drumheller should be clearly responded to and I thought that I did. I know that he's very sensitive about these matters. It seems to me quite clear that it's important for a new government to indicate to the senior Civil Service in this province that there has been, as reflected in the election results of August 30th, a desire by the people of Alberta for new directions. And for that reason there was considered to be an importance on our behalf to assure that the senior Civil Service in Alberta were made aware of the new directions that we wanted to move in terms of Alberta. I think it was a very appropriate action of a new administration to do that and I'm delighted to say, Mr. Speaker, that the response by the senior Civil Service to the new directions, as enunciated by us in our campaign, has been a very positive one. And as I say I'm very pleased with the record to date.

MR. TAYLOR:

If it wasn't positive they'd be fired.

MR. SPEAKER:

The hon. Member for . . . the hon. Member . . . Order please!

The hon. Member for Lacombe, followed by the hon. Member for Spirit River-Fairview, the hon. Member for Calgary Bow and the hon. Member for Calgary Mountain View.

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DREE Expansion in Alberta

MP. CROCKSON:

I would like to ask a question of the hon. Minister of Federal and Intergovernmental Affairs. With regard to the most recent \$1 million Bud Olson Regional Disparity Grant to Medicine Hat for a major industry - have you made approaches to Ottawa with regard to expanding the regional disparity areas throughout the rest of the Province of Alberta?

MR. GETTY:

Mr. Speaker, we have made several approaches to Ottawa with regard to the objectives of the Department of Regional Economic Expansion within the Province of Alberta and we are in the course of negotiations which I hope, if concluded successfully, will enable the objectives of that federal department of Regional Economic Expansion to be obtained much more readily within the Province of Alberta in a manner that will be more to the advantage of the people of this province.

Control of Medical Labs

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister without Portfolio in charge of the Alberta Health Care Commission. Can the hon. minister advise the House whether the Health Care Commission has established any procedures to determine what percentage of monies paid to medical labs in Alberta actually go to foreign-controlled operations? Now by way of explanation I'm referring to such labs as the Dr. S. Hansen and Associates Lab, which is actually controlled by Smith, Klein and French of Philadelphia.

MISS HUNLEY:

Mr. Speaker, my answer to that question is no. To the best of my knowledge we haven't, but I would be happy to look into it.

MR. NOTLEY:

A supplementary question to the hon. minister. Can the hon. minister tell the House how many medical laboratories in Alberta are actually foreign-controlled at this time?

MISS HUNLEY:

No, I certainly can't, Mr. Speaker.

MR. NOTLEY:

A supplementary question, Mr. Speaker, again to the hon. minister. In view of the concern on this matter expressed two years ago in the Canadian Medical Association Journal, has the government given any consideration to legislation or controls to deal with foreign ownership of medical labs in the Province of Alberta?

MISS HUNLEY:

Mr. Speaker, that will require quite a considerable amount of detail and if the hon. member would put it on the Order Paper.

DR. PAPROSKI:

A supplementary question -- if I could ask the hon. Minister Without Portfolio about medical laboratories -- is it not true that

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these laboratories have been providing excellent service and as a result decreasing hospital costs.

SOME HON. MEMBERS:

Oh, oh.

MR. SPEAKER:

Order please! The hon. Member for Calgary Bow.

Invitation to Prime Minister Trudeau

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Premier. While you have the matter of inviting Prime Minister Trudeau to address this Legislature under advisement, would you also take into consideration the very constructive and tangible effect that it could have on solidifying Canadian unity?

MR. LUGHEED:

Mr. Speaker, with regard to that question, subsequent to the Question Period yesterday I had the opportunity to discuss that matter, among other matters, with one of the principle assistants to the Prime Minister who felt it would not, and concurred with my view, be appropriate. He certainly knew of no particular precedent for it and did describe that the trip that is being made here next week is a trip that is being made, basically, for other purposes. So the conclusion of the government on that point is that we do not think that it is appropriate.

MR. WILSON:

Supplementary, Mr. Speaker, inasmuch as the Alberta Leadership Prayer Breakfast, next Thursday, has a similar purpose and a similar program to the Parliamentary Prayer Breakfast, which is to bring together our national leaders in a spirit of meditation and prayer, would you as the patron, advise if Prime Minister Trudeau has been invited, or will be invited, to the Prayer Breakfast?

MR. LUGHEED:

Mr. Speaker, that is an entirely different matter and that may be a matter -- my quick reaction to that is that would be an appropriate place to make an invitation -- I will be pleased to follow it up; if it is possible to fit it into the Prime Minister's schedule. Because that particular event is a leadership prayer breakfast and in that case, I think, certainly is beyond any of the concerns I have in the prior question by the hon. member and I will follow that up today to see if it is possible for the Prime Minister to fit that into his schedule.

SOME HON. MEMBERS:

Hear, hear.

The Communal Properties Act

MR. SPEAKER:

The hon. Member for Calgary Mountain View and I think that will conclude the Question Period.

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MR. LUDWIG:

Mr. Speaker, I would like to direct a question to the hon. Premier. Does the Premier support the decision of the hon. Minister of Municipal Affairs in disbanding the Communal Property Control Board and thereby suspending the operation of The Communal Properties Act?

MR. LOUGHEED:

Mr. Speaker, I think the matter has been adequately dealt with in the House on about 14 different occasions.

MR. LUDWIG:

Mr. Speaker, supplementary, whether it has been dealt with adequately or not; the question is, is the hon. Premier not aware that certain legal rights of a large number of citizens of Alberta are being denied by the action of the hon. Minister of Municipal Affairs?

MR. SPEAKER:

The hon. member is well aware that this matter has been fully covered dealing with the precise area that he has now indicated.

SOME HON. MEMBERS:

Agreed.

MR. LUDWIG:

On a point of order. Maybe it has been covered by a lot of talk but it hasn't been dealt with and I am entitled to an answer, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. CRAWFORD:

Mr. Speaker, I know you have just indicated the Question Period is at an end but I wonder if, with your indulgence, I might fulfill a commitment made to the hon. Member for Spirit River-Fairview earlier during the week to give brief answers to two matters he enquired about.

MR. SPEAKER:

You require the indulgence of the House rather than the indulgence of the Chair. Do the hon. members agree?

HON. MEMBERS:

Agreed.

Peace River Counselling Service

MR. CRAWFORD:

Thank you. Mr. Speaker, the two questions which were asked at the same time, both related to the Peace River area. One was in regard to the presentation of a brief by the Peace Counselling Service and I would advise the hon. member that the review of the brief has been completed by my department and they have advised that a decision can be recommended by next week and that the decision would then be communicated directly, in the first instance, to the people who made the presentation by way of a letter.

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Peace River Psychiatric Service

The second question was whether or not the visiting psychiatric services to Peace River were in danger of suspension. At the time I said that I thought not but I would check into it. The answer is that the arrangements are that the service to Peace River of the visiting psychiatrist is to be continued.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

1. Mr. Lougheed proposed the following motion to the Assembly, seconded by Mr. Miniely:

Be it resolved that:

1. A Select Committee of this Assembly be established consisting of the following members:

Chairman: Mr. Julian Koziak

Hon. D. R. Getty	George Ho Lem	Roy Wilson
Thomas Chambers	Grant Notley	Leslie Young
Ronald Gitter	Peter Trynchy	

with instructions:

- (a) to recommend ways and means which will ensure a greater participation by Albertans in the ownership and control of Alberta's industry; and
 - (b) to investigate and assess ways and means of providing as many opportunities and incentives as possible for Albertans and Canadians to invest in the equity ownership of companies operating within the Province of Alberta; and
 - (c) to assess the economic consequences of any proposed new Federal restrictions upon investment within Alberta whether by way of legislation or otherwise; and
 - (d) to evaluate the extent of sufficient sources of investment funds in Canada and Alberta for the future economic development of our Province and the need to create jobs for the young Albertans coming into the labour force in the decade ahead; and;
 - (e) To examine the need for restrictions upon non-Albertan and/or non-Canadian control of certain key sectors of our economy; and
 - (f) to meet at the call of the Chairman and receive such submissions and representations and hold such meetings at times and places as it deems necessary, and submit its report and recommendations no later than at the 1973 Spring Session of this Legislative Assembly.
2. Members of the Committee shall receive remuneration in accordance with Section 59 of The Legislative Assembly Act.
3. Reasonable disbursement by the Committee, made for clerical assistance, equipment and supplies, advertising, rent and other facilities required for the effective conduct of its responsibilities, shall be paid, subject to the approval of the Chairman, out of Appropriation 2708.

MR. STROM:

Mr. Speaker, I would just like to make a few comments on the resolution that is before the House at this time. First of all to say that I am not opposed to the committee being set up to look at

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the matter of investment within our province and that I certainly support giving every attention that we can to providing opportunity for Albertans to invest.

I would have to say that as far as we are concerned, we recognize that in a developing province we are still in need of investment funds. I believe that there is a lot of emotionalism that has built up in regard to the matter of foreign investment in the province, and for that reason I believe the committee can provide a useful function in bringing together the various views that presently exist on this matter. And it would be my hope that as a result of the work of the committee we can get guidelines that will be helpful to us. So we are certainly pleased to support this kind of a study at this time.

[The motion was carried without debate or dissent.]

MR. HYNDMAN:

Mr. Speaker, I move that you do now leave the Chair, and that the Assembly resolve itself into Committee of the Whole to consider Resolutions No. 2 and No. 3 on the Order Paper. His Honour the Honourable the Lieutenant Governor having been informed of the subject matter of the motions recommends the same to the consideration of the Assembly.

MR. SPEAKER:

It has been moved by the hon. Government House Leader that the Speaker do now leave the Chair and that the House resolve itself into committee for the purposes stated. Do you all agree?

HON. MEMBERS:

Agreed.

[Mr. Speaker left the Chair at 4:41.]

* * * * *

COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

MR. CHAIRMAN:

The Committee of the Whole will come to order for the consideration of two resolutions, the first of which is as follows:

The Fuel Oil Tax Amendment Act 1972

Be it resolved that it is expedient to introduce The Fuel Oil Tax Amendment Act, 1972.

MR. TAYLOR:

Mr. Chairman, does the resolution make possible increased taxation?

MR. CHAIRMAN:

One of the . . . Mr. Provincial Treasurer.

MR. MINIELY:

Mr. Chairman, the answer is no.

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[The resolution was passed without further debate or dissent.]

The Alberta Income Tax Amendment Act 1972

MR. CHAIRMAN:

Be it resolved that it is expedient to introduce The Alberta Income Tax Amendment Act, 1972.

HON. MEMBERS:

Agreed.

MR. MINIELY:

Mr. Chairman, I move that the resolutions be reported.

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Chairman, I move that the Committee rise and report the resolutions and ask leave to sit again.

HON. MEMBERS:

Agreed.

[Mr. Diachuk left the Chair at 3:44 p.m.]

* * * * *

[Mr. Speaker in the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following resolutions: that it is expedient to introduce The Fuel Oil Tax Amendment Act 1972 and that it is expedient to introduce The Alberta Income Tax Amendment Act, 1972, and begs leave to report approval of both of these resolutions.

MR. HYNDMAN:

Mr. Speaker, I move that the resolutions be now read a second time.

[The motion being carried, the resolutions were read a second time.]

MR. MINIELY:

Mr. Speaker, I beg leave to introduce an act being The Fuel Oil Tax Amendment Act 1972.

Mr. Speaker, the major changes or impetus by the amendments in this act are, firstly, to provide uniformity with other western provinces by remedying a situation whereby interprovincial truckers fuel up in another taxing province, operate in Alberta paying no tax to Alberta, and subsequently receive an Alberta Consumption Tax Credit from the taxing province. Mr. Speaker, just to clarify that, there have been for the past couple of years meetings of all provinces across Canada with respect to uniformity of the Fuel Oil Tax provisions. Other acts have been, for some time now, based upon the actual consumption within the borders of a province whereas the Alberta Act, up until this time has been based on the actual

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purchases in the province and has resulted in this inequity. This will provide uniformity across the country in this area.

Mr. Speaker, another provision in the act will be in keeping with our government's commitment to reduce unnecessary hardships by the implementation or the enforcement of various provincial acts by, firstly clarifying the offences more clearly to reduce hardships of charges laid under The Fuel Oil Tax Act in doubtful cases. Further, Mr. Speaker, because our experience has been that the imprisonment of people under The Fuel Oil Tax Amendment Act for violation of the act has not resulted in a particularly useful reinforcement vehicle. There is an amendment to allow the Provincial Treasurer to increase the amount of the fine on a cumulative basis and double it, in lieu of imprisonment.

[Leave being granted, Bill No. 27 was introduced and read the first time.]

The Alberta Income Tax Amendment Act, 1972

MR. MINIELY:

Mr. Speaker, I beg leave to introduce an act, being The Alberta Income Tax Amendment Act, 1972. Mr. Speaker, there are a few comments I would like to make about this amendment act. Firstly, Mr. Speaker, as I indicated in my budget address, our government is still concerned about certain aspects of the federal tax revisions, particularly the lack of adequate provision for incentives to Canadians to invest in increased ownership in Canadian business, as well as of the detrimental effects to the family farm as a result of the capital gains tax provisions. However, Mr. Speaker, this Alberta Income Tax Amendment Act, 1972, is made necessary at this time because we have felt that at the present time we have no alternative but to enter into a tax collection agreement with the federal government. Under the provisions of the tax collection agreement, Mr. Speaker, we must amend The Alberta Income Tax to provide uniformity with the federal tax revisions which have been undertaken at the national level. Mr. Speaker, these amendments that I am introducing in the act today will bring Alberta's personal and corporate income tax legislation into conformity with federal income tax legislation?

I would emphasize, Mr. Speaker, that there is no increase in either personal or corporate income tax in Alberta under this bill. Because, Mr. Speaker, the federal government's income tax legislation now calculates the provincial income tax separately as a percentage of the federal tax, rather than, as formerly was the case, where the provincial tax was calculated as a percentage of the combined aggregate federal and provincial tax, it is necessary for Alberta, in this act, to change the rate to 36%, which is equivalent to the former rate of 33% under the old method of calculation.

Mr. Speaker, in conclusion, I might add that our government intends to examine the means by which certain disincentives in the federal tax revisions may be partially overcome in provincial income tax legislation.

[Leave being granted, Bill No. 47 was introduced and read the first time.]

MR. HYNEMAN:

Mr. Speaker, I move that you do now leave the Chair and the Assembly resolve itself into Committee of Supply for consideration of the estimates.

[Mr. Speaker left the Chair at 3:52.]

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COMMITTEE OF SUPPLY

[Mr. Diachuk in the Chair.]

MR. CHAIRMAN:

The Committee of Supply will come to order. If I may interject before we go into the appropriation of the Department of Industry and Commerce, I wish to take the opportunity, and have it recorded at this time, to appeal to all hon. members that in order to permit maximum opportunity to debate and deliberate the department estimates, I trust that all hon. members will give me their co-operation by not speaking until recognized by the Chair. I will attempt to maintain a list of hon. members wishing to speak in the order next.

Also in the appropriation under General Administration, and I repeat this -- under General Administration for each department, a full and complete opportunity for deliberation will be recognized. Then a second opportunity before the Total Income Account is approved.

In addition, I am asking the indulgence that while consideration is being given to the rest of the appropriations, an attempt be made by all hon. members to refrain from raising items outside the particular appropriation. With this co-operation I am confident we will all enjoy our work, and be able to maintain the progress we have up till now. Mr. Ludwig.

MR. LUDWIG:

Mr. Chairman, will you allow the same latitude of discussion on the closing on the Total Income Account item as you do on items of the Deputy Minister's Office administration?

MR. CHAIRMAN:

Yes, this is what I meant. If there is any question or comment that any hon. member would like to raise even later to me, I would appreciate this, to guide me along to move this study. Mr. Henderson.

MR. HENDERSON:

Mr. Chairman, I am certainly in full accord with the recommendations the Chairman has made. I would like to suggest that the rule must apply to both members of the House, including the hon. minister. I can't follow the argument that when a minister is out of order in speaking of these things, that we are then called to order for responding to it. As long as it is equally applicable on both sides of the House I have no objection to it.

MR. CHAIRMAN:

This is why, Mr. Henderson, I referred to hon. members, and didn't single out ministers or leaders in any way.

MR. HENDERSON:

Mr. Chairman, it is government propaganda that there are no members on that side; there are 48 Cabinet ministers. I thought you were referring to the ones on this side.

MR. CHAIRMAN:

Thank you, Mr. Henderson.

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Department of Industry and Commerce

The following was agreed to without debate:

Appropriation 1601 Minister's Office \$ 26,320

Appropriation 1602 Deputy Minister's Office

MR. FEACOCK:

Mr. Chairman, on March 23rd I presented to this committee an overview of my department. In that overview I outlined in a general way our goals and objectives and the thrusts we would take in the coming year. I would like for a few moments today to review how the estimates of my department relate to those goals, objectives and thrusts.

The budget estimates you have before you for your consideration reflect the costs of operating the Department of Industry and Commerce, its components and its related agencies. As expressed by my colleague, the hon. Gordon Miniely, Provincial Treasurer in his budget address, we perceive the budget as not simply a summary of financial data, but as a vehicle for legislative and public understanding of government programs and priorities, and as an important tool in the development of improved planning, priority determination, and the effectiveness of government operations.

Accordingly, Mr. Chairman, I would like to comment briefly on the programs and activities to which the resources proposed in these budget estimates will be devoted. After all, in a budgetary context, it is the output or results of departmental operations and programs that are important -- not merely an identification of the costs of operating a department. The objective of the Industry and Commerce Department is, of course, the development of an economic environment, that will achieve the rate and type of economic growth desired by all Albertans. One that will ensure the most effective utilization of our resources, and will afford job opportunities for all Albertans. The attainment of this general objective requires co-ordination of activity on many fronts comprising the planning, programming, and implementation of effective economic development activities. We must have further backups in the area of economic research and statistics.

I am sure you are all aware that in order to identify, among other things, the potential for secondary manufacturing in this province, it is necessary that we develop more extensive economic data at the provincial level. We can only do this by the expansion of our economic department and our staff department. In the complex, sophisticated society of today, there is no way we can effectively identify our economic programs and opportunities without such basic intelligence.

Included in the development of broader economic and statistical material, consideration will be given to the development of provincial, economic accounts; provincial econometric models, and provincial input-output models. Now while these two systems are of paramount importance in orderly planning and development of economic activity within the Province of Alberta, it is essential to note that their benefits are more long term than immediate. They can also be costly techniques and we will not leap into their development without a great deal of consideration. This year we will be involved in such considerations and advanced planning.

I should also mention, Mr. Chairman, that a study chaired by my department, is at present under way to identify all statistical requirements of government and to develop the means by which these requirements can be met in a co-ordinated way.

[Interjections]

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I think I am learning something about government anyway. Well, it certainly wasn't you.

It should be noted in this regard that greater emphasis is being placed within these requirements of social statistics. Accordingly, I believe that you will appreciate the necessity to realign and strengthen the Economic Research Branch and the Bureau of Statistics. And that covers, briefly, the increases on page 37.

At the same time, Mr. Chairman, turning to page 38, at the same time, Mr. Chairman, we have made provisions for meeting Alberta's significant needs for the more successful marketing of all our processed products and our services. Our new stress in this area will be developed through the analysis of marketing opportunities, the active encouragement of the sale throughout Canada, and export products of Alberta's markets and services, the staging of marketing missions, and the staging of promotional programs, and the operation of offices outside of Alberta to carry on these activities.

We are also aware of the needs for developing and diversifying secondary manufacturing facilities established within our province and for attracting new industry to fill our present manufacturing gaps, and broaden our industrial and economic base. Our programs in this sphere will include activities pursued within the province through our regional programs, and outside, through a selective mix of industrial development techniques.

Included this year for the first time in my department's estimates is provision for transport research and development activity. I might point out that this is most important.

Mr. Chairman, I can think of no other single area that is more critical to the future growth of our economy than the development of an equitable transportation position. We have on hand at the moment, and will continue next year, our overview study on this most critical area of transportation. Our efforts will span all modes of transportation that are limiting our industrial expansion in this province, our resource development and our marketing success. The resources requested in these estimates are urgently required if we are to make progress in the area of rail transport - both freight and passenger - air services - involving both cargo and passenger services - and developing new transport modes such as solids and slurry pipelines.

I believe, Mr. Chairman, that all members of this House will agree with the urgent need for unlocking the padlock on the transportation change that at the present time restrict our development in so many areas.

I would wish to mention here two key examples of the way in which our research and analysis, our planning and our development activities are integrated in the achievement of a broader future for Alberta. I refer here to the work we have commenced in the most important subjects of petro-chemicals and transportation. We are also, Mr. Chairman, at present actively pursuing the opportunities identified in the steel study initiated by the previous government. From what I have said, Mr. Chairman, on the need for solidly based and co-ordinated programs, I believe the estimates proposed for the Alberta Research Council take on significance. The need on the part of both the private sector and the government for research and technical services to assist in the creation of a more diversified economy is, if anything, understated by the estimates before you.

Mr. Chairman, I am cognizant of the needs for integrating our programs in the key areas of economic research, statistics, marketing, industrial development, transportation and financed through The Alberta Opportunity Fund Act, at present before the Legislative Assembly, and the preservation of fair trade practices

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Put all these plans and programs are not developed in isolation. We are actively encouraging an entrepreneurial environment in which the business and government can and will work together in the development of the private sector. We have established and will, if these estimates are approved, continue to stimulate the development of effective forms where business and government can meet and discuss the future economic development of this province.

I am here referring to the Regional Economic Advisory Councils that are at present being established throughout this province. Mr. Chairman, I have attempted to cover in a broad outline the general objective of my department and the programs that we propose to carry out with the resources requested in these estimates.

Before concluding my remarks I would like to underline that it is essential for this committee to be aware that we must and will work very closely in co-operation with other departments of government. In particular I would mention Agriculture, Lands and Forests, Mines and Minerals, Manpower and Labour, Advanced Education, and Environment. Of special significance to us is our input to the areas of manpower and labour and advanced education such that the contributions of our future professionals, skilled, and semi-skilled workers throughout the province may be better developed and utilized, at the same time allowing us to more fully utilize the talents and skills of unemployed employables.

We can and will work most closely with the Department of the Environment. The objectives of our two departments must be carefully integrated in a way that the just demands of our society for both a better standard of living and a better quality of life may be achieved in a way that is acceptable both to the public and the business sectors of our society.

In conclusion, Mr. Chairman, the estimates before this committee will enable my department to make progress towards the achievement of what the hon. Premier has referred to as 'that critical objective' -- the creation of a more diversified and better balanced provincial economy.

MR. WILSON:

The stated philosophy of the hon. Minister of Industry is well known and I feel that I would have little quarrel with his basic philosophy. However, I would like to reserve the right to vehemently criticise specific details when, and if felt necessary.

Mr. Chairman, I would like to briefly outline what I think an industrial development policy should include. Under the heading of objectives I would like to list 15 points. First of all I think we should encourage the development of diversified secondary and tertiary industries in Alberta. We should promote Canadian capital for equity positions and foreign capital for debt financing. I feel we should encourage primary resource development which offers Albertans equity opportunities. I think that we should endeavour to attract primary industry without subsidy. It is most important to encourage and reward individual private initiative. We must maintain fair and equitable royalty charges. We must be ever mindful of the need of industrial growth which contributes to a better quality of life and improving the standard of living. Naturally we must encourage the growth and expansion of existing Alberta industries. We must encourage maximum citizen participation in Alberta industry and we should promote a total industry concept in resource development. Also, our goal should be industrial social justice. We need, and must work for a broader and more diversified industrial base, both internal and external. We should always have a negotiation-styled attitude on the part of government when industry policy changes are required. We must give industry a feeling of

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certainty between contract periods. And we must promote responsible growth.

Now to achieve these objectives I think we should list some various methods which should be employed to achieve the objectives. First of all, we must maintain the right of inheritance as being sacred to the individual. We should provide research assistance for small Albertan companies. We should encourage small manufacturers to enter the export field. We should develop transportation and communication facilities equal to the demand.

Not all of these methods are within the power of the provincial government to legislate. However, I think where the realm of responsibility lies with the federal government we should negotiate there, and in that department I would like to suggest that we need economic legislation which will attract the foreign debt capital. We need economic legislation which encourages Alberta equity investment. We should continually promote Alberta manufactured products around the world. I think that there is a need to assure organization and management training for growing Alberta firms. We should research and advertise required industries and services in the province. We need legislation favouring a total manufacturing process of natural resources where practicable. We need legislation allowing private companies to trade in their own stock. We need labour and management reform achieving maximum human output and societal benefits. We need production geared to cultural requirements of world societies. When subsidies are required, they should go to people, not to companies, not to buildings, and not to machinery. We must always have government use of frank common-sense approach to all negotiations with industry. We need public education as to the relationship between government and industry.

And finally under the heading of 'methods', I would like to say that I think we need to make a concerted effort to eliminate all redundant legislation.

In summary, Mr. Chairman, our industrial development policy is designed to promote responsible growth and improved quality of life for all Albertans. Our goal is to make possible a free and creative society with strong social concern. Both economic and social factors must be considered in measuring responsible growth. Growth must come without serious deterioration of the environment or sacrifice of long range prospects for immediate gain.

An aggressive program of scientific research into the human, physical and technological aspects of industrial development is essential. Duplicating the successful pioneering spirit which founded this great province can best be achieved by avoiding unnecessary government interference. Local home-grown business, operating under a system of private competitive enterprise, will bring Alberta an ever-growing economy. Investment of personal savings in private and co-operative enterprise is encouraged to assist thrift and to provide for the capital needs of small business. Social Credit regards that the purpose of our industrial and commercial system is to produce and distribute the goods and services consumers individually and collectively require with the least waste of either human or material resources.

MR. CHAIRMAN:

Very well, Mr. Minister, did you wish to reply to that?

MR. PEACOCK:

No -- no comments.

Appropriation 1602 agreed to

\$ 40,500

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The following appropriation was agreed to without debate:

Appropriation 1610 Planning and Support Services \$ 27,980

Appropriation 1611 Budgetary and Administrative Services

MR. WILSON:

Mr. Chairman, I think it would be interesting for an explanation as to what we did with the other half person last year in this vote.

MR. MINIELY:

I think I've said a couple of times during the course of the estimates that the positions are on the basis of full-time equivalents, so the part-time staff are included and that is why you end up with the halves. OK -- equivalent full-time. There are no half-people in the civil service -- there are half-time people. OK?

Appropriation 1611 total agreed to \$ 75,240

The following appropriation was agreed to without debate:

Appropriation 1612 Economic Research \$ 255,330

Appropriation 1613 Bureau of Statistics

MR. RUSTE:

I see a considerable cut in this. Would the hon. minister explain this please.

MR. PEACOCK:

Well actually the reduction relates to some reduction in the feasibility studies that were undertaken last year.

MR. PEACOCK:

I meant to talk on No. 1601, you will notice there is a cut there.

MR. CHAIRMAN:

I beg your pardon?

MR. PEACOCK:

I just hate to go back to vote no. 1601, but I just want to mention to the committee that there was a cut there also in the minister's salary.

SOME HON. MEMBERS:

Agreed, agreed.

Appropriation 1613 total agreed to \$ 266,360

The following appropriation was agreed to without debate:

Appropriation 1614 Licensing of Trades and Businesses \$ 149,950

Appropriation 1620 Economic Development

MR. TAYLOR:

Mr. Chairman, I wonder if the hon. minister could outline just

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what foreign marketing and marketing research and how this dovetails into that being conducted by the Department of Agriculture?

MR. PEACOCK:

To answer the hon. Member for Drumheller, what we are dovetailing in with agriculture is this. We have a marketing council and we are identifying through our research programs those areas that we should be rifling in on and indentifying the areas where we would have industrial or agricultural representatives, or where we could have a combination industrial and agricultural person. This will be dependent upon the needs and the assessment of the marketing council as to what approach we will take in these various areas. Areas under consideration are substantial and they will be reported to us prior to the next session of this Legislature. Does that answer your question?

MR. TAYLOR:

Mr. Chairman, I am wondering could you give us some examples of some of the products that you are endeavouring to market in foreign countries?

MR. PEACOCK:

They are very numerous. We are looking at potentials for hydrocarbons; we are looking at products such as sulphur; we are looking at all our marketing products literally; we are looking at machinery and specialized machinery; we are looking at tractor machinery. As you know we made quite an inroad into Russia on northern transportation vehicles. We feel that we have something here that might be expanded. We have special agricultural products that we manufacture here that we should be expanding and maybe cross-licensing into various countries of the world of which maybe Czechoslovakia and Rumania are examples of where we could cross-license our loaders that we manufacture here. These are the sort of things we are looking for.

MR. TAYLOR:

Just one other question, Mr. Chairman. Is the market for sulphur improving, or is it still pretty serious?

MR. PEACOCK:

Mr. Chairman, the situation is unquestionably very serious. This is the time really that we've just got to search for every conceivable market area.

MR. CHAIRMAN:

I believe Mr. Barton was on his feet first.

MR. BARTON:

What appropriation does your Regional Economic Advisory Council come under that you mentioned in your address? Is it this one or. .

MR. PEACOCK:

Do you mean the number?

MR. BARTON:

Yes, what vote number?

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MR. CHAIRMAN:

Mr. Barton, Regional Economic. . .

MR. BARTON:

. . . Advisory Council.

MR. BARTON:

I think he mentioned it in his opening address.

MR. CHAIRMAN:

Maybe the hon. Provincial Treasurer could aid -- what appropriation does the Regional Economic Advisory Council come under?

MR. PEACOCK:

1623.

MR. CHAIRMAN:

No, the Regional Economic Advisory Council. . . is it 1623?

MR. PEACOCK:

Yes.

MR. CHAIRMAN:

Do you have any question on it, or do you want to wait, Mr. Barton? It is 1623.

MR. BARTON:

No, I'll wait until 1623. . .

MR. CHAIRMAN:

Fine, Mr. Wilson?

MR. WILSON:

Thank you, Mr. Chairman. On the topic of sulphur, I understand that there have been some recent experiments to determine the feasibility of using sulphur for paving of roads and highways. Would the minister advise us if this research to date has proven to be feasible or not? Are there any actual paved roads made with sulphur on an experimental basis? What does he feel the hopes will be for the use of sulphur in such a way?

MR. PEACOCK:

Mr. Chairman, the results at this time are experimental, and certainly not in the productive stage where they can be accepted commercially, but the indications are that there can be a breakthrough, but this hasn't been justified by the amount of research that they've done so far, although it's hopeful and they are carrying on with it. To advise the committee of what's going on in the areas of research, of course, it is being extensively carried on, as the committee is probably well aware, by Shell, by the Sulphur Consortium, and also the federal government is interested in putting together a sulphur utilization program.

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MR. BUCKWELL:

Mr. Chairman, I want to ask the hon. minister about this economic development. I would suppose this includes all our products produced in Alberta. Comparing this one with 1156 -- I see the Minister of Agriculture is here -- the export trade commissioners, now is there some interlocking or inter-relationship between these two departments?

MR. PEACOCK:

If I may answer that, we have a marketing council in which we review all the objectives of our marketing thrusts throughout the world. Where it's necessary, of course, because of the specialized nature of agriculture, they'll have their own people in most cases, but there are cases where they will interchange and interlock, but, as I said in my preamble in talking about cross-fertilization of departments, we're attempting to do this so that we don't duplicate efforts or lose the opportunity and efficiency of the inter-relationship of our research and of our marketing teams.

MR. FRENCH:

Mr. Chairman, I wonder if the hon. minister could advise if the Research Council at the present time is doing any research in the health foods area?

DR. HCFNER:

That's under 1630.

MR. FRENCH:

It's under the Research Council? Well I can wait for that then.

MR. CHAIRMAN:

The Research Council, Mr. French, is 1630. Is that OK?

MR. RUSTE:

Mr. Minister, in this whole trade set-up there's trade going out and trade coming in, and I am just wondering whether the minister has any comment to make on where we import, say, farm machinery, and I'm thinking particularly of tractors. I know of tractors that are operational after about 30 years. Does he foresee any problem as it relates to maybe 30 years from now, to obtain parts for that same tractor that's been brought in this year? I think this could be a pretty significant part.

MR. PEACOCK:

I really can't forecast. I appreciate what the hon. member is getting at. This situation of obsolescence, of course, is with us in our particular economy, and I think what we're looking at in Alberta is the ability to either assemble or manufacture more and more so we will eliminate the great problem of obsolescence you are talking about.

MR. RUSTE:

Will the hon. minister then keep that in mind in any negotiations that take place, because I think this is a very important thing to the producer?

MR. PEACOCK:

Yes.

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MR. TAYLOR:

I have one more question for the hon. minister. I notice you are carrying out some marketing research under this vote, and I also note that the Alberta Research Council is now under your chairmanship. I wonder whether in your study of these two sections if you found there is any overlapping of research as between the council and the department? I think there is a real danger today in research work of duplication, and I think it is a very excellent idea when this is under one minister as there should be less chance of duplication. I am wondering if you found it possible to combine these and possibly avoid duplication through having the Research Council under the jurisdiction of the same minister who looks after marketing research.

MR. PEACOCK:

I think that is a very good point. Already we have found there is considerable duplication going on in the province in industry and in the private sector and in other sections of the government, and our research council and our universities as I mentioned. I think we can co-ordinate these and eliminate a great deal of duplication.

You must remember that we are talking about two areas of research, pure research and applied research. Particularly the applied research is what we are having our thrust in the Research Council redirect itself to, maybe more than the pure research.

MR. WILSON:

I have a question for the minister on research. Could you advise what research reports you expect to be tabling in the Legislature and making available to the general public, and at what stage they would become available? What other reports -- you may not want to answer at this moment and I will be happy to wait till the summary of your estimates if you would like to take time to put these things together -- but we would like to know what publications, what research reports and things of this nature that you would classify as being public information and what research material you do not feel should be made public information.

MR. PEACOCK:

I think that is rather easy to answer. For instance, our continuing programs at the Research Council are now available to you and have been tabled for the coming year. I think the economic research programs that we do -- once the research has been utilized -- then becomes a fait accompli with the private sector moving in and using that research, then it is public information. But until that time, I think it is privy to what we are attempting to accomplish in attracting the private sector.

What I am saying is that I think on application and interested body can get a research program that we have done in our department that is to their interest. To make it public just for the sake of publishing it, I don't think that is a good idea until the report at yearend. But certainly it is privileged to any member of the House.

Appropriation 1620 total agreed to \$ 31,780

Appropriation 1621 International Marketing

MR. CHAIRMAN:

Yes, Mr. Buckwell.

MR. BUCKWELL:

Would the hon. minister advise us where they expect to have offices outside of Canada?

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MR. PEACOCK:

I mentioned a little earlier to this committee that we have now a research team reviewing and assessing the areas that we feel are going to be most productive to us and then establish our priorities with the hon. Minister of Agriculture, the Deputy Premier, the hon. Mr. Getty and myself so that we would identify these areas and priorities and move on them accordingly, because as you appreciate, I am sure, in order to establish these offices they not only require a good reason to be there, but the type of personnel that will do the job when we establish them is important. So it is rather complex and certainly requires in depth study. To say off the top of our head at this time where they would be, I can't identify them.

I would say this, however, for the information of the House that we certainly intend rapidly to improve our position in our London office. We certainly are going to revitalize and revamp and redirect our Tokyo office. We are certainly going to revitalize and redirect our Los Angeles office, and whether that moves to San Francisco or Sacramento or whether it stays in Los Angeles, these are the sort of decisions we have to make. The same thing, I might point out in London, whether we keep that as an agent-general facility and a semi-diplomatic status or whether we move that into Brussels where as far as the ECM is concerned now, is a much more active spot, but with Britain coming back in, maybe it puts the emphasis back into London, and maybe London is the place to be.

And so these are the sorts of reviews we are attempting to make and assess for what our positions will be in these areas. We also have undertaken, just for the information of this House, a contractual man in Toronto and in Chicago to try this out on a six-month basis and he is on a contract in order to develop convention and new industry and what we might do on contacting people in different areas, and whether this might be an effective approach. To complete my answer, this in process now.

MR. WILSON:

Mr. Chairman, to take this a little further. Perhaps the hon. minister could tell us exactly how many offices his department has outside of Alberta, and how many he anticipated to have when he prepared this budget? The budget must be based on some number of offices anticipated in total.

MR. PEACOCK:

Yes, five, and they are in the following areas. We anticipate Toronto, London, Tokyo, Los Angeles, and we had an extra office in Singapore, or Chicago, or wherever it might be.

MR. WILSON:

One new office is what you anticipate? Is that what you are saying, sir?

MR. PEACOCK:

Four offices are in the budget for this year, because if we get five offices completely staffed and reorganized for this year, we have done a yeoman job.

MR. TAYLOR:

Could the hon. minister let us know where the Toronto office is located? What part of Toronto?

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MR. PEACOCK:

I can let you know, I haven't got the address here, but I will say this. I told you that it wasn't a Toronto office but that we contracted a person with direction to the following: to research what convention activities he could bring into Alberta, to research what small industry that he might bring in through the advertising media and through his own personal contacts. He is a very skilled person in this area himself. What he might attract in industry and in the eastern area of Canada as well as the mid-west and Chicago. I can't give you his address offhand.

MR. TAYLOR:

He has an office located in Toronto?

MR. PEACOCK:

He has an office, yes.

MR. CHAIRMAN:

Very well, we will continue.

Salaries

MR. HO LEM:

Regarding salaries and salaried positions, I notice it is just an increase of three bodies in this department of salaried positions and yet the increase in dollars is \$56,000. Mr. Minister, can you elaborate please?

MR. MINIELY:

Well, first of all there is the element, Mr. Chairman, of the double increments which I mentioned yesterday that are included in all salary estimates. Now the three new positions that the minister has included in international marketing require pretty high calibre personnel. One of the things that the minister might elaborate on is this, his feelings regarding the calibre of persons that are required to make these foreign offices effective. All I wanted to bring out was the fact that in every salary appropriation there is the element that I brought up yesterday, and the minister can speak on the calibre of persons required and his feeling to make these offices excellent.

MR. CHAIRMAN:

Go ahead Mr. Minister.

MR. PEACOCK:

Mr. Chairman, take \$70,000 from \$126,000 we have got \$56,000, and if we divide that by three we have got \$19,000. That speaks for itself; \$18,000 and some odd dollars. To attract the kind of people that we are talking about, in these areas I think it is just academic that they would have at least that minimum starting salary.

Travelling expenses

MR. HO LEM:

Will the minister be travelling to all the offices to visit the offices in Toronto, Los Angeles, London, Tokyo, Singapore?

MR. PEACOCK:

Yes I would anticipate doing that over a period of time.

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Other Expenses

MR. STRCM:

I wonder if the hon. minister could tell us to what extent he feels that he can make use of the Canadian offices abroad for this particular function of international marketing and whether, in his view, he feels that it might be better to use these facilities rather than establish Alberta offices?

MR. FEACOCK:

I believe the hon. Leader of the Opposition brought up an excellent point. I think that we have this under review, very much so. I think there are certain areas that have a wide and a broad opportunity to it, such as the European Common Market and maybe the Indo-shore -- the far East. Maybe we have to identify ourselves in those areas but there are many, many places that I think we can use Canadian facilities overseas and Canadian Trade Commissioners much more effectively than we have possibly. I think one of the problems, and I'm sure the hon. member has recognized that in his previous experience with them, that one of the problems with the Canadian Trade Commissioner in a foreign land is the fact that he's usually oriented and trained, educated academically and knows very little about Alberta. He's identifiable maybe in the problems of agriculture generally. He maybe is knowledgeable in maybe sulphur -- some of the resource areas but when it gets down to such specifics as what we're talking about of taking specialized farm equipment we manufacture here - loader equipment etc - and moving it into a foreign market place it's very difficult to communicate with him. But we are certainly looking at all the whole complex of the Canadian Trade Commission.

MR. STRCM:

I'd like to ask another question. Has the hon. minister up to this point had any opportunity to assess the length of time that personnel should possibly remain in one place. I'm thinking in terms of what we did in the Alberta office and certainly I don't support it, I think we made a big mistake there and I'm the first to admit it. But having said that I'm wondering have you given any thought as to how long they ought to remain at one place before moving on to another. Because I rather think it's a pretty important point.

MR. FEACOCK:

Yes, I think it's an excellent point. I think we have within our department a man that has had some considerable experience in overseas service. In fact two men that we have in our department - one Dave McEachren who sets up the economic development division and Warner Wensel who is setting our overseas marketing division. Both have vast experience in these areas and I think that while we haven't actually come out with a policy your point will certainly be taken and we'll advise them accordingly.

MR. STRCM:

Another question along the same line, Mr. Chairman. Do you feel that it's necessary to possibly bring them back to Alberta on the basis of once a year, I'm not suggesting that necessarily be it but that they come back on fairly regular intervals to become conversant with the situation back home.

MR. FEACOCK:

Certainly, for two reasons. First of all psychologically that they feel that they belong to us and they are part of us and the second is to acquaint them with those things, techniques,

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technologies and changes that have taken place within our own economy and within our own province.

Appropriation No. 1621 total agreed to \$ 366,070

Appropriation No. 1622 Missions and Marketing Research

Entertainment

MR. WILSON

Mr. Chairman, before we get into this - because of the 290% increase in expenses in this I think it behooves us to ask the hon. minister to make some general comments as to what his approach is and the various reasons for increasing this vote.

MR. FEACOCK:

Once again that just follows out what we have been saying, Mr. Chairman, that we have, for instance, in our organization now, a gentleman that has had this vast experience in the overseas market place. We look for much more travelling as already indicated, we have got to set up some five offices so there is quite an involvement here. We are looking at, for instance, Mr. Wensel is over at the Hanover Trade Fair now, and Mr. Schmid was over to the Scandinavian countries. These have both proved very effective as individual thrusts and we anticipate doing a lot more of it. So that is the reason for it.

MR. SCHMID:

Mr. Chairman, in case some of the hon. members haven't heard, the Swedish Mining Mission which is one of the results of the trip that I took to Scandinavia, is arriving here on Wednesday morning, giving a full lecture from mining experts from Sweden and as well, of course, Canada. Two people from Alberta and the Northwest Territories -- two mining people from there. Also the president, as you know, of the Scandinavian Airline was here only this week and he very distinctly mentioned during a reception that the only reason he came he was to find out if what we had mentioned over there really was so, and he was very impressed and that he would now definitely consider Edmonton as one of the landing points on their over-flight to Seattle and hopefully they will do so soon.

MR. DRAIN:

Is the newspaper report that the Swedish Mining Mission is more involved with the object of selling machinery correct?

MR. SCHMID:

I will reply to the hon. member that Swedish mining machinery is one of the top items of export into all the countries in the world because they do have top mining equipment. Atlas Copco of course, is one of the most famous ones. But it is also, of course, mining methods that they are teaching and lecturing on. It depends on the people that are present and I understand now 140 from Alberta and the Northwest Territories have registered. They can themselves, select out of a book the items of lecture they would like to have, and those are the lectures they are going to give.

MR. WILSON:

Mr. Chairman, would the hon. minister outline the terms of reference that he proposes to use on his trade missions?

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MR. PEACOCK:

It depends on what and where the trade mission is and who is on it. But I would say this, I would be delighted to give you scripts of the Japanese trade missions that we are going to in terms of reference to that. I haven't got it here but I certainly have it.

MR. WILSON:

Mr. Chairman, perhaps the hon. minister could outline to us what his basic terms of reference are when he sets up a trade mission to a given country as to what the qualifications would be of the people that go on them and as to whether or not he would include industry people that go at government expense or not, and what would roughly, his ratio be between civil servants and industry representatives and things along this nature?

MR. PEACOCK:

There are a lot of questions there, but very quickly to answer them, the relationship between civil servants and industry, it is an industry thrust, so outside of the civil servants -- as you call them -- in order to handle the necessary programs and appointments, that is all the civil servants that would be on the trip. Now if the person is going alone as the hon. Mr. Schmid did and as Mr. Wensel, who is a civil servant, then they require no services other than themselves. That is all done here or through the Canadian Embassy through our department. If it's a large mission -- let's say some 30 in number -- there may be 10% or 15% that may be civil servants.

Now to suggest what thrusts there are I think, and I am sure you were listening to my introductory remarks -- one of the problems we have in identifying what we want and where we want to go or some of these things like input-output tables, etc., etc. But in the meantime there are certain things that we can rifle in on and we are not interested in trade missions at this time to bring goodwill.

We're over there to do a job and we are rifling in specifically on certain items so if we're going over to Japan we would certainly consider the programs of coal in our resource areas, and I'm talking about export now, and sulphur. If we're talking about -- and we'd certainly be exploring what potentialities we had because we have feed stocks here for the petro-chemical industry, and we're looking for a world plant and this has got to be the basis of our economy, if we're going to move on and employ any numbers of people.

So we'd be certainly exploring what we could do in a situation in which Japan as a net exporter of petro-chemicals could reverse itself and become an importer from Canada on our world economic sized plant if we went in petro-chemicals here. So we'd be exploring that as well.

We'd be exploring the possibilities in agriculture that Dr. Horner could answer much more effectively than I, but suffice to say that we'd be looking at processed foods, honey, red meats, etc. etc, etc. and feed grains. From there we'd be looking at an industry -- we would be looking at basically the reverse -- we would be looking at what we could jointly set up in relation to maybe the electronic industry here because climatically and geographically maybe we're well located for such a sophisticated industry -- and we would be having a look at that.

We would certainly be having a look at another basic industry as I mentioned, petro-chemical, in order to develop our secondary industries. We just can't move anywhere until we get some of these basic industries such as petro-chemical or steel, so we would be having a look at these products too.

We would also be looking at the components and I'm talking about the components of the steel manufacturing business. We would be

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looking at such things as housing. We would be looking at such things as flakeboard -- what our potential is in Japan -- we would analyze the economics into moving into that market and with the tremendous housing program that the Japanese have on, and the potential of opening the Chinese market -- what that would afford us here in Alberta. We would be pursuing that pretty vigorously and relating that into our competition in our sister Province of British Columbia and how effective we could be in competition there. And on and on we go and we could be here for another three hours talking about it.

MR. WILSON:

Mr. Chairman, would the hon. minister tell us how many trade missions are budgeted for in this particular vote, and does he know the destination of those trade missions?

MR. PEACOCK:

How many trade missions? We've got one in Japan, we have one to the southern United States, maybe Mexico. We had to estimate this because as you appreciate this is a detailed program problem and we had to put in the estimate of what we thought we would be looking at. If we can accomplish them, of course, we'll go, but we are looking at approximately three.

MR. WILSON:

Mr. Chairman, on the trade missions where the private sector participates or goes along. Would that be at government expense 100% or a portion of it at government expense?

MR. PEACOCK:

I think that has been covered also, Mr. Chairman. Sometimes it would be where we would pick up the air fare or the transportation; period, and the private sector would look after moving his product, or maybe we might share in moving his product if it was a display program or a trade fair. I don't think there is any rigid rules of how we would approach any one of these missions. I don't think that that is what we want to do, we want to pick the missions to suit the circumstances that we're looking at in regards to the particular area we want to rifle into and how hard it is to get the people to go. For instance, I might suggest, that while it is a federal fair at Peking, we're opening a whole Chinese market for the first time as far as the display of Canadian product is concerned. I think it is of paramount importance that we get as many Canadians in there, or Albertans in there as we can. In this instance, we might -- you know -- be making a very healthy contribution, whereas to go to we will say the U.K., we might just pay transportation. I think you have to be flexible. I don't think you can sit with any black and white rules of how you handle the trade mission.

MR. FOSTER:

Mr. Chairman, on these trade missions -- and I'm thinking maybe this gets into the agricultural end of it, but not long ago the Saskatchewan government sent one into the Pacific northwest in the States with red meats and so on. What is being done to sort of co-ordinate that. I realize the market -- I mean what we sell here helps the overall western market in some of these materials. I am just wondering what is being done there to co-ordinate with the trade missions -- or whatever you want to call it -- in Saskatchewan and Manitoba?

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DR. HOFNER:

Perhaps I could answer. We have had pretty substantial discussions at the level of our trade commissioner and myself to Saskatchewan and Manitoba in relation to what they are doing. With the major -- just as the hon. member suggests that we want to take advantage of one another rather than duplicate the situation. We intend to explore that further and to try and bring -- as a matter of fact we are having some meetings with both our departments in May in Calgary in relation to the four western provinces. We are trying to bring British Columbia into the act also.

MR. FOSTER:

Just one further comment on that. The Saskatchewan commission that went into the Pacific northwest awhile ago, was it sort of ahead of the planning that is taking place now then, to sort of consolidate this or is that a separate one?

DR. HOFNER:

Well that was their initiative to go into that area. But Mr. Hargreaves had extensive conversations with their director and they are trying to -- as a matter of fact they got my permission to talk to Mr. Hargreaves in relation to having him help them develop a program. I think this is good so that we can, as I said, co-ordinate our programs in various western provinces. As I say, we are looking at a completely western approach so that we don't duplicate too much.

MR. TAYLOR:

I have just one question. I understand that the appropriation No. 1622 is for a new branch. Is that correct?

MR. PEACOCK:

Well, not really, no.

MR. TAYLOR:

There are no employees listed last year -- since there were no employees last year, how were these sums of money expended, or where did they come from? I can't locate them in last year's estimates.

[Interjections]

MR. CHAIRMAN:

Oh, sorry.

MR. MINIELY:

What the hon. minister has done is to co-ordinate his marketing research with the missions area because they are inextricably tied in. So in the Vote No. 1622, you see that the only item there was no provision for last year was in the salaries area. The salaries area includes marketing researchers which also provides input for the various missions and co-ordinates with the missions. The people involved are one director, two mission officers, and two clerical support staff.

MR. TAYLOR:

Do you have the estimate they were in last year? I'm having difficulty finding them in last year's.

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MR. MINIELY:

I should clarify it again. These are new people working along and co-ordinating with the missions that are involved in the area of marketing research.

MR. TAYLOR:

Yes, I understand that but this \$9,000 entertainment, \$28,000 travelling expenses that were spent last year. Where. . .

MR. MINIELY:

Oh, you don't have your vote transfers between years and new appropriation numbers.

MR. TAYLOR:

Oh, no I haven't.

MR. MINIELY:

It is here, under industry and development. Changes in departmental appropriation structure, if you have it in front of you, Mr. Taylor. Department of Industry and Commerce, Appropriation No. 1622 was formerly appropriation No. 1609.

MR. CHAIRMAN:

No further questions?

MR. DRAIN:

My remarks are going to be very brief. I certainly appreciate the efforts that are going to be made in these missions and in industrial development. However, there will have to be a point in time where these efforts will have to be properly evaluated. I am thinking, the Japanese have purchasing agents in Vancouver and most companies who deal in a major manner in the Japanese market have Tokyo offices, this I know. In fact, I know some companies that have no present business but still maintain offices in hopes that someday ultimately they will do business. So then, the question then arises, how do we evaluate a program like this? This is where I'm very much at a loss, because it may be the processes of bread cast upon the water -- sometime that may ultimately derive benefits ten years down the road. However, there would have to be, in my thinking, a price tag put on this somewhere, that after a certain period of time, three years, four years, five years, there would have to be somebody that would sit down and then say, what have we accomplished? Has this been a profit and loss pay-off? And I'm sure that the hon. minister is going to do this, but I thought probably I'd mention this in passing.

MR. FARRAN:

Mr. Chairman, I wonder if I might make a comment?

MR. CHAIRMAN:

Mr. Farran, I wonder, did Mr. Drain want a comment back from the minister on that? No? Fine, Mr. Farran.

MR. FARRAN:

I just wanted to get clarified or my opinions confirmed on what the word entertainment means. I hope that it doesn't mean paying geisha girls in Tokyo or anything like that. It does mean, doesn't it, that they will be buying lunches for people they hope to do business with, or are doing business with? They wouldn't be like

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Premier Bennett, asking themselves for lunches? Is my impression correct?

MR. SCHMID:

Mr. Chairman, having been in the export business before I became an MLA, I think I can answer that, since I have happened to visit Japan several times. I'm afraid that for the hon. member to ask that question isn't quite right, because in Japan, the geisha girl is not what some hon. members might think. A geisha girl over there is a form of entertainment and you do not do business unless you listen to a geisha girl. And believe you me, you sit there for two hours and listen for two hours to...[singing]...ah-ya-eah-eah. You probably would be happy to pay not to be there.

MR. CHAIRMAN:

Thank you, Mr. Minister.

MR. FARFAN:

Yes, I have also been in Japan.

MR. SCHMID:

I should add, though, that this is a form of entertainment and if you enjoy it, it's tremendous, but it would be counted as entertainment as the hon. member inferred. That's what I wanted to say. I would not want to be snide at all on that type of entertainment.

MR. CHAIRMAN:

I'm sure the hon. member got the message, Mr. Minister.

MR. FARFAN:

I mean it seriously. I was really asking this question for the edification of the hon. Member for Drumheller.

MR. TAYLOR:

I appreciate that very much. I'm learning things every day.

Appropriation 1622 total agreed to \$ 156,020

Appropriation 1623 Industrial Development

Salaries

MR. BARTON:

I have two questions under this appropriation. One is, your Regional Economic Advisory Council -- what is the criteria and how is it going to be appointed? And the next question is, coming from a designated area and being able, over the last two years, sitting in on presentations, the bridge-gap financing between the time that a loan is approved by DREE and the company actually receiving it is very important, and I would appreciate the hon. minister's comments to the fact that North Americans are in serious financial problems in this bridge gap area. He's contributed many millions of dollars towards this operation and this \$1.2 million is tied up. The next part of it is that the Canadian banks are more or less reluctant to go into any type of negotiation. Is your department looking into this area of bridge-gap financing then, under your Industrial Development Fund, could you possibly guarantee a \$400,000 loan?

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MR. PEACOCK:

Mr. Chairman, the first question, the District Economic Advisory Councils -- I think we all agree . . .

MR. BAFTON:

Is there a reason, because you mentioned . . .

MR. PEACOCK:

I think we are all aware in this House that a symphony was never written by a committee. The emphasis has to be on the individual. When we start looking at Alberta we have as many diversifications in relation to the economy to generalize as we have in Canada. Consequently, when we divide Alberta up into seven quadrants we find out that we have the northeast section, the northwest section, the southeast section, the southwest section, the two great urban areas of Edmonton and Calgary, and that which is in between in the corridor, in general terms.

This is how we intend to do it. We intend to do it by encouraging their own initiative. Our input to that will be our economic research programs that you are approving here today; there will be the Statistics and Economic Research and the field marketing people which we will have some five or more in number, circulating through the province, committing, transmitting and communicating with these areas; aiding them and helping them to help themselves.

In order to justify that we said that in order to get these components, building the entrepreneurs in the province, we must have these other components, we must have a capital resource that isn't present in the present banking system. That is, in this area that you are talking about, the difference between the bridge financing at times or the service industry that can't get financed or get proper loans, or whatever this might be, or the small manufacturer that has an idea, or distributor who has an idea, but who hasn't got a lot of resources, but he has a reasonably good track record in his community, the community knows what he is all about. This is the idea of the Regional Economic Advisory Committees. The input from the government will be all those things we are talking about, which will be transmitted by a marketing representative of the government in those areas.

To answer the other question so far as the financing is concerned . . .

MR. BAFTON:

You are going to specifically have marketing representatives in the seven zones from government or are these going to be appointed?

MR. PEACOCK:

No, from government, from our department. We have them now.

MR. MC LEM:

Mr. Chairman, I wonder if we might have an explanation . . .

MR. PEACOCK:

I haven't answered the other question. The second stage of the question in answer to financing, we agree that the problem for small manufacturers and the individual in the province of Alberta have been many and varied. The kind of industries are many and varied. And that is the reason you have Bill No. 50 in front of you now. They cover the whole gamut of what these areas we are talking about; these regional economic development areas had to help make them viable.

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We have extended it so we can get these loans in those areas -- whether it be the barber shop, or the insurance business, or the housing business, or whatever it might be, or the machine business, or the dealership -- it is not just manufacturing, because we recognize that in the service industries, as the hon. Mr. Yurko said a little earlier, we are not sure, but I would suggest 80% of the rural economy is predicated on service industries. So we have to look at that, and that is what Bill 50 does. Now to talk about the bridge financing -- the gap between. This is also an area that is covered in that bill and the guarantees. And that is where we bring in the central banking system with the guarantees, and we hope that at the time this bill is passed -- Bill No. 50 -- that we will be able to do the very things that you are talking about, in North America, instead of elsewhere. Right now what we have to do is have an Order-in-Council and get special permission to do those things.

MR. PARTON:

Could you initiate an application, say right now?

MR. PEACOCK:

If you would like to pass it right now, we will accept it I guess. It is not enforced until June 1st.

MR. HO LEM:

Mr. Chairman, I wonder if I could have an explanation from the minister or the Provincial Treasurer on salaries on 1623. There is an increase of \$5,000 for the same number of salaried positions, and I would assume that this might as a result of the double increments, and if this is so, there is no allowances for any annual increase as is allowed for in other departments up to, for instance, you gave an example when one department last night, that there was an increase of 6% plus 4 1/2%, and then over and above that, there was consideration for increments. Now, in this particular vote, there is no provision for any such increases.

MR. PEACOCK:

I think one of the problems that we find here when we get into these things, and they are logical questions to ask, but you get into classifications. And then when you get into the restructuring of a department, then you get into a reclassification, and this is what makes the difference because in this particular department you lower it, and in another department you raise it, you know in broadening it out, so that you have got a variance. Now, I don't know whether.....

MR. CHAIRMAN:

Thank you.

Appropriation 1623 Total agreed to \$ 230,900

Appropriation 1624 - Transport Research and Development

Fees and Commissions

MR. WILSON:

Would the minister explain what he proposes to do with the extra \$65,000 under Fees and Commissions in this vote?

MR. PEACOCK:

Yes, I would be delighted Mr. Chairman, because I would like to have it \$565,000. I think that I have mentioned before and I say it here again, that if we in this government do one thing, it is to

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some way correct the inequities that we have in transportation in this province, then we have accomplished something. Because I don't think, as a landlocked province, that we can move very far until we understand that we have tremendous transportation inequities. I am sure we all are aware that it is common knowledge.

How to attack this? I don't think the time has been ripe. I am sure you have heard the premier allude to the seriousness of transportation in the province of Alberta. I think that constitutionally and politically, now is the time to strike. We have political problems in long and short haul that require political strategy to have them withdrawn. We have agreed charges, we have other problems that are negotiable with the transportation companies; but we have other things going for us at this time with the development and advent of the extension of the north and the pipelines and what they mean to Alberta that I think the transportation companies are in a position where they are favourable at reassessing their whole position in the Province of Alberta. And, for that reason, we have to be fortified with all the economic research and back-up that is necessary and I appreciate that there has been much done in the past. But at this time and place we have to have it.

MR. WILSON:

Mr. Chairman, would he elaborate on what his policy is in awarding research contracts?

MR. FEACOCK:

If I was honest I would say -- well, it's only from my experience of those that are skilled in the transportation research business and there are few of them -- so I would say, I suppose, if I was honest, that I had no policy.

MR. WILSON:

Mr. Chairman, perhaps the hon. minister could tell us how many research firms there are in this field that are available to his department and supposing that there were two or more, in his estimation, equally qualified how would he make the decision; would he go on a rotation basis with government contracts. I would just like to know how you select the firm that you're going to do business with and how many firms that you have an opportunity to do business with.

MR. FEACOCK:

I think as we move along in the initial stage we awarded a contract for an overview of transportation in order to identify priority. I think from here on in as we move along with the program we will put them out to request and to bid, and they would be taken on that basis along with whatever terms of reference and qualifications, of course, and they'd only be directed by those we felt were qualified to submit.

MR. WILSON:

Do you care to elaborate further on your original statement that there are few firms left in this field and how many firms you feel that you could deal with?

MR. FEACOCK:

I didn't say there were few firms left - there are few firms to begin with. As you probably are aware - maybe you're not - we have done our best and I think the hon. Mr. Taylor is aware of it, that we are attempting to get an economic transport school in the

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universities here. We felt that there is much need, and particular in Alberta because of its vulnerable position in regards to, and being landlocked, its transportation vulnerability. We've had considerable problem getting the interest created in this area. Now what has happened with our economists in this area and our few professional people is that they have gained their skills from practical experiences of fighting intervention orders on transportation, whether it be pipelines, airlines, rail lines, and as I say they are very limited here. There's some - and I think that's part of our departments problem is to identify and find out who are skilled to do it. Now we happen to have the basis of an excellent department. But what we want to do in transportation, if we can, rather than build the capabilities in the department, we want to go outside and contract for the specific cases in the areas of priority as they occur. So that if we're talking about rail, talking about air, or talking about a route, we can rifle into the problem and from that we will start picking up our skills from the people that are capable of handling it.

MR. WILSON:

Mr. Chairman. Are there any Alberta-based companies that you would feel that you would use for this particular vote and how many would be from Alberta.

MR. PEACOCK:

There are three companies that I can think of off the top of my head and they would certainly have the qualifications.

MR. WILSON:

Would you name them?

MR. PEACOCK:

As long as the press wouldn't repeat it. I think Hu Harries, LaBorde Simat, Acres.

MR. RUSTE:

Mr. Chairman, on this appropriation, I take it that this would be the one that's considering the report that's been released - not to the public - but to the provincial governments and to industry relating to, I think it's grain rationalization study or something like that, that's in the whole area of transporting of grain and so on. Am I right in that?

MR. PEACOCK:

That's part of the input in our department.

MR. TAYLOR:

Mr. Chairman, I wonder if the hon. minister would outline the type of person he plans to hire in the additional four - there's four more persons being added - could we have some indication of the qualifications for which you are looking?

MR. PEACOCK:

I think, basically, they would be of economic backgrounds. As the hon. Member for Drumheller is fully aware, transportation rates are set on a very complex accounting system and it takes a rather astute economist to sort them out.

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MR. TAYLOR:

After you have the full quota of ten could you outline the branches or the sections within the branch. Such as, will there be somebody in charge of air matters; someone in charge of trains; that type of thing?

MR. FEACOCK:

Yes, we intend to focus on railrates; we would intend to focus on air -- two ways of air -- air international and air in province -- because this is a complex problem. We would intend to relate back into modes of transportation and follow up, as you are all well aware I am sure, that we're deeply involved in capsule pipelining and slurry pipelining and to identify these areas as being alternates. But further than that, I suppose, we would be looking at very close relationship, through these regional economic departments, of a feed-back of what they felt, and what we felt in municipal affairs, of growth areas and transportation corridors so we could superimpose the transportation corridors back into the highways department for their road transportation program.

MR. TAYLOR:

I certainly agree, Mr. Chairman, that it is a tremendous field and a tremendous potential. If we can crack some of these transportation problems it is certainly going to be a tremendous boost towards industrial expansion in the province, and for industrial development.

I have been wondering how fast, or slowly, we are moving in connection with international air transportation. At one time Northwest Orient Lines were quite prepared to use Edmonton as a stopping place between Chicago and Fairbanks or Anchorage and we were having difficulty in getting approval from the Canadian government, although even at one time they did have this right to stop here. We also had airlines in the United States, who I think you also met at the aviation conference in Calgary, who stated they were prepared to commence airline traffic between Los Angeles and Calgary, possibly Edmonton, and between Dallas, Texas; and Calgary and possibly Edmonton. It seems a great pity when we have people who are prepared to spend their money and invest their money in this type of air transport that government regulations are stopping free enterprise from getting in and doing the job.

I realize the difficulty is in international aviation and the bi-laterals or the biennial meetings. I also realize that many people in the United States are opposed to the trade of Canadian lines into the U.S.A. so we can get the American lines into Canada. There is always a trade-off. But I think we can also be very proud that the Canadian lines are welcomed by the people of the United States but not so much by their competitors, the airlines, and my last contact with this was with -- and I think you will find the correspondence in the files -- Governor Reagan at which time we were trying to pinpoint the objectors in the U.S.A. who were transferring their objections to the negotiators of the American government. It put the Canadian negotiators, anxious as they were to get some of these airlines into Canada, to a very, very difficult position and almost up against a stone wall. I am wondering if this matter has been pursued and if we have been able to pinpoint some of the areas and some of the people in the U.S.A. who are opposing this trade-off because I think once we do then certain work can be done to try to make them realize that the Canadian airlines going to the USA and the US airlines coming to Canada can be mutually advantageous for Canada and the United States.

I would appreciate a few comments on this very important item from the hon. minister.

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MR. PEACOCK:

Mr. Chairman, as the hon. member stated we have a very serious problem with the American government and up until now with the American airlines. I'm not suggesting that he was not aware that the airlines in the United States were in very dire economic straits, so the communication that we have between Canada and the United States in order to do trade-offs between landing rights here and in the United States are called bi-laterals and they were to be called, supposedly on a regular basis or behalf of the two governments.

The American airlines have deferred calling this for the reasons that as I say, they are in economic straits -- dire straits. They are in better shape now and, of course, the unfortunate thing is that the political climate between Canada and the United States has deteriorated, so that has been deferred once again, the governments calling these bi-laterals. However, they feel, and there is every effort being made, that they will be opened in June of this year. There is, I think, very good likelihood . . . we have made application for Los Angeles, San Francisco, Calgary, and Edmonton. We have made application for Denver, Calgary, Edmonton, Fairbanks, or Anchorage. We are looking at Chicago, Calgary, Edmonton, Anchorage, Fairbanks, Anchorage.

We are this advanced, that we are ready now to establish and put a priority on what we feel are the first services that are for the benefit of Alberta, whether that be: Los Angeles-Alberta-Alaska, Chicago-Alberta-Alaska, or Houston-Alberta-Alaska.

MR. PEACOCK:

You want to finish this . . . ?

MR. CHAIRMAN:

Very well, appropriation 1624 . . . Mr. Strom.

MR. STROM:

Mr. Chairman, I was wondering if the hon. minister could tell us -- are you still retaining the services of Mr. Frawley, Mr. Jim Frawley?

MR. PEACOCK:

No, Mr. Frawley is on advisory services with us, but he is retired. I think he is 80 some years old, and we had a nice letter from him on his retirement.

MR. STROM:

Is that on the same basis as we had in the last year?

MR. PEACOCK:

What is the basis?

MR. GETTY:

The basis that I understood he was on last year was that he was. . . [Interjection]. . . Right, and that has been continued to the anniversary date of the Order in Council which established that, and I think it is sometime in November of this year. In the meantime, Mr. Frawley is advising the minister and he is not, though, feeling any obligation to be in the office or on a permanent basis. As a matter of fact I must say that he has made a tremendous contribution to Alberta over the years.

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SCMP HCN. MEMBERS:

Hear, hear.

MR. STECM:

Mr. Chairman, if I might just echo the words of the hon. Minister of Federal and Intergovernmental Affairs. I think that we would certainly be remiss if we didn't pay tribute to the tremendous contribution that this man has made. In asking, I don't want to leave the impression that I am in any way being critical of what has been done. In view of the tremendous service that he had provided to Alberta and recognizing an agreement that was made considerably before I came there. We honoured it and I think he has something to offer even as yet. One of my concerns in regard to this man's services was in our ability -- or inability if I might say -- to replace him with the tremendous knowledge that he has. This may not be the place to ask it, and if it isn't, I am prepared to hold it until I get to the hon. Minister of Federal and Intergovernmental Affairs. I was wondering what steps is the government taking to replace Mr. Frawley and to work in the Ottawa area in the field of service that he has been provided?

MR. PEACOCK:

If I may reply to the hon. member of the opposition -- the Leader of the Opposition -- first I have met Mr. Frawley a long time ago, but I haven't been down to Ottawa. I think, as you suggest, sir, he had much to contribute. We will certainly not forget that. We will certainly pass along your comments here today. Where we can, we will certainly be using him. What the replacement might be and what the future might be, I think I should leave that to the hon. Mr. Getty for further reply.

MR. CHAIRMAN:

Very well. I wonder if the Assembly wishes to consider it being 5:30 p.m. at this time?

HON. MEMBERS:

Agreed.

MR. HYNEMAN:

Mr. Chairman, I move that the Committee rise and report progress and ask leave to sit again.

HON. MEMBERS:

Agreed.

[Mr. Diachuk left the Chair at 5:32 p.m.]

* * * * *

[Mr. Speaker resumed the Chair at 5:32 p.m.]

MR. DIACHUK:

Mr. Speaker, the Committee of Supply has considered certain estimates, reports progress, and begs leave to sit again.

MR. SPEAKER:

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

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HON. MEMBERS:

Agreed.

MR. SPEAKER:

It being now half past five, the House stands adjourned until Monday afternoon at half past two.

[The House rose at 5:33 pm.]