

LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, May 26th, 1972

[The House met at 2:30 pm.]

PRAYERS

[Mr. Speaker in the Chair.]

NOTICES OF MOTION

DR. HORNER:

Mr. Speaker, I would like to give oral notice of motion that I intend to introduce into the House on Monday next, amendments to The Legislative Assembly Act.

INTRODUCTION OF BILLS

Bill No. 94

Marketing of Agricultural Products Amendment Act, 1972

DR. HORNER:

Mr. Speaker, I beg leave to introduce a bill being Bill No. 94, The Marketing of Agricultural Products Amendment Act, 1972. The purpose of this act is to broaden the scope of the Marketing Council, to enlarge the council, to increase the producer representation on the council, to increase consumer and industry representation on the Marketing Council. In addition to that the bill will allow us to include feed grains and oil seeds as a particular part of the definition of agricultural products. There are other amendments which will allow us to more clearly define the nature of plans on which producers may or may not be required to vote. The bill will allow us to more clearly define the role of certain marketing boards in regard to national marketing legislation. It will additionally provide for the election of the commissions which are now appointed and will generally improve the role that government can play in the direction of the marketing thrust of the various commodity groups in Alberta.

[Leave being granted, Bill No. 94 was introduced and read a first time.]

Bill No. 103

The Municipal Taxation Amendment Act, 1972

MR. FARRAN:

Mr. Speaker, I beg leave to introduce a bill, Bill No. 103 being The Municipal Taxation Amendment Act, 1972. This bill, Mr. Speaker, has some 36 amendments and I don't propose at this stage to go over them in detail, because they are mainly technical, redefining certain terms in the act, and so on. But there are a few that are of a substantive nature.

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One is to introduce legislation for a supplementary role, whereby municipalities can levy property tax against buildings completed or fit for occupation during a portion of a year prior to the assessment anniversary date. Another is to extend the cut-off date for assessments from October 31st to December 31st.

Another amendment of a substantial nature is to include in exemption provisions, from property tax from land and improvements pertaining to senior citizen homes run by non-profit organizations. Another proposes that the present reduced assessment allowed on summer cottages from the education portion of the property tax levy be extended to cover ancillary buildings such as detached garages and boat houses.

Another provides that obvious errors in an assessment roll can be corrected by the assessor without going through a court of revision, and also legislates for rights to appeal. Another provides for local councils, by resolution if they see fit, to issue two tax notices -- one for the supplementary requisitions for educational purposes, and one for municipal purposes.

Another eliminates the requirement for a leaflet to be mailed with tax notices, showing the various provincial grants that are made to municipalities. Another provides that parks and recreational facilities may be undertaken as local improvements under a local improvement or local benefit bylaw.

Another provides that frontage rates for local improvements may vary around a block. For instance, if a paving of a lane is required by some new development, such as an apartment block in a residential area, it can be assessed against the new development that causes the improvement.

I think those are all the amendments of major significance. There are some 30 others of a minor technical nature.

[Leave being granted, Bill No. 103 was introduced and read a first time.]

MR. HYNDMAN:

Mr. Speaker, I move, seconded by the hon. Provincial Treasurer, that Bill No. 103, The Municipal Taxation Amendment Act, 1972, be placed on the Order Paper under Government Bills and Orders.

[The motion was carried without debate or dissent.]

Bill No. 96  
The Oil and Gas Conservation Amendment Act, 1972

MR. DICKIE:

Mr. Speaker, I beg leave to introduce a bill, being The Oil and Gas Conservation Amendment Act, 1972.

There are a number of amendments here, primarily dealing with clarification. The first deals with the definition of a well. There was some concern about whether a well included a coal test hole over 500 feet. It's now clear, Mr. Speaker, that the act will provide that where there is a well of that nature, there will be a license required and the board will be able to keep track of such coal exploration.

Another area requiring clarification is the general powers of the board, specifically where the board requires approval or authorization by the Lieutenant Governor in Council. The Lieutenant Governor in Council is given power and authority to attach conditions to the approval of authorization that is granted.

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The third, and perhaps most significant of the amendments that are proposed deals with the allocation of responsibility between natural resources and pollution control. It's clear by these amendments, Mr. Speaker, that on the question of pollution control, they require the approval of the Minister of the Environment.

The final area I'd like to mention, Mr. Speaker, concerns well abandonment, where wells have been unsatisfactorily abandoned. They are now under the control of the board, and as a result there is a provision dealing with cost which will be beneficial to the province.

[Leave being granted, Bill No. 96 was introduced and read a first time.]

Bill No. 102  
The Public Service Amendment Act, 1972

Bill No. 105  
The Crown Agencies Employee Relations Amendment Act, 1972

DR. HOHOL:

Mr. Speaker, I beg leave to introduce two bills, being Bill No. 102 and Bill No. 105.

Bill No. 102 is The Public Service Amendment Act 1972, and Bill No. 105 is The Crown Agencies Employee Relations Amendment Act 1972.

Mr. Speaker, the purpose of these two bills is to amend The Public Service Act and The Crown Agencies Employee Act. Bills 102 and 105 are primarily designed to amend the acts in a manner so that collective bargaining arbitration replaces mediation in the former procedure.

[Leave being granted, Bills No. 102 and No. 105, were introduced and read for a first time.]

INTRODUCTION OF VISITORS

MR. SCHMID:

Mr. Speaker, I would like to introduce to you and through you to the members of this Assembly, Baroness Ann Von Maydell, accompanied by her son, Baron Dietrich Von Maydell. She is from Bonn, the capital of the Federal Republic of West Germany, and is visiting our Princess Province. I would like them to rise and be recognized. They are seated in the Speaker's gallery.

MR. COPITHORNE:

Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly, a group of young high school students from the constituency of Banff and the town of Banff, escorted by their counsellor, Mr. Sargent. I would like them to rise and be recognized by the Assembly.

DR. HOHOL:

Mr. Speaker, I am happy to introduce to you and to this Assembly, a Grade V class from my constituency, from the Kildare Elementary School. There are 59 students, accompanied by their teacher, Mrs. Hitesman, and another teacher, Mr. Taylor.

Just to comment in a human interest way on the interest of the youngsters in the last election, as all of us in this Assembly know, one of the children in the class was one of my very active workers.

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I am very happy to introduce this class of Grade V students, in the members' gallery. Will you please rise and be recognized.

MR. SORENSON:

Mr. Speaker, I wish to introduce to you and through you to the members of this Assembly, 26 students from the public school at Galahad. They are accompanied today by their teachers, Mr. Bailey and Mrs. Fuller, and chief of transportation, Nip Sorenson.

Galahad, no doubt, received its name from that famous Knight of the Round Table. Believe it or not, the bustling centre of Galahad, which boasts a very modern hospital and many other services, is located about 20 miles from a hardtop highway.

They are in the public gallery, and I will ask them to stand and be recognized at this time.

MR. NOTLEY:

Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly, some 48 Grade IV, V, and VI students from Wanham. They are accompanied by their teachers, Mrs. J. Zars, Mrs. D. O'Connell, and Mr. B. Pawa. They are not here, Mr. Speaker, to present a brief on oil royalties, but I think they are to be commended on showing the interest in the democratic procedures. They have come a long way. They are in the public gallery, I would ask them to stand and be recognized by the members of the Assembly.

#### FILING RETURNS AND TABLING REPORTS

MR. YURKO:

Mr. Speaker, I beg leave to table the proceedings of the first annual meeting of the Public Advisory Committee on the Environment which functions under the Environment Conservation Authority.

MR. FOSTER:

Mr. Speaker, I beg leave to table the report of the Red Deer College Inquiry conducted by Dr. Tim Byrne, the Commissioner, and to express the appreciation of myself and the government to Dr. Byrne and his staff for assistance in a very difficult circumstance.

MR. LEITCH:

Mr. Speaker, I beg leave to table the Annual Report for the year 1971 of the Alberta Police Commission.

MR. GETTY:

Mr. Speaker, I wish to table three returns which have been ordered by the Assembly.

DR. HORNER:

Mr. Speaker, I would like to table a return ordered by the Assembly.

MR. LUDWIG:

Mr. Speaker, I rise on a point of privilege. I would like to inquire from the hon. Minister of Intergovernmental Affairs about his failure to reply to a Motion for Return. I gave a question, I believe question 181 on April 19th, which was made a Motion for a Return on April 25th. It is over a month now. It was rather a short

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question dealing with the matter of the Finance Ministers' Conference in Jasper. Now I just wonder whether the minister had overlooked answering, or whether he is being evasive for any reason perhaps not known to the House. I wonder if the minister can tell us when I can expect an answer to that Motion for a Return?

MR. GETTY:

Well, Mr. Speaker, that return has been tabled in the House.

MR. LUDWIG:

Mr. Speaker, I beg to differ with him. I checked yesterday in the Clerk's office and it was not tabled in the House.

MR. GETTY:

It was tabled already today.

MR. LUDWIG:

Oh, I apologize. In any event, it did take him a long time.

MR. GETTY:

Mr. Speaker, we'll accept his apology.

#### ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Leader of the Opposition followed by the hon. Member for Calgary North Hill.

#### Tar Sand Development

MR. STROM:

Mr. Speaker, I would like to direct my question to the hon. the Premier. I wonder if the hon. Premier could advise the House if the Syncrude group have all matters resolved relating to them getting started, and if they have given a firm commitment that they are ready to begin construction on their tar sands plant at Ft. McMurray.

MR. LOUGHEED:

Mr. Speaker, I thought that information was public knowledge, and it had been dealt with before, but just to alert the hon. Leader and bring the matter up to date, the situation at the moment -- and the Minister of Mines can correct me factually if I am in error here -- is that the conditions that have been established in granting the permit for Syncrude to expand or to proceed have two conditions involved. One, the question of their decision to go ahead or not will be made -- I believe the date is on or before August 31, 1973 -- and that is when they have to advise the Executive Council whether they are definitely going to go ahead or not. And during the period between now and then, as I understand it, Syncrude are in the process of assessing the total costs of the project and then making a final evaluation. We have no reason to believe that they will not be proceeding, but the situation of that Order-in-Council and that condition -- which I think has been a public document for some time -- sets forth that particular date.

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I believe the hon. Leader also asked what other outstanding matters there are in addition to that. I believe it would be fair to say there are two. The first one has to do with certain details regarding the environmental control which we feel will probably be negotiated and settled with the Syncrude group during the course of the latter part of 1972 or the early part of 1973. The second condition would be to assess the situation with regard to royalty rates for the Syncrude organization, and we would be looking at discussing that matter with them during the same period of time.

MR. STROM:

Mr. Speaker, a supplementary question. Did I understand the hon. Premier, then, to say that you would still be negotiating the royalty situation with the Syncrude people following the August 30th deadline date, or will you be giving a decision prior to the company making a decision on whether they will go ahead or not?

MR. LOUGHEED:

Mr. Speaker, the commitment of the Syncrude company is to advise the government of a definitive view on whether to proceed or not by August 31st, 1973. Quite obviously Syncrude, therefore, is entitled to know the cost factors involved in the environmental area and in the royalty area before they make that final decision. So those are the two outstanding matters yet to be resolved from this government's point of view. Syncrude, of course, have their own cost calculations that they will have to make.

MR. STROM:

Mr. Speaker, the last supplementary question. I appreciate that I missed the date August 31st, 1973. I was thinking in terms of 1972. I'm wondering if the hon. Premier can advise the House if they are presently negotiating with Great Canadian Oil Sands in regard to royalties and whether or not the proposal they would be looking at, as far as Syncrude is concerned, would be identical with the one that they would be having with Great Canadian Oil Sands?

MR. LOUGHEED:

Mr. Speaker, I believe the hon. Minister of Mines and Minerals dealt with that matter in the House not too long ago. Certainly something that has not been dealt with by the Executive Council as yet is the matter of the Great Canadian Oil Sands and the question of the royalty arrangements there. We have no view at this time whether or not the royalty situation would be identical for each project, but certainly it would be a factor we would have to take into consideration.

MR. NOTLEY:

A supplementary question, Mr. Speaker, to the hon. Premier. Has the government commissioned a study into the charge made in the Legislature the day before yesterday by the leader of the Liberal party with respect to the proposition that Great Canadian is selling synthetic crude to their American company at substantially under-the-market price?

MR. LOUGHEED:

Mr. Speaker, the word 'charge' bothers me somewhat, but the question, I think, is well taken. I would refer it the hon. Minister of Mines and Minerals.

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MR. DICKIE:

Yes, Mr. Speaker, I would be pleased to answer that, and say that we have had the request for remission of royalty. Part of our studies on that dealt with myself and the hon. Provincial Treasurer, along with our respective deputy ministers, to do some of the preliminary investigation into this question. I'm sure during that investigation we will come up with the whole question that was raised on the floor of this Legislature during the Royalty Hearings.

MR. SPEAKER:

The hon. Member for Calgary North Hill, followed by the hon. Member for Calgary Bow.

Civil Service

MR. FARRAN:

Mr. Speaker, I have a question for the hon. Provincial Treasurer. Sir, the other day the hon. Premier said that where any department of the civil service was phased out by the government in the interests of cutting costs there would be no layoffs. Every effort would be made to develop employment in other jobs. I have received a number of letters today from civil servants formerly engaged in the Fuel Oil Tax Branch in Calgary. They have received rather curt notices from a senior civil servant saying that their services will be terminated on June 22nd and that for 180 days they would have the right to be appointed to the first available position. This naturally leaves them in a state of complete alarm. There are three members in this category of staff in the Calgary office and three have been given the option to transfer to Edmonton or else --

MR. SPEAKER:

Would the hon. member please come directly to the question and if the hon. minister requires further detail he may ask for it.

MR. FARRAN:

Will these people continue to be employed by the provincial civil service?

MR. MINIELY:

Mr. Speaker, I think I have indicated in the House on previous occasions with respect to the fuel oil tax and the tobacco tax, that my department was undergoing a streamlining of procedures and that part of this streamlining was for the reason that a real hardship had been placed at the dealership level in the collection of the fuel oil tax and, in fact, the tobacco tax. We are trying to achieve efficiencies in the procedure and to reduce hardships and burdens that the citizens involved in the collection of the taxes had experienced in the past.

Part of the result of the streamlining of procedures to accomplish what I consider to be this very important end, has been the assessment of efficiencies, and the particular situation which the hon. member refers to is one in which my department gave a considerable amount of examination. We have obtained three separate and independent assessments of the situation, all of which unanimously recommended that the operation was really inefficient in view of the fact that we are streamlining procedures, generally, in this area in order to achieve cost savings and in order to reduce burdens on the dealers and collectors of the tax at the local level and in the rural areas.

Following that -- I would like to say that that was the purpose with respect to the staff -- there were six staff members involved and all staff have been guaranteed positions in other areas of the

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Civil Service, three of them in the Treasury Department itself; as well, others have been guaranteed transfers either within Calgary or Edmonton, whichever their choice might be. There was one staff member who was at quite a senior age who was happy, I understand, at this point to retire.

Balancing the whole situation I feel the staff was certainly adequately treated. It's one of those things where to accomplish the other objective, which I indicated earlier, was necessary.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Edmonton Kingsway.

Prescription Drugs

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Health and Social Development.

In your current study of the Alberta Pharmaceutical Association proposal to cut in half the cost of prescription drugs to consumers in Alberta, what factors are you considering?

MR. CRAWFORD:

Mr. Speaker, that is a very generalized question, of course, and to go into all of the factors that had to be considered would, to some extent, be anticipating the further meetings and the content of the further meetings that must take place.

I can, however, say to the House that recent press reports of a proposal made by the Pharmaceutical Society Association do relate to general proposals and general objectives stated by them in a letter which was received by me earlier in the year, prior to the session.

I had an evaluation of that done during the session and one of the conclusions that my officials have come to in connection with it is that the matter should certainly be pursued and, in doing so, other meetings would have to be held in order to make sure that all relevant matters are indeed considered by anyone who might be involved. I can advise the hon. member that it is my intention when the session is over to have such meetings arranged and held.

MR. WILSON:

Supplementary, Mr. Speaker, are consumers, in fact, subsidizing hospitals now because of current marketing practices?

MR. CRAWFORD:

Mr. Speaker, that is a matter of interpretation. I suppose the reference is to the fact that to some extent the hospitals can buy in bulk. They get some commodities for less than people who don't buy in bulk to that extent. I think that is true of a lot of commodities -- I think it is true of almost anything that you may be in a position to buy from time to time on large orders. Therefore, having stated, the interpretation that I put on it at the moment, I don't like to see the interpretation pushed so far as to say there is a subsidy extended by this course of events to hospitals who are, after all, only taking advantage of the fact that they do buy in large quantities.



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MR. WILSON:

Supplementary, Mr. Speaker. What negative side effects might occur by such a purchasing system as recommended by the Alberta Pharmaceutical Association, such as a cessation of research by drug companies not winning contracts?

MR. CRAWFORD:

Mr. Speaker, this is something that individual drug manufacturers have mentioned to me on occasions when I have been able to meet with them, and there is no doubt that the major manufacturers in Eastern Canada are of the view that if some degree of profitability may go out of their operations -- and I'm not sure that would be the necessary result of this sort of proposal -- but if their degree of profitability is reduced they may find it more economical to have their research carried on in what are, in most cases, American parent company offices in the US.

MR. SPEAKER:

The hon. Member for Edmonton Kingsway followed by the hon. Member for Calgary Millican.

DR. PAPROSKI:

Thank you, Mr. Speaker. My question was similar to the one just asked by the hon. member opposite, so I'll just ask a supplementary on that to the hon. Minister of Health and Social Development. Have there ever been any similar types of submissions to your department in the past, Mr. Minister, regarding bulk purchasing of drugs for consumers so that the cost can be dropped?

MR. CRAWFORD:

Well, Mr. Speaker, I think it's important to put this in its proper context. The proposal that I'm speaking of, that was received in the last several months -- a generalized proposal only -- is the only one that has come to me since we assumed office last year.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Innisfail.

#### Family Allowances

MR. DIXON:

Thank you, Mr. Speaker. I'd like to direct my question today to the hon. Minister of Health and Social Development. Under the proposed changes by the federal government regarding the new family allowance program, I understand the federal government is requesting the provinces not to penalize welfare recipients that receive the higher payments. So, at this time, my question is, what are the plans of the Social Development Department regarding the welfare recipients who will be in receipt of the higher payments from Ottawa?

MR. CRAWFORD:

Well, Mr. Speaker, I think it should be made clear that what the hon. member is referring to are the substantial increases that will be expected to come to people in lower income areas as a result of anticipated changes in the federal program for distribution of family allowances. Now, as to those who are on public assistance in Alberta, who are receiving help from the provincial government and will, therefore, when the new federal proposals take effect, be receiving in total more money than they had been up until the present time from the two governments, I would have to say that the question that you have raised and which was raised by Mr. Munro, the federal

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minister, is still under consideration. I would not be in a position to give any assurance of the proposal that the people who are on public assistance will not have their allowances adjusted as a result of the greater amount received by them from the federal government.

MR. SPEAKER:

The hon. Member for Innisfail followed by the hon. Member for Stony Plain.

Red Deer College

MR. DOAN:

Mr. Speaker, I'd like to direct my question to our hon. Minister of Advanced Education. Do you have any comments on the Byrne report?

MR. FOSTER:

Mr. Speaker, do I ever! With leave of the House, I would like to take a couple of minutes to make some comments on the Byrne report.

The major recommendation of Dr. Byrne was, in reading from the report, that for at least a year the affairs of Red Deer College be placed in the hands of an administrator, and, for this period, the administrator should be given all the powers granted to a college board under The College Act.

I have, in the course of the last several days, consulted with several parties on this subject and met this morning with the entire Red Deer College Board. It is with some regret, Mr. Speaker, that I advise this House and this province that I am prepared to appoint an administrator, for a period of time, to conduct the affairs of Red Deer College and to grant to this administrator the powers of the Board of Governors, as recommended.

The Board of Governors of Red Deer College, and particularly, Mr. Speaker, the lay members of the board are quite prepared to assist the administrator in an advisory role or capacity as the administrator may determine.

I would like to announce that the administrator of the college will, in this case, be Dr. Ray Fast, who is currently the Director of Instructional Services in the Colleges Commission. If I may, I would publicly like to call upon all parties within and without that college, to work together with the administrator in the hopes that, with minimal uncertainty and delay, we can again have a first class college in the City of Red Deer.

MR. GRUENWALD:

A supplementary, Mr. Speaker. Could I ask the hon. Minister of Advanced Education then, will Dr. Fast continue on the Colleges Commission, or will he be full-time as administrator?

MR. FOSTER:

Mr. Speaker, there is not presently in the legislative authority to achieve what I wish to do in this regard, and I am therefore proposing an amendment -- or will be -- during discussion in Committee of the Whole of Bill No. 33, to provide government with the authority to do this.

Dr. Fast, as I said, is currently a member of the commission. I assume that Dr. Fast could be seconded from the Colleges Commission

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to the Red Deer College and he would operate in that capacity for full-time duty during that period.

MR. GRUENWALD:

Another supplementary. To whom will the administrator be responsible? To you as minister, or to the commission?

MR. FOSTER:

I assume, Mr. Speaker, that the administrator of the Red Deer College in this case would be responsible to the Lieutenant Governor in Council. I anticipate that is the manner in which he would be appointed.

MR. GRUENWALD:

One more question, if I may, Mr. Speaker. From your initial remarks, will the present board and the president of the college be used for input into decision-making in the college through the administrator?

MR. FOSTER:

Mr. Speaker, the members of the board are quite willing to assist the administrator in any way he may wish them to. I assume that would be in some form of an advisory role, that has yet, I suggest, to be discussed between the administrator and the lay members of the board. That will also apply to the president, of course; he is a member of that board.

MR. CLARK:

Mr. Speaker, a supplementary question to the hon. Minister of Advanced Education. In your initial remark you said that the administrator had been appointed for a period of time. Could you give us some indication of what time you are looking at -- a number of months or a year?

MR. FOSTER:

Mr. Speaker, I really don't know. The recommendation of Dr. Byrne was that it be for a period of a year. I am currently working with Legislative Counsel and drafting the necessary legislation to implement this, and one suggestion is that the appointment be for a period of a year, unless sooner terminated by the Lieutenant Governor in Council. I think that we really can't be more precise than that at this point.

MR. CLARK:

One last supplementary question to the hon. minister. The legislation that you would be presenting to the Legislature -- an amendment to Bill No. 33 -- would this give the minister the power to assume the same kinds of responsibilities as far as a university is concerned in the province?

MR. FOSTER:

No, Mr. Speaker, that is not the proposal.

MR. SPEAKER:

The hon. Member for Stony Plain followed by the hon. Member for Lethbridge West, unless he has asked his question in the form of a supplementary. In that case, the hon. Member for Calgary Mountain View will follow the hon. Member for Stony Plain.

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Sale of Firecrackers

MR. PURDY:

Mr. Speaker, a question to the hon. Minister of Manpower and Labour. Will our government take any firm and positive steps towards banning the selling and use of firecrackers in the province? I bring this up in regard to the two needless deaths last weekend in St. Albert.

DR. HOHOL:

Mr. Speaker, before I address myself to the question, I'm sure that the condolences and the sincere sentiments of the government and this Assembly go out to the family, and I wish to express them on behalf of both to the parents of the children who lost their lives and those who were severely burned in this tragic accident.

There is no provincial law, Mr. Speaker, in Alberta, to control the sale of firecrackers or fireworks, but there are provisions in The Municipal Government Act, Section 152, that authorize the municipal councils to pass bylaws to prohibit the sale of firecrackers or fireworks to persons under the age of 18, and regulating the firing of the fireworks with respect to firecrackers.

If our province decides that it is in the public interest to regulate fireworks and gets the support of municipal councils, there are two or three alternatives that the province could take.

It's my intention to treat this matter with the seriousness that it deserves. I shall have my department review loss of life, loss of property and damage over the last 10 years, make some judgments on that basis, review legislation throughout the country in the various provinces, and take a look at the Consumer Affairs regulations on the federal level, which could exclude firecrackers from the market. We could set up a regulation under the National Fire Code of Canada to control the sale and to regulate the firing of firecrackers and other kinds of fireworks. When I complete this study, I shall report and recommend to the Executive Council, and report to the House.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Little Bow.

LeDain Report

MR. LUDWIG:

Mr. Speaker, I have a question for the hon. Attorney General. In view of the fact that attention has once again been focused on the LeDain Report, and a lot of conflicting views are emanating from Ottawa, I wonder if the minister can tell us whether he has had an opportunity of informing himself on the issue sufficiently to give a statement as to what stand he is taking on the issue at the present time?

MR. LEITCH:

Mr. Speaker, when the hon. member says 'the issue', I'm not sure what he means by 'the issue'.

MR. LUDWIG:

The issue as set out perhaps when the hon. Mr. Stanfield and Mr. Diefenbaker were in conflict over the LeDain recommendations. I'm wondering whether the -- [Laughter] -- well, it appears to be a silly

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issue at the present time, but it's an issue that's vital to the people of this province.

Mr. Speaker, I would still like to pursue my question to the hon. Attorney General. The issue that I'm concerned about is the announcement in the Journal that "Robert Stanfield vows to eliminate convictions and sentencing on marijuana." That is the issue. It concerns a tremendous number of people in this province, and I'm wondering whether the Attorney General can express an opinion on where he stands on this matter.

MR. SPEAKER:

If the hon. member would kindly refer to Citation 171 in Beauchesne, he'll find that questions requiring comments on newspaper reports do not come within the scope of the rules.

MR. LUDWIG:

Mr. Speaker, then may I reword my question? I've heard both of these reports over the air. I've heard the hon. Mr. Stanfield and Mr. Diefenbaker at each other's throats over this, and I'd like --

MR. SPEAKER:

Order, please. Would the hon. member please, if he wishes to ask a question, ask a question concerning something which is in his mind rather than in the broadcast media.

MR. LUDWIG:

Mr. Speaker, a question to the hon. Attorney General. Has he seen a copy of the LeDain report, and is he prepared to tell us what stand he is taking on the major recommendations in the report? He may even wish to comment on the minority view in that report.

MR. LEITCH:

Mr. Speaker, with respect to the numerous earlier questions by the hon. member, I think it only fair to comment that the resolution of conflicting statements between federal political persons, I feel, are somewhat beyond my capacities.

With respect to his comments about the LeDain report -- I have not yet seen it. This question was asked earlier and has been the subject of statements both in and out of the House by members of government. Until I have had the opportunity of reviewing the LeDain report I don't feel able to make any definite comments on it.

MR. LUDWIG:

Supplementary, Mr. Speaker. Has the hon. minister obtained a copy of the report? And when can we expect copies through him of the LeDain report?

MR. SPEAKER:

This point was dealt with in the House some time ago.

The hon. Member for Little Bow, followed by the hon. Member for Wetaskiwin-Leduc.

#### Irrigation Rehabilitation

MR. R. SPEAKER:

Mr. Speaker, a question to the hon. Minister of Federal and Intergovernmental Affairs. Have you made progress in your

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negotiations with Mr. Marchand, and in particular, with the agreement for irrigation rehabilitation?

MR. GETTY:

There is, Mr. Speaker, considerable progress being made in the area of irrigation rehabilitation. I would like, however, so that as much detail as possible is passed to the hon. member, to refer this to our hon. Minister of the Environment.

MR. YURKO:

Mr. Speaker, I think that all I need say at this time is that we have been negotiating very actively. We still are negotiating very actively and we are an awful lot closer to a final solution today than we were a month ago.

MR. R. SPEAKER:

Mr. Speaker, a supplementary question to the hon. Minister of Federal and Intergovernmental Affairs. In his negotiations, when is the next meeting with Mr. Marchand? Are there further letters and exchanges going on at the present time?

MR. GETTY:

I would just say, Mr. Speaker, that negotiations are going on.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc, followed by the hon. Member for Spirit River-Fairview.

#### Mineral Taxes

MR. HENDERSON:

Mr. Speaker, I would like to address a question to the hon. Provincial Treasurer. I wonder if the hon. minister could inform the House as to whether the federal government has provided assurances to this government that any new proposed mineral taxation act would be fully deductible under The Corporate Income Tax Act.

MR. MINIELY:

Mr. Speaker, I think the answer to that question should be very obvious to the hon. Member for Wetaskiwin-Leduc. The federal government operates under an act. The opinions of people who are expertise in this act are, to a large degree, what is relied upon. The federal government will not give advance rulings on any provision of the act. What you have to do is get an assessment of the expert opinions of people who are knowledgeable about the law -- the same as any other feature of law. Basically in my opinion at this particular time, it will be deductible.

MR. HENDERSON:

Supplementary, Mr. Speaker. I conclude, firstly, that the hon. minister has had no discussion with the federal government. Supplementary to that -- could the hon. minister advise whether he has had any discussions also with the federal government, providing that the federal government will protect the Ontario market for Alberta crude oil, in spite of the crude oil price increase because of tax increases in the province of Alberta? Has the matter been discussed with the federal government?

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MR. MINIELY:

Firstly, I would say that the second question is not an area of my responsibility. My area of responsibility is with respect to tax in general -- provincially and otherwise. I don't think it is our position to advance discuss these things. I think we are interested in what is best for Alberta. In reviewing what we as a provincial government are doing in this area, we have to make our opinions and assessments in line with what is best for the province of Alberta, regardless in this particular kind of item of whether the federal government particularly approve or whether they don't particularly approve. In other areas, certainly negotiations must be done in advance, but I would be very clear in this particular mineral taxation area that it is certainly not one in which, in the view of our government, you would carry on consultations in advance with the federal government. You would make your decisions on the basis of what is best for the province of Alberta, and as part of that decision you would weigh what the tax treatment of that is likely to be, and that is the basis upon which the decision was made.

MR. HENDERSON:

Mr. Speaker, I wonder if I might address a supplementary question to the Minister of Intergovernmental Affairs as to whether he has the assurance of the federal government that they will, under their National Energy Policy, protect the Ontario market for Alberta crude in spite of a crude oil price increase which might take place because of an increased tax levied by the Province of Alberta?

MR. GETTY:

Mr. Speaker, even though the question is completely hypothetical --

MR. HENDERSON:

Hypothetical?

MR. GETTY:

I might advise the House that when our Tentative Natural Resource Revenue Plan was finalized and tabled in the House, it was provided to the Minister of Energy in Ottawa as a courtesy, inasmuch as he has responsibility in certain matters of energy throughout the country. From my odd discussion with him, and I'm sure our Minister of Mines and Minerals -- we can say they are watching the hearings, the results of the hearings, and our decision with interest. But that is as far as we have gone on the matter.

MR. HENDERSON:

Mr. Speaker, from that do I conclude that they have no assurances of any continuation of protection of the National Energy Policy so far as Alberta crude in the Ontario market is concerned?

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Olds-Didsbury.

Village Lake Louise

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. the Premier. It concerns Project Lake Louise. Mr. Premier, would it be a fair statement of your government's position that one of the proposals you are considering is a trade-off with the federal government -- your support for Project Lake Louise in return for autonomy for Banff and Jasper?

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MR. LOUGHEED:

Mr. Speaker, I'm not in the position to answer that question today. I hope to be shortly.

MR. NOTLEY:

Supplementary question. In preparing your provincial position with respect to Project Lake Louise, is the government in a position to comment on the lack of an environmental study by the federal government on the impact of Village Lake Louise?

MR. LOUGHEED:

Mr. Speaker, when the government is in a position to make its views known on the subject, that matter will be included.

MR. SPEAKER:

The hon. member for Olds-Didsbury followed by the hon. Member for Drumheller.

#### Resource Revenue Plan

MR. CLARK:

Mr. Speaker, my question would be to the Premier to ask him if there was formal consultation between the CPA and IPAC group prior to the government's presentation of the Tentative Position Paper to the Legislature on the specific matter of the Resource Revenue Plan

MR. LOUGHEED:

Mr. Speaker, definitely not.

MR. SPEAKER:

The hon. Member for Drumheller followed by the hon. Member for Camrose.

#### Natural Gas Conservation

MR. TAYLOR:

Mr. Speaker, may I address a question to the hon. Minister of Mines and Minerals. In view of our limited supply of natural gas, is the government giving any consideration to forcing large commercial corporations that use vast quantities of fuel, to use coal instead of natural gas and thereby conserve our natural gas?

MR. DICKIE:

Mr. Speaker, of course, you can appreciate at the present time we are having our field price hearings on natural gas, and that will be one of the items involved. I am sure that will be dealt with when the report is brought down.

MR. SPEAKER:

The hon. Member for Camrose followed by the hon. Member for Sedgewick-Corcoration.

#### Trailers in Provincial Parks

MR. STROMBERG:

Thank you Mr. Speaker. A question to the Minister of Lands and Forests. Due to the fact that a number of people with trailers had



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to be refused accommodation at several provincial parks in East Central Alberta on the last long weekend, and especially the Big Knife Provincial Park, is your department giving consideration to rectifying this problem before the next long weekend?

DR. WARRACK:

This problem was brought to my attention earlier this week by both the hon. Member for Stettler, Mr. Harle, and the hon. Member Mr. Stromberg from the 'Rose' constituency. We are doing a detailed check into this now. The problem occurred at two provincial parks that are very close to each other. One is Big Knife and the other is Rochon Sands, and the problem was the same, the crowding of trailer facilities at the camp sites.

The thing that we are particularly looking into is an occurrence which happens during the course of the summer which I had never thought of before this week, and that is apparently where trailer clubs, some 20, 30, 40 different units of the same club, will all go to one park. Then the local people are shut out because of this occurring; we are checking into that as one of the possibilities that may have occurred. We don't have the results from the local officers as yet, but we are certainly following that up.

MR. BARTON:

A supplementary question, Mr. Speaker. Has your department made any decision on alternate locations in the Lesser Slave Lake Provincial Park, where the situation was similar?

DR. WARRACK:

As a matter of fact, Mr. Speaker, the situation in Slave Lake was rather different, not similar. The situation there is one of previous overcrowding having occurred at the three campsites within the provincial park to the extent that environmental damage was severe and would possibly be beyond restoration this year if we did not undertake to improve them, which involved closing them for the summer period of 1972, and we have taken this action.

MR. BARTON:

A supplementary, Mr. --

MR. LOUGHEED:

Mr. Speaker, I wonder if I could -- I'm sorry was that a supplementary question on this subject?

MR. BARTON:

For clarification I asked for alternatives.

DR. WARRACK:

Yes, Mr. Speaker, we took the action that we felt was possible in that regard as soon as the action of protecting the environmental confines of these campsites became evident. We did communicate with the town of Slave Lake, and also with the Slave Lake Chamber of Commerce in order that they could be alerted to the problem, and in the hope that private people in that area could get into the provision of these alternatives. We also alerted the forestry division of the Department of Lands and Forests to try to provide some additional facilities, as well as the Department of Highways in terms of their campsites along the highway.

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MR. BARTON:

A supplementary question, Mr. Speaker, was five days the length of the alternative that both the town and chamber had to find alternate locations?

DR. WARRACK:

Mr. Speaker, we communicated with the local people there on a courtesy basis. I'm informed that this kind of courtesy has not been extended before in situations like this under the previous government, and I feel rather proud that we took this kind of action and worked with them. I also talked to the individual people from the Slave Lake Chamber of Commerce on the Monday that I was in the town of Slave Lake for our forest disposition hearings there. We discussed this matter rather fully at that time.

MR. BARTON:

One more supplementary question, Mr. Speaker, did you advise the Slave Lake Advisory Board -- the parks board that has been set up?

DR. WARRACK:

Mr. Speaker, I did not go through the phone book and write letters to everybody I could think of, but I did send a copy to the hon. Member for Slave Lake and I would presume he would know who all else would have to have this information.

Mineral Taxes (cont)

MR. LOUGHEED:

Mr. Speaker, I thought I should rise to elaborate on the answer that I gave to the hon. Member for Olds-Didsbury in case it should be misconstrued. The question I was asked was whether or not the government had any discussion with CPA and IPAC prior to tabling in the Legislature the tentative position paper. The answer which I think had previously been given by the hon. Minister of Mines and Minerals, and which I confirm, is that there definitely had not been. The government felt that that would have been most improper, as a tentative position paper, to try and do that. We felt that with a public hearing to be held by a committee which was the intention of the government as it was a tentative plan we would then hear at the hearing, as we did, from both CPA and IPAC.

The reason I'm rising to elaborate is because I did not want it misunderstood by the hon. members that from this point on there might not be discussions and there might not be approaches made by both CPA and IPAC further to their submissions to the committee and to the Executive Council which we would consider.

MR. HENDERSON:

Mr. Speaker, a supplementary question to that. In view of the importance of this particular item to the people of Alberta, I'm wondering if the hon. Premier could advise us as to why he mentions that he is going to negotiate the royalty question with Syncrude, but he chose this other procedure of confrontation with CPA and IPAC as opposed to negotiations on this particular royalty issue in which we just finished three days of hearings. His own remarks present some very serious ---

MR. SPEAKER:

The hon. member is proceeding to debate.

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MR. LOUGHEED:

Mr. Speaker, I realize that he is, and I presume that he is embarrassed about the fact that the previous government never bothered to bring the matter into the public arena for discussion.

MR. DICKIE:

Mr. Speaker, I would like to rise and add a comment on that aspect, too. I would like to say to all hon. members that I have met with representative of CPA and IPAC periodically since our taking over the government. I was very careful on all those occasions that what we were going to discuss or bring into this House, we had never discussed with them before.

I have always felt very strongly in this House, and hon. members that have sat with me a number of times in this House, that things of this nature when we making presentations should always be brought before the hon. members first so they are well acquainted with the various issues that are involved before the representatives of the public receive that information. So we were very careful on this tentative paper that we made sure the hon. members in this Legislature were the first to be advised of it.

MR. STROM:

Mr. Speaker, a supplementary question. Is it the intention of the government to bring to the House the proposals that will be made in July, for the consideration of the House?

MR. LOUGHEED:

Mr. Speaker, the answer is no.

MR. HENDERSON:

Supplementary, Mr. Speaker, further to that to the hon. Minister of Mines and Minerals. Is it his intention to bring before the House the propositions they will be discussing with Syncrude regarding the negotiations on royalties?

MR. DICKIE:

Mr. Speaker, the answer is obviously no -- the House won't be sitting at that time.

MR. CLARK:

Further supplementary, Mr. Speaker, to the hon. Minister of Mines and Minerals. In the light of the statement you made just now will you be bringing to the Legislature your proposals as far as dealing with royalties on natural gas before you do something about it and before you talk to the industry?

MR. DICKIE:

No, Mr. Speaker. I think the answer has to be that the question is when these decisions have to be made, and that's the whole issue involved in that situation.

MR. HENDERSON:

You're back-tracking.

MR. SPEAKER:

Unfortunately the time for the Question Period has run out but if the House agrees, perhaps the hon. Member for Sedgewick-Coronation might still ask his question?

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HON. MEMBERS:

Agreed.

Alberta Sales Tax

MR. Sorenson:

Thank you, Mr. Speaker. My question is to the hon. Provincial Treasurer.

Is the government giving consideration to a general sales tax in Alberta as an alternative to raising provincial revenues?

MR. Minielly:

None whatsoever, Mr. Speaker.

MR. Sorenson:

Supplementary to the hon. minister. Have any organizations in the province made formal representation urging the government to implement such a tax?

MR. Minielly:

Mr. Speaker, the hon. member was at the public hearings. I think the oil companies would have preferred that.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

MR. Hyndman:

Mr. Speaker, I move, seconded by the hon. Provincial Treasurer, that you do now leave the Chair and that the Assembly resolve itself into Committee of the Whole to consider the resolutions listed as Government Motions 1 and 2 on the Order Paper.

His Honour the Honourable the Lieutenant Governor having been informed of the contents of the said bills recommends the same for the consideration of the Assembly.

[The motion was carried without dissent.]

[Mr. Speaker left the Chair.]

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COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair.]

MR. CHAIRMAN:

The Committee of the Whole Assembly will come to order.

Be it resolved that it is expedient to introduce a bill for an act being The Financial Administration Amendment Act, 1972.

Do you agree?

HON. MEMBERS:

Agreed.

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MR. CHAIRMAN:

The second one:

Be it resolved that it is expedient to introduce a bill for an act, being The Public Service Management Pension Act.

Do you agree?

HON. MEMBERS:

Agreed.

MR. MINIELY:

Mr. Chairman, I move the resolutions be reported.

[The motion was carried without dissent.]

MR. HYNDMAN:

Mr. Chairman, I move the Committee rise and report the resolutions.

[The motion was carried without dissent.]

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[Mr. Speaker in the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole has had under consideration the following resolutions:

Be it resolved that it is expedient to introduce a bill for an act being The Financial Administration Amendment Act, 1972, and

Be it resolved that it is expedient to introduce a bill for an act being The Public Service Management Pension Act,

and begs leave to report the same.

MR. HYNDMAN:

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

MR. SPEAKER:

Having heard the report and the motion by the hon. Government House Leader, are you all agreed?

HON. MEMBERS:

Agreed.

#### INTRODUCTION OF BILLS

#### Bill No. 91 The Financial Administration Amendment Act, 1972

MR. MINIELY:

Mr. Speaker, there are basically two amendments to The Financial Administration Act which are contained in Bill 91.

The first amendment, Mr. Speaker, is with respect to the salary of the Provincial Auditor, and I would say that in the salary

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negotiations for the general civil service last year which provided increases with respect to 1971 and also 1972, were not provided to the Provincial Auditor. For that reason the first amendment provides for an increase in salary for the Provincial Auditor to \$32,000 from \$30,000, effective as of January 1st, 1971, and to \$34,000 from \$32,000 effective as of January 1st, 1972. I'm sure all hon. members will agree that the Provincial Auditor is one of the really valuable public servants of this Legislature, and that in the future we will require at least this to have the kind of confidence that all members would desire in the role of Provincial Auditor.

The second amendment, Mr. Speaker, is to provide for the fact, under the present Financial Administration Act is really written, so that it is only satisfactory if you have your session completed one time. And as all hon. members know, this year we are splitting the session into two, being the spring and fall. The way the Financial Administration Act reads at the present time the government would be precluded from passing any special warrants between the spring and fall sessions, and I'm sure that all hon. members will agree that the government must be in a position at all times to respond in between the spring and fall session to new public needs which may arise, or emergencies which may arise, and be in a position between the spring and fall session to, in fact, react to these needs in the form of a special warrant if necessary. For that reason the amendment to the act provides that after the adjournment of the spring session, 14 days thereafter, the Executive Council through the Lieutenant Governor in Council may then, at that time pass special warrants if necessary to react to public needs.

[Leave being granted, Bill No. 91 was introduced and read for a first time.]

Bill No. 100, The Public Service Management Pension Act

DR. HOHOL:

Mr. Speaker, I beg leave to introduce a bill being The Public Service Management Pension Act. The purpose of this new act, Bill No. 100 is designed to provide special coverage for the senior employees of the government who are excluded from the bargaining unit by reason of managerial and/or contract status. It includes provision for an earlier and more flexible retirement age, and an ability to transfer pension benefits and service from any other government and/or industry. This plan, I believe, offers more options to the government in attracting top executives to the public service.

[Leave being granted, Bill No. 100 was introduced and read a first time.]

GOVERNMENT BILLS AND ORDERS FOR SECOND READING

Bill No. 73  
The Agricultural Development Act

DR. HORNER:

Mr. Speaker, in rising to move second reading of Bill No. 73, The Agricultural Development Act, seconded by the hon. Minister of Lands and Forests, I want to make some general remarks with regard to the agricultural credit in Alberta generally, its requirements, its needs, and how we propose that some of these requirements and needs can be met.

Certainly, Mr. Speaker, credit in agriculture is just one of the facets in an agricultural policy. We certainly appreciate that credit by itself is not the only answer, or the answer to the

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problems that agriculture has faced. On the other hand, it is a very important and vital part of a total agricultural policy if we are going to accomplish the objectives of this government, that I have stated on many occasions. That, very simply, is to raise the standard of living and the level of income of the farmers of Alberta. Credit then becomes very important and a necessary part of agricultural policy.

Just to give hon. members some idea of the scope of the requirements of credit in Alberta in agriculture, it comes at a most opportune time after members have listened to representations from the oil industry in relation to whether or not they should contribute more income and how much, in fact, they have been involved, or they have invested in the Province of Alberta.

Mr. Speaker, just to remind the hon. members and the province at large that there are somewhere in the neighbourhood of 41 million deeded acres of agricultural land in Alberta which has a value on today's market of somewhere in the neighbourhood of between \$2.5 and \$3 billion.

The annual turnover of land in Alberta -- and now we are talking essentially about capital needs -- is between 5 and 7 per cent with an average last year of somewhere around 6 per cent, varying not very substantially, but varying from region to region within the province with a higher turnover within that area that is immediately adjacent to the urban area.

When we look at that turnover and we take the amount of money required to finance that turnover in a capital way, we are looking at between \$120 and \$130 million a year. That is based on the average price of agricultural land transactions last year of approximately \$60 an acre. Again, this is an average and it varies from one area to another -- my hon. friend for Olds-Didsbury is in one of the higher areas and others go down elsewhere. But the average price of land, as a matter of fact, went up slightly in the latter part of 1971 and corrected the downward decline that was taking place in 1970.

Just also to give hon. members some idea of what is involved in the credit side in agriculture in regard to operating, we have approximately, according to the last census, some 62,000 farms in Alberta. I suggest to hon. members that if each of those farmers just uses \$1,000 of operating money, that is \$64 million. And, of course, all hon. gentlemen know that farmers generally use operating credit up to substantially more than that, with some farms using \$100,000 a year. So if you even take an average, you will find that the massive sum of operating credit which is required in agriculture in Alberta today, is somewhere between \$2 and \$3 billion.

If you look at those figures that I've just mentioned, Mr. Speaker, it will give you some ramifications of the entire question of agricultural credit and the massive job that it is for us in government to develop ways and means in which this credit can be provided. To suggest, as some have, that credit isn't the answer, just isn't being practical or realistic about the situation. As I said earlier, Mr. Speaker, credit is only part of our overall agricultural policy, but it's a very vital part of that policy.

Insofar as the act is concerned, it sets up a new Agricultural Development Act, a new Agricultural Development Corporation, with a fund of up to \$50 million in capital to achieve the objectives that we've laid out, of improving the quality of rural life in Alberta, helping to preserve the family farm, and making rural centres into more viable entities. The Alberta Farm Purchase Board will be replaced with the Alberta Agricultural Development Corporation. We would expect that there would be cross-directorship with this fund and with that of my colleague, the hon. Minister of Industry -- the

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Opportunity Fund -- so that we could know what each of the funds are doing.

Very briefly, Mr. Speaker, the Opportunity Fund will be on the industrial side, and processing of agricultural produce will be done underneath that fund. The Agricultural Development Fund would be primarily reserved for the people in primary agriculture.

When we talk about credit needs in Alberta and how they've been traditionally handled, we find that we've had a number of different agencies involved. We've had the Farm Credit Corporation involved in a major way in Alberta in capital needs. We've had the banks involved in immediate and short-term credit. We've had some of the trust companies involved in longer-term credit, and we've had the provincial Department of Agriculture, through the Farm Purchase Board, involved in the long-term credit and, through the guaranteed loan procedures, in intermediate and short-term credit. There have been certain other financial institutions that have been involved -- the credit unions, to a more or less degree, depending on regions more than anything else.

I want to just bring to the attention of the hon. members the kind of loaning that the Farm Credit Corporation has done in Alberta in the last several years, again to give you some idea of the amounts that are involved. I'm quoting now from the last annual report of the Farm Credit Corporation, because it's rather important, I think, that members appreciate just what we're up against. In the year of 1967-68, the Farm Credit Corporation loaned in Alberta -- I'm going to use round figures -- \$65 million; in 1968-69, \$48 million; in 1969-70, \$42 million; in 1970-71 -- one of their poorer years -- \$23 million. I quote those figures, Mr. Speaker, primarily to give you some idea of the total amount and the major part the Farm Credit Corporation plays in the credit scene in Alberta.

I want to go from there, Mr. Speaker, to the question of the additional amendments that have been made to The Farm Credit Corporation Act, to our recent negotiations with Ottawa and with the Farm Credit Corporation, into their activities in Alberta. I'm pleased to be able to say, Mr. Speaker, that we have been negotiating with the federal government with regard to their Small Farms Plan, with regard to their general activity in the credit field, and I feel that we will be able to reach an agreement in regard to their Small Farms Plan in the very near future, provided the federal Minister of Agriculture will reply to the latest proposals that we have put before him. I expect that reply in the next few days. I want to go on later and explain how we would operate and how we would co-ordinate what the FCC will do under the Small Farms Program and the position of the Alberta Development Fund and the Alberta government in relation to it.

In essence, Mr. Speaker, what we are talking about is how the mechanism will work, not only on the small farm plans of FCC, but how the mechanism of the Agricultural Development Fund will work, and what its relationship will be to the old Farm Purchase Board. I want to inform hon. members that the Farm Purchase Board, with the passage of this act, will be out of existence, and so will the advisory committees that have been set up under it.

We intend to old Farm Purchase Board advisory committee and the present agricultural adjustment or development committees that are in certain areas with agricultural development committees in every county, municipality and ID's in Alberta, these local agricultural development committees would have the responsibilities then, in regard to the federal small farm plan, in regard to the guaranteed loan program -- which I will talk about in a minute -- which will be under the Agricultural Development Corporation, in regard to the capital loan program of the Agricultural Development Fund and in



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regard to certain functions that the old agricultural development committees performed for the Department of Lands and Forests.

The local agricultural development committees will be made up of representation from the county or municipality involved, or ID, or from a nominee of the federal government to such a committee. We would hope to have representation from the local business community on such a committee, as well as the local district agriculturalist, and nominees by the government of Alberta to such a committee.

This committee would advise, as I have said, under those four main headings, if the federal government agrees with the structure that we are talking about at the local level. In addition to that, and in negotiations we are talking about with the federal government, they would be responsible for the land transfer program and their small farm operation through the FCC; we would be responsible for the human resource side of their program, that is, doing counselling and farm management of problems.

Briefly then, Mr. Speaker, to recap the real mechanism that we intend to use in agricultural credit in Alberta, is this local input and the idea, as I have said, is to develop an agricultural development committee in each area to advise in regard to the federal small farm plan, and in regard to the capital program of the Agricultural Development Corporation also the guarantee loan program and the land consolidation program with the Department of Lands and Forests. That is, in effect, what we envisage as the local mechanism.

If I could then review briefly the purpose of the Agricultural Development Corporation in specific areas in relation to, first of all, the capital program. I intentionally brought to the attention of the hon. members, Mr. Speaker, the question of the total amounts of credit that are needed in the agricultural sector, to give them some indication of the tremendous amount that is required. I did that, Mr. Speaker, deliberately because to suggest that with \$20 million or even the entire \$50 million, in a good year the Farm Credit Corporation loans this itself. We, as a provincial government, of course, can't provide that kind of capital every year unless we have substantially increased oil and gas royalties.

However, we do intend, through our negotiations with the Farm Credit Corporation, to effectively co-operate with them, so that, in fact, we can have them doing the usual straightforward business type of long-term loan, and where our agricultural development fund will be reserved for certain special areas. These would be what we would call the Direct Loan Program, and these would be the father-son transactions, the beginning farmer transaction, the part-time farmer transaction. I would remind the hon. gentlemen that 43 per cent of the farmers of Alberta have part-time incomes, and in certain other legislation are locked out of any financial help because of it. And we would see our direct loaning program in those areas, and any other special areas that might be required that isn't covered. That would be the Agricultural Development fund's Direct Loan Program, and as you are all aware, there will be from \$5 to \$7 million available in that area.

In addition to that, Mr. Speaker, we have been developing a fairly substantial guaranteed loan program in a variety of areas. We intend to complete development of that program by an umbrella type of guarantee loan program insofar as the problem of the livestock loans. I am pleased to be able to announce that we extend this to the entire Province of Alberta.

There is one hooker, Mr. Speaker. We also intend to set up some supervision with regard to the kind of cattle that are bought and to have much stricter control so that two things don't happen. First of all, that people don't pay too much for the cattle they purchase.

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Secondly, that we don't stimulate a build-up in cattle numbers to too great a degree, and thirdly, to have some more effective controls so that we find that the cattle, in fact, are still there at the end of the program rather than being sold and the loan still being outstanding.

So we intend to follow the somewhat similar action that has been taken under the Feeder Associations, to have some supervision in regard to the nature of the cattle bought and have this approval. This is being done now and will be in effect, I would imagine, in a matter of a few weeks when the necessary regulations can be developed.

The dairy equipment loans which I have announced before, will continue in effect. We have had pretty substantial discussions with the banks, and we intend to try and simplify this to help out their complaint that there is too much accounting in them at the present time, and perhaps, hopefully, something can be done in this regard.

The loans for the sheep industry will be taken away from the cattle side and will be a separate entity under themselves and will include a portion of the loan being available for buildings and equipment constructions.

The potato loan regulations will be altered slightly at the advice of the banks to allow them to be slightly more lenient in regard to the potato operators and this is going forward at the present time. We are, in addition, having some special loans for the vegetable producing areas.

In addition to this, Mr. Speaker, and as an umbrella in regard to the guaranteed loan section of The Agricultural Development Act, we will have an operating loan program under which all of these and other operating loans can be obtained for the grain farmer, the poultry man, or the hog man with a maximum limit of \$50,000 which will, as I have said earlier, be part of the responsibility of the Agricultural Development Committee in each of the areas.

In addition to that, Mr. Speaker, there is legislation before the House with changes in regard to the Home Improvement Loans in the committee stage to increase the amount of those loans from \$2,000 to \$5,000 to effectively include the home improvement loans side of the situation.

Mr. Speaker, very generally then, that is how we expect the Agricultural Development Act to operate. The act will be run by a board of people, one-third of whom will have to be producers. We would hope that also on that board, as I have said earlier, we would have had representation from the Department of Industry, we would have representation from our farm marketing side of the Department of Agriculture, because it's absolutely essential that our entire credit program be tied in with industry, and with our marketing push so that we make sure that we don't get into a situation where we have the produce, but we can't sell it. Whether or not anybody can be absolutely sure of that I'm not really convinced, Mr. Speaker, but we intend to try. Certainly if we don't try and allow the status to remain then nothing will happen in agriculture.

There is one further very important area that I want to speak about with regard to The Agricultural Development Act and that has to do with the question of the extension work to the individual farmer who gets into serious financial problems and there is a foreclosure procedure against him.

After extensive dealings with the Farm Credit Corporation, Mr. Speaker, I'm pleased to be able to announce that we have agreed on a procedure between us and Farm Credit, and hopefully with other mortgage companies, in which the mortgage company or Farm Credit

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Corporation will be asked to contact their clients on whom they are taking foreclosure procedure, asking for their permission to divulge their financial position to representatives of my department, so that my department can fully investigate the situation with regard to these farmers. The

The second step then would be for my people to visit their farm, to sit down with them, to take an inventory of their situation, and to bring a recommendation back to the minister for further action. It may be that in some of these cases, Mr. Speaker, one of the things that the Agricultural Development Corporation will be able to do is to buy that farm and lease it back with an option to re-purchase, in an attempt to re-establish these farms, if they are viable and the recommendation is there and if they are willing to accept fairly strict supervision and control over the farm operation over a five year period.

This in essence, Mr. Speaker, will allow us through The Agricultural Development Act to look after, on an individual basis, these very serious situations in which people may lose their family homes, their family farms.

I'm really very pleased that Mr. Owen of the Farm Credit Corporation has agreed with us that they would be willing to co-operate in this regard. We have had some discussions with other mortgage companies and I'm sure they will be willing to co-operate. So we hope to be able to put into effect for those people who are having this serious problem -- fortunately there are not that many -- that we can have a final re-assessment and a real hard-nosed talk with the people in the field, that we will be able to -- maybe in some cases -- save their farms and to get them re-established in a meaningful way.

Mr. Speaker, I have covered things very generally and very briefly because I'm sure there will be a great number of questions, if not now, at the committee stage. We see The Agricultural Development Act not only just providing money, but providing leadership in the credit field, providing credit counselling in the credit field, providing the sort of individual assessment and the individual attention that is required, particularly in certain cases. Because sometimes through no fault of their own -- because of the vagaries of weather and climate -- they are in really a serious situation, and we will be able to sit down with them.

Again I want to express my thanks to the Farm Credit people in Alberta for their co-operation, for their willingness to co-operate in the years ahead, so that we can put forward a co-operative method of providing the kind of farm credit that is required.

I again bring to the attention of the hon. members the very substantial sums that are required. The banking industry in Alberta -- we've met with them -- is being asked to provide a substantial amount of that. The response of the banking industry, I hope, will be such that we won't have to come back to the Legislature and have to expand this act, because we would like to see private enterprise doing the job that is required at a reasonable rate.

If I might just conclude on that note, Mr. Speaker, one of the major costs of any business, of course, is the cost of money. We haven't -- outside of in a minor way -- provided for any subsidization of interest rates and we will use this only on occasions where we really want to use the credit policy as an incentive to get young people back into a certain area of agriculture.

I believe, if we can give the farmers a marketing opportunity, they will be able to develop their farms so that they can pay off

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their debts and have a better income, and that's the objective of this government, Mr. Speaker.

MR. SPEAKER:

I believe the tie was won by the hon. Member for Wainwright, followed by the hon. Member for Vegreville.

MR. BUCKWELL:

Mr. Speaker, thank you.

In rising to speak on this bill; there are two bills in this session, and to me they're not Bills 1 and 2 but Bill No. 50 and Bill No. 73. They are the most important bills to come before this session, primarily because they deal with a vast number of our citizens.

I would say at the outset that I am in favour of this bill, and like the hon. Minister of Agriculture, probably we are disappointed that such drastic means had to be used in the first place.

The principle of this bill, primarily as dealt with by the hon. minister, is dealing with the financial picture of agriculture within the province. I have to commend, in all fairness, the hon. Minister of Agriculture for his concern for the point of the farmers in this particular time and season of the year. I would say that this is not a sound program in many respects but it is more in the form of a emergency fund. It is not a disaster fund, but unless this bill does what it is supposed to do, we could be in for an emergency fund in many parts of our province.

As I mentioned before, the hon. minister by his aggression and by his concern for the people of the province is gambling everything he has on Bill No. 73, exactly the same way as the hon. Minister of Industry is gambling on Bill No. 50. We're playing for large stakes and we have to. I suppose because he is a medical doctor, and because the old medication hasn't worked, we have to try something drastic before the patient dies or reaches the stage where he might just as well be dead.

I think we have to look at the problem that it is not merely a matter credit. The position that the farmers are in -- and this I would say there will always be in any industry -- a small percentage that will never be able to cut the mustard, or never be able to keep up with the concerns and the problems of the day. But the whole problem to me in agriculture today is the lack of markets. This is brought on partly by the weather in some areas and also by inflation. These are the main causes of our problems today in agriculture. If we had had markets for our grain; if we had had markets for everything that we normally raise, the farmers would not be in the position they are at the present time.

As far as weather is concerned, I don't know what the hon. minister could do about it, because it's either drought or hail or frost. Whether hot air is going to help, I don't know, but this isn't going to make much of a crop either. Beyond the things that we have no control over there is no sense worrying about because there is nothing we can do.

I think the thrust for markets is far more important than heaping more credit on an already debt-ridden farm population. One of the problems that we have in marketing is that no other country in the western world just takes the market price. In speaking to some of those who have just come from back from Europe on a fact-finding trip, we find that in the British Isles, in Germany, France, and the places they visited, every part of agriculture was subsidized. Even the United States subsidizes their wheat farmers. I don't see any

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reason in this country why we could not subsidize the farmers if this is going to be the means by which they can make both ends meet.

If farmers today were to give a bushel of wheat -- give the wheat -- to the baker, he would only reduce the cost of a loaf of bread by 2 1/2 cents. This is it he gave the wheat -- so you can see what a part we play in the final price that we have to pay for our goods.

The predicament of many farmers today is exactly the same as those who are unemployed. But they are in a worse predicament because they have no mobility -- they can't leave their farms and pull out for greener pastures. They are not able to sell their farms and they have to stay there because everything that they have is on their piece of land; so they are in a desperate situation.

The small farmer, and this is one we have spoken of during the session -- we talk about the family farm, and this strikes the heartstrings of every member in the House -- and it goes over wonderfully in the country, that the opposition are going to save the family farm, and the government is going to save the family farm -- hurray for everybody! But when we actually come down to it the family farm includes 95 per cent of the farms in the Province of Alberta. So when we start talking about saving the family farm, we're not talking about saving the small farmers, and these are the one who are in desperate situations.

Part of our problem in Canada over the last number of years has been in political wrangling on the federal level as far as agriculture was concerned. And this has been further brought to the front in the last number of years, particularly when we have the hon. Minister of Agriculture as a citizen of Alberta, and we also have the agriculture critic in the constituency above him. They have never been able to get together, they have never been able to see eye to eye, and yet, in their wishes and desires, they are only that far apart. But because one was a Liberal and the other was a Conservative, we're not going to give an inch, because election may be coming up and we need all the votes we can get.

I'd like to read, just for a moment some words, and I'll tell you where I got them from. This is a word from a great Canadian in former days:

"It is not foreordained that farmers shall work for less pay than anybody else, or have their children receive only one-quarter the chance of a secondary education, or one-tenth the chance of a university education that other children get; or see their wives forced into lives of toil, often 12, sometimes 14 hours a day, Sundays and holidays included. The trouble is that no one with the necessary authority has determined to correct the basic economic ills of agriculture."

And it goes on to say:

"We will abolish the injustice to farmers. The farmer shall be guaranteed a just and proportionate share of the nations income. This will be done by a system of fair prices to be announced before the season of production. The farmer will then carry on with assurance that he will receive a just share of the national income. He will thus have money to buy farm implements and provide for comforts. His own living standard will be permanently raised. He will be able to contribute to community welfare. We shall re-establish a natural products marketing act, we shall appoint a board of livestock commissioners."

If you want to know who said this, it was the hon. John Bracken, and this was said way back in 1945. I happened to run across it when looking through some old papers. So the problem hasn't been one of

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johnny-come-lately, this problem has been with us at least the last 30 years.

But this idea of political wrangling -- and if we are going to use Bill No. 50 and Bill No. 73 in this House for political wrangling, then I say 'a plague on both their houses'.

We realize that credit is the essential life blood of every business including farming, but it is also a two-edged sword. To give unlimited credit is just as damaging as no markets whatsoever. For example, on June 1st, 1969, the number of loans on the Farm Credit Corporation, loans made in the Peace River area alone were 2,539; those in arrears were 1,029. One year later there were 2,540; and there were 1,442, or 56 per cent who were in arrears. How in the world by lending these people any more money, are you going to save their farms when they can't even pay what they do owe? And I am concerned that we are going to open up the tax and just let credit run wild.

The types of credit that we have today, that the hon. minister has mentioned, are almost unlimited. We talked about the agencies, the Farm Credit Corporation with the federal government, and the provincial government's credit outlets. We have a tremendous amount of credit for the farmers. In 1971, for the Farm Purchase Board, the amount available for loans was \$1.3 million. The number of loans made was 108 and the number of applications rejected was 32. We have no idea, or the Farm Purchase Board has no idea, how many applications were made on a local level. These 140 applications were ones that were submitted to the Farm Purchase Board itself. The average loan was approximately \$12,000. In 1972 their estimate of the amount available for loans will be \$1.5 million.

The hon. minister talks about putting in \$5 million. So we give a total of \$6.5 million. If the average loans are anywhere from \$10,000 to \$12,000 we are going to help from 550 to 650 farms. Well, we could turn around to the farm credit loan which he already mentioned. The approximate number of loans for the 1971-72 year would be around 670. The amount approved would be something in the neighbourhood of \$19 million. Now the total amount of loans that have been made in Alberta by the Farm Credit Corporation since its beginning in Alberta, is something in the neighbourhood of 15,963. The total principle outstanding to date is \$287,804,000, the average loan \$18,000.

I realize that the hon. minister is quite cognizant of the fact that credit alone is not going to solve our problem and that the amount of money that he has through this bill is rather small compared to the amount needed. We have to be careful where we loan this credit. The government, in loaning credit or making loans through guarantees, is, in effect, pouring into the economy quite a sum of money. But the government also must be aware that we then become the bankers and the custodians of the people and we are responsible to all the people, whether they are oil people or whether they are factory workers -- it is all their money. We are, in effect, responsible for it.

I agree that an increase in credit is going to cause two things. It is going to also cause an increase in production, because there is no way that you can borrow money if you are not making a living now. When you borrow money you will have to increase your production to pay off your loan. This again causes problems in the line of marketing.

I would like to ask the hon. minister, and I believe that he will deal fairly and equally in the distribution of funds throughout the province. But I feel this, I think he is an honest and fair enough man, and we have to recognize that there are parts of Alberta that are in a far more desperate strait than others. I think we

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would be less than honest, and less than fair, if we did not say that there may be parts of Alberta that in the first several years will not receive maybe the same amount of credit as others, because I think we have to go where the need is greatest.

If this program does not succeed, if we do not find substantial markets, then we are looking at two other alternatives that neither the government nor the farmers want. That is production quotas or full subsidies on farm products. I would suggest to the hon. minister -- I have five suggestions to him. He has asked for input from all of us.

Firstly, I would suggest to him that loans be made only to farmers who cannot obtain credit from the normal credit institutions.

I see no point in having an easier credit rating through the government sponsored programs for farmers who really don't need the credit -- they are not in that desperate shape that they should come in a borrow money. They can borrow from the banking institutions.

I suggest secondly that we use the Farm Credit Corporation be used in preference where applicable. There's no reason why we should duplicate what the Farm Credit Corporation is going to do, or Mr. Olsen's program for small farmers. If we can use the federal money and use the federal guarantee, there is no sense in jeopardizing the credit of the province.

Thirdly, I suggest that the small operator be given every consideration. When I say every consideration, I mean that we're going to have to take a chance on the farmer's credit rating, since their payback over the years has been good. I believe the Bank of Nova Scotia and some of the banks in the United States have taken a chance on a young fellow who didn't have very much collateral, but he had honesty and willingness to work. I think, therefore, the small operator should be given every consideration.

Fourthly, I would suggest that loans, for the farmer's protection, be life insured. I would hate to think that a farmer who has been given say, \$50,000, or up to \$50,000 -- if anything should happen to him, and farming is a very precarious life -- if he was killed, that his wife and family should not be protected by a life insured loan.

Fifthly, where the crop insurance applies, it be a must. I cannot see why we should loan money to anyone when we have crop insurance, if he is not willing to ensure that at least he has a means of caring for his family.

On concluding, Mr. Speaker, I would say that this program is experimental, and it is going to require adjustments. It has to be flexible enough, as the need arises, that the minister and his department can adjust this, because we're stepping off -- to some extent -- into the dark. I mentioned before that I believe in fairness to all of us in this House that there be no political wrangling on Bill No. 50. We are living in desperate times. When I say desperate times, it may be more desperate than any of us realize. We're living in a highly affluent society, in which we are trying to compete, agriculture-wise. The oil may sound far more exotic, but agriculture is needed by every one of us for the means of life itself. We should not be in the position that we are trying to make political hay -- if this program works, as I said before, the minister deserves all the credit he can get. If it doesn't work, he knows what he's going to get, anyway. I think he's prepared to take it, but at least he has said that it takes desperate measures and he's willing to give it a try.

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AN HON. MEMBER:

Hear, hear.

MR. BUCKWELL:

There's no point in laying down and saying, "Well, you never even tried." At least we've got to give it the good old try. I think we should all work for the common good. Mr. Speaker, I would like to give my support and ask for support on the second reading of Bill No. 73.

MR. BATIUK:

Mr. Speaker, in rising to speak on this piece of legislation before us, I want to say how pleased I am to see such concern for the farmer. During the election campaign last summer, it seemed that everybody was very concerned over the plight of the small farmer and the family farm. Today we have an act that will help the farmer, and for that reason it should receive the support of all of those concerned -- on this side of the House and on the other.

First, I am glad to see that at least one-third of the members on the board of directors must be engaged in farming. Who will understand a farmer's problems best, if not another farmer? Too often we have only armchair farmers sitting on boards responsible for areas of agricultural concern, having never experienced the conditions and problems of farming at first hand. They have no conception of how the farmer feels, what he faces, and what he needs.

People with farming background on the board of directors will offer a great insight into the problems of the Alberta farmers.

By establishing a fund to help the smaller farmers, the government of Alberta is recognizing the financial difficulties faced by the farmers, and is committing itself to retaining agriculture as a cornerstone of Alberta economy. The recent decline in agricultural conditions has made it difficult for the farmer to sell his products or to get a good price for his produce. Many find it difficult even to obtain credit in order to expand their operations to the level where they can become profitable.

Mr. Speaker, driving through the countryside one can see many abandoned farmhouses where the residents could not make a sufficient livelihood, and have left to seek employment in the city. The land is, naturally, still good, as many come out in the spring to work the land, seed it, and come back in the fall to harvest it. Certainly, with a little incentive, many farmers would have remained and expanded their land holdings and livestock. It may be too late to get some of them back, but the act will undoubtedly serve to prevent others from leaving in the near future.

As well, there are some residents living in the urban areas, who would greatly appreciate moving out of the already crowded areas of the city. In some cases, this may even provide work for the unemployed people in the cities. In others, it might just serve to make a family more satisfied with its way of life.

An act like this one was a long time in coming, and while one may have doubts about specific sections, I believe the principle of the bill is highly commendable and should command the support of all members, both rural and urban, for, if it were not for the farmer, where would the city person be? Thank you.

MR. PURDY:

Mr. Speaker, a bit of input from another rural member into this most important bill for the farmers of Alberta. This act has been needed in Alberta for a long time. I, myself, as a boy 25 years ago, waiting for Christmas and wondering if we were going to receive



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anything new -- this is the predicament the farmers of Alberta have been in -- waiting to see if anything is new in agriculture, especially in the development of the farms, purchase of farms, and farm equipment. This act will now set these farmers up so they will have a viable farming operation.

The old Farm Purchase Credit Act left a lot to be desired. One of the first things I would like to point out about the old act was the age factor of 21 years. There are many young people who would like to have been engaged in farming but could not have been because of the age requirement. The change in the act which is significant is that you could not borrow if you had land in excess of \$50,000, as a lot of our land with buildings in the province has a value of over \$50,000 a quarter, it does not leave a person much equity to work with, when he puts money into land with no cash to buy machinery or to set up a livestock industry. The amount of borrowing under the old act was limited to \$24,000. I see under the new act, it will be a regulation left up to the Lieutenant Governor in Council.

I would ask the hon. minister at this time to take a serious look and assess what he feels to be a fair amount, to lend any individual farmer. Is \$24,000 enough or is it too much? I personally feel that for a person who has a large farming operation \$24,000 may not be enough. But for a person on one quarter section, \$24,000, in fact, could be too much, and without proper guidance this person could get into financial difficulties.

I believe that the hon. Minister of Agriculture, in drawing up this bill, has gone in the right direction, by leaving regulations open so that they may be drawn up by the Lieutenant Governor in Council. There are many reasons for this, and I would like to single out a few. Interest rates change; the amount of money borrowed for different farming operations could change; the deferred principle, the payment of the loan will make other small features, which are important to the farmer.

One recommendation I would like to make to the hon. minister is in regard to Section 4 of the new act, which states that a quorum shall consist of three members. I feel that out of a 12-member board, we should actually try to set this at five. Three members of the board which will be looking after a revolving fund of \$50 million leaves them with a large responsibility, and at times the onus could be put on these members.

It would be interesting to note the number of applications on file under the old act which have not been completed, or which have been rejected because of a lack of money. \$21 million was not very much for a revolving fund.

On doing a study on the T and T, the consultants did say that the report stated that 14,000 farmers in the province would have to get out of the industry, and 18,000 farmers would have to be upgraded. I questioned this during the budget speech, and will not go into it any further at the present time. With this new act, and I am hopeful and anticipate that we will not have 14,000 farmers getting out of the industry, but maybe upgrading these with the other 18,000.

In my constituency, at the present time, I have numerous letters from small farmers who have attempted to borrow from the old act but, as I stated earlier, have been rejected because of not being a viable farming unit or because of a lack of money in the fund. As I stated earlier, this bill has been slow in coming, but it is here now being debated, and I can anticipate that there will be many happy farmers in Alberta.

Mr. Speaker, there is one prime case which I would like to single out. One of my farmers in the constituency was in to see me last Friday. His particular farming operation is in real trouble and

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he is in dire need of financing. He is in a specialized hog industry and has lost considerable money because of the price of hogs. In 1970 he sold 1,802 hogs, in 1971 he sold 1,847 hogs, and the total difference between the '70 and the '71 amount was \$17,500 because of hog prices. To consolidate and pay bills off, he sold a large portion of these hogs and has paid approximately \$25,000 off, leaving approximately 300 hogs for a small income. This spring, to get back into the operation again, he went to his local bank manager and was turned down cold. He then approached the Treasury Branches and was told by the Treasury Branch in my constituency that if he had his bins full of grain and his barns full of hogs, they would gladly lend him the \$25,000. Mr. Speaker, when a person has bins full of grain and his barns full of hogs, he does not need to borrow money. This gentleman left my office last Friday with this Bill No. 73, and I think that this farmer is an excellent example of where this act will be workable. Thank you.

MR. SPEAKER:

May the hon. minister close the debate?

MR. GETTY:

No!

DR. HORNER:

Very briefly, Mr. Speaker, the --

MR. HENDERSON:

I wonder if just before the hon. minister closes, may I just ask him to deal with one thing in his closing comments?

SOME HON. MEMBERS:

Agreed.

MR. HENDERSON:

I was wondering if the minister would, in the course of his closing comments, possibly outline to us what consideration the government may have given to using the Treasury Branches in the case of short term loans; if the public collectively are going to be liable for them anyhow, which I presume they are under the act, and we have the precedent of \$25 million in short-term loans going to AGT, then it would seem to me that with this precedent ahead of us, that the government guarantee applies to the loans, at least on the short-term loan basis, that there is a role that the Treasury Branches could be playing in this matter.

DR. HORNER:

Mr. Speaker, I will deal with that. I did want to deal first of all with the response from the hon. Member for Macleod which I appreciate. I can assure him that we will try and use the money to the best advantage we can throughout the Province of Alberta without regard to any other than the marketing opportunities that are available in agriculture.

We would hope that with a balance of FCC and the AG Development Funds capital and the Guaranteed Loan Program that people have made applications for loans under the old Farm Purchase Board, that sitting down with them and assessing what their financial needs are, it may well be that what they require is just a guaranteed loan for a shorter period of time, rather than the longer term loan. And we are going to be pretty flexible in regard to the operating type credit guarantees so that we can do this. And I would envisage therefore,

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that the guaranteed section of the activities would outstrip the capital portion probably in the very near future.

We have already, as I have said, had extensive discussions with FCC and we are quite happy that in the normal straight forward long-term business loan, that FCC should be the avenue that these people will go. With our agricultural development committees in the area, with FCC input into those committees, we think that there is going to be better co-operation and co-ordination in what they are doing, in what we're doing, and what the banks are doing in these areas. And I can assure the hon. member the smaller operator, the lower income operator, is going to be the primary beneficiary of this act and there will be some restrictions on larger operators and larger people, who can get credit elsewhere, in using the act. I can assure that life insurance will be continued on these loans. The question of who will pay for it has not been resolved but isn't that big a factor in my view that if somebody wants take out the loan then he is obligated to take out life insurance. I don't think this is an unwieldy stipulation.

In regard to the question of crop insurance, I agree that down the road we can use this act to encourage people to be covered by crop insurance, but I wouldn't want to pre-judge what the committee will come forward with hoping that we can have a crop insurance scheme that everybody will be involved in.

I can assure the House that we intend to use educational methods to upgrade the farm management section to have them better aware of credit use. One of the stipulations, one of the riders on a number of these loans and areas, will be the question of taking farm management courses and upgrading themselves in a major way.

I appreciate the input from the hon. Member for Macleod, the hon. Member for Vegreville and the hon. Member for Stony Plain. We hope that we can -- and we know we'll have problems with this -- develop it as we go. We do intend though to use it as one of the tools in the total agricultural policy, always keeping in mind that you can't solve the agricultural ills with credit alone, but it's a vitally important part of that policy. Thank you very much, Mr. Speaker.

[The motion was carried without dissent, and Bill No.73 was read for a second time.]

Bill No. 52  
The Statutes Repeal Act, 1972

MR. TRYNCHY:

Mr. Speaker, I move, seconded by the hon. member Mr. Gitter, that Bill No. 52 The Statutes Repeal Act, 1972 be read a second time.

The reason for this bill is to rid the files of acts no longer used and some that were never proclaimed in force. I don't wish to elaborate on what the acts are, I think every member has them. In order to save time I would like to close.

MR. BENOIT:

Mr. Speaker, I don't have any comments to make on this bill, but I do have a question to ask. Maybe I should ask it on another bill, but I'll ask it on this bill. I was wondering why the repeal of The Sexual Sterilization Act was not included in this bill instead of being made a bill by itself?

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MR. TRYNCHY:

Mr. Speaker, I don't really know the answer to this because this was done before the other bill was made up. Maybe the hon. House Leader could answer that question.

MR. HYNDMAN:

Mr. Speaker, it could be that the hon. Member for Whitecourt didn't close the debate. I think it's quite clear that Bills Nos. 1, 2 and 35 -- 35 being The Sexual Sterilization Act -- together form a review of the question of basic human rights in the province. Rather than have The Sexual Sterilization Act put in with a number of minor bills which are repealed in this act -- a number of historical oddities -- we therefore felt that they should more properly -- The Sexual Sterilization Act -- be kept separately in its proper place with Bill No. 1 and 2.

MR. CLARK:

Please communicate that to the other benches.

MR. HENDERSON:

Mr. Speaker, before the debate is closed on this subject I would just like to point out to members of the House that The Sexual Sterilization Act is also a historical oddity in that it hadn't been used for several years. I was going to make this comment when the bill itself came up but since the subject has been brought up at this time I think it might be desirable to do so now.

[The motion was carried without dissent, and Bill No. 52 was read for a second time.]

Bill No. 33  
The Department of Advanced Education Act

MR. FOSTER:

Mr. Speaker, I'm very pleased to move second reading of Bill No. 33, to be seconded by the hon. Minister of the Environment.

I think I said at the time of my estimates, Mr. Speaker, that on second reading of this bill I would treat the hon. members of this House to my impressions of the Legislature as a new member and some comments about the City of Red Deer and constituency remarks, but having regard to the hour and the impression I'm getting in this House and the time of year, perhaps I will reserve that treat for a later date.

I would not like to assume however, Mr. Speaker, that Bill No. 33 will pass this House necessarily with unanimity so it is probably appropriate that I make a few remarks.

I appreciate, Mr. Speaker, that we have had a fairly lengthy discussion about the advanced education area on the estimates and I would merely like to restate the purpose of this government in creating a separate Department of Education and that was that in time we will be able to relate to and co-ordinate the entire advanced education community in one separate department, and the concern by this government that that area of our society should be represented in government at the highest level. Now there may be those who quarrel with that opinion, Mr. Speaker, but let me point out that the advanced education community is responsible for the expenditure of some \$200 million odd of the taxpayers' funds and I think, as we have seen in recent days and also today in this House, that the community of advanced education is a highly complex and critical area and, therefore I think personally, that it is most appropriate that government has moved in this way.

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Perhaps, Mr. Speaker, you will permit me one facetious remark. I say this only because I anticipate my hon. colleague for Olds-Didsbury opposite may have a few remarks to make about Bill No. 33, in the matter of the division of the Department of Education into two.

I was very pleased to meet the hon. Member for Olds-Didsbury during the last provincial election. As it turned out we met at the Red Deer College during the sod-turning ceremony for the new residences. I hadn't seen the then hon. Mr. Clark, the now Mr. Clark, for some time and it occurred to me when I saw him then and I exclaimed to myself, "Good Lord, how he has aged." I hadn't seen him for quite some time and I discovered that his hair around the temples was graying and I felt that he was carrying a tremendous burden. I might say, Mr. Speaker, since I am not anxious to become an old man, or to acquire the dubious distinction of gray hair, that I'm delighted the hon. Premier took the initiative and suggested that this department be divided in two. I think the hon. member, Mr. Hyndman, and I may live a few years longer as a consequence.

The Department of Advanced Education as I indicated on the estimates, of course, would have jurisdiction of a sort over those areas of its department, naturally, which include the Division of Vocational and Technical Education, the Student Finance Board, and agricultural and vocational colleges. We also relate, as this House well knows, to the Colleges Commission, the Universities Commission, and of course one area, though small area but very important, the area of continuing education in the department.

It should not be assumed, Mr. Speaker, that the provisions of this bill are necessarily the final word in terms of the structure, authority, and role of the Department of Advanced Education. I anticipate, and I'm sure this House is aware, that we will be working on the structure of this department in its relationship to the advanced education community in the days and months ahead. And our relationship with the various commissions which are involved with us. We will obviously be considering the commission on educational planning and, undoubtedly, restructuring or reshaping the department with respect to the other areas of advanced education in some way. However, I think it's premature that we prejudge that situation at the moment.

I restate, however, that it is my objective and it is our objective that this department should operate so as to provide effective and efficient co-ordination, planning, and financing for the entire advanced education community.

It is perhaps not necessary to say this, Mr. Speaker, but I have found myself having to remark in this manner on two or three occasions in recent times and I will make the statement again, that there should be no impression in the advanced education community simply because government has created a separate Department of Advanced Education that this government in any way wishes to involve itself in the operation, management, or indoor personnel problems of any advanced education institution, other than those, of course, which are currently in the department. Anyone who has a concern in that regard, I think should be reassured that that is purely and clearly not our intention.

I will conclude my remarks at this time, Mr. Speaker, but look forward to responding to the hon. Member for Olds-Didsbury and others in my remarks later.

MR. LEE:

Mr. Speaker, I just want to make a few comments, from my past experience on the task force on training and retraining because we been straddling, to a certain extent, the Department of Advanced

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Education along with a number of other departments. Although the developments of the components of this Department of Advanced Education as the minister has just mentioned, the final word is not out on the structure itself.

I would like to make some observations and perhaps some recommendations for the consideration of the Assembly in this particular area. Although the components of this department encompass student finance, vocational education, training and retraining, continuing education and vocational rehabilitation, I'm going to restrict my comments at this time to that area of the structuring of the colleges, universities, and campuses, and institutions within the department. Now all of these components of the Department of Advanced Education will require investigation, modification, and policy development within the next few months. So at this time, as I say, I'm going to limit my comments to those aspects related to campuses and administrative structures of such.

Quickly, a review of the situation as it exists right now, is that we have three agricultural schools, four Alberta Vocational centres, plus a few smaller ones, two technical schools, six colleges, three universities and a fourth in the planning stage, the Alberta Petroleum Training Centre, the Nurse's Aid Training School, a number of private colleges -- which are licensed through this department -- and the Banff School relating to continuing education.

Now these institutions relate to the Department of Advanced Education in basically three ways. The colleges relate through a Colleges Commission, the universities through a Universities Commission, and the others relate directly through the administrative structure of the department itself. The result of this type of setup, though, is that there is at this point, and has been in the last few years, a certain lack of co-ordination and integration between the different institutions. In fact, we could go further and say there is actual competition in a number of areas. I could cite the cases of Calgary and Edmonton where you have technical schools and colleges competing in much the same area, to the dismay very often of the populations and potential students who are looking to these institutions for a certain unique kind of training.

A second result is that there is a certain amount of lack of continuity between programs within institutions and between programs from one institution to another, to the extent that a student who is taking perhaps a two-year program at a college here in Alberta may be required to go to the United States, gain two years of credits towards a degree program there, come back and perhaps teach in one of the universities which would not accept any credit for the course which he took because he did not happen to be registered in a college transfer program. This is a problem that does occur with the lack of perhaps integration between the institutions.

A third result of the past planning of policy is that there has been a lack of long term planning regarding the growth of the colleges and universities and smaller institutions, as related to their communities and related to other institutions.

A fourth and final negative result is that there has been inadequate programing, especially in rural areas. I think one should just look to the effects of the agricultural colleges which probably have a tremendous potential for the development of community programs, which however, through their past orientation, have been limited mainly to agricultural emphasis with the almost accidental addition of other programs. This is also, to a certain extent, the experience with some of the vocational schools.

So I want to present to you five challenges that I see we must face in this particular department. First, to develop a comprehensive plan for post-secondary education in which a network of

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colleges and universities will serve the advanced education needs of students in Alberta. Secondly, to provide more integration and co-ordination between institutions, government departments, and levels of post-secondary education. Thirdly, to provide improved transfer and continuity from institution to institution and program to program. Fourthly, to develop more comprehensive post-secondary education services for smaller centres in the province. Fifthly, to provide more ready access to post-secondary education to students other than those in full-time attendance, and I am speaking mainly now in the area of continuing education.

I just want to present quickly three tentative recommendations that I might have for consideration in this area, and once again limited to this institutional orientation. First, I would recommend that we co-ordinate all post-secondary institutions under the umbrella of one comprehensive post-secondary commission -- there are lots of arguments for and against this one -- with chairmanship by the Minister of Advanced Education. In recommending this, I see underneath the umbrella of one comprehensive post-secondary commission a separate co-ordinating council as now occurs for universities, and another co-ordinating council perhaps for colleges and perhaps technical institutes. There will be arguments that perhaps technical institutes should be by themselves, co-ordinated together. Either way, I personally would prefer to see them under one college's commission. What you would have then, is the integration that I have just mentioned.

But a further integration, -- and I don't agree with the remarks on the other side of the House that there should be a complete separation between the legislative and the executive functions of government. This is why I suggest that the minister act as chairman of this particular commission much as we have, for instance in municipal affairs, where the minister is the chairman of the Alberta Housing Corporation.

A second recommendation is that we develop the concept of satellite activities from existing colleges, and integrate those smaller colleges and activities under the umbrella of a satellite type of philosophy. Let me give you an example of this. Last year, Mount Royal College in Calgary, set up a satellite campus on the Blackfoot Reserve. This is called the Old Sun Campus. It was a satellite campus and it was a satellite campus operated by Mount Royal College. But because it was separate and physically apart from the campus itself, it is operating in much the same way as a campus itself. A second initiative that they have just now begun to take is that they are establishing the same type of activity at the Drumheller Penitentiary, where satellite educational courses are being offered as directed by, in this case, Mount Royal College.

In the Slave Lake area, as you know, there are a number of satellite activities emanating from the Grouard residential school to some of the smaller communities. And I say this is a very healthy method to provide education to rural areas. But I see a second advantage to this. I see the possibility of providing a vehicle for the establishment of new colleges. Let me give you an example of what I mean here. I am not completely aware of the particular situation in this area, but let's take the case of Grande Prairie where there now is an existing college. Let's take the town -- what is a nearby town?

AN HON. MEMBER:

Fort Macleod!

MR. LEE:

Let's take Peace River as an example. Let's go by the assumption that with the population they now have, that Peace River

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-- although they do not have a college of their own at this point -- with their population, obviously will want certain educational courses offered for their adults. Why not then -- and this is probably occurring at this time -- why not allow a satellite type of function where Grande Prairie College would provide the budgeting, the staff, some of the activities that would start courses in, say, Peace River. These courses may begin in the church basement, they may spread to the use of the schools at night, and it may go to the point where the people of Peace River will say; "Well, why should we be doing all of this under Grande Prairie? We have built a building now and we have our own people interested in a community college. Why couldn't we be a community college?" And the point is, why not, at that point?

But what you may have done by doing something like this, is allowed for an orderly growth with the involvement of a community under the direction of an existing, fairly stable framework. I throw this out as a possibility, not only because it has started under Mount Royal College, but could, perhaps spread. I think it would allow for a more orderly development and a more maximum community involvement in the development of a community college -- this is the concept that I would use.

Finally, a third recommendation is that through government, through our commissions and through our institutions that we encourage the development of continuing education activities, so that we use the resources of our existing colleges and institutions as a base for such activities as evening courses, seminars, conferences, summer activities -- not as an accidental, last thought type of thing, but as an integrated part of the total program. I personally decry the distinction that we make between the times of year, the times of day, and the days of the week in our educational institutions. Why should we empty our institutions at 4:00 p.m.? and then wait for three hours before we allow courses once again to start at 7:00 p.m.? Why not just a flow right through? To a great extent, we seem to have had the feeling in that past that we should separate the adults from the kids, or something. I don't know what the philosophy is.

The development of the Banff school as a centre for conferences and seminars is a very healthy aspect of this. In the development, though, of continuing education, as perhaps a more prime emphasis, I think we've got to co-operate more extensively with our professional and occupational groups in the establishment of these particular activities. We may look to the example of Ontario, where in their report on post-secondary institutions, they talked about, I believe, an open university, where people who took courses and read books, and so on, but didn't go to the day program were evaluated as part of the degree or diploma program. These are just some tentative recommendations that I have for the Assembly and for the minister. I see the result as being a healthy one. I think that our institutions, instead of being locked in and things taken away from them, will be able to more distinctively develop their own philosophies; that education will be more accessible, flexible, and will more adequately develop community and provincial needs in advanced education.

MR. CLARK:

Mr. Speaker, I had hardly expected to take part in this debate, but after the rather open invitation that the Minister of Advanced Education gave me, I wouldn't want to disappoint him. He was talking about my ageing. I never really fully gave him credit for his deep concern for my betterment. On the other hand, I've detected, over the last two or three weeks, a bit of ageing over on the other side.

Seriously, Mr. Speaker, there are just four comments that I would like to make. I make these comments at the outset, knowing



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that the government isn't going to change its position on this matter. I do feel that it's a mistake to have divided the two departments into two departments and have a Department of Advanced Education and a Department of Education. I'm fully aware that the minister can cite the examples in Manitoba, Saskatchewan and Ontario, but I'm not sure that because they've made mistakes, that we should make the same mistakes. I would suggest to the government, for its consideration, that this government has continued the policy of the former government in the establishment of the Department of Health and Social Development. As I understand that, it is an attempt, not to fragment further, government services, but in fact, to pool services together so that, in fact, there is a capability for greater and hopefully, better long-range planning. Perhaps it's somewhat ironical that the Member for Edmonton Kingsway brought a motion into this Assembly not long ago, when he really talked about the same principle in the field of health services. As I recall that resolution -- this was on the health centres -- it was passed unanimously by the House, at least the member tried to get that idea on the Votes and Proceedings, anyway. Yet, at the same time, the government has seen fit to divide education into Education and Advanced Education. I feel it's a mistake, but I get the distinct feeling that the government isn't going to change its position on it. Perhaps that's all I need to say there.

Secondly, I feel that this move, despite the good intentions of both hon. ministers, will make it more difficult for co-ordination in the field of education. You simply can't say that there are not some effects as far as student assistance is concerned, as far as correspondence programs are concerned, and articulation between the I to XII system, and the post-secondary system -- you simply can't say that you can divorce one from the other. I fully appreciate that the hon. minister will say that we will have close co-ordination, close co-operation between the two, but with the greatest respect, that is easier said than done. I say that with a little bit of experience in the particular area.

I think we will be in a unique situation -- and I know we are not the only province this way -- that we will be in the unique situation of training teachers for the I to XII system for the Department of Education. Really, the responsibility for doing that is in the Department of Advanced Education. Yet we have the Alberta Teachers' Association and the Alberta School Trustees' Association, those organizations which should have more input than they likely have now into what goes into teacher training. They are the organizations that deal with the Department of Education, and yet the Department of Advanced Education has the ultimate responsibility in that particular area.

I would also say -- we, as members of the Legislature want to admit it or not -- that with the establishment of a second department, a Department of Advanced Education, we will end up with more governmental bureaucracy. I don't think any member in the House would really support that.

The last point I would make, Mr. Speaker, deals with the question of priorities. I say this with the greatest of respect, and not attempting to tread on either the hon. Minister of Education's toes or the hon. Minister of Advanced Education's toes. In the matter of overall education priorities I do think it is going to be more difficult to come to grips with this problem. I am very convinced it is going to be more difficult to work in terms of long-range planning because many, many of the things that have to be dealt with in the I to XII system have a follow-through into the Department of Advanced Education. On this question of multi-use of facilities, be they facilities in the I to XII system or in the field of post-secondary education, the problems I believe -- some of the solutions lie in the field of working with school boards, in working with home and school organizations, and lay groups across the province. I

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think it is more difficult for those organizations also, really in working with the two different departments.

I might just say with regard to the comments made by the hon. Member for Calgary McKnight, who is out of the House right now, that if he were to take the time to stop at Red Deer some time when he was going through, he would find out that the college at Red Deer has been rather actively involved in some programs in Stettler and Rocky Mountain House, and other areas of the province. I think he would also find out if he toured the Peace River country perhaps once more, that the college at Fairview likely has more of a role to play in the Peace River country than many people are led to believe at this particular time.

Might I also say that I look forward to the clause-by-clause study of the bill, because at that time I would like to hear from the hon. minister some indication of what he sees happening to the ag. and voc. colleges. I perhaps should say that I would be very hopeful that the ag. and voc. colleges before long would find themselves with their own boards of governors, and move in that particular direction.

My remarks can be summarized this way, Mr. Speaker. I think that this legislation is a mistake. We are going to be fragmenting governmental services. The co-ordination and planning of overall priorities is going to be more difficult in the field of education. Those kinds of decisions are never easy in the field of education. Might I say once again, I thank the hon. Member for Red Deer for his concern about my health.

MR. SPEAKER:

May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

MR. FOSTER:

Mr. Speaker, I very much appreciate the remarks made by both members of the Assembly who spoke on Bill No. 33. I think they both have a great deal to offer. I think I recognize -- and that comes from inexperience -- the remarks made by the hon. Member for Olds-Didsbury, and his concerns. History may well be the judge of some of the things you were saying.

Mr. Speaker, just on a point of order, I apologize to the minister. After giving you that advice, I should have suggested an alternative. I had one, I forgot to mention it, and that is this. If you check the legislation you could establish a situation in the field of education of a minister and a couple of associate deputy ministers, to take on the various responsibilities if you feel the load is too broad. I apologize to you, Mr. Speaker, and to you for not mentioning that as the alternative.

The comparison has been made, Mr. Speaker, to the Department of Health and Social Development, and the suggestion that really the division of educational authority in this province is tantamount to redividing, if you will, the Departments of Health and Social Development.

I would like, with great respect, to suggest that the delivery of health and social services care is not totally analogous to the delivery of educational services, but we can quarrel about that most of the day. I also appreciate the difficulties in co-ordination to which the hon. member has referred. I know that that is accepted as a challenge, by both myself and the hon. minister of education and we

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will certainly pay heed to the hon. member's remarks because we recognize that that is a possibility.

It should not go unnoticed however, Mr. Speaker, that several provinces of this nation of ours have in fact done what this province has done, and that is to create separate departments, and as I said before, history may well be the judge.

A comment was made, Mr. Speaker, that there will be some confusion and difficulty in particular with the ATA, because of the fact that the Department of Advanced Education will be responsible for the training of teachers, if you will, and yet these teachers will be serving in another sector, presumably the Department of Education, and the difficulty that will surround that.

Well, frankly, that argument just doesn't hold up when you consider that the Department of Advanced Education in one sense, is responsible for training all of the professional personnel in this province, and they are working in many sectors. And I fail to see the logic in the argument, that the ATA are somehow placed in a difficult situation, that government is somehow unable to articulate with the ATA and the trustees' association because of the fact that teachers are trained in one area and are utilized in another.

The matter of long-range planning also is of no small concern to this government. One of the many reasons why Cabinet committees have been established in the hope that ministers with various responsibilities touching upon common areas will be able to articulate their long-range planning concerns with and to each other.

The hon. Member from Olds-Didsbury has raised the question of the future of the agricultural colleges, and perhaps I can make a comment. The suggestion has been that perhaps these colleges could be placed under separate boards of governors, and I can see that is a possibility. There are numerous possibilities, one of which is, that perhaps those colleges, one or more of them, could operate in the same sense as we referred to earlier, as a satellite campus of some other institution. All I am saying at this moment, Mr. Speaker, is that there are various alternatives, and a simple introduction of a board of governors to an existing structure is not necessarily the answer to that problem.

I look forward, Mr. Speaker, to the detailed discussion of this bill and such amendments as may be appropriate to the matter of the Red Deer College on Committee of the Whole stage.

[Leave being granted, Bill No. 33 was read a second time.]

Bill No. 70

The Health Insurance Premiums Amendment Act, 1972

MISS HUNLEY:

Mr. Speaker, I move, seconded by the hon. Minister of Health and Social Development that Bill No. 70 be read a second time.

In speaking to the principle of the bill, Mr. Speaker, it is a combination again of economics and humanities. Part of the bill provides for the elimination of premiums for those over 65. It's taken out of the regulations and included as part of the legislation, because we feel that then it cannot be changed by an Order-in-Council but must indeed be changed -- if any is required -- by the Legislature.

There is also a clause which will clarify that exemption from payment of premium ceases upon the death of the resident who is 65 years of age or over. Thus if a 30 year old man is married to a 68

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year old woman, and she dies the man would have to start paying premiums, and vice versa.

An additional clause, however, provides that in cases of extreme hardship an application can be made to have the premium waived and the Alberta Health Care Insurance Commission would have permission to do this after receiving recommendations from the Department of Health and Social Development. I see that this is perhaps a necessary thing, in the event that someone age 64, for example, would be widowed at age 64 and suddenly after having not been required to pay premiums at this particular age might then be required to pay premiums after the death of their spouse who had previously made them exempt by his or her age. I feel that this is a necessary thing and perhaps it can be extended, as long as it's not abused. The reason we feel that it would not be abused is that it would be necessary to have a recommendation from the Department of Health and Social Development.

Now for the economic portion. We are trying to improve and add to the data system. One of our real concerns is the collection of outstanding premiums. Part of this act permits for the deduction of premium arrears when a person joins a group and is employed and that employer is submitting payments of premiums. It would be built into the system and become part of the automatic data processing, thus improve our premium collection, particularly those in arrears.

This act also provides for inspection of records. I found this at first a little troublesome when I first considered it, but I felt that we are used to inspection of records when people collect money on behalf of the government. We are now accepting it for unemployment insurance, income tax and so on. We did feel that with the amount of money that is being handled by employers with the payroll deduction plan that the Alberta Health Care Insurance Commission should be entitled to inspect records. This amendment will make this possible.

Finally the last clause in this bill is purely a business-like arrangement to use a position in the collection of premiums which are due to the Alberta Health Care.

MR. TAYLOR:

Mr. Speaker, I just want to make one or two comments. The first item that bothers me a little bit -- and if the hon. minister would say a few more words on it during the closing of debate I would certainly appreciate it -- a resident who is 66 or 67 who is now entitled to premium free medicare may have paid his premiums right up to the date of the commencement of the free premiums and in that case there is no problem, others, however, may be in arrears. I'm wondering how the hon. minister plans to handle the arrears of persons in these upper age brackets, because we do run into the conflict of some who have paid, and some who haven't paid. I realize that it is a difficult situation, but I would like to know -- as a matter of fact I have one or two constituents in this category -- how the hon. minister plans to handle that particular case. Are they are simply going to be written off at this stage if they aren't working, or are they going to be asked to pay them on an installment plan in order to keep the thing equal to those who have already paid, or just what will the policy will be?

I'm rather pleased with the way the hon. minister is handling my particular case of the 66-year-old woman married to a 30-year-old man. I felt it would be very unfair to carry the 30-year-old man year after year, for 35 years after his spouse passed away. However, there is still a little problem. What's going to happen to the three children?

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The only other thing I would like to say is that I believe a civilization reaches a much more mature position when it looks after its weak, those who are born disabled, etc., and those who reach the age where they no longer produce. I think this is a splendid thing that we see happening across Canada now, where more and more attention is being given to those who reach the retirement age. I'm not suggesting that thousands of these can no longer make a contribution, because I think they can. They have their tremendous ability, their tremendous knowledge, and their tremendous experience, that I think we can all benefit from which every community may benefit. But they've reached the age where they are no longer produce in the same sense as they were when they were 35 and 40 and I think they should be honoured and given some special tribute.

This matter of making sure that their health, which is a primary concern and which may be deteriorating in the latter years of a person's life, is a very excellent thing and I would like to commend the hon. minister and the government, as far as we're concerned, in connection with making this provision available. I think this is going to come in all of our provinces and throughout Canada. It may take longer in some places than in others but it is going to come.

Last year I believe we made the extension of this to those who were unable to pay in the welfare classes, and I think that is an excellent step. I believe now that we've gone another step further in making it available to those who are over 65, while I'm not particularly keen about the benefit being extended to those who are wealthy and in the senior years of their lives -- when they can well afford to pay it -- because I feel that money could be better used by giving it to widows, for instance. Many widows who are left to raise their children without the aid of a breadwinner reach the age of 50, when their children are no longer with them and they're in a different category, as far as I'm concerned, from the spinster who has spent her years working and building up a pension and so on.

The widows who have spent their years in raising a family, between the ages, say, of 30 and 55 and 60, find themselves generally in a very difficult position. They have no pension plan and they have no particular savings and they are worthy of special consideration. I would hope that we could extend this the next time, whenever it's possible to extend it, to include that particular class of our citizens who have made a tremendous contribution.

There is just one other point that I would like to mention -- another group that I think is worthy of consideration -- I have referred this to the hon. Minister of Social Development. That is the war widow -- the war widow who did not remarry. The war widow who remarried after she lost her husband overseas is, I think, in a little different category. But the one who did not remarry has lived throughout these years and, in many cases, has raised a family on a very small pension and while it is a federal responsibility, nevertheless I think we have to realize that many of these war widows who have remained single after their husbands gave their lives for the defense of this country are in a position that deserves some special consideration.

So I would certainly suggest to the hon. minister that when it's possible to extend these benefits to other categories, that these two categories receive high priority.

MR. DRAIN:

This is just in the nature of a suggestion, Mr. Speaker, and this refers to Section 16(1) which would properly be dealt with on a clause by clause study of the bill; but possibly I have hopes that what I suggest may be accepted and therefore, legislation could be brought in to amend this. I might mention simply that the Workmen's Compensation Board, through their auditors, do audit every payroll in

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the province at some time or other, and it would seem to me that there could be some arrangement made whereby this proposed checking of records for Alberta Health Care Insurance could work under the same formula.

I might mention that this has already been done federally where we, at one time, had one inspector for unemployment insurance and another inspector for the Canada Pension Plan; and then another inspector for income tax. Now this has all been put under one complete heading. So I would think in the interests of efficiency and in the interests of cost-saving, that some thought should be given to this suggestion.

MR. SPEAKER:

Are you ready for the question?

MISS HUNLEY:

Mr. Speaker, may I reply, I'll only take two minutes. There are a couple of things brought up which I would like to answer now. The Workmen's Compensation Board does not check all payrolls, with due respect to Mr. Drain. There are some businesses who collect and have group plans, but they are not inspected by the Workmen's Compensation Board, if the employees are not eligible for compensation. It's a good idea, but they just don't do it. Unless we had a working arrangement where they did inspect them all. This, of course, we could consider, but that's not possible.

In regard to the collection of arrears. I consider it a very real problem. It's a humanitarian problem as well as a businesslike problem. I'm concerned with those over 65 who no longer have to pay. I am equally concerned with those of low means who have joined the plan and have found themselves unable to pay. There are several categories of them, some who don't understand the system; they would be eligible for subsidy, but they've never applied, because they don't understand the system. There are some who are illiterate, there are many who don't want to go on welfare, but they could. These people are a very real concern to me and I have under consideration some means of taking care of it. I feel sure that when it's finally in its final solution, I'm sure it will meet with approval from both sides of the House -- at least I'm counting on it.

And in closing the debate, Mr. Speaker, I'd like to say that of all the members in this House to suggest that we should discriminate against those of us who are not married -- I really didn't expect that from the hon. Member for Drumheller. You referred to spinsters, which, of course, I don't consider myself as one; I think I'm an unclaimed treasure.

SOME HON. MEMBERS:

Hear, hear.

MISS HUNLEY:

But hopefully if I survive, by the time I'm 65 -- well, I'll try to keep paying my premiums in the meantime. Thank you very much.

[The motion being carried, Bill No. 70 was read a second time.]

MR. SPEAKER:

It now being 5:30 the House stands adjourned until Monday afternoon at 2:30 o'clock.

[The House rose at 5:31 p.m.]