

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday Evening, October 26, 1972

[Mr. Deputy Speaker resumed the Chair at 8:00 p.m.]

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Friday Sitings

Mr. Hyndman proposed the following motion to the assembly, seconded by Mr. Miniely:

That commencing Friday, October 27, 1972 and on each Friday thereafter for the duration of the current session, the House shall meet for the conduct of business at 1:00 p.m. and shall stand adjourned at 4:30 p.m. until the following Monday.

MR. HYNDMAN:

Mr. Speaker, I might draw the attention of hon. members to the fact there is an error in the sense that the motion as printed states 4:00 p.m., but I think 4:30 p.m. and 1:00 p.m. were the times which had been discussed informally, Mr. Speaker, among members of both sides of the House.

I should, in regard to this motion, simply mention that this would be a sessional change for the duration of this first sitting of the Seventeenth Legislature and that come spring, having seen how this experiment on Fridays goes, we can all then assess whether any changes should be made on a permanent basis.

[The motion was carried without debate.]

Standing Committee on Public Accounts

Mr. Hyndman proposed the following motion to the assembly, seconded by Mr. Miniely:

That with regard to the Standing Committee on Public Accounts, the names of Hon. F.H. Peacock and Hon. D.J. Russell be deleted as members thereof and Messrs. R. Farran and C. Lee be substituted therefor.

[The motion was carried without debate.]

GOVERNMENT BILLS AND ORDERS
(Resolutions for and Introduction of)

MR. HYNDMAN:

Mr. Speaker, I would first like to ask the leave of the Assembly to proceed to the resolution stage in respect of two bills, notice of which was given yesterday -- notice for the first readings of the bills but not for the resolution. These are the bills for an act, being The Workmen's Compensation Amendment Act, 1972 (No. 2) and the Alberta Income Tax Amendment Act, 1972 (No. 2).

It is proposed that following completion of the resolution stage, first reading would be given to these bills. But formal notice not properly having been given with respect to the resolution stage, I ask leave of the House to put these motions before so doing.

MR. DEPUTY SPEAKER:

Is it agreed as the House Leader has moved?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Accordingly, Mr. Speaker, I would move that you do now leave the Chair, and the Assembly resolve itself into Committee of the Whole to consider resolutions 4 and 5 on the Votes and Proceedings for Wednesday, October 25th. His Honour the Honourable the Lieutenant Governor has been informed of the subject matter of the motions and recommends the same for the consideration of the Assembly.

MR. DEPUTY SPEAKER:

Is it agreed as moved by the hon. House Leader?

MR. TAYLOR:

Mr. Speaker, the hon. members on this side of the House do not have their copies of the Votes and Proceedings. Could they be distributed so we could follow these?

MR. DEPUTY SPEAKER:

I guess an apology is owing to the Members of the Assembly. The page boys and page girls will distribute them right now.

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COMMITTEE OF THE WHOLE

[Mr. Appleby in the Chair.]

MR. CHAIRMAN:

The Committee of the Whole will now come to order. We have two resolutions for consideration, notice of which has been given. The first of these reads:

Resolved that it is expedient to introduce a bill for an act, being The Workmen's Compensation Amendment Act, 1972 (No. 2).

Do you all agree?

HON. MEMBERS:

Agreed.

DR. HOHOL:

I move that the resolution be reported.

MR. CHAIRMAN:

It is moved that the resolution be reported. Do you all agree?

HON. MEMBERS:

Agreed.

MR. CHAIRMAN:

The second resolution reads as follows:

Resolved that it is expedient to introduce a bill for an act, being The Alberta Income Tax Amendment Act, 1972 (No. 2).

Are you all agreed?

HON. MEMBERS:

Agreed.

MR. MINIELY:

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

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MR. CHAIRMAN:

It is moved that the resolution be reported? Do you all agree?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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

MR. CHAIRMAN:

It has been moved that the Committee rise and report the resolutions. Are you all agreed?

HON. MEMBERS:

Agreed.

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[Mr. Deputy Speaker resumed the Chair.]

MR. APPLEBY:

The Committee of the Whole has had under consideration the following resolutions:

1. Resolved that it is expedient to introduce a bill for an act, being The Workmens Compensation Amendment Act, 1972 (No. 2).
2. Resolved that it is expedient to introduce a bill for an act, being The Alberta Income Tax Amendment Act, 1972 (No. 2).

MR. DEPUTY SPEAKER:

You have heard the report of the two resolutions; are you agreed?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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

MR. DEPUTY SPEAKER:

It has been moved by the hon. House Leader that the two resolutions be read now a second time. Is that agreed?

HON. MEMBERS:

Agreed.

Bill No. 108: The Workmens Compensation Amendment Act, 1972 (No. 2)

DR. HOHOL:

Mr. Speaker, I wish to introduce a bill, being The Workmens Compensation Amendment Act, 1972 (No. 2). The purpose of this amendment is to increase the benefits for injured workmen.

[Leave being granted, Bill No. 108 was introduced and read a first time.]

Bill No. 111: The Alberta Income Tax Amendment Act, 1972 (No. 2)

MR. MINIELY:

Mr. Speaker, I beg leave to introduce a bill, being The Alberta Income Tax Amendment Act, 1972 (No. 2). Mr. Speaker, seeing that this is a typographical error, I would like to advise the House that during the year and some that I have been Provincial Treasurer, I have often thought that if there were a typographical error, the last place I would want it to be is in the rate. But,

in fact, that is what happened when we introduced the Alberta Income Tax Amendment Act in the spring sitting to conform with the new Federal tax revisions. In fact, in drafting they referred to the previous act which was before the rate was increased by the former government. The rate that should have been picked up was 11% and what was picked in drafting was 10%. So, in effect, I assure all members there is no increase in the income tax rate.

AN HON. MEMBER:

Not this year!

[Leave being granted, Bill No. 111 was introduced and read a first time.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 89: The Builders' Lien Amendment Act, 1972

MR. LEITCH:

I move, seconded by the hon. Dr. Backus, second reading of Bill 89, The Builders' Lien Amendment Act.

Mr. Speaker, as the act now stands, there is one lien fund, which is calculated as a percentage of the contract price between the owner who is hiring the work done and the principal contractor. All persons who might have a lien as a result of doing work on the property, claim against that single fund. That has had some serious drawbacks, one of which is that it slows up the flow of money from the owner to the contractor, down to the suppliers, etc. The owner must hold back the full 15% of his contract price until the whole job is completed and he knows that there will be no further liens filed against the fund. In addition, he often holds back more than the 15 per cent because he must protect himself against faulty workmanship. The first disadvantage of the existing legislation is that it slows up funds.

The second disadvantage is that it occasionally misleads the suppliers of services or goods to a construction project and it does it in this way: the fund is calculated on the price between the owner and the prime contractor. In the case of an expensive building, a million dollar building, a supplier to that building would ordinarily think there was a prime contractor and there was a fund of \$150,000, being 15 per cent of the building's value, available for him to file liens against. But if the owner of the property doesn't have a prime contractor but enters into a series of individual contracts for the construction of the building, it may result in, say, the heating supplier finding that rather than being a \$150,000 fund against which he can make claims, there is only 15 per cent of the amount of a contract between the owner and the heating contractor, which may be much smaller, of course, than the million dollar value of the building.

A third disadvantage of existing legislation is that it does not encourage suppliers to examine the creditability of the people to whom it supplies goods. Take the case of the heating suppliers that I referred to a moment ago. His contract may be in the order of \$100,000; his supplier isn't worried about his capacity to pay the bills because he has 15 per cent of the principal contract price, \$150,000 from against which he can file claims. The presence of this large fund, even though the supplier may be dealing with a subcontractor who has a relatively small contract, has led to suppliers not worrying about or checking into the ability to pay of the people to whom they are selling their goods and services.

Those are the three existing disadvantages of the legislation and in an attempt to cure these, this bill provides for the single fund, that is, the 15 per cent of the principal contract, but it also provides that the supplier -- again I will use the heating contractor as an example -- the supplier of the heating contractor can only claim an amount from that fund, an amount equal to 15 per cent of the contract between the prime contractor and the heating contractor or, in the case of the owner contracting directly with the heating contractor, 15 per cent of that contract price.

It is my submission, Mr. Speaker, that this amendment will cure what have been some significant disadvantages of the existing act.

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MR. DIXON:

Mr. Speaker, speaking of Bill No. 89, there is a situation at the present time in our province -- and this is more of a question to the Attorney General than speaking to the bill although it does cover mechanics' liens because in this case I think there will be a series of mechanics' liens placed against the homes being built at the present time -- but we have a contractor at the present time in Alberta building in a lot of rural areas who, it would seem, is running into financial difficulties. We are having complaints from people whose homes are being built that the houses aren't completed and have been started as far back as January. I don't wish to name the contractor publicly tonight; I will get in touch with the Attorney General. But we are having enough enquiries, and I would feel that some investigation should take place. And I was wondering what protection individual Albertans would have in this case where the house is not completed, and many of them are in various stages from the basement almost through to completion. They are even having difficulty getting gas companies to service these homes, and nobody but the contractor can put them in because the gas companies say they will not put in the gas services until the deposits are paid, and they can only be paid by the contractor. So I was wondering where will these individuals will fit in for protection in case this fairly large builder does have difficulty in completing his contracts.

MR. TAYLOR:

Mr. Speaker, I would like also to have the comments of the hon. the Attorney General on one or two points. One is that the one lien fund is retained in the amendment, but there is a limit now placed against it to a maximum of 15% of the value of the work done. Now, if a contractor or a sub-contractor is slovenly in his work and he actually has a claim of 25%, he is now limited to the 15% of the work done. Does this mean that his workmen will not have a claim for wages, or where do the others, to whom that sub-contractor owes money and who have been working for him in the contract, fit into the picture, and who absorbs the loss in the final analysis?

MR. DEPUTY SPEAKER:

If there is no further debate, the hon. minister may close the debate.

MR. LEITCH:

Mr. Speaker, the answer to the first question is that this legislation does not provide any protection to the homeowner, or I should say the home purchaser. This is an act to provide protection for people who have supplied goods and services during the construction of the home or any other work that falls within the act, but it doesn't provide any protection to the person who hires the work done or is buying a home or buying another service which falls within the act.

The answer, Mr. Speaker, to the second question is that this does not alter the principle on which lien claims have always been filed as to the value of the work done. What will ordinarily happen in the case of shoddy workmanship by a sub-trade or the contractor is that the owner or the person paying the money doesn't pay it out. So there is the fact that the lien attaches not only to the 15%, but it also attaches to any unpaid money; so that if you have a \$100,000 contract and \$10,000 has been paid out at the time the liens start to come in they attach to the whole \$90,000 that remains unpaid, and that ordinarily will be the case with shoddy workmanship. The money is just not paid out. It still remains with the person liable on the contract and is there to be attached by the liens.

MR. TAYLOR:

Will the hon. minister permit one question. By shoddy workmanship I meant where, say the radiators that were supplied were damaged so that they couldn't be used and so that claim for the materials far exceeded what they should have. Nevertheless, somebody supplied these that knew this new material was to replace that which was damaged by workmen.

If the 15% does not cover it, is the loss then absorbed by the sub-contractor who employed the shoddy workman?

MR. LEITCH:

I take it, Mr. Speaker, that the hon. Member for Drumheller is referring to the case where a supplier provides radiators to a heating contractor and the radiators are in good condition at the time of being supplied, but the heating contractor's workman damage them in the course of installation so that they are

of no value to the owner and he must, then, retain someone else to replace them. The risk there, if there isn't enough money held back, lies with the person who supplied the radiators. That, Mr. Speaker, is not an unfair or an unreasonable thing because the damage to the supplier flows from the person he dealt with. This is one of the complaints we had with the existing legislation; that the suppliers were not being careful about the people to whom they were supplying their products because they knew they could be careless, since they had a large fund to lock for (being the 15% of the principal contract). This change makes them be a little more careful in the persons they are giving credit to.

[The motion was carried, and Bill No. 89 was read a second time.]

Bill No. 93: The Wilderness Areas Amendment Act, 1972

DR. WARRACK:

Mr. Speaker, I move that Bill 93, The Wilderness Areas Amendment Act, 1972, seconded by the hon. Minister of Telephones and Utilities, Mr. Werry, be read a second time.

I would like, Mr. Speaker, first of all to re-emphasize the principles involved in these amendments to The Wilderness Areas Act.

The major principles that are involved are three. First, to remove the statutory size limitation of twelve miles by twelve miles or 144 square miles from The Wilderness Areas Amendment Act.

The second principle that is established by Bill 93 is to finalize the boundaries on the three wilderness areas in Alberta around the three wilderness areas named the Ghost River Wilderness Area, to be approximately 59 square miles in size; the Siffleur Wilderness Area, which will be 159 square miles in size; and thirdly and largest, the White Goat Wilderness Area which will be 171 square miles in size. Bill 93 does firm up those boundaries.

The third principle is to establish as a part of the wilderness areas concept for Alberta the concept of a controlled buffer zone; that is, Mr. Speaker, a zone, that lies between heavier human traffic and use of natural resources and land areas in contrast to that area within the boundaries of the wilderness areas, which have strict prohibitions on their use. So there would be a controlled buffer zone established by bill 93 and the exact boundaries of this in turn would be established by regulation where there would be no strip mining, no quarrying, and no water, made diversions or impoundments of a major nature. Those are the three principal things that would be accomplished in this amendment, that is Bill 93 before us.

At the same time, I would take the opportunity to clarify a matter that keeps needing reclarification of the difficulty in the naming that attaches itself to an area of Alberta that is called the Willmore Wilderness Park. I would like to briefly clarify that the Willmore Wilderness Park is an area of Alberta that was established by a separate and specific act prior to the drawing up of The Wilderness Areas Act. I would like that to be quite clear. Though the names overlap, the objectives are different and the nature of the legislation and the use of the areas are very, very different. So I would like to clarify that.

I would take the opportunity, Mr. Speaker, to describe a bit of my thinking and, I think, a reflection of some of the thoughts of the presentations and briefs that have been made in the hearings prior to 1971 when wilderness areas were being considered for establishment in Alberta and I would like to suggest a couple of perspectives that I find very useful in looking at the matter of wilderness and the question of why there should be wilderness areas.

There is a very eminent philosopher and in fact economist, which gives him some extra credibility as far as I am concerned, named Kenneth Golding who has written a book called Economics as a Science. There are many parts to that book, but the last part of the book expresses some ideas that have something to do with wilderness areas and the human use and the human value that can come from a physical thing, that is, nature around us.

In his last chapter there is a discussion entitled 'Economics and the Future of Man' that approaches the technological change that this world has seen in this way. By his estimate, there has been a degree of technological change that is substantial. Beginning when things technologically began to change on this earth we live on, and calculating by generations back, it comes out to something on the order of seven hundred generations during which technological alteration of our life circumstance on earth has occurred. What is even more

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astounding, is his suggestion that in the last two generations as much technological change has occurred as had occurred in the previous 698 generations. By this kind of deduction he suggests that he has, himself, in his lifetime of early sixties witnessed about half of the technological change that this earth has seen.

I think that is a perspective for us to look at as we talk about how we might use the parts of our natural resources that are available and whether we might want to handle some significant parts of them in some very different ways from those that are fully utilized for productive purposes. So I think that is a perspective on wilderness areas. Another perspective on wilderness areas is offered in the October, 1970 commercial letter of the Canadian Imperial Bank of Commerce entitled 'The Next Industrial Revolution'.

The first Industrial Revolution, centering in Western Europe, particularly Britain, involved the use of power and of course, the by-products of power; the side effects that occurred. Some of these side effects were absorbable into nature at that time, fully, and that there was not a solid waste problem on our earth until more recent times and also there were not many new chemicals and they were not sufficient in quantity to be a problem and so there was no ecological upset that occurred from this, and we call these things of course, pollution. Well, the next Industrial Revolution, it is suggested, would be the management of material after initial use and a continual re-cycling technology. It would be an entirely new revolution around us. These things are indeed upon us and will continue more so to be upon us. It seems that we might want to look and make a choice as regards to whether we want to have wilderness areas or not. I think we are agreed in this room that we do, so that we have enough of the physical things of our earth that are available to a part of the human services that can make living be human. I think that is much of what wilderness areas are about and why it is important that we have them; that they be established as part of the balance of how we utilize our resources for production on the one hand; conserve their energies as physical items that help make our lives more worth living. This is what we try to achieve, I think, with the wilderness areas and Bill 93 will firm up the boundaries around those wilderness areas, establishing them more as an ecological unit in contrast with an arbitrary maximum, or for that matter, minimum size boundary. And so the removal of the 144 square mile maximum makes it possible to establish wilderness areas according to an eco-system, and I think this is surely what we are wishing as we look at wilderness areas and contemplate the value they can offer to us. To meet those three principal things that are accomplished by Bill 93 and out of the perspective of this massively changing technology (which, it has been suggested, and I am inclined to agree, has changed as much as in the last two generations as in the few hundred generations prior to that) and at the same time recognizing the aftermath of an increasingly production-oriented life that we lead in the use of our resources, it is time we agreed to settle into some firm boundaries by eco-systems and include a buffer system concept that can separate people in large masses and what they want to do in large groups from a more contemplative use of natural resources in wilderness areas where one can contemplate one's own human destiny and enjoy that kind of special chemistry that comes about when you are able to surround yourself in the natural beauty of a beautiful province like Alberta.

I would comment just a bit further in that we did have some conflicts that arose from the 1971 Wilderness Areas Act, inasmuch as there were petroleum leases in those wilderness areas. It was obviously an inconsistency between the subsurface rights that were paid for initially and each subsequent year within those wilderness areas and the fact that the Wilderness Areas Act does specify that there would be no activity that would be mechanized and would disturb significantly the surface of the earth in those areas. I am very pleased, Mr. Speaker, to announce to this House that we have been successful. The person who did really most of the work was the hon. gentleman on my immediate right, Mr. Dickie, Minister of Mines and Minerals, and I am happy to announce to the House that we have managed to work out an exchange of areas in all of those mineral leases so that the wilderness areas that we have before us this evening are free from mineral leases as of now.

MR. RUSTE:

Mr. Speaker, in reading the original bill, Bill No. 114 of 1971, I notice there that it spells out that the boundaries of these areas would be decided at this session. I think we are carrying that part out. I would be interested, though, in the minister's reaction or comments on what he considers the buffer zones in these areas, compared with the particular boundaries mentioned here.

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Mr. Speaker, I think this bill is a step in the right direction, and naturally I will support it. There are one or two principles on which I was wondering if I could seek clarification from the minister, as he knows that I am most interested in trying to preserve the few wild horses that are left in the area. I was wondering if he is going to allow permits to be issued to capture wild horses in these areas, because I think this is one thing he could do. He could ban the issuing of permits at least in these three areas. According to Section 8(f), the Lieutenant Governor in Council can give permission to remove game, and I was just wondering if the Minister and his government would give some consideration to at least making these areas require some kind of special permission for any of the wild horses that are left in these three particular areas.

The other thing that I question is the principle of not allowing a vehicle or an aircraft to land in these wilderness areas. I was wondering what would happen if there was an airplane crash in these areas and you would have to get a permit from the Lieutenant Governor before you could go in by any kind of vehicle or land a helicopter. I am wondering if that has been taken care of, or would we need an amendment to take care of an emergency situation such as that, because it would seem ridiculous to me if a person willing to rescue someone with a vehicle to bring him out would be charged under section 8. Did the minister give any consideration to that when he drafted the bill?

MR. SPEAKER:

If there are no further questions, is it agreed the Minister may close the debate?

HON. MEMBERS:

Agreed.

DR. WARRACK:

Thank you Mr. Speaker. The question asked by the hon. Member for Wainwright is a very good one. Regarding the buffer zones. It would not be contemplated that there would have to be buffer zones around the entire boundary of each one of the wilderness areas. But in fact to establish the buffer zones in places that they would be needed. I might say that I have flown over the Ghost River and the Siffleur wilderness areas in a helicopter and we got snowed out before we could go over the White Goat a year ago this month but it's very clear that in many of the boundaries there is just no need at all for a buffer zone because they are relatively inaccessible because of the geography of the area. On the other hand, there are those areas where there can be a considerable amount of human traffic nearby to the wilderness areas and therefore, I think, necessitate a buffer zone if only in order to make it possible that you don't have to build a fence or other systematic and expensive and unsightly systems so people can tell where the boundaries of the wilderness areas are.

I might set an example on that and that would be immediately north of the Siffleur wilderness area where the Siffleur wilderness area comes up near to the boundary of the North Saskatchewan River. But there is an area that lies between the North Saskatchewan River and the Siffleur wilderness area because it would be a shame to exclude the use of the area immediate to the North Saskatchewan River; but if you don't do that then it is impossible for a person on their own to really be able to tell where the wilderness area boundary is. That's a pretty clear example and it would be a pretty good example one could offer for the White Goat wilderness area and have the buffer zone on the south side of the White Goat and also in some of the zone that bounds the Ghost River wilderness area because it is relatively close to where a lot of people live and travel between Calgary and Banff.

Secondly, regarding the matter of the wild horses. You will note that man-horse combinations are prohibited, so I would think that unless you can run pretty fast you would not really be able to round them up anyway. So, in some sense I think it would be fair to say that this would turn out as a by-product to be a kind of wild horses preservation zone. Although I'd make it clear that that's not to my mind a priority reason for establishing wilderness areas.

It is possible to do wild life removal if there is a disease kind of situation or something quite urgent such as that but in my mind, at least, it is not contemplated to have wild horse removal permits for those areas. And in any case, say you need at least horseback if not mechanized system of aid in order to do that.

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Regarding the matter of aircraft access for emergency. I know there is provision in the bill itself, but I point out that part of it wouldn't have been drafted by me. That would have, in fact, been drafted in 1971 and there is provision for access by aircraft upon government direction. Now I wasn't able to find whether it took an order in council to do that or not and if it does the hon. member may very well be quite right that that would be a rather inflexible situation to meet an emergency and was apparently overlooked when The Wilderness Areas Act was drafted in the initial instance in 1971. I'll look to that.

[The motion was carried, and Bill No. 93 was read a second time.]

GOVERNMENT BILLS AND ORDERS
(Committee of the Whole)

DR. HOBNER:

Mr. Speaker, I move that you do now leave the Chair and the House do go into the Committee of the Whole to study bills on the Order Paper.

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COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair]

Bill No. 49 The Meat Inspection Act

[Sections 1 to 3 were agreed to without debate.]

Section 4

MR. BENOIT:

Have these been drawn up yet?

MR. FLUKER:

I have passed some of them out to members of the other side.

MR. DIACHUK:

Agreed with section 4 now, or do you want to see the regulations first? Okay.

[Sections 5 to 10 were agreed to without debate.]

Section 11

MR. BUCKWELL:

Mr. Speaker, I would like to ask a question. Do you anticipate that any abattoirs will be closed immediately because of these regulations?

MR. FLUKER:

We don't anticipate any being closed until about 1978. We will give them at least five years to upgrade their premises, to come up to this standard. So I don't think any will be closed immediately. It is not our intention to close them immediately anyway, but to let them have a chance to upgrade their premises, so that they can come under this act.

MR. BUCKWELL:

On those lines, is any assessment being made on the possibilities of what might be closed out in that period? I mean you have set a deadline now and surely the department has looked at what might be feasible for these to build up or others that may have to close up.

MR. FLUKER:

Mr. Chairman, we think that once this is put into effect, about 15 to 20 abattoirs in the Province will come under class A licence. Then, of course, we will have a B licence, and a C licence. That is how they can be upgraded. I would say about 15 to 20 to start with. Well, C is a pretty low class. Now you

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are getting down to the farm level and the little things. Would the hon. Minister of Agriculture let us in on the private conversation he is having over there? He is very difficult to follow. I am not used to this bashfulness on his part.

DR. HOFNER:

I assure the hon. member I am not being bashful. I was merely suggesting to the hon. member who has done a great deal of work on this bill to let the hon. Member for Wetaskiwin-Leduc know what the situation is.

MR. BUCKWELL:

There is another question I would like to ask; we have a Class A, I believe, in Pincher Creek. There is a Class A in Macleod, and I believe there is a Class A in Taber. In other parts of the province, say at the end of '78, where there would be no Class A abattoir, what will these people do for slaughtering? This is the concern.

MR. FLUKER:

Mr. Chairman, I think what this bill is mainly meant for is for these local abattoirs, and some of the larger centres such as Red Deer and so on such as Lethbridge, is to come up to the federal level, which is now . . . As you know of the problems we had some time ago of the problems we had in Grande Prairie, this fellow had to come under federal inspection to meet the standards to ship his meats out of the province. I think this is what we are working toward in some of these larger centres and that is to start out now with provincial inspection, and then through time to come up to the level whereby federal inspection can take over so that they can ship their product out of the province to our neighbours in the south.

MR. TAYLOR:

Mr. Chairman, would the hon. member define the Class B licence?

MR. FLUKER:

Yes, well a Class B licence will be issued to those abattoirs who operate on an occasional basis with minimum standards of construction and sanitation, and to whom ante-mortem and post-mortem inspection will be offered for a maximum of six days per calendar year.

MR. TAYLOR:

Thank you very much. Mr. Chairman, I am having difficulty in trying to understand, because I haven't got the regulations -- and this bill is difficult to follow without knowing what the regulations are going to be -- but where would an abattoir of a butcher shop in a small town fit into this. What classification of licence would it receive? It isn't operating on a big scale such as 'A' as I understand it, and it operates regularly but perhaps one day a week. Is there going to be another type of licence to look after this, and just how tough is the regulation going to be on this type of abattoir?

MR. FLUKER:

Mr. Chairman, I don't think they will be any tougher on this type of abattoir than on any of the rest but if he has a butcher shop along with an abattoir then this fine. Thereby, this act enables him to go out and buy his meat in the country and kill it, have it inspected, and then he can sell it over a retail counter in this town or anywhere in the province.

MR. TAYLOR:

His abattoir doesn't have to be licensed?

MR. FLUKER:

Well, sure his abattoir has to be licensed.

MR. TAYLOR:

Under what classification?

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MR. FLUKER:

I would say he would have to be in the 'A'.

MR. TAYLOR:

'A'?

MR. FLUKER:

Sure.

MR. TAYLOR:

There is one further question I would like to ask. Is it a common practice say in small areas, for a butcher to go out to a farmer's yard -- you probably know -- and shoots a critter; this will be eliminated will it? Can he take the meat back and sell it in his own butcher shop?

MR. FLUKER:

You're concerned, I think, at the moment that all killing must be done in either an 'A' or a 'C' licenced premise.

MR. TAYLOR:

Yes. But, Mr. Chairman, under this act if he goes out to a farmer and kills the meat on the farm and then brings it into his abattoir, there has to be an inspector there for a post-mortem and an ante-mortem inspection. In other words, what I am saying here too, that if an animal dies on a farm from bloat or any other cause, and that farmer cuts that animal's throat and brings it to an abattoir to have it dressed out then all he can do is take it home for his own use and it cannot be offered for sale. He is taking his own chances on it.

Now another thing that I might say, while I am on my feet, that having talked to some of the hon. members across the way, and especially Mr. French. I am saying this on his behalf. You talked about a man who had 20 turkeys in your area and he had them milk-fed and he had his customers every year for these turkeys. Here again, he could sell these turkeys to these people as long as he did not draw them; I mean, as long as he did not eviscerate them. If he eviscerates them and then offers them for sale, he is in trouble. He has to have them inspected, or he has to take them to a place to have them slaughtered. Does that answer your question?

DR. BUCKWELL:

Mr. Chairman, another question along same line. This would prohibit Hutterites from peddling chickens door-to-door under the same type of thing, would it?

MR. FLUKER:

No, the Hutterites could peddle chickens as long as they did not eviscerate them. But once they take the insides out, the chickens have to be inspected by an inspector at a place where they can be slaughtered. So it is still not going to stop the Hutterites from peddling chickens all over the country, as long as they have their insides in.

MR. TAYLOR:

Mr. Chairman, is it possible then to sell the live animal, and then the new owner kills his own animal? There is no difficulty there?

MR. FLUKER:

An owner owns his animal. I think what you are getting at here is: Supposing a farmer has his own animal that he wants to slaughter, and he takes it to a slaughter house or an abattoir where there is an inspector. The animal is inspected before it is killed and after it is killed, it is stamped, and the farmer takes it home knowing that he will be eating real good meat. There is nothing wrong with it; it doesn't cost him anything. The government pays for it. This is what the inspector is there for. So the custom kill is certainly all right.

MR. TAYLOR:

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The question was: If the farmer sells John Doe a pig or a cow, and John Doe keeps it in his back yard for one day and then kills it, does that animal come under inspection? He is killing it for his own use.

MR. FLUKER:

He has to take it to an abattoir to have it killed. Is this what you mean? He can kill it on the farm. There is no inspection on your own farm, so long as it is your own animal.

MR. BUCKWELL:

I have a question on this Class 'B' license. As I understand it, if the Hutterites say, are going to kill a certain number of geese, and they want to sell them, drawn, they would come under a Class 'B' license. Is this correct?

MR. FLUKER:

Class 'C'. A Class 'C' license will be offered to those applicants whose business is restricted to custom processing for farmers, and the products not to be offered for resale. No, they would come under 'B'. That's right.

MR. RUSTE:

I would say that when someone does custom killing they go out to the farm, kill the animal for the farmer, dress it, and then go on and do that for somebody else. There's nothing prohibiting that.

MR. FLUKER:

He has to have a place, an abattoir, that comes up to the standards. They can't be travelling around, unless they have a meat inspector with them at all times.

MR. RUSTE:

What I was getting at if he comes he must have a meat inspector with him at all times. If he comes out to a farm and kills an animal on the farmer's place, for the farmer's use, and then goes on and does that for another farmer, is there any prohibition to that?

MR. FLUKER:

But you have to have a meat inspector there at all times, if you are going to resell this meat. If this guy is going to go out and kill it for his own butcher shop for resale, well, he has to have a meat inspector. There has to be a postmortem and an antemortem inspection. In other words, the animal has to be inspected before it is killed so it has no disease and afterwards, when it is inspected, the same as they do in the packing plants today; federal inspection.

MR. BUCKWELL:

But as long as a farmer or a custom jobber does the job for the farmer and the farmer is going to have the meat for his own use, then there is no inspection required; this is correct isn't it?

MR. FLUKER:

If he brings it to an abattoir, yes.

MR. BUCKWELL:

Well, yes, at an abattoir; but if he kills it on the farmer's own premises and the meat is for the farmer's own use, then there is no inspection required. This is correct, isn't it?

MR. FLUKER:

Well I suppose not, I don't know. There are not too many of them around.

MR. FRENCH:

What will the effect of this bill be on the meat rings that we have in the province that have been in existence for many, many years?

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MR. FLUKER:

This what?

MR. FRENCH:

I am sorry the loud speaker wasn't on, Mr. Speaker. I am asking the question: what will happen to the -- maybe if some of my colleagues will keep quiet maybe you can hear me -- I'll take care of them; it is all right. I am wondering what is going to happen to the meat rings after this legislation comes into effect.

MR. TAYLOR:

You will have to tell him what a meat ring is; he doesn't know what a meat ring is.

MR. FRENCH:

Maybe I should have used the words "beef ring" then, that is another term.

AN HON. MEMBER:

What is it?

MR. FRENCH:

Well, in southern Alberta where they grow the best beef, it is quite common practice for a number of farmers to get together and they butcher a beef and they distribute part of it to, say, three or four families or whatever is the number of people that get together; and then a few weeks later they go through this same process again, and maybe in the meantime they may do a similar operation with a pig, and so on and so forth, and they have a fairly good meat supply for their own use, at regular intervals. Instead of killing a 900-pound animal and taking it home and having the same beef for quite a long time, it is a good sociable activity. They get together and they have a lot of fun doing it and they take home some meat.

MR. FLUKER:

I think this is perfectly all right if they do this and stay sober while they are doing it. I can't see anything wrong with it.

MR. FRENCH:

I can't assure you on the last statement, but actually this is an outing for some of these people, it is part of what we call the rural culture, and it is a good activity. I would invite the hon. Member for St. Paul down some day to see one of these operations. It is quite entertaining.

[Sections 11(a) to 11(f) were agreed to without further debate.]

Section 11(g)

MR. DIXON:

On (g), I haven't got the regulations before me. I think there is only one set here on the front bench. In Section (g) where it says, "Prescribing humane methods of rendering animals unconscious prior to slaughter", is it going to be in the regulations that every animal must be rendered unconscious, or are we going to follow the federal act? There, in the case of the Jewish religion, there is a clause that says they do not have to render it unconscious, and there are a lot of people who feel that an animal should be rendered unconscious before the knife is placed to the throat of the animal for bleeding purposes. So I am wondering if our regulations will include every animal be rendered unconscious. that every animal is rendered unconscious.

MR. FLUKER:

I think that there are going to be some of the plants that will be going for the kosher kill and type I don't see how we can legislate against it.

[Clauses (g) and (h) were agreed to.]

Section 11(i)

MR. RUSTE:

There is reference here to exemptions; could we have an example of an exemption which would be given under that?

MR. CHAIRMAN:

Can you give an example, Mr. Fluker?

MR. FLUKER:

I answer it before, with the kosher kill type.

MR. TAYLOR:

I wonder if there is any thought in putting in the regulations a prohibition against abattoirs inside of incorporated areas such as villages and towns and, secondly, is there any thought of passing any regulations preventing the expansion of abattoirs that are already in incorporated villages or towns, particularly villages.

I would like to have your views particularly if there is any thought of preventing this or preventing the expansion of an abattoir already there.

MR. FLUKER:

Mr. Chairman, I don't think so. This summer we traveled quite extensively from one abattoir to another throughout Alberta and talked to these people and I don't think there is any danger of this, Mr. Taylor. I think what this is going to do, it's really going to upgrade the industry, it's got to. And the smaller ones, there may be a few of them who are not willing to upgrade their premises to come under this act, who may fall by the wayside, but certainly the better ones and the middle-type ones will come up to a higher standard and certainly upgrade their premises. This is what this is meant for, and I think that it will really do something for the industry for rural Alberta. That is what it is meant for.

[The remainder of Section 11, Section 12, the title and the preamble were agreed to without further debate.]

MR. HYNDMAN:

Mr. Chairman, I move that the committee rise and report the bill.

HON. MEMBERS:

Agreed.

* * * * *

[Mr. Speaker resumed the Chair.]

MR. APPLEBY:

The Committee of the Whole has had under consideration Bill No. 49, The Meat Inspection Act, and begs to report same.

MR. DEPUTY SPEAKER:

It has been reported that Bill No. 49 has been considered; do you all agree?

HON. MEMBERS:

Agreed.

GOVERNMENT MOTIONS

State of the Province

MR. STROM:

Mr. Speaker, I found that I had taken a little more time than I intended to when I was speaking yesterday. I had thought that I would complete the points

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that I wanted to raise but I have three that I would like to deal with this evening and I hope that I will not take too long in bringing these to the attention of the House.

At the spring session, some of the hon. members of our side of the House expressed some grave concerns in regard to amendments that were being made to The Environment Conservation Act and the Environment Conservation Authority, and at that time we suggested that the authority being transferred from the Executive Council to the minister was a move in the wrong direction.

What we had in mind was that the Environmental Control Authority should operate under similar terms of reference to the Ombudsman. It seemed to us that if it was to do its work effectively and enjoy the public confidence that we expected it to enjoy, it was very important that it be set up in such a manner, first of all that there would not be, and secondly that there would not appear to be, any interference with the work that it was doing. This afternoon, after pursuing a line of questioning in this House, I am even more concerned than I was at the time that we raised it at the spring session. I do not feel that the answers that have been given indicated to us that Environmental Control Authority can function in the way that it ought. We have noted reports in the press that indicate that there are concerns being expressed by various groups, and various individuals. And again I would have to say that I am more concerned at this moment, after hearing some of the answers given, than I was previously. I would suggest that it is most important, if we are going to have the Environmental Control Authority enjoy the confidence of the public, that it be given every opportunity to investigate fully and report on any situation that is brought to its attention.

I would say at this time that it would appear that environmentalists have been at least temporarily muzzled and I would suggest to the hon. Premier that this is a matter that should be given very careful consideration in the future.

I think it is only fair to say at this time that we have heard a great deal about open government. If I were to place an interpretation on it, it means more than just making it possible for groups and individuals to have accessibility to cabinet ministers and to the Premier. It means that the whole operation of government will be in as open a manner as it is possible to be.

I must say, too, that dealing with the Department of the Environment, I am disappointed in the statement that the hon. Minister has made in trying to explain away the situation that exists in regard irrigation rehabilitation. I don't think I have to remind the members of this Legislature that when these questions were raised in the spring session, I think we were given rather flippant answers, and one of them by the hon. Minister of Agriculture who suggested that the previous administration for some reason could not get to an agreement with the federal government. But they were going to do things differently and they were going to have it settled in a very short time and have an agreement to their satisfaction.

Again in question, it is very, very evident that they have not reached the agreement. I suggest that any time it is stated that a group of technical people from two governments sit down and discuss something that certainly does not constitute agreement. All it constitutes is an informal meeting, or formal meeting, if you want to call it that, between technical people who have tried to arrive at a proposal that they can present to government its consideration. I am very disappointed that the minister would see fit to stand before a southern audience and lead the farmers of that area to believe that they in fact were going to see rehabilitation of irrigation almost immediately. I am not going to say any more about it. I just simply make that point at this time.

Then the second point I want to deal with is the matter of federal and intergovernmental affairs. I do not believe that the hon. Premier mentioned anything about federal and intergovernmental affairs. Maybe I missed it. I was reading through the report that you gave again. Maybe I've missed it, and if I have I stand corrected, but I would like to make a point here anyway. I did not hear anything about an Ottawa office. In view of the remarks of the hon. the Premier before he became the Premier, I am just a little surprised that they don't have an office humming by now. It seems to me that this turned out to be a hummer, not a hum.

Now, Mr. Speaker, again, if they have decided not to go forward with offices in various places I could accept that, except in Ottawa. This is one area where I feel that it is most important that they follow through with setting up the office and have it function as it ought. There was a great deal of fanfare, noise and publicity made about the tremendous work that the Federal and Intergovernmental Affairs Department was going to do. And I must confess

that when I realized who the man was that had been named to the position I was rather hopeful. I did expect that he would be making quite a showing as far as intergovernmental affairs was concerned. He talked about getting the ear of the government and laying the law down to them pretty firmly. And I rather like it. I'm not opposed to it.

But I have a question I would like to pose to either he or the hon. Premier, and that is: How many federal dollars have they passed up, up to this point in time, on a matter of principle, where it interfered with provincial jurisdiction? I think it is rather important because this was one of the strong points that was made by the present government: They were going to tell Ottawa that they were not going to be tied to any more of these cost-sharing programs where they involved provincial jurisdiction.

So I think that at this point in time it would be rather interesting to know how many dollars have been passed up where they have really interfered with provincial jurisdiction. Or, on the other hand, how many fifty cents dollars have they got from the federal government on cost-sharing programs since they came to office.

Now another point that I would like to have clarified, simply because there was a statement made in regard to it, is the review of our offices abroad. I think you will recall that there was a statement made to the effect that there was a review being conducted and we would be interested in knowing if that review has been completed and whether or not we can expect a formal report to be presented to the Legislature.

I think that if I can get the answers to some of those questions it may help us to better understand what the government is trying to do in the area of government offices, and also, of course, to better understand the responsibility of the Minister of Intergovernmental Affairs.

Just a word or two about telephones and utilities, Mr. Speaker. I am not sure whether I have got the report correct, but I recall a report back in the summer where the hon. minister stated that in the negotiations that had gone on with Edmonton Telephones they were giving up Jasper Place. He said that nobody would really object to it because it was a losing proposition. Now I would be interested in knowing how much money was being lost and if the saving that we have been able to effect, because of letting it go, will lend to a reduction in telephone rates for the rest of AGT.

I believe, if I remember correctly too, that at one time the hon. the Premier was suggesting that we ought to sell the AGT assets that we hold in the city of Edmonton and move the headquarters to Calgary. Now I'm not sure if he recalls that or whether it was something that he had seriously in mind, or whether it was just a proposal that he was sort of throwing out quickly for our consideration at a time when he was semi-politicking. But anyway, Mr. Speaker, in view of the changes that have been taking place, that is perhaps another point they may have looked at and would like to report on. But at any rate, we are seriously interested in knowing just what has happened in that particular area, and I would expect that we might get a report on that subject from the hon. minister or from the hon. Premier, possibly, when he replies to some of the points that we have made.

Mr. Speaker, as I indicated when I started, it is not my intention to take too much time. These are the other areas I wanted to bring to the attention of the House. I want to thank you and the members for the kind attention.

MR. NOTLEY:

Mr. Speaker, in entering this debate I want to make a few initial and general comments about the fall session. I personally feel that a fall session is worthwhile. I would, however, suggest that perhaps as we consider the approach to governing the province we might well make some more substantive changes and have a longer session in the fall. Perhaps we should spend a little less time in the spring, and concentrate more on the budgetary aspects and the estimates. I think it is very important that we carefully evaluate the estimates of each department and then, in the fall, place our emphasis on legislative proposals. I quite honestly suggest that we are a big province now. We are spending one and one third billion dollars this year, and it is simply not good enough to run the province, as members of the legislature, on just a few weeks a year. We find this out with our very heavy legislative agenda, and I personally believe that for us to fulfill our responsibilities adequately we need to spend more time and not less time. The principle of the fall session is a good one, and is one that I personally support.

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Similarly, I must say that I was pleased by the fact that the Cabinet did some travelling around the province during the summer recess. I believe it is important that members of the Executive Council get to different parts of Alberta. I should note that when the Cabinet visited the Peace River country they were met with warm Peace River smiles from most residents, regardless of politics, except for one a special exception. That is, in the Peace country we have our own political party, the revolutionary political movement which is undertaking a first in Canada; they are running three candidates, all in the same constituency. They took sharp exception to the Premier and his cabinet colleagues visiting the Peace, but I think perhaps it should be noted that, nevertheless, the importance of the Cabinet getting around the province on occasion between sessions is a precedent that I would like to see followed in the years to come.

Having said those words by way of leading into the points I want to raise, may I just comment briefly on one of the points raised by the Premier in his address and also discussed by the leader of the opposition. That is the question of inflation in Canada. I personally believe that unemployment is a more serious problem at this stage when you consider that, according to the most recent report, 7.1 per cent of our labour force is unemployed. Certainly we must be concerned about this waste within our economy. And it is because a lot of people recognize the waste of unemployment, that many are groping for a better way of dealing with inflation than that followed by the Federal government, which was essentially to put the brakes on the economy in the hope that, as demand cooled off, the prices, which had been spiralling before, would begin to slow down. Well, it has not worked very well and now we find ourselves in the rather difficult position of having 7.1 per cent of the labour force in the country out of work, on the one hand, and yet we have very substantial price increases on the other.

I submit that rather than lock ourselves into a hard and fast system of price and wage controls, we consider as a first approach, selective price controls. There are certain basic prices in the economy that have far more impact on the price of other goods. I cite such things, for example, as the price of steel, the cost of borrowing money, the price of gasoline, and the utility rates that are charged. I suggest that if we are going to talk about price controls, it makes far more sense to impose price controls in these key price areas, rather than bring in the administrative machinery necessary to impose a program of wage and price controls.

I acknowledge that this may not be an adequate response, and if we find that we must go further, then I submit that price and wage controls themselves do not really go far enough if what is required in that sort of situation is a total income policy. Price and wage controls will get at the wages of the industrial worker. They will deal with the prices as such, but will do nothing about profits that are going up, rents, coupon clippers, and the capital gains. In other words, the various types of income that don't come handily under wage control would, in most cases, be exempt from any price and wage control policy. So, therefore, if we find that we are not able to deal effectively with the problem of inflation with selective price controls, I suggest that we have to go a little step further and impose a total incomes policy which would look at the complete picture of incomes in Canada, whether that be the professional fees charged by a lawyer or doctor, or whether that be the profits earned by a business man, the speculator's profit, or the wages of the worker, the civil servant, or, for that matter, the members of the Legislature or the House of Commons.

The point I raise of selective price controls is one that I consider especially important in the light of the government's decision on the royalty question. I am not going to go into a long discussion tonight, Mr. Speaker, on my views on the decision announced in late July. My position is essentially unchanged from that which I presented during the debate on the estimates of the Department of Mines and Minerals, and later during second reading of the two bills that pertained to the royalty question. I submit that we were not charging enough before, and that the new royalty policy is not adequate. I submit that we could go substantially further, and I was rather impressed after hearing the Premier recite statistics that show quite clearly that despite the gloom and doom of those who felt that an increase in the total take from the oil industry would slow down activity in the oil patch, quite the reverse is true. I rather suspect that if the overall international situation is going to continue to be very favourable for this province, we are essentially in the position of the seller's market. That being the case, we should get whatever we can from our nonrenewable resources. And I submit that the position paper, as it was presented to this legislature in April, was inadequate; and I regret that the final decision, in my view, was not adequate either. Although I do commend

the government for at least the five year proposition, I would hate to have seen us make an arrangement which would have lasted seven, eight or ten years.

One other matter that flows from the decision on royalties, it seems to me, is what we are going to do about controlling the retail price of gasoline in this province. There is clearly no doubt that we will stand to gain more as taxpayers, from a royalty increase, than we will pay as consumers. But notwithstanding that point, I think we have to examine what options are available to protect consumers in this province. I suggested at the time, and I reaffirm, that we might well consider placing gasoline under the Public Utilities Board, so that companies must clearly state and prove their reasons for an increase in gasoline prices. I say that because gasoline is one of those prices that is basic to the total economic structure; basic to the cost of transportation. Gasoline prices go up; the cost of transportation will go up and this will contribute to the cost push effect on the economy which has been such an important factor in the inflationary strains of the last several years.

Along with the government's decision on the royalty question, we have a rather significant report of the Energy Resources Conservation Board on the price of natural gas. I agree with the basic contention that, when you consider the relative BTU content, natural gas is underpriced. However, I quarrel with the contentions in the report that we are going to gain far more than we are going to lose, simply by letting the price go up by 10 cents per thousand cubic feet. The board reasons in Chapter 6, page 41, "that the net benefit of a 10 cent per thousand cubic foot rise would be \$204 million." That, of course, sounds very impressive, but unfortunately we have to ask, who will get the \$204 million? The people who will get that would be the industry. Now admittedly, we are going to collect royalties, but on the other side of the fence we are going to pay more in consumer prices for natural gas. What is important to examine is whether the indirect benefits that the companies will gain by the increase in natural gas will lead to more employment in this province or will they simply be sucked out in the form of money which would be used to develop the oil industry elsewhere or in the form of higher profits. I have been reading through the Energy Resources paper and note that on page 6, of Chapter 6, the report says, "It is not possible to make a rigorous analysis regarding the allocation of each of these accounts." The board is talking about what would happen to the extra money that occurs from a natural gas price hike. Instead, the board has relied to some extent on historical relationships and its best judgment. It is fairly easy then, Mr. Speaker, to get an assessment of the direct benefit and the direct cost. It is easy to assess what our direct benefits would be in the form of higher royalties. It is also relatively easy to assess what our direct costs would be in the form of higher consumer prices. But what is much more difficult to ascertain is what the indirect benefits would be to the province.

I suggest that if you look at the historical record, at least over the last five years, what you find is that the oil industry has begun to take more money out of the province than it is putting into the province. In 1968, that amounted to \$75 million dollars; in 1969, it increased to approximately \$120 million; in 1970, it was \$281 million; 1971, \$389 million. And according to Oilweek of mid-February of this year, the estimate of the difference between the amount of money that the petroleum industry spends in Alberta and the amount that it is taking out would be somewhere in the neighbourhood of \$653 million.

I suspect that, if there are any historical trends, we have got to the point, Mr. Speaker, where an increase in the price of natural gas would be used to finance the development of activity in the far north or in other parts of the world and that we, as Alberta citizens, would not really gain all that much.

What I suggest instead, is perhaps that we consider the establishment of a natural gas purchasing agency so that the public in Alberta can gain a much larger share of any increase in price and, moreover, so that we can achieve one secondary benefit, which I think is important, and that is the establishment in this province of a two price system for natural gas as proposed by the Mayor of Edmonton and supported by quite a number of people in this province.

If we are going to cut the costs in order to compete on the world market (and I am going to be talking a little more about that in a moment), then it is important that we make sure that local industry in Alberta, and the consumers in Alberta have the cheapest possible natural gas. On the other hand, it is equally important that we get as much for that natural gas that is exported as we possibly can. Let the people in Saskatchewan, or Manitoba, or Ontario, or in the United States look after themselves; I think we have to examine in Alberta what the best actions are for us.

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I submit that the creation of some form of marketing board or purchasing agency would allow us to institute a two price system which would pass on the benefits of our great energy resource in this province to those industries which are trying to establish, and which are in a position where they need to capitalize on every competitive advantage that can possibly exist. I say that because one of the areas in which this government has to be given some credit is its efforts to expand markets outside Canada. None of us, especially those of us who represent rural constituencies, can argue with the need to expand trade abroad, especially in the Pacific rim countries. There is clearly no doubt about that. The Minister of Agriculture and I will no doubt disagree quite sharply on how we should divide the market within the province. But the fact of the matter is that, whether you are a socialist on one side or a militant free-enterpriser on the other, there simply has to be a greater effort to gain new markets in the world.

Now, this is something that we can all support. But because it is a vital move, I ask this government to consider seriously whether or not the Mackenzie Valley pipeline is really in the long term interests of the province of Alberta. I say this because there is at least considerable evidence that, if this pipeline is proceeded with, if a large amount of foreign capital is brought into Canada to build it, and if the James Bay project proceeds in Eastern Canada, the value of the Canadian dollar could rise quite rapidly. Eric Kierans (who I like to cite quite often now because of his intention that he announced the other day; he has seen the political light) has suggested that this might affect the value of the Canadian dollar by as much as 15 per cent. Well now, Mr. Speaker, if the value of the Canadian dollar rises by 15 per cent, this means that we are going to have a pretty rough row to hoe in finding these new markets in the world. Our items, our commodities, whether they be agricultural commodities or the produce of secondary industry that is established in this province, will become 15 per cent more expensive; or, to maintain the same markets, we are going to have to take less at home.

Now, I think we have to examine this question very, very clearly and very closely, because there is no point in hiring trade commissioners and setting up Alberta Houses elsewhere in the world, there is no point in the emphasis on expanding trade, if in fact the value of the Canadian dollar gets out of hand and our exports become too expensive on the international market. This is why I raised the question the other day in the question period, asking whether or not the Minister of Federal and Intergovernmental Affairs had had an opportunity to consult with the Bank of Canada economist. Just where do we stand?

There is one other point that rather concerned me on this question of the impact on the Canadian dollar. The Prime Minister was interviewed three or four days ago, and he mentioned that, providing the federal government and the provincial governments used some caution in the capital market, there should be no problem. But I suggest to you that we have to take a pretty close look at whether or not that Mackenzie Valley pipeline is worth that much to Alberta, that we want to put our economy and the economies of other provinces in a strait jacket by reducing our capital borrowing, simply because of the impact that it might have on the Canadian dollar. What I am saying is that for the first time it seems to me abundantly evident that Alberta needs some form of economic planning council, which can provide the government with accurate (or at least as accurate as we can get) economic information on what some of the options are and what the impact of these decisions will be on the economy of the province. As I say, representing a rural constituency, I find it just a little disturbing that there is so much uncertainty about the value of the Canadian dollar, and I know from personal experience that the devaluation of the Canadian dollar in 1962 did a great deal to boost agricultural exports. Most farmers will recognize that. I suggest that the inflation of that dollar is something which should concern all of us.

I say that, Mr. Speaker, because we have to recognize that in the world today there are developing trade blocs: the European economic community, the growing power of Japan, and the enormous power of the United States. Now, five years ago, we perhaps could have made more progress in, for example, opening up the Chinese market. At that time, the United States was in the grip of a cold war mentality, and there was no way that the U.S. would make any important moves to develop trade with Communist China. But today that's changed. We have almost seen the beginnings of a detente between Communist China on the one hand and the United States on the other. That means that we look at the efforts we must make to develop markets abroad, especially the far East, we will have to compete in raw competitive terms. We won't have the advantages of the great colossus to the south refusing to trade with Communist China simply because of ideology. That means, Mr. Speaker, that we must be far more precise and far more concerned about the long range economic consequences of whatever proposition is presented to us. I have no doubt that the day will come when a

pipeline to the Arctic is necessary. But I seriously question whether or not a pipeline at this time in Canada's history is good either for the country or for that matter, the province of Alberta. I would be somewhat remiss in making a general speech, Mr. Speaker, were I not to mention a favorite topic of mine and that is public power. I won't mention it at great length because I think most of you hon. Members know my position on it, but it should be noted that, while Calgary Power has made an application to the Public Utilities Board, the fact of the matter is that its net income has risen in the last few years. In 1967 the company reported a net income of \$9,724,000. That rose to \$9,950,000 in 1968, \$10,577,000 in 1969, \$11,680,000 in 1970, and \$12,881,000 in 1971. Their dividends per common share have increased from \$0.725 in 1967 to \$1 in 1971.

During that same period of time, the company has deferred taxes so that today their total of deferred taxes stands at some \$34 million. Although 95% of this money, under the Public Utilities Transfer Act, would come back to the province and in turn would be rebated to consumers, in actual fact this \$34 million represents an interest free loan at the expense of Alberta consumers. Just looking at the interest alone; were we to take the average interest on that kind of money and apply that, it would be the same as reducing the rates of all the rural customers by approximately 40%. I'm not suggesting that this is something we should do; I'm just suggesting that this is the consequence of the company having \$34 million in deferred corporation tax.

I submit that the government should intervene to stop an interim rate increase. The company, as most of the hon. Members are well aware, has asked for a rate increase. But it is also seeking an interim rate increase pending a decision by the board on whether the rate increase is authorized. And I would say, that at the very least, in view of the deferred taxes the company has enjoyed, that they should not receive an interim rate increase. Personally, I would oppose a rate increase at this time. I'm not asking the government to take that position. But I am seriously suggesting to the administration that they at least stop the interim increase and let the Public Utilities Board make up its mind without granting a rate increase in the intervening time.

Now Mr. Speaker, one of the more troublesome areas in the last few months has been the area of post secondary education. I don't suppose that there is any department of government, which requires greater skill and tact than the ministry of advanced education. But I must also point out that I am more than a little disturbed at the decision to phase out the college and universities commission.

It seems to me that it is important to have a commission separating the colleges from the political arm. It worries me that we are bringing colleges and universities directly under the influence of government without the intervening agencies, such as the Colleges Commission or the Universities Commission.

At the same time I should express some concern at the present situation at Mount Royal, where I understand the faculty are working to rule; at the Red Deer College where several instructors have been dismissed, even though it is my understanding, in the case of one, one of them was singled out for commendation in the report that led to the appointment of the administrator in the first place. There is the situation at Grant MacEwan College where the government finally acted in the proper fashion, but only after a great deal of turmoil over the re-appointment of Mr. Barry Moore as chairman of that board.

I want to say that as far as I am concerned all the evidence is not in. But it is my understanding that we are going to be discussing the Worth Report sometime during the session and I know that because that report has a number of recommendations that relate to secondary education or advanced education in this province, it will no doubt give us an opportunity at that time to discuss, in considerably more depth than we can in this general discussion, the whole future of post-secondary education. And I would hope that there might be some time during that discussion where we might be able to almost revert to a type of estimate situation where we can pose direct questions to the minister. I think that he has an obligation to make the answers available and I think it would be in the public interest if we did, and clear up a number of things, because I know, in talking to many people in the college system that there is a great deal of concern at the moment. I would hope that for the good of our college system we can correct this problem, and to do that it seems to me we must bring these things as much as we can into the open.

I want to make one final observation about the last few months. We have heard a great deal from the government about human rights and of course no one in this Legislature is more solidly in favour of the need for a bill of rights and an individual rights protection act than I am. My concern and this is

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repeating what I said last spring is that we have not provided the administrative muscle to make sure that these rights, in fact, are protected. However that is something I intend to raise again during the estimates next year. But it seems to me that it is a little strange, in view of the emphasis placed on human rights, that the Matthews Report on our system of justice has somehow been left out, that there was no mention of it in the Premier's address. Quite frankly the Matthews Report was a pretty searing indictment of the administration of justice in our province and if we're going to talk about human rights we have to look at the administration of justice very carefully. The whole discussion of human rights becomes redundant unless we have a proper execution of justice within the province. So I would hope that somewhere during the course of the fall session the government will give us a more definitive position on what they plan to do with all the recommendations of the Matthews Report.

In conclusion, Mr. Speaker, as I look at the province of Alberta, it seems to me that as we examine those options for developing Alberta, for providing secondary industrial growth in this province, there are three things that I believe are necessary. These three things are not going to win the agreement of the members of this Assembly because I have a somewhat different philosophical perspective than you do. But the first it seems to me is that we need an inventory of our resources: an inventory in a much larger sense than just an inventory of physical resources. An inventory of what is possible in the way of developing secondary industry; an inventory of some of our social problems and how they relate to the development of secondary industry. That is one of the reasons why I have always advocated the need for a long-term economic planning council.

The second thing is that if we're going to develop viable secondary industries that we have in this province, there needs to be a mechanism to develop those industries. I'm not just talking about public industries. I think there is an important role for public enterprise, but there is an equally important role for co-operative enterprise and an equally important role for corporate and private initiative as well.

One of the things we need is a mechanism which can channel very substantial sums of money into development of viable secondary industries in this province. With the greatest respect, the Alberta Opportunities Plan -- well, that's a loan program -- doesn't, I believe, go far enough. I certainly don't think it is going to do anything significant to redress the trend of urbanization which is depopulating our smaller centres. I believe that we need a much larger agency and the mechanism would be an Alberta development corporation. But there is no point having planning, there is no point having the mechanism unless you have adequate funding, and that is why I view the royalty decision as so important. When we are talking about royalties and we are talking about revenues from the oil industry or the development of natural gas, we are talking about non-renewable resources, and I say to this assembly that we must get all the market will bear and plough a portion of that money back into the creation of job-producing secondary industries -- be they publicly owned or privately owned or what have you -- and I suggest that such a move can only be done if you accept the proposition of overall economic planning.

Well, Mr. Speaker, as I survey the last five months -- and I listened carefully to the Premier speak yesterday -- there are pluses and there are minuses. I must say that I was rather pleased that he mentioned the rising cost of food, and that he did not, as I think the Prime Minister attempted to do the other day, lay the blame on the farmers, which I think we all know is nonsense -- absolute and total nonsense. But I was left in just a little bit of a quandary as to what the government planned to do about it; whether or not the implementation of the Batton Report was going to be high on the agenda of this government.

In any event, the last five months have been a time during which the government has made several decisions that I think are very seriously incorrect. But in closing on a positive note may I stop where I began, and that is that the fall session is a step in the right direction and the Cabinet, which tours the province between sessions, and has an opportunity to talk with the average man and woman -- not just the civil servants but the average people -- can't be all bad but I appeal to you to consider the options, because I believe that Alberta is at a critical time in our history, and I think there are important questions that must be faced and must be faced squarely by all of us, regardless of our political perspective.

MR. BENDERSON:

Mr. Speaker, I would like to say a few words at this particular time in this debate. Firstly, I would say, Mr. Speaker, that I found it refreshing to hear the words of the previous speaker suggesting that there isn't enough money in Canada to do everything at once. This is the first time I have ever heard any intimidation of such a suggestion from the New Democratic Party that there was a restriction on resources, financial and otherwise, available to accomplish certain things in this country; particularly with the leader of the federal New Democratic Party who is rushing around the country trying to convince everyone else of exactly the opposite -- that everything can be done at once -- and that there are unlimited public funds available. So it is rather refreshing to hear the leader of the New Democratic Party in this province concede the fact that there is a limitation on resources that are available both privately and publicly. This is the first time I have heard such a statement made by an individual in his party.

Mr. Speaker, I would like to place one or two matters before the members of the House. The first matter I would like to bring to the attention of the hon. Minister of Municipal Affairs. I believe that he is aware of some difficulties that have taken place in the town of Leduc in the past few months relative to the development of a residential sub-division. In fact, the trouble has been going on, I understand, for some two years. I must say, Mr. Speaker, that it is not a problem that comes within the present jurisdiction of the provincial government of matters relating to the construction of housing which is financed under federal legislation by the Central Mortgage and Housing Corporation. I think in the main, many of the problems that have developed have been rectified to some extent, Mr. Speaker, but it has nonetheless produced an awful lot of frustration on the part of the people involved -- the customers or purchasers of the homes -- in trying to have their complaints, real or imaginary, rectified. And I don't, by any means, suggest that the complaints that many of the home owners have placed against the home builders are necessarily, in the final analysis, justified.

But it does bring to the fore the problem, Mr. Speaker. When people buy cars they get some sort of a warranty. It gives them some guarantee, on a new car, of performance of the product, some financial protection. But it stands out as a fact that Central Mortgage and Housing Corporation's basic responsibility is only to see that a house, when it is constructed, is acceptable as collateral on the basis to guarantee a loan to the purchaser to pay for the home. The responsibility of the Corporation is not to see that the house is necessarily constructed in accordance with the building codes and other specifications. As I say, it is outside the jurisdiction of the provincial government, but it does bring to mind the question, Mr. Speaker, of whether the matter should not be investigated with a view to ascertaining, on the part of the provincial level, whether or not it is desirable for the province to enter into some possible bonding of contractors and so forth that would provide some method whereby individuals could receive some consideration for claims against their contractors which are not being met now. I find to my surprise, and I presume not to that of the Minister of Municipal Affairs, knowing his background, that many people, when they enter into an agreement with the contractor to buy a house, also sign over to him the power of attorney to deal entirely with the approval of the payment of funds from the mortgage company to the contractor. The individual does not realize until after the fact that he has given away his right to then come back and ask the mortgage company to withhold payment to the contractor because the contractor has not performed his responsibilities properly. The only approach I can see to it, or one approach, Mr. Speaker, might be to consider some sort of a program relative to bonding residential housing contractors within the province. I think there were some questions on this subject somewhat earlier directed to the Attorney General.

The other matter, Mr. Speaker, I would like to suggest that the government might consider (in this case, reconsider) is the question of the status of the Environment Conservation Authority. I suggest, Mr. Speaker, that the matter, which has received some publicity in this House today and earlier in the newspaper, regarding the authority and the fact that it is subject to the direction of the Minister of the Environment now relative to both what it can investigate, what information it can have out of government records, and, logically follows, what type of report it can submit of a public nature, has completely destroyed the original concept of the Authority. I suggest, Mr. Speaker, that I expect to hear in the next 12 months -- at some time or other it is bound to come up, and I don't think it will be too long in developing -- that we will hear statements being made on the part of the government in defence of its inaction in certain environmental matters and there is no way that the government can possibly satisfy all the environmental critics that exist in this province or probably even in this assembly. So these criticisms are going to be there and the government is going to say that one of the reasons it did not do something on a matter the Environment Authority has investigated at the

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direction of the Minister is that the Authority did not recommend it and of course when the Authority is subject to the political direction of the Minister in the first place it doesn't dare recommend anything that he does not agree with. This is the implication. I am not saying, Mr. Speaker, that that is actually going to be what happens but that clearly is the implication. I suggest it is a deception to the people of the province in this regard, to leave this situation in this manner. I think it is grossly unfair treatment of the public servants that are involved in this particular body. While, Mr. Speaker, I would far rather, naturally, see the Conservation Authority returned to its previous independent legal status, if the government in its wisdom is of the opinion that it cannot do that as a matter of policy, and if the Authority must be subject to the political direction of the government through the Minister of the Environment, it makes the authority, so far as its autonomy is concerned, strictly another group of civil servants. I feel it is going to produce eventual undermining of any confidence that the public might have in this body. This is inevitably going to happen. So I think that, if the government cannot see fit to go along with this, and it is at their discretion; they have said in principle that they do not want the Universities Commission or the Colleges Commission, and while I don't necessarily agree with it, that is the prerogative of the government. It is a straightforward honourable thing to do. The people on both those commissions and the public know that that is a matter of government policy when they say that they don't want these bodies, which are even far less independent than the authority was in terms of legislative status. They simply don't want them to exist. That is government policy and they are accountable for it. But under the present circumstances this particular group of people, I feel, find themselves neither fish nor fowl. They are going to become the whipping boys of the public on matters of environmental concern that are completely out of their control because they do not have the permission of the minister to investigate the matter. They are circumscribed in their autonomy so far as recommendations they can make, and there is no clear cut understanding that they even have information access to government files and records that they very well need to carry out their responsibilities. So without belabouring the minister on the matter I very sincerely suggest, Mr. Speaker, that it is in the best interest of all concerned, to the public and to themselves, and to the members of the authority itself that they review the amendments that were passed relative to this legislation, The Conservation Act, in the spring session, and do something to clarify and, I think, eliminate what is in the long run going to produce a number of injustices to a great many people.

MR. RUSSELL:

Mr. Speaker, I wonder if the hon. member would permit a question. Has the member received a copy of the report to October 5th on the watching brief that The Alberta Housing Corporation is keeping, at my request, with respect to the housing problems you mentioned?

MR. HENDERSON:

Mr. Speaker, I must confess I can't specifically say I have received that brief; I don't recall having seen it. I don't think so, Mr. Speaker. I have received quite a bit of information from The Alberta Housing Corporation, which has been passed on to keep me posted on it. However, at a public meeting where the matter came up in Leduc some time ago, at which there was a representative of The Alberta Housing Corporation, I informed my constituents at that time that I would certainly place this matter before the government at the fall session with a view to asking them if they would at least look into the matter. I am not sure it is even desirable to do anything. But there are some problems in the area where the federal legislation itself doesn't, I think, deal equitably with the interests of the individual home purchaser and this, I think, should be our concern in this matter.

MR. GETTY:

I beg leave to adjourn the debate.

MR. SPEAKER:

It has been moved by the hon. Minister of Federal & Intergovernmental Affairs to adjourn the debate. Is it agreed?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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I now move that the House do now adjourn until tomorrow afternoon at 1:00 o'clock.

MR. SPEAKER:

It has been moved by the hon. House Leader that the House stand adjourned until 1:00 o'clock tomorrow afternoon, is that agreed?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until 1:00 o'clock tomorrow afternoon.

[The House rose at 10:04 p.m.]