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LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, November 3, 1972

[The House met at 1:00 p.m.]

PRAYERS

[Mr. Speaker in the Chair.]

POINT OF PRIVILEGE

The Communal Property Act

MR. TAYLOR:

Mr. Speaker, I rise on a point of privilege and would refer to Section 320(5) of Beauschene. I will read the whole subsection.

MR. SPEAKER:

I didn't catch the reference.

MR. TAYLOR:

Page 250, section 320, subsection (5) which reads as follows:

No act done at any committee should be divulged before the same be reported to the House. Upon this principle, the Commons, on April 21st, 1837 resolved, that the evidence taken by any select committee of this House, and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person. Where the public is admitted this rule is usually not enforced. The publication of proceedings of committees conducted with closed doors, or of reports of committees before they are available to members will, however, constitute a breach of privilege.

Mr. Speaker, if the government prepared the bill on Hutterian Brethren without reference to the report of the legislative committee, it has shown arrogance and contempt to set up a legislative committee to study and hear representations from the people of the province. To prepare legislation without reference to same is arrogant and shows contempt for the legislature and for the people who made representations. Shame on any such government that so acts!

HON. MEMBERS:

Oh, oh!

MR. TAYLOR:

If the government has been given the report by the chairman or by a member of the committee, then that person is in contempt of the rules of this legislature; he has committed a serious breach of the rules and has broken faith with this legislature and should be severely reprimanded by this House. Shame on any such member.

The leak of the prepared bill, however one looks at it, indicates sloppy and careless administration. Any government that is guilty of any such act of contempt and of such careless and sloppy administration cannot long retain the confidence of the people of this province.

MR. RUSSELL:

Mr. Speaker, I would like to respond to the remarks made by the hon. House Leader and clear up what seems to be one very basic and extremely important

misunderstanding. The bill which was leaked last night, the repeal of the Communal Property Act has nothing whatsoever to do with the report of the select committee of the legislature which was set up to study The Communal Property Act. It was evident to us in government several months ago, when the human rights legislation was introduced that this bill was going to be in opposite directions to that legislation. Certainly, the government had to be prepared to make a decision whether or not to repeal the act, notwithstanding any recommendations that the committee might come up with. That was a decision that government had to take.

When the bill was made public last night, (and I still don't know the events that led to that) this government responded at the earliest opportunity to give notice to bring the bill before the House and to get on with it. But I can assure all hon. members of the House that it was our intention to follow the correct procedure, to show the proper courtesy to the committee, and to introduce the bill subsequent to the introduction of the report. I can assure all hon. members that that was our honest intention. I do not know how the bill was made public, but as soon as it was, we proceeded in this manner. But I must emphasize again, Mr. Speaker, that there can be no attempt to connect the introduction of this bill with the report of the select committee.

MR. SPEAKER:

Does the hon. Opposition House Leader wish to speak in rebuttal now? It would seem to me that we should hear other members who wish to speak on this.

MR. HYNDMAN:

Mr. Speaker, I would like to deal with that part of the statement made by the member opposite with respect to the leak last night to which he referred. He drew certain conclusions as to the effectiveness or the efficiency of government operation. I might make it clear to all hon. members that once a bill arrives from the office of the Queen's Printer into the office of the Clerk of the Legislative Assembly, it is no longer within the purview or the control of the government. The government has a responsibility in respect of any particular bill as that bill is prepared, as it is drafted by legislative council, as it is printed in the office of the Queen's Printer, but once it arrives in the office of the Clerk of the Legislative Assembly, the responsibility for that bill then lies solely within the Clerk and within the Speaker. So, therefore, I suggest that he is in error in suggesting anything wrong on the part of government with regard to events last evening.

MR. LUDWIG:

Mr. Speaker, notwithstanding the attempt of the Government House Leader to play down the seriousness of the actions by the government, I believe the allegation of the hon. Opposition House Leader that it was certainly in contempt of anything that is decent, and in contempt of common sense when the hon. Minister of Municipal Affairs stands up and tells us that they knew many months ago what position they were going to take. So why on earth did they set up a committee to fly up and down the province and across the border to study the issue? That is one of the accusations of contempt. They already knew what they were going to do, and if they didn't, why didn't they look at the committee report, or wait for it?

MR. SPEAKER:

Order, please!

MR. RUSSELL:

A point of order, Mr. Speaker. I did not say that we knew we were going to repeal the act. I said we were advised many months ago that the act was in direct contravention to our proposed Human Bill of Rights. The only options that were open to us were to put a 'notwithstanding' clause in our Human Rights legislation, or repeal the act. But that action was not connected with the duties assigned to the select committee.

MR. LUDWIG:

Then, Mr. Speaker, my allegation that the committee hearings and the studies conducted were really of no benefit except an expense to the public.

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MR. SPEAKER:

With the greatest respect to the observations of the hon. and learned member, they are not pertinent to the point of privilege. The point of privilege is whether the government acted, or whether a member of the committee acted, in contempt of the privileges of this House in having access or giving access to a report before it was tabled. There is no point of privilege here alleged, as I understand it, with regard to whether or not the government was arrogant in the preparation of the bill.

MR. LUDWIG:

Mr. Speaker, with all due respect to your ruling, the fact that this point was raised by the hon. Minister of Municipal Affairs was an indication that he felt that it was an issue. I'm stating, as the Opposition House Leader has stated, that this was a form of contempt as far as the legislature is concerned, in that they did appoint a committee study, and now they are pushed, and have released a bill without giving consideration to the committee report.

MR. DIXON:

Mr. Speaker, I think what the House has to establish, if this is a breach, is if the minister was in consultation with committee chairman or committee members and found out what the recommendations were going to be and then decided to introduce this bill. I think this is the crux of the whole thing, because this committee was set up to report to this legislature on the Hutterite problem in our province as it relates to communal property. I think this is where the problem has arisen; is that if we set up a committee, and as I mentioned when the committee was first brought before the House, I brought out the fact that this committee to me was ultra vires of the Alberta Bill of Rights right at the time and I think this is what we've got to do, but the main thing, I think, is that if there has been a breach, where the committee has told someone what the report was going to be, then you had better rush a bill in ahead of it. That's the only thing I think there has to be established today. So if the minister gets up and says that he did not consult with the members of the committee and this is not what brought the action to bring the bill ahead of time, then I think this is what has to be established.

DR. HORNER:

Mr. Speaker, that is what the Minister of Municipal Affairs has said, that in fact this bill was drafted in relation to advice from legal counsel in fact, it was in contravention of the Bill of Rights. That's why the bill has been brought forward. The rambling of the hon. Member for Mountain View, as is his usual rambling in the House, Mr. Speaker, had nothing to do with the point of order at all.

MR. KING:

Mr. Speaker, speaking to the point of privilege, it seems to me that a couple of the members on this side of the House have spoken in reaction to the point of privilege. Speaking as a member of the Select Committee to which some reference has been made, it seems to me that a good deal of the position of the hon. member opposite must depend on whether or not he knows what is in the Select Committee Report. The fact that he raises the point of privilege prior to the report having been tabled in the legislature leads me to the conclusion that he suggests the point of privilege in the knowledge of the recommendations of the Select Committee Report. The fact that the hon. Member for Mountain View jumps to his feet as well leads me to believe that he thinks at least that he knows what is in the Select Committee Report. Now that may or may not be the case, but I think that it is important in considering the point of privilege that we understand exactly what it means with respect to the two members opposite who have raised it.

MR. SPEAKER:

May the hon. Opposition House Leader close the debate on the point of privilege?

MR. TAYLOR:

Mr. Speaker, I want to say that I have no idea of what is in the report; I have not seen it, nobody has told me, and I have no information of what is in the report. I think every hon. member of this House and every hon. member of the government should be in the same position. The committee was set up to

report to this legislature and until it does report to this legislature, that is not public information.

That brings me to the second point, that if the government decided months ago -- and I accept the hon. minister's word -- to rescind the Communal Property Act, then it would appear at this point at least, to be very hypocritical to spend a lot of public money to find out what the people of the province wanted done with the Communal Property Act. Now it may be that the government plans to bring in a second bill, and this is its' prerogative, after the report comes in. But I think the government has shown very poor judgment in bringing in a bill dealing with an item that it was part and parcel to in setting up a committee to study. So my summary of this whole thing is that the government has definitely been arrogant and is in contempt of the rules of this House that if it has access to the report, then some member of that committee has broken faith with this legislature and is also in breach of the rules.

MR. SPEAKER:

It would appear that the point of privilege is based on an assumption which cannot possibly be made in the absence of any evidence, the assumption being that the report has been leaked and on the basis of the leak the bill was prepared. In view of there being no evidence at all of that, and without at the moment indicating whether even in that event there would be privilege, I must rule that there is not here a prima facie case of privilege.

PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

Select Committee on the Communal Use of Land

MR. DOWLING:

Mr. Speaker, I beg leave to table the report of the Select Committee of the assembly, established to investigate the effects of the communal use of land on the economic and social climate of Alberta. I think in making that initial statement, Mr. Speaker, it should be fairly obvious that there are a number of factors in addition to the Bill of Rights which we considered on this select committee.

If I may, Mr. Speaker, I would like to make just a very few remarks relative to the contents of the report. The first of those is to indicate that the number of the members of that committee were the hon. Dr. Winston Backus, the hon. members, Leighton Buckwell, Jack Cookson, William Diachuk, Peter Trynchy, Graham Harle, Ed Hinman, Dave King, and myself. Each of those members of the committee have signed the report indicating that they concur with its contents. I would just like to throw out one bouquet that I never in my experience served with a group of people who worked so well together and did what I think is an extremely good job in the limited time we had.

I would like just briefly to touch on some of the important observations and recommendations of the committee since it is one that has received some considerable publicity and interest over the province. The select committee began its study five months ago with a list of alternatives before it ranging from strengthening the Communal Properties Act to repealing it entirely. As the committee study progressed however, the composition of the final recommendations became more and more obvious. Through an acquaintance with the available literature through the briefs submitted to the committee, and through dealing with local citizens, the committee members learned the majority of complaints directed to the Hutterites were the same complaints which had originally given rise to restrictions of the Hutterite expansion in former years. These complaints were discussed in chapter five of the report. Most complaints, in the opinion of the committee, were found to be unjustified, and a few were based on only partially accurate information.

The committee's investigation therefore, led to the following general conclusions.

- 1) Restrictions on the expansion of Hutterite colonies cannot be justified from the point of view that the colonies are economically or socially disadvantageous to the province. Furthermore, such restrictions aimed at a particular class of landholder violates the spirit of the proposed Alberta Bill of Rights.

It might be in the public interest to have some degree of control on specific location and size of all large rural land holdings from two points of view.

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a) These large landholdings should fit in a harmonious fashion into existing rural facilities. Their location should take into account the optimal use of existing rural service centres, and no small landholders should find themselves seriously isolated.

MR. SPEAKER:

Is the hon. minister able to conclude shortly?

MR. DOWLING:

Yes, Mr. Speaker. At the present time, Mr. Speaker, there is a great deal of misunderstanding of the Hutterites, and the Hutterite way of life. There are a few persons, and no agencies, which can act as sort of a liaison between the Hutterite communities and the rest of Alberta. On this basis the committee recommends that a liaison function be established to act in this capacity, and we have laid down some guidelines we propose as being reasonable ones that the Hutterites can live with, as can the rest of the population of rural Alberta.

It is possible that some difficulties may be encountered if the Communal Property Act is repealed if there exists at the time when there is no general land use regulations, so we are suggesting, Mr. Speaker, that at some time, there should be rural land use regulations.

Some concern has been expressed over the education problem of Hutterites and in this regard the committee recommends that a thorough study be undertaken by the Department of Education to determine what policies in the educational realm relative to the Hutterites --

MR. SPEAKER:

Order please. It would appear that the hon. minister's rather lengthy paraphrasing of the report might be construed as giving the right to debate the matter at this point. I would ask the hon. minister to conclude as briefly as possible.

MR. DOWLING:

Thank you, Mr. Speaker, I just have one or two additional points. I think my final point should be, Mr. Speaker, that the Communal Property Committee recommends that The Communal Property Act be repealed; (2) that the government establish a liaison office; (3) that an in-depth study be undertaken regarding the educational situation in Hutterite Colonies; (4) that future legislation apply equally to all citizens of the province.

MR. SPEAKER:

Order, please. May I ask the hon. minister to conclude now, as the report will undoubtedly speak for itself in regard to all these matters.

MR. DOWLING:

Thank you, Mr. Speaker. The last point, of course, is that in our investigations we found that a major concern to all of rural Alberta is the development of large rural land holdings. It was not within the terms of reference of this committee to investigate that particular aspect, but we felt we should make that conclusion and inform the legislature of this finding.

INTRODUCTION OF BILLS

Bill No. 119: The Communal Property Repeal Act

MR. RUSSELL:

Mr. Speaker, I beg leave to introduce a bill, being The Communal Property Repeal Act. The purpose of this act is to repeal the existing Communal Property Act and the effective date of the bill will upon proclamation.

Mr. Speaker, the government has been advised by the law offices of the Crown that the present Communal Property Act would clearly be in breach of The Bill of Rights in spirit and intent. The Communal Property Act specifically refers to a particular religious group of citizens and contains legislation which treats them differently to other citizens. It is therefore obvious that any government which supports the principles of human rights and equality cannot continue having ---

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MR. SPEAKER:

Order, please. The hon. minister is definitely debating the bill.

MR. RUSSELL:

With respect, Mr. Speaker, I didn't believe I was.

MR. SPEAKER:

The hon. Minister of Municipal Affairs begs leave to introduce Bill No. 119, being The Communal Property Repeal Act. Do you all agree?

[Leave being granted, Bill No. 119 was introduced and read a first time.]

FILING RETURNS AND TABLING REPORTS

DR. WARRACK:

Mr. Speaker, I am pleased to file the answer to Notice of Motion No. 213.

MR. DIXON:

Mr. Speaker, I think if the hon. minister instead of saying "213," would also add, "regarding such and such an issue." I think just for convenience sake -- it is not necessary for you to do it -- but, Mr. Speaker, I think it would assist members on both sides of the House as to which Motion of Return is coming back. For example, if it was on Grande Cache or gas export, if you just mention a couple of words after, it would save the members going all the way back through.

ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Leader of the Opposition, followed by the hon. Member for Olds Didsbury.

Federal Cost Sharing Program

MR. STROM:

I am kind of at a loss in asking this question, I see an empty chair at the moment that was filled a little while ago. I would like to ask the question, and I will extend it to the hon. Deputy Premier, not on the prompting of my hon. colleague on my right, but I think he is the logical one to extend it to. Has any federal money, available to the province on any cost-sharing program from the federal government, been turned down because of the conflict of provincial jurisdiction? Mr. Speaker, I would ask the hon. Minister of Federal and Intergovernmental Affairs to respond.

MR. GETTY:

Mr. Speaker, I don't think there would have been a decision to turn down any money on that specific issue, so I would have to say no.

MR. STROM:

Mr. Speaker, has any money been turned down from the federal government?

MR. GETTY:

Mr. Speaker, I am at a loss to understand the term 'turned down'. Now if the federal government came and handed me some money, I wouldn't turn it down and I don't know what he means by 'turning down' federal money.

MR. STROM:

Mr. Speaker, I am surprised that the hon. Minister of Federal and Intergovernmental Affairs doesn't understand it because here again, Mr. Speaker, I don't want to be out of order but I take it that I am replying to the question he raised. So as to make it clearer in his mind, I understood him to say that the province was not going to take any more money from the federal government in cases where it would interfere with provincial jurisdiction. My question is, if I might just add these further remarks, also related to it, have any monies been

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turned down for the reason that you are now investigating, whether or not it interferes with provincial jurisdiction?

MR. GETTY:

Mr. Speaker, I should correct one of the assumptions that the hon. Leader of the Opposition has stated to the House; we would not accept any money that in some way conflicted with provincial jurisdiction. I don't recall that ever being said in this legislature -- nor by myself. As a matter of fact, while we are on the point, if you will refer to an address I gave in the House, it drew up the problems that the government faces when there are dollars available from the federal government, some of which obviously infringe on provincial rights. The way to handle that problem is to try and obtain the dollars, as much as possible, and have as small an infringement as possible on provincial rights, and that's really what the negotiations in many cases are all about. But it was never said that we would never take a dollar. I can quote the actual words, they are somewhere on my desk, if he needs them.

Guaranteed Annual Income

MR. STROM:

Mr. Speaker, might I direct a question to the hon. the Premier? Is it the Premier's intention to propose a guaranteed annual income to the federal government?

MR. LOUGHEED:

No, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Olds-Didsbury followed by the hon. Member for Medicine Hat-Redcliff.

Pathology Services

MR. CLARK:

Mr. Speaker, I would like to direct my question to the hon. the Premier and ask the Premier if he is aware of the apparently serious situation in which the aggressive expansions of the firm of Hanson Labs, here in the city of Edmonton, which are controlled by an American holding company of Smith, Klein and French, in which this organization is involved in subtly taking over the pathological services of the province?

MR. LOUGHEED:

Mr. Speaker, I am not, but I will take the question as notice and refer it to the appropriate ministers and have a report back to the House.

MR. CLARK:

Mr. Speaker, could I ask the hon. the Premier a supplementary question. Has the Premier's office or the hon. Minister of Health and Social Development had representations from labs in the province indicating undercutting of drug prices and equipment in lieu of monopolizing the pathological services?

MR. LOUGHEED:

Mr. Speaker, for a question of that nature, because of its specific reference to companies; it's my view that we will take it as notice. We will make an inquiry and I'll check with the Minister of Health and Social Development and him check back to the House.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Lethbridge East.

Provincial Taxes

MR. WYSE:

Yes, Mr. Speaker, I would like to direct a question to the hon. the Premier. Your hon. Minister of Federal and Intergovernmental Affairs on several

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occasions was quoted as saying that Alberta may resort to the position of collecting its own income tax, such as Quebec is now doing. Has the government done any studies to determine the effects and the technical details of such a study?

MR. LOUGHEED:

No, Mr. Speaker, the Treasury Department is still making an analysis of the administrative costs of such an action, weighing it with the other aspects that are involved from a federal-provincial point of view.

MR. WYSE:

Supplementary question. Then the hon. Premier doesn't know when a scheme such as this would be implemented in Alberta?

MR. LOUGHEED:

Mr. Speaker, I'm confused by the hon. member's question. Is he suggesting that we should do so on that? I'm not sure I understand.

MR. WYSE:

A supplementary question to the hon. Premier. Is your government considering increasing any forms of provincial tax to be implemented at the next session of the legislature? And I refer with special interest to a general or restricted sales tax.

MR. LOUGHEED:

Well, Mr. Speaker, I am sure there is a considerable amount of interest on behalf of all concerned with that matter, and I suggest he wait until February and hear on the budget.

MR. SPEAKER:

The hon. Member for Lethbridge East followed by the hon. Member for Little Bow.

Consumer Protection

MR. ANDERSON:

Mr. Speaker, I would like to direct a question to the hon. Premier. Is it the intention of the government to establish a department or, at the very least, a department grant to deal exclusively with consumer protection?

MR. LOUGHEED:

Mr. Speaker, I am sure that the hon. member is well familiar with the introduction of legislation by the former government on that matter. We are doing a review as to the effectiveness of the Consumer Affairs Bureau. We certainly, as I mentioned in my opening remarks, are very alive to the concern with regard to the matter of food prices. But insofar as organizational structure is concerned, that is a matter that is under review by the administration at the present time.

MR. ANDERSON:

Supplementary. Can we expect a report to be tabled in the legislature when it is ready?

MR. LOUGHEED:

Mr. Speaker, that is a matter of internal administration. I would think that during the course of the estimates next year if, in fact, changes are made, it would be apparent within the estimates.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Highwood.

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Government Advertising

MR. LUDWIG:

Mr. Speaker, I would like to direct a question to the hon. Premier. I wonder if the hon. Premier can advise the House whether the government does its own advertising directly with the media, or is the advertising handled through an outside agency?

MR. LOUGHEED:

Mr. Speaker, it is a matter for the Bureau of Public Affairs. I'm not certain I understand the question in terms of advertising, as to whether or not there is an exclusive use of outside advertising agencies, or part by advertising agencies and part by the government directly. Perhaps the hon. member could clarify the question.

MR. LUDWIG:

Well, Mr. Speaker, now that the hon. Premier has sort of aided my question. I wonder if he can give us an explanation of just how it is done. That is what I am asking him.

AN HON. MEMBER:

Put it on the Order Paper.

MR. LOUGHEED:

I'm easy -- I'll have to refer it to the hon. Minister of Federal and Intergovernmental Affairs.

MR. GETTY:

Well, Mr. Speaker, I think, as the hon. Premier has indicated in asking for amplification of the question, there are many ways in which the advertising can be handled in newspapers. It is handled in a variety of manners. It is handled in some cases through an advertising agency; it is handled in some cases directly by the government.

MR. LUDWIG:

Mr. Speaker, supplementary to the hon. minister. Is there one advertising agency that handles the major share of government advertising?

MR. GETTY:

No. Mr. Speaker.

MR. LUDWIG:

How many agencies, at the present time are handling government --

MR. SPEAKER:

The hon. member's questions are definitely pointing to a matter which should be on the Order Paper.

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

Mackenzie Valley Corridor

MR. BENOIT:

Mr. Speaker, my question is addressed to the hon. Premier also. It has to do with a statement made in April with regard to the federal government's decision to build an all-weather highway into the Arctic. I was wondering if there had been any discussions with the Prime Minister on this. And secondly, what would be Alberta's involvement especially by way of construction costs?

MR. LOUGHEED:

Mr. Speaker, my recollection, and perhaps it is a matter of timing here, is that when that announcement was made by the Prime Minister in Edmonton in April, we responded with a series of correspondence which I believe I tabled in the

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spring session of the House. But if I am incorrect, I'll check and give a further report back to the hon. member.

MR. BENOIT:

A supplementary question, Mr. Speaker. Have you had any discussions with the Prime Minister with regard to the Mackenzie Valley Pipeline?

MR. LOUGHEED:

No, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Calgary Millican.

Timber Dues

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister of Lands and Forests. Can the hon. minister advise the House of the reasons behind the recent reduction in lumber royalties in this province?

DR. WARRACK:

Mr. Speaker, I am very happy to have an opportunity to clarify that particular matter. The thing that was involved was really a question of fairness in the calculation of the timber dues that are paid. In fact, you will find that the term 'royalty' does not appear anywhere, either in legislation or in regulations in this regard. The system of calculation is on a basis of the lumber market price and on the basis of cost analysis, so it is a net calculation on which the timber dues are assessed.

The cost calculation, since it began in the mid '60's, has occurred every two years, so that after a calculation is done, it is easy to see that it is out of date in the subsequent months. We now have enough cost information on cost trends, Mr. Speaker, that we are able to project from this through each month as we go along, and the alteration that was involved was a matter of calculating the costs in the same month as the prices, so that the timber dues that are assessed are properly done for the same period of time. That is the change that was made and it removed an unfair bias against the timber industry in the extent that timber dues that they had to pay.

MR. NOTLEY:

A supplementary question, then, Mr. Speaker. In view of the reduction in timber dues, is the government taking any steps to reduce the retail cost of lumber in the province?

DR. WARRACK:

Actually, Mr. Speaker, what is involved is a slowing of the rate of increase in timber dues rather than a reduction. But, in any case, we have not done an analysis of whether market prices for lumber are too high. It may well be that if they continue to go up, this is an area in which there should be some assessment.

MR. NOTLEY:

Mr. Speaker, one final supplementary question. This one is to the hon. Minister of Mines and Minerals. In view of the fact that one of the reasons cited for the lowering of timber dues, in the press, was the increased value of the Canadian dollar vis-a-vis the American dollar, is there any consideration to a similar downward reduction in royalties for coal, natural gas, and oil produced from the Tar Sands?

MR. SPEAKER:

The connection between the hon. member's supplementary question and his main question is very tenuous.

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Gas Exports

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. Premier. Some concern has come about, in my city of Calgary and throughout the province, with the statement that the hon. Premier made in the State of the Province address on October 25th. I'll just read one line and then ask the question: "Since September 10th, 1971, there has not been one cubic foot of additional gas for export authorized by this government." My question to the hon. Premier is, has he had any representation from oil companies and gas producers who are asking that his government take a look at allowing further export, with the idea of the exported gas from Alberta eventually being replaced by gas that is supposed to be brought down from the Mackenzie Valley and the Alaska area? Or, if this isn't the case I was wondering (while I'm on my feet rather than ask a supplementary question) if the hon. Premier would outline his views as to where he feels the province is going to look favourably upon export of further gas from the province.

MR. LOUGHEED:

Mr. Speaker, that is such an important matter; I'm sure that the hon. member, the people of Calgary, and the people throughout Alberta applaud the wisdom of the government's action in making sure that we do not continue to sell and continue to authorize, for export, additional permits, when we are facing the report of the Energy Resources Conservation Board, that the gas we are exporting is being exported at a price substantially below value. I think it is one of the most important decisions of our administration, but the questions that the hon. member raises, I think, are very important ones. The reference to the Pan-Alberta was referred to also in my remarks on the opening day of the fall session. I do think the better place, Mr. Speaker, and hon. members, to answer a question of this virtue, though, is by nature of the policy statement we intend to be able to be in a position to present to either the House or the public within a matter of weeks.

MR. DIXON:

Supplementary to the hon. the Premier. Is he giving encouragement to companies? A lot of the companies are signing now for higher prices - and has he indicated to the industry that his government would look favourably upon export if the price is satisfactory to the government?

MR. LOUGHEED:

Mr. Speaker, that still draws me into the general policy position. I think it is quite clear, from the producer's point of view, that the matter of the price is very important, because it will open up the possibilities in terms of exploration in what are now marginal situations for gas along the Foothills area. So the pressure by our government -- and I can frankly say this -- and the initiative that has been taken for the first time by the Alberta administration with regard to the upward pressure in price and receiving full and proper value for the people of Alberta who own the gas, is certainly being well received in most quarters in the oil industry. Certainly there is a recognition that going with that is an assessment as to the magnitude of the gas that is, in fact, exported from the province, and assuring that there is proper and adequate protection for Alberta needs. But there is no question that with the pressures that our administration has exercised, simply in the calling of the Energy Resources Conservation Board hearing, and the upward pressures that that has been exerted on price, is beneficial to the industry and to the people at large, and certainly to the Treasury of the Province of Alberta.

MR. DIXON:

One final supplementary question, Mr. Speaker, to the hon. the Premier. We want, and I'm sure his government does, as well as all the rest, to encourage the very active drilling program that is going on, which you mentioned in your talk. I didn't quite hear, when is this policy statement going to be made, because we want this to continue? When is your policy statement going to be made?

MR. LOUGHEED:

Mr. Speaker, it is difficult to judge the length of any session of the legislature. When I made my opening remarks I thought it would be within the course of the fall session. I can only say that it is within a matter of a few short weeks that this statement will be available. If the House is still

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sitting, it will be presented to the House. If not, it will be made public, and naturally we will send a copy to all members.

MR. SPEAKER:

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

Family Allowances

MR. R. SPEAKER:

Mr. Speaker, a question to the hon. the Premier. In the spring session you indicated to the House that your government accepted the principal of universality and in that context you were going to make a submission to the federal government on the program of universal family allowance benefits. My question is, has the submission been made, and secondly, what was the basic position the government took?

MR. LOUGHEED:

Mr. Speaker, I think on a question such as that, I'd like to check the exact correspondence and report back to the House.

MR. SPEAKER:

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

Trans Canada Highway Hazard

MR. FARRAN:

Mr. Speaker, I'd like to ask a question of the hon. Minister of Highways. Mr. Minister, can anything be done about the dangerous traffic hazard on the Trans Canada Highway at 36th Street N.E. in Calgary where new residential subdivisions now reach the road? The city claims that it can't act without the provincial consent.

MR. COPITHORNE:

Mr. Speaker, the area that you are speaking of is within the City of Calgary, and they can act, but I would like to look into it for further advisement.

MR. FARRAN:

Supplementary, Mr. Speaker. When you say they can act, they do have to have your consent on the TransCanada Highway, don't they?

MR. COPITHORNE:

Mr. Speaker, the roads within the confines of the city are under the jurisdiction of the city as far as that is concerned. But the improvements can be shared, whatever upgrading may be required.

MR. FARRAN:

Supplementary question, Mr. Speaker. I'm sorry to pursue this question, but it is acute in Calgary because of rapid development in this area. Would it be possible to consult the city and perhaps advise or help them on putting traffic lights in as a temporary assistance, instead of going into an expensive design that might take a long time for a separation.

MR. COPITHORNE:

Mr. Speaker, I don't know what advances the city has made to my department in this regard but I will take it under advisement.

MR. SPEAKER:

The hon. Member for Calgary McCall followed by the hon. Member for Sedgewick-Coronation.

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PEP Program

MR. HO LEM:

Mr. Speaker, I have a question for the hon. the Premier. What is the educational purpose and educational guidelines for PEP, Priorities Employment Program? If there any evidence to show that in last year's PEP program there was abuse, inasmuch as some applicants may have refrained from enrolling in the fall, knowing that if they delayed their registration until January it would be at no cost to them, and also they would receive a salary?

MR. LOUGHEED:

Mr. Speaker, I think it was an extremely effective program as I mentioned in my remarks, and perhaps the hon. Minister of Manpower and Labour would like generally to summarize the program and, in addition to that, answer the specific question raised.

DR. HOHOL:

Mr. Speaker, with respect to the specific question, the students could not have anticipated the PEP program funding support for January because it was well into the fall sessions of the educational institutions that we made our plans public. They ran into October, while the schools opened early in September. While I appreciate the problem of a person paying his own way and someone else getting assistance, they did not anticipate this.

I intend, Mr. Speaker, to give a rather complete and detailed report on the PEP program of last year and also for the coming year on Tuesday or Wednesday afternoon of next week, including a general statement of the evaluation of last years program, its strengths and weaknesses, and the plans for this year. If the hon. gentleman will accept that as an answer for today, I will be pleased.

MR. HO LEM:

Supplementary, Mr. Speaker. I think that there are other questions that should be asked at this time, for instance, how many students quit the program last year, and has there been consultation between industry and government to ensure that employment is available after the students graduate?

DR. HOHOL:

Mr. Speaker, those are excellent questions, but in terms of specific numbers of people who entered any of the programs and who left them, I would have to go to the files. This will specifically be part of the report next week. I can generalize because this impressed me so much that I recall that very few students left the program, and that most of the ones who took training programs, obtained jobs, and most of those who obtained jobs stayed on them. I can generalize to that extent.

MR. HO LEM:

Supplementary. Will this report next week include how much money will be included in this years program, and what division there will be regarding the money?

DR. HOHOL:

Mr. Speaker, I should like to answer in two ways. The cost of programs with respect to employment on the one hand, and training programs in terms of man months, will be very specific in terms of cost. The total cost is something we don't feel that we should predict in advance because this depends a great deal on how the employment and unemployment circumstances, in Alberta pertain from month to month. We feel that we can adjust the program and the costs to the circumstances rather than decide in advance if we will spend \$8,000 or \$10,00 or \$20,000 and then feel constrained to do it, even though the circumstances will not require it, or on the other hand not do it and give the appearance of not having met the unemployment situation as we might have.

MR. CLARK:

Mr. Speaker, a supplementary question to the Minister of Labour. Will the minister be prepared to table in legislature the evaluation done of the PEP program last year?

DR. HOHOL:

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Yes, Mr. Speaker, it will be part of the report so that one section of the report on last year's PEP Program and this year's PEP Program, will be an evaluation of last year's PEP Program.

MR. CLARK:

Mr. Speaker, will the minister table in the legislature the complete evaluation which was done by his department?

DR. HOHOL:

Yes, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Vegreville.

Bertha Army Worm

MR. SORENSON:

Mr. Speaker, my question is directed to the Minister of Agriculture. Are you able to forecast at this time whether we can expect an infestation of the Bertha Army in 1973? The government did forecast a severe infestation for 1972. There was; we ran lanate with almost serious results, and I am wondering if this situation can be corrected for the coming year.

DR. HORNER:

Well, Mr. Speaker, it is a question of probabilities in all of these matters because it relates to climate, and in a particular way, it also relates to cultural practices. And more and more, we are finding that the matter of cultural practices in early seeding is one of the major ways in which farmers can escape damage from the Bertha Army worm. I would also like to say to him, that in fact, we did not run out of lanate, and we had airplanes flying to Houston to bring it back. We hope by next year to have other available chemicals that will do the job, so that in fact we can lower the costs involved in containing the outbreak of the Bertha Army worm. We hope to have some extension directives out this winter to rapeseed growers in the province outlining practices that would improve their position in relation to the Bertha Army worm.

MR. SORENSON:

Supplementary, are you saying, Mr. Minister, that there was no delay in getting the spray out to some counties?

DR. HORNER:

That is right, Mr. Speaker. I am saying that there was no delay. As a matter of fact my department worked all of one night to make sure that it got out there.

MR. SORENSON:

Supplementary, Mr. Speaker, some fields had to be resprayed. How would you account for this?

DR. HORNER:

Well, Mr. Speaker, that is a technical problem, but I can give the hon. member a pretty detailed explanation on a technical basis because it relates again to the amount of moisture that was on the leaves of the plant at the time of spraying. It relates to the temperature at the time of spraying, and these are cultural practices in the use of spray that are very important. Of course, we just had two years experience with using lanate and to find out when the spray is most effective. As a matter of fact, the fields that had to be resprayed, Mr. Speaker, were those where these technical practices weren't followed, and sometimes the farmer himself wasn't at fault, but the people doing the spraying were doing it at the wrong time of the day.

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MR. STROMBERG:

Supplementary, Mr. Speaker, to the Minister of Agriculture. Is it true that the County of Flagstaff had so much spray left on hand, that they requested you to buy it back again?

DR. HORNER:

A number of counties, Mr. Speaker, were oversupplied and we agreed to take it back and store it. Hopefully we won't have to use it next year.

MR. SPEAKER:

The hon. Member for Vegreville followed by the hon. Member for Athabasca.

Health Care - Housing

MR. BATIUK:

Mr. Speaker, I would like to direct my question to the hon. Minister of Health and Social Development. Are you in any way considering the possibility of establishing complexes which would accommodate an active auxiliary hospital and nursing accommodation which is being set up in certain areas on this continent?

MR. CRAWFORD:

Mr. Speaker, the hon. member's question relates to a very contemporary understanding of some moves that are being made in certain areas in regard to the overall delivery of health care. All I can say at the present time, is that I had the advantage of seeing some material relating to this type of facility as it is being introduced in some part of North America, but that no consideration at the present time, is specifically being given to any such centres in Alberta. We will continue to keep abreast of developments.

MR. SPEAKER:

The hon. Member for Athabasca followed by the hon. Member for Bow Valley.

Moose and Wolf Population

MR. APPLEBY:

I have a question for the hon. Minister of Lands and Forests. I wonder, Mr. Minister, if the people in the Wildlife Branch of your department find that there has been a considerably more than normal decline in the moose population of the province, more than could be expected through normal hunting, and if this is so, many guides and individual hunters have suggested to me -- that this could be attributed to predation by the wolf population?

DR. WARRACK:

Mr. Speaker, insofar as I have been able to ascertain in monitoring the 1972 hunting season, it has not come clear at all that we are in a position of having a limited moose population, although it is certainly much less abundant than it was some years ago in the late 1960's when it was pretty clear to everyone that there was really an over population of moose at that particular time. With regard to the wolf population it is very clear that this is increasing, and the wolves, therefore, are showing up in greater numbers in areas where they normally are. They are also showing up in areas of Alberta where they normally are not present. We have not ascertained a relationship between the moose population and the wolf population, and do not believe that this is a serious problem insofar as the moose population is concerned. However, in some areas of Alberta it is a fairly major problem insofar as the domestic livestock population is concerned.

MR. SPEAKER:

I believe the hon. Member for Athabasca could finish his supplementary, followed by the hon. Member for Clover Bar, followed by the hon. Member for Spirit River Fairview.

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MR. APPLEBY:

Mr. Speaker, I would like to ask the hon. minister, if they are finding that this might be a problem with regard to livestock, if they expect to institute controls as far as the wolf population is concerned?

MR. SPEAKER:

The hon. member's question is quite hypothetical.

DR. BUCK:

In view of the fact that the moose population seems to be going down will there be any curtailment of non-resident hunting in this area, especially in the Zone-1 area which is involved?

DR. WARRACK:

We do not, at this time, anticipate that, but I might add, Mr. Speaker, that in the spring of each year we consult with the various sectors of interest in this area through the Fish and Wildlife Advisory Council and take recommendations in regard to just those matters. If indeed there is endangerment of the moose population in any place in Alberta, including Zone -1, we would certainly accommodate the extent of hunting permitted accordingly.

MR. NOTLEY:

A supplementary question arose from the minister's original answer. Mr. Minister, you mentioned the damage livestock producers suffer because of the increase in wolf population. I am wondering whether the government has been able to give any consideration to possible remedies, such as amendments to the wildlife damages fund?

DR. WARRACK:

Mr. Speaker, in this regard when the cabinet had its meeting in Grande Prairie on October 17th, that morning I, among a group of ministers, did receive a number of delegations on a number of topics including this one. Our commitment is, certainly, to find a reasonable balance between the wolf population as a wild animal in the wildlife characteristics of Alberta, and also reasonable assistance both through the Department of Lands and Forests and the Department of Agriculture with respect to protection of farmers against livestock losses.

MR. SPEAKER:

The hon. Member for Bow Valley, followed by the hon. Member for Lacombe.

Provincial - Municipal Finance

MR. MANDEVILLE:

Mr. Speaker, I would like to direct my question to the hon. the Premier. In light of the submission from the City of Edmonton in regard to provincial - municipal financing does your government intend to act on the recommendation to set up a finance commission in this area?

MR. LOUGHEED:

Mr. Speaker, we have had the benefit of an excellent report by a task force shared by five very experienced members of this legislature who, in a very short period of time, provided the people of Alberta with an effective starting place in this matter of provincial - municipal finance. As the hon. Minister of Municipal Affairs has mentioned, both at Lethbridge during the meeting last week of the Alberta Urban Municipality Association and here in this House, this matter is something that will be before the legislature in the 1973 session, although there will be, no doubt, a public announcement because of the nature of budgeting in municipal governments prior to that time.

Implicit, I gather in the hon. member's question, is the matter that the government still has yet to consider; that is whether or not from a follow-up basis, having made the basic decisions that are implicit in the discussions that are being held to date, whether there is any merit in any sort of follow-up continuing commission approach and that is still under review by the government.

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DR. BUCK:

In view of the fact that municipalities have problems budgeting because of lateness of the spring session, are you looking at moving the session up earlier in the spring, Mr. Premier?

MR. LOUGHEED:

Mr. Speaker, that is a matter that troubles not only myself but I am sure all members. For the fall session I think it is quite clear that we have generally to look at a timing that is subsequent to harvest. If we do that, depending again at the length of fall sessions, we're into the difficulty of the preparation of budget and the preparation of legislative bills for a session. We have tried to assess whether we could be earlier in the year because, recognizing what the hon. member is getting at in that question, there certainly is assistance, not just I would say to municipal governments, but in other areas too, to have the budget as early as possible in the year. As of now we are striving for some significant acceleration of the date of the start of the next session over and above what we had last session, but I am still not able to come to a conclusion that we can do it as fully as the hon. member probably realizes is necessary to meet the concerns of the various groups in the province.

MR. SPEAKER:

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

Recreational Land Acquisition

MR. COOKSON:

I would like to ask a question of the hon. Minister of Lands and Forests, Mr. Speaker. Have there been any recent purchases of land through your department for potential recreational use?

DR. WARRACK:

Mr. Speaker, I think that the best way I could frame my answer is in terms of land acquisition, land assembly, by the province, and also in terms of the land acquisition not necessarily being directed to any specific and particular use when it is acquired, but more a matter of retaining options on the use of that land into the future, particularly recreation lands. More specifically, yes, some considerable number of land parcels have been acquired through the land assembly program within the government, and then these lands are turned over to the Department of Lands and Forests for administration. So the answer is yes, Mr. Speaker.

Gull Lake

MR. COOKSON:

A supplementary perhaps to the hon. Minister of the Environment. When you purchase land for recreational use, is there communication between your two departments? I am thinking particularly of priorities such as our Gull Lake recreational area which is in a difficult position. Are you communicating between your two departments with reference to priorities?

MR. YURKO:

Yes, Mr. Speaker, definitely so. I might indicate that we have done a fairly complete analysis of the land around Gull Lake and the acquisition of land in this particular area, as we are particularly anxious to examine the possible purchase of land particularly with respect to the outlet from the lake in regard to any possible stabilization that we might undertake in future years, depending, of course, on budgetary allocations.

MR. SPEAKER:

The hon. Member for Stony Plain followed by the hon. Member for Calgary Bow.

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Lake Wabamun

MR. PURDY:

Mr. Speaker, my question is the hon. Minister of the Environment. Have you any information in regard as to how successful the weed harvesting program was carried out in Lake Wabamun this year?

MR. YURKO:

Yes, Mr. Speaker, in accord with the government's announced policy of maintaining Lake Wabamun as a major recreational area, the government has been encouraging certain policies in this regard and one has been weed harvesting which was done in co-operation between Calgary Power and the government, as well as the village of Kapasawin. This last summer approximately 1,800 tons of weeds have been removed from the lake and the total cost was approximately \$90,000. There were approximately 6,400 man-hours spent during cutting and the program, of course, is again slated for next year. Calgary Power will be purchasing another cutter and adding it to the program next year, and it is interesting to note that the Department of Agriculture had calculated that approximately 3.6 tons of phosphate were removed from the lake during the harvesting process.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for MacLeod.

Premier's Office -- Southern Alberta

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. the Premier. Have you installed a 'Premier's hot line' telephone in the last four months in some media newsrooms, and what is its intended purpose?

MR. LOUGHEED:

Mr. Speaker, I presume the hon. member is talking about the telephone, as distinguished from the Alberta Ccommunications Network? No. The only telephone that I have is a telephone directly between this office and the Premier's office in Calgary. As I said, we gave considerable credit to the previous administration for their wisdom in setting up a Premier's office in Southern Alberta. They call it Calgary, and we changed it and called it Southern Alberta Office, so that we know we have to do better than that.

We have tried to use that office extensively. It has become a very effective nerve center for the people of the Calgary region. We don't for a minute suggest that we don't have to do better in the areas of communication, in terms of Medicine Hat and Lethbridge. But the fact of having the ministers take three days and go down and spend their time in the Calgary office, is, I think, a very good one. There is a tremendous amount of communication that goes back and forth on that telephone between the two offices. So, if that is the so-called 'hot line', I think I have a number of other 'hot lines' -- but if that is the so-called 'hot line' that the hon. member is referring to, then that is the status of it.

MR. WILSON:

Supplementary, Mr. Speaker. Mr. Premier, are you aware that last summer a telephone hot line was installed in one of the media newsrooms in Calgary, and was called the Premier's hot line, and when it is picked up, presumably to contact your office, nobody answers?

MR. LOUGHEED:

Mr. Speaker, I can't resist. If that's so -- it can't be very hot.

MR. SPEAKER:

The hon. Member for MacLeod followed by the hon. Member for Hanna-Oyen. I believe that will conclude our time.

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De-Centralization of Government Offices

MR. BUCKWELL:

A question, Mr. Speaker, to the hon. the Premier. At the spring session you indicated to this House that in few months you would be advising us as to the de-centralization of government offices. Now, (a), what will be the nature of this de-centralization, and (b), would you give us some specifics, and (c), when will you be tabling a government policy paper on this?

MR. LOUGHEED:

Mr. Speaker, I think that many of the hon. ministers could respond to that question because there has been a considerable effort to attempt to do that. I believe the hon. Minister of Health and Social Development has already given some answers in the House here, dealt with some specifics there with regard to mental health. And I know the hon. Minister of Agriculture has equally done that. We have never -- I believe this is accurate -- felt that we would be in a position to alter, despite some efforts from the odd minister the actual re-arrangement of the basic departments from the capital. What we have been aiming at, and what we are continually striving for is, wherever we can, to spread any new operations and new institutions throughout the province. I know that the hon. Minister of Advanced Education, certainly in terms of his view towards the smaller colleges and technical schools and universities, has reflected that. Our endorsement and support for the University of Lethbridge is a reflection of the feelings of our government, that we want to, to the maximum extent we can, assure that that occurs. We'll continue to do it. There are some problems; I think the hon. Member for Wetaskiwin-Leduc was alluding to one the other day, relative to the Alberta Government Telephones. But, again, in our future programming, in every case, we're looking in that particular direction.

As far as an overall policy report, we're awaiting a task force report. It probably will be a number of months before we will actually have a final report from that task force.

MR. BUCKWELL:

A further supplementary, Mr. Speaker. Have you any specific information on whether any or all of the National Energy Board Offices will be moved to Alberta?

MR. LOUGHEED:

Well, Mr. Speaker, I have some hope that the events of this past week might increase the possibility of a greater awareness of the desire of the people of this region to have an input in national policies. I mentioned this to some of the members of the news media today. I was asked to give examples and that is one that I gave. We have endorsed the submission through the hon. Minister of Federal and Intergovernmental Affairs of the Calgary Chamber of Commerce with regard to the moving of the National Energy Board from Ottawa to Alberta, and to Calgary, in particular. When I met with Mr. MacDonald, the Federal Minister, last year, I raised that particular matter with him. There is no question in my mind that the National Energy Board should, and can be, effectively operated out of the City of Calgary. I can think of a number of other examples. Nothing would please us more, for example, than to have the federal government recognize the Canada Transport Commission and its location. I can't think of anything better than having it sit in the heart of Alberta. Any support that the hon. members opposite can give in this area, we would fully appreciate it.

MR. SPEAKER:

Order please! The time for the question period has run out. Since I have already called the hon. Member for Hanna-Oyen, would the House agree that he might ask his question?

HON. MEMBERS:

Agreed.

Income Tax Write-Offs

MR. FRENCH:

Mr. Speaker, I just have a short question for the hon. Premier. On March 6th, you advised that the government has, under active review, a possible agreement similar to that between the federal government and the Province of

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Ontario, with regard to income tax as it affects write-offs for property taxes and tenants' rents. My question is this; have any discussions with regard to this matter been held recently with the federal government?

MR. LOUGHEED:

No, Mr. Speaker, that is part and parcel of a question asked by the hon. Member for Bow Valley, and I think was contained with regard to the option situations that were suggested in the excellent task force report chaired by the hon. member, Mr. Farran.

MR. FRENCH:

One supplementary, Mr. Speaker. Will the hon. the Premier anticipate that you will be holding discussions in the near future on this matter?

MR. LOUGHEED:

Well, Mr. Speaker, I think we're in the process, as I mentioned (and I think the hon. Minister of Municipal Affairs has mentioned) of trying to establish our own views as to the best approach with regard to property taxation. If that conclusion comes to a consideration, in one way or another, of a credit against income tax, that would, of course, force us to initiate the sort of discussions the hon. member is alluding to. We will forthwith do so.

MR. HYNDMAN:

Mr. Speaker, I ask leave of the House to revert, for a moment, to Introduction of Visitors so that the hon. Member for Edmonton Calder might introduce 126 students who have just arrived.

HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS

MR. CHAMBERS:

Mr. Speaker, I am pleased to introduce to you and, on your behalf, to the hon. members of this assembly, this large group of enthusiastic students from St. Angela's Separate School which is located in my constituency. They're accompanied by their teachers, Mrs. Rye, Mrs. Klimchuk, Mr. Percanick, and Mr. Burkhardt. I would like to congratulate them all on their interest in the proceedings in this House.

They are seated equally in the public and the members' gallery and I would ask the students and teachers to stand and be recognized by the hon. members of this assembly.

GOVERNMENT BILLS AND ORDERS FOR SECOND READING

Bill No. 120: The AGT-Edmonton Telephones Act
(Debate adjourned by Mr. Farran)

MR. FARRAN:

Mr. Speaker, in going back to this subject of the transactions between AGT and Edmonton Telephones, I would like to give you a different point of view from Calgary which doesn't coincide with some of the views expressed yesterday by friends on the opposite side of the House. I, as a Calgarian, enjoy the AGT service, but I think few Calgarians pretend that it is a business enterprise in the sense of private corporations in the private sector of the economy. I think most of us recognize that this is a luxury system, that it is over-capitalized and it makes a poor return on the huge investments the government funds over the years. In fact, it is a gold-plated system which we all enjoy. I'm not a shareholder in the true sense of the word in AGT, so it doesn't worry me that much, but the return on the money is not that good. Some years AGT hasn't made any profit at all; other years it has made some. But to try to think of AGT in the context of a real profit-making private corporation, as opposed to Edmonton Telephones, I think is to stretch the imagination too far. As customers we like the excellent service. We don't suffer from the over-staffing that I think takes place. We know that there is a backing of an owner with a good credit rating -- the Province of Alberta -- and the Province of Alberta, in the long haul, would probably be much more reluctant to raise the rates than even the

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Province of Ontario has been to raise the Bell Telephone rates, and they've had a bad enough time in the last two years.

We look at the Edmontonians -- and of course in Calgary we tend to be sorry for the people from Edmonton for many reasons, but this is just one more reason why we sympathize with them. I know occasionally in AGT you will dial your number and you will get that melodious voice saying, "I'm sorry, the number you have dialed is no longer in service." I seem to get it more often in Edmonton than I do in Calgary, but that just might be a coincidence. But I do know, from having studied the merits of shares and bonds in Bell Telephone, that the telephone business may be secure, but it is no way to make lots of money. Their biggest problem is the raising of capital for expansion. That's why the Bell Corporation has a new issue of bonds about once every three months. Edmontonians now have got to look forward to the raising of capital for the expansion of the Edmonton Telephone system on their own credit. I understand, from what I am told, that their equipment is obsolescent compared with the very up-to-date, luxurious equipment of AGT.

Well, the Calgarians then have got the best side of the deal. We don't think there is any way, in Calgary, that any great difference will be made to the profit picture of either of these government owned corporations by the loss of a small area like Jasper Place. The chances are, the way things go, that the municipality -- like Edmonton -- will use its utilities from time to time as a hidden tax. The City of Calgary does much the same thing over selling power; it sells it sometimes with a 40 per cent mark-up over what it buys it for, wholesale from Calgary Power. Edmonton Telephones and the Edmonton power system will naturally do much the same sort of thing. I don't believe the province is nearly as likely to use the sale of utilities as a hidden form of tax revenue as the hard-pressed municipalities.

Now of course, once you rectify the situation as far as one can of the fiscal weakness of the municipalities that have such a narrow tax rate, but it doesn't alter the picture that Calgarians, in my opinion, as AGT customers have a much better deal than the people in Edmonton. The people in Edmonton are naturally proud of the fact that they have their system and I suppose the people in Alberta generally are proud of AGT, but the pride really can have no greater depth when you think about it, than the pride in a local football team or the pride in something merely because it comes from home.

The transaction which is now taking place, I believe is a good one, I don't think AGT is suffering very much, if they are in the long run concerned about profit. I don't believe Edmonton is going to suffer very much but I think to relate either of these transactions to the usual profit yardsticks of the private market place is to make a great mistake because neither of them functions on common principle.

MR. LUDWIG:

Mr. Speaker, I would like to say a few words with regard to this issue. I believe that regarding the hon. member who just stated that there is no profit in telephones, the releases from Edmonton City indicate that he is not in touch with what is going on. Edmonton had, between 1965 and 1969, received over \$18 million net to their tax revenues. This is a very nice little profit; that's from a restricted operation as it was then, and I understand that since then they have reached as high a figure as \$5 million per year net. That is an indication why they want this operation so badly.

I would take no issue with the people of Edmonton; I believe if I were in Edmonton I would be doing what they are doing. I would be demanding a political solution to a problem which can only be favourable to them, but when you look at a political situation to this issue, I believe that there are two sides to the story. You can't say that Edmonton will benefit tremendously by acquiring a large portion of AGT subscribers and service area, without correspondingly saying that the AGT operation will suffer to that extent. It's a case of simple economics.

I was rather impressed with the performance of the hon. Minister of Telephones. He struck me as being a reluctant bride to the whole deal, rather uncertain of his lines, and that when he was brought up on a point of order he immediately sat down and said no more, confirming the fact that he was not entirely enthusiastic about the whole bill.

I think, Mr. Speaker, also, that the hon. Minister of Advanced Education got himself into a lot of hot water in education. He ought perhaps to speak an honest voice on behalf of Red Deer and defend his own position there, which is not too secure at the present time. In fact I understand that lately he doesn't

dare venture far south of Red Deer because he is turning down appearances at meetings in Calgary; I don't really blame him for that at all.

Now, Mr. Speaker, I was rather impressed with Miss Hunley's speech. She said that they negotiated in good faith; I would never suggest that they did not, considering the guidelines they had. They were a political committee set up to bring in a political solution to the issue. This view was confirmed by the Journal editorials and by a letter from Mayor Dent to the hon. Minister of Telephones when he says that any negotiation or change of the guidelines and negotiating would be superfluous in view of the fact that there had been a change in government.

I would like to go back to the recommendation of the mediation committee that was set up by the previous government and it's a report and recommendation of the Telephone Mediation Committee dated Edmonton, Alberta December 19, 1971. This committee was set up by the previous government and the members of the committee were Mr. Dodds from AGT, Mr. Hamilton from the City of Edmonton, and Mr. Lester who was from outside of the province. I believe that this -- [interjections] -- that is fine then, I appreciate the correction But in any case, Mr. Speaker, that was, I believe, a non-political committee set up to find an answer to a long-standing dispute between ET and AGT. Here is what they recommended.

Recommendation No. 1 - The Committee therefore recommends that the principles, i.e. the City of Edmonton and the Provincial Government of Alberta, solve the ET-AGT problem by amalgamating the two agencies in a province-wide system to serve all Albertans. Amalgamation should preferably be by AGT purchase of ET with both parties agreeing to the purchase price, and the price to provide the City of Edmonton with reasonable assurance of retaining present and potential profits.

So when Miss Hunley stated that very vehemently and rather emotionally that Edmonton Telephones is not for sale, it seems to indicate to me that the bargaining committee on the side of AGT and the people of Alberta versus Edmonton Telephones was not adamant, because they went there under the handicap of the Premier's promise that we will permit Edmonton to expand to its natural boundaries. So he appoints two ministers from his government to negotiate a political settlement and thus satisfy the promise that he has made.

I am stating, Mr. Speaker, that I -- in hearing the Calgary member speak -- I got the impression that Calgary has little voice, if any at all, in the Conservative caucus on this issue. In fact it is worse than that. Not only did they not either remain silent or say something in favour of the people outside of Edmonton, they spoke against the interests of AGT which is owned by all the people of the province. I think that this is a rather sad reflection on the kind of open government and free-wheeling promises that the Premier made that he will let the members be a little more outspoken, speak their own mind, and be a little more independent. The party discipline, in this House at the present time, has never before been equalled.

I think also, that it is rather sad that we have several members in cabinet from Calgary who, I believe will stand exactly where the Premier told them to stand. This is not the kind of issue that it is so neatly cut and dried that there is no disputable or debatable areas. There are pros and cons, and I am surprised that no Calgary minister on the Conservative side, and no Calgary M.L.A. on the Conservative side has anything but good things for this bill. As I stated, the reluctant bride to this bill has got to be the Minister of Telephones who either was most reluctant to go along where he was told to go, or was unsure of his ground.

In supporting the view that I stated, that Edmonton had made a profit on its limited operation of Edmonton Telephones, and therefore expects a much greater profit from an expanded operation. I believe it is logical to assume that, for instance, if they get \$2 million more per year in subscribers, commencing now, that their net profit will eventually be better. If they made \$5 million profit net, for their city from Edmonton Telephones in 1971, it is presumed that with continued expansion and the right to perhaps double their subscription area, that they could easily reach a \$10 million per year net income in the foreseeable future. I think that if you extend this operation for a period of 50 years, we are not talking about low stakes, we are talking about high stakes, high revenues and when I look at the fact that Edmonton Telephones a smaller operation surrounded by AGT, able to buy into the larger province-wide corporation, I wonder who is protecting the interests of the people of this province. It certainly is not the Premier, and it is not his government.

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One more interesting item that I must point out, Mr. Speaker, and that is the manner in which this was handled. I understand the hon. Premier made several pronouncements in Edmonton concerning this issue, but he was silent on it in Calgary. He was not too concerned about publicizing it in Calgary and if he wishes to challenge my statement I would like to ask him how many releases he has made over this issue in his news service in the PR department. I would suggest that he could not table anything that he made because he is not too anxious to have this issue become well known in the rest of the province. For that reason I think that the opposition particularly has a special challenge to make this issue known, to contact municipalities, to contact cities, to contact the chambers of commerce, to contact M.L.A.s who may be interested and make them take a stand on this issue.

When Miss Hunley stated that they negotiated in good faith, I am rather surprised that she took such strong issue as to criticism from the hon. Member for Calgary Millican, but if they negotiated in good faith I am wondering whether they negotiated competently. The net result is that this is not a business like settlement, if it were intended to be, we would have handled it in a proper manner and not in a political manner. We would have conducted studies; we would have had an analysis of projected possible expansion, projected revenues, projected costs and then made a settlement on that basis, instead of trying to find a neat, non-controversial solution that will make the hon. Premier look a bit better than he does on this rather embarrassing situation for him. [Interjections] Somebody is getting restless over there, Mr. Speaker.

When I state that this was a political settlement, Mr. Speaker, here is a quotation from the Journal editorial Tuesday, December 14, 1971 --

MR. HYNDMAN:

A point of order, Mr. Speaker. I think it has been ruled that it is proper that we seek the opinions of members, that one can introduce facts from other sources, but not opinions of other persons because it is in this chamber we hear the opinions of members.

MR. LUDWIG:

Mr. Speaker, speaking to the point of order, I express this opinion; I am merely seeking support that other people have expressed a similar opinion. I believe it has been done over and over again here, and the hon. member is hardpressed for something to say.

MR. DIXON:

Mr. Speaker, I think in this legislature we have to be fair on both sides of the House. I would like to remind the hon. minister that we sat here and heard an excellent talk by the hon. Premier on the state of the province, where he made several references to what editorial writers had to say about the Conservative policies and some of the Conservative members. I think we are only quoting back where some of the people -- and I think the Journal editorial will probably show -- are happy with the Conservative government. So I can't see any reason why they are complaining about it.

MR. LUDWIG:

May I continue, sir?

MR. SPEAKER:

I believe, to the extent that I am presently informed, the rule is more strictly applied in connection with questions. If the hon. member's reference is not unduly lengthy perhaps it would be order.

MR. LUDWIG:

Thank you, Mr. Speaker. And here is the quotation:

While it is perhaps understandable that a technical committee would overlook these points, the political committee which will study the report cannot. (This committee to include elected representatives from the city and province is now being set up.)

Certainly the Journal took the position that a political solution was being sought, and I am stating that the political solution was not in the interests of the people; it placed the rather embarrassing promise made by the hon. Premier, who is from Calgary, before the interests of the people of this province.

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I should like to state further that I ran across an article here that sort of reflects rather seriously on the level of integrity of some people who make pronouncements in public, especially people in high office. The headline says: "AGT Edmonton Sale Dumps a Money Loser". Now I wonder whether the hon. minister, who is from Calgary, approached Calgary and asked them if they would like to buy the whole area of AGT and buy themselves a money loser. I am sure that they wouldn't be hard to convince that maybe it would be all right to buy the whole operation. It is a consolidated operation and the profits from that area go to help carry all sorts of services throughout the province that could not stand on their own. He made this statement, but I think he clarified himself by referring strictly to Jasper Place. This statement was entirely misleading, when the impression was given that all Edmonton was going to benefit from this promise that the hon. the Premier made was the Jasper Place operation. That is entirely untrue. I believe that the whole turnover of permitting Edmonton Telephones to expand to the natural boundaries of Edmonton will result, in my estimation, and for wanted better figures from the hon. minister, to roughly \$2 million in subscribers alone, in subscribers, too, who are presently in AGT.

MR. GETTY:

Point of order, Mr. Speaker. In going along with your ruling that we should listen to the hon. member read items from the newspaper into his speech, I certainly have no objection to that, but, Mr. Speaker, I think he should be clear, if he is going to read a report, that he should not attribute statements to the hon. minister. He may attribute them to the newspaper if he likes, which may be their opinion or may not be, but he does not have the right to attribute something he reads in a newspaper to the minister.

MR. LUDWIG:

Mr. Speaker, the point may be well taken, but I didn't hear the hon. minister contradict or deny this report and so he is stuck with it. It's there, he's a minister, he could have said it isn't mine. And I also heard him say the same thing on the air so I don't think that I'm exactly quoting him incorrectly. The hon. minister is here; he could defend himself I presume.

Mr. Speaker, in view of the remarks I have made, it certainly is an indication that the M.L.A.s, particularly those outside of Edmonton on both sides of the House, have to make a decision as to whether they want to see the AGT operation depleted in revenue and become a less viable operation by transfer of a great portion of its assets, or if they want the whole issue to be determined on a sensible and businesslike basis and support the recommendation of the mediation committee of 1971, and see if a transaction may not be entered into wherein AGT would purchase out Edmonton Telephones entirely. There has been some indication from reports in the press that the city was not as adamant in its no-sale stand, as indicated by Miss Hunley, and that the price was a factor. So I'm wondering, Mr. Speaker, if that is the case, whether the possibility of buying Edmonton Telephones was exhausted by the political committee. I doubt very much whether they considered it, in view of the commitment made by one of the negotiating members that Edmonton Telephones was not for sale, and we negotiated on that basis.

I am also disturbed about the fact that the hon. minister brings in a bill at this date taking it for granted that the bill will be passed when it's a fair accompli now that Edmonton has already expanded into some areas and they are proceeding to do what is not yet authorized. I wonder whether this bill is really necessary; the thing is done; it's on its way now. If the hon. minister wanted us merely to ratify what he has done, he failed to tell us on the principle of the whole bill, what he has, in fact, done. There are no facts or figures and I am submitting that there has not been the kind of study conducted and evaluation, and projection of figures and revenues upon which an intelligent settlement can be made and, of course, if the hon. minister has any such figures and conducted, he could produce them in the House, give them to us, and then I stand corrected, but I am of the opinion that no such study was, in fact, made. I am surprised at the hon. Member for Calgary Buffalo who states that there will be no loss in revenue to Calgary. There may not be tomorrow or the week after, but if you take away \$2 million --

MR. GHITTER:

Point of order. With respect to the comment from the hon. member, I merely said that there seemed to be concern from the M.L.A.s in Calgary with respect to a suggested increase of rates in Calgary. That was my reference last evening, and I would suggest that there is no evidence to that effect. I don't mind the

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learned hon. gentleman from Calgary Mountain View quoting me, but please, sir, if you intend to quote me, do it correctly.

MR. LUDWIG:

He denies that he stated there will be no increase, and I will withdraw my remark. I got the impression that he said they were rather in fear that this might happen, and I want to state that I am not only in fear of it happening, but it is likely to happen. You cannot continue an AGT operation over the province as a whole, with hundreds and hundreds of miles of lines and services into country points which are not viable and have to be supported, and if you take away the large base of subscribers, you have to carry the whole operation on the narrowest of subscribers base; the total returns will not be as big, and the income to AGT will thus be reduced.

Now, I am not saying that every operation into the country does not pay for itself, but I am saying that some don't. There are some areas out north that simply have to be supported from the whole operation.

DR. HORNER:

Which one?

MR. LUDWIG:

Well, I'm saying that some are, and the hon. minister is saying that none are. Let's find out from the minister whether they all pay for themselves?

DR. HORNER:

Point of order, Mr. Speaker. The hon. Member for Calgary Mountain View is trying to say something -- he doesn't appear to know exactly what he is saying -- and that is the point that I'm trying to make.

MR. LUDWIG:

Mr. Speaker, we have often listened to the hon. minister when he was not certain of what he was saying and we let him carry on and hang himself -- why does he object to anybody else making a general statement?

Mr. Speaker, I'm submitting, and I stand to be corrected by the hon. minister, that all the branch lines into the North country do not pay for themselves. There are all kinds of expansion investments where they don't pay for themselves.

MR. HYNDMAN:

Yes -- like the ARR!

MR. LUDWIG:

Yes -- if this were so, why is Edmonton reluctant to say, we'll take the North of the country, but give us the right to expand to our natural boundaries. Nobody wants to deal with telephones in Fort McMurray, Fort Chip, and out there, because you can't make any money on those things. It's logical to know that the government has to subsidize this operation. And when some members here say that the whole operation -- like the hon. Member for Calgary North Hill says -- of AGT cannot make money with concentrated money making areas in the city, then how on earth can the hon. Premier No. 2 tell us that these branch lines out in the wilderness make money? Somebody is talking nonsense. I think it is the Premier No. 2.

AN HON. MEMBER:

Come out in the country and say that.

MR. LUDWIG:

I've been out in the country a lot more than you have, and many times. You know, I shudder at the lack of economics knowledge on that side when they say that giving away or selling \$2 million worth of subscribers to Edmonton on a long range basis is not going to hurt AGT. If it isn't going to hurt AGT, is the hon. minister going to give Calgary, Lethbridge, and Red Deer, the same kind of a chance? I am saying that if these cities all took over their own operation within their own limits, the whole system outside of these cities would not be worth picking up. It wouldn't be operational, it would be a loss, and the

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public as a whole would have to subsidize it. If that is the attitude of the hon. ministers in their wisdom, then why don't they make a proposal? What is sauce for the goose here should be sauce for the gander. Let's approach Calgary, and see if Calgary would like to take a money loser off their hands and operate AGT in Calgary? I'm sure there would be no trouble at all, Mr. Speaker, that this would be done.

Mr. Speaker, I guess the rabble is getting restless. I'm being heckled from about seven different sources at one time.

You know, another indication that it is hard to believe, whether the hon. minister is sincere, or whether he is standing exactly where the Premier tells him to stand, and no other, is when I read a report in the newspaper today that the hon. the Premier stated that, "any indication that AGT will be sold is a distortion of fact". I suppose that now that part of AGT is being sold, it is a distortion of only part of the fact. The statement he made is only partly distorted, not entirely distorted. So, I would again state that on top of everything, the Premier made a partly distorted fact. Just a little lie -- not a big one.

You know, in talking about the matter of this being a political solution to an embarrassing problem -- I am quoting from a letter from Mayor Dent, addressed to the hon. Len Werry, September 9th, 1971 -- just hot on the trail of the last election. He said: "I would appreciate clarification of a point raised in your letter." You referred to delays that would be caused by changes in the terms of reference at the Telephone Mediation Committee. That's the committee that I quoted, that recommended buying out of AGT. Delays are the last thing that I seek. Here is what he says: "It is my view that changing the terms of reference to exclude what could now be regarded as superfluous or extraneous, following the change in government, would have precisely the opposite effect." When Premier Lougheed made this promise and when the election was over, the City of Edmonton took it for granted, and was entitled to take it for granted, that it would be allowed to expand to its natural boundaries. Then a minister of the Crown comes and tells us that they negotiated in good faith with both their hands tied behind their backs, obviously.

Mr. Speaker, before I close I would like to read into the record what I believe to be a summation of the whole situation. I trust that the hon. members will permit me to do so.

MR. GETTY:

[Interjection]

MR. LUDWIG:

Well, I will send you a note and explain it if you don't understand the spoken word. The spoken word often confuses the hon. Minister of Intergovernment Telephones.

Mr. Speaker, the dispute between the City of Edmonton Telephone System and Alberta Government Telephones was in the process of mediation when the situation was disrupted by the hon. Premier, Mr. Lougheed, making an election promise in Edmonton, to the effect that a Conservative government would allow Edmonton Telephones to expand to the natural boundaries of Edmonton. This would require the transfer of a grant, a great amount of AGT assets and subscribers, from AGT to Edmonton Telephones. Although the dispute may appear local, the stakes are very high and, in fact, affect all the residents of the Province of Alberta. When the hon. Premier, Mr. Lougheed, made the promise to Edmonton, it appears that the people of the province were not aware of the fact that Mr. Lougheed had committed --

DR. HORNER:

Point of order! The hon. gentleman certainly should identify the document that he is reading from.

MR. LUDWIG:

Oh, I will do so with pleasure, Mr. Speaker. I compiled this statement and I want to read it the way it is so that there will be no doubt about what I said. I'm entitled to read it.

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DR. HORNER:

In other words, Mr. Speaker, just so that we're clear, it is under his own authorship and he is reading it as if it would purport to be coming from somebody with a great deal more importance than the hon. member. I want to point out, Mr. Speaker, that the rules of the assembly suggest that he can use notes, but he shouldn't be reading the speech.

MR. LUDWIG:

I doubt that is a point of order! Mr. Speaker, I would hate to be caught reading what the hon. minister wrote.

MR. WERRY:

Mr. Speaker, on a point of order. I would just like to point out to the hon. Member for Mountain View that I have had a copy of that for the last six months.

MR. LUDWIG:

I'm glad you have it. Did you publicize it?

AN HON. MEMBER:

It would be worthwhile!

MR. LUDWIG:

Well, let's see if it's out of date or not. I wonder if the hon. members could keep quiet. I will proceed, Mr. Speaker.

Number one, the people of the Province of Alberta were not aware of the fact that the hon. Premier, Mr. Lougheed, had committed a significant portion of the business, and thereby assets --

MR. FARRAN:

Mr. Speaker, on a point of order! My point of order is this, Mr. Speaker. Only the other day you ruled that the hon. Member for Calgary Bow should not read a speech in the House. How does this differ from a speech, since it is actually written by the hon. member himself?

MR. SPEAKER:

It is undoubtedly true that, according to the practise of just about any assembly, and this one certainly, hon. members are not entitled to read their speeches. Perhaps the hon. member would like to confine himself to using his prepared text as a guide to what he is saying, rather than to read it.

MR. LUDWIG:

I would like to speak to the point of order. There have been time and time again when hon. ministers had replies to questions in this House at length, and it was permitted. It is nonsense to have some hon. member get up and state, "Well, I'm reading a short report that I prepared." It has been done here over and over again. If there is a strict ruling that says there are no more speeches to be read in this House, then let's live with it. But that has not been the practice in this House. The hon. Member for Calgary Bow was stopped from reading an article, I presume, that he was quoting from. I could go through Hansard in the last several years and find out that speeches have been read over and over again on both sides of the House.

[Interjection] Yes, in fact, the hon. minister has recycled one speech during the last session on three different occasions. He read it too.

DR. HORNER:

On a point of order, Mr. Speaker, I haven't made a speech in this House from written notes at any time in the last five years.

DR. BUCK:

It's quite obvious too!

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MR. SPEAKER:

I must ask the hon. member to refrain from reading his speech. The labelling of the prepared speech as a report does not really get it around the rule.

MR. LUDWIG:

Mr. Speaker, I think the rabble is getting restless and it is your responsibility to keep them quiet. Briefly, Mr. Speaker, the preferred position of Edmonton in this telephones dispute, and that is of having its own operation in the province -- the only municipality having its own telephones operation -- is greatly enhanced by the Lougheed promise and the decision that is being enforced upon this House, by the extension of the boundaries, and I'm stating that in 30, or 40, or 50 years we are looking at a minimum loss to AGT of perhaps \$250 million plus, in revenues. I think that the only way that this issue can be resolved --

AN HON. MEMBER:

That's what your figures show.

MR. LUDWIG:

Well, I see the Premier is laughing, but he hasn't got any better figures than that and never did. The Edmonton people report that they made \$5 million in 1971, and the graph shows an increase in earnings. It's only reasonable to assume -- if you are going to talk sense on this thing -- that they will continue to make profits and the fact that if it is a money loser, as the hon. minister has stated, then why are they so adamant? Why have they agitated and fought for this thing for so long to get it? Someone is giving the people a snow job, and I think it is the Minister of Telephones.

I think that the only way that this thing can possibly be cleared, Mr. Speaker, in view of the conflict of views is, if the Premier has any faith in this settlement, and the minister has any faith in his bill, to invite the people from different parts of Alberta to make representation -- see what the Chambers of Commerce will say if they find out for the first time what is going on; what other municipalities will think if they find out that some of the revenues of AGT are going to be depleted, are going to be alienated; what some of the businesses will think if they find out that in the future they might have to foot a bigger bill for the same operation?

One more point that was not made and was ignored very much by the minister and everybody else, is the fact that AGT expanded tremendously. It expanded its capital plant in Edmonton. They built the AGT Tower for \$30 million and they built another building for the purpose of an expanded telephones operation. I believe that the people of Alberta are going to be twice losers if we permit this matter to be handled in the manner proposed in this bill.

MR. FARRAN:

Will the hon. member permit a question? Mr. Speaker, was the hon. member in favour of building the AGT Tower in Edmonton?

AN HON. MEMBER:

Ah hah!

MR. LUDWIG:

I supported the government decision to build that tower. It was built for the purpose of handling a big AGT operation. We did not think another government would come here and alienate half the toll revenue of AGT. Now if you do this, that building was a mistake. We don't need that kind of a plant to handle a smaller operation, but this was a Conservative action, in looking back at what has happened.

I also think that the Premier ought to be invited to make a few of these pronouncements in Calgary. I think that only he could explain why he was so loud on this issue in Edmonton, but he was silent in Calgary. He knows; it was sheer politics. If he disagrees with what I am saying, he could probably table the releases he made with his P.R. news service to see how many releases he has made to the people of the province on this issue. I'm stating that he deliberately kept it quiet. He'd like a nice peaceful settlement. He's got a docile caucus and a docile cabinet and as long as nothing is said it wouldn't

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make him look bad. I think if the opposition doesn't stand up and dig in on this issue they are not doing their job, and I think that before this whole issue is finished, the last laugh is going to be on the government. Thank you, Mr. Speaker.

MR. YOUNG:

Mr. Speaker, I wondered for quite a time how the past government ever got itself into such a mess with Edmonton Telephones. In the last 40 minutes, I found out.

Mr. Speaker, I just really appreciate the difficulties that the negotiators in this particular situation must have had with the past government, when an off-base point of view could have been presented to them, mixed up with thoughts about reluctant brides. Now, Mr. Speaker, that's something most of us don't have much experience with, and we wouldn't have been able to appreciate the references to it, I am sure.

Mr. Speaker, I can really feel for the negotiating committee of the City of Edmonton, but I would like to try to consider this matter, hopefully, in a quieter vein than that to which we have just been treated. I have had to think about this particular issue at some length inasmuch as a good portion of the Jasper Place exchange is in my constituency. I have had to think about the issue in terms of what is in the interest of my constituents, as a constituency, in other words from the provincial point of view and also my constituents as they are citizens of the City of Edmonton.

AN HON. MEMBER:

How about the province?

MR. YOUNG:

I have already said, I have looked at it from the point of view of the province; the constituency is in the province hon. member.

The issue has been considered, at least I have considered it, from the point of view of whether it is a private enterprise or a public enterprise operation and obviously, regardless of whether it is city or whether it's provincial, it is still a public operation. On that argument I think it matters little which way the settlement goes.

I have looked at it in terms of which is closer to the people from the point of view of the ability of the customers being served, to influence the type of service and operation. There is, in my opinion, little advantage, one way or the other, to the people who are being served. In other words, it's not much more difficult, or much easier, if the customers are being served by Edmonton Telephones or if the customers are being served by AGT. On those two points I can see that it matters little which way the issue is resolved.

The committee which was struck and which has reported has referred to certain technical considerations. It is my hope that the matter will be resolved along the lines which are most efficient and effective from a technical and service point of view. In saying that, however, I also have to think about the tradition which has been established over many years, the tradition that the City of Edmonton has owned its own telephone network. While I might, and personally do think that from a technical efficiency point of view, there would be an advantage to the AGT system operating the portion of the system of Edmonton -- or what may become a portion of the system of Edmonton Telephones that we are discussing -- that has to be weighed against the tradition that exists and I am not sure at this point in time, and maybe at any point in time, that there will be a great deal of difference in terms of technical efficiency involved in any event.

I think that the issue has been badly confused by our inability and disagreement as between, apparently, the government and the City Council of Edmonton, to determine what the profitability of the enterprise is, now, in the past, or potentially in the future. It should matter not at all to either party who owns it if in fact the other party is remunerated properly according to the present value of the business, and I say, of the business. Now this is what the argument seems to turn on at least when you get away from the heat that is being injected into the situation. The agreement which has been arrived at and the legislation which we are considering, has proposed a method for determining that value, and it is noteworthy that that value may be such, that the City of Edmonton will not buy that particular facility, and the provision is made in the legislation for that eventuality. Obviously, the City of Edmonton had placed a

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higher value on that system than the province felt was reasonable. If it had not done so, I think we would not be in a position where it could be said that the system is not for sale. That would suggest that there is a price involved, and presumably, one of the parties is unwilling to accept the price.

So, I say to you let us hope that the procedure outlined in the agreement will allow for an objective and fair evaluation of the present value of the business and then the city has the option to buy, or not to buy. If the committee arrives at a fair and objective statement of the present buy of the business, then it is not right for someone to say, for anyone to say, that the province has lost this much in future problems, or that the city has gained this much, or the city has lost this much, or the province has lost that much. These arguments fall if, in fact, there can be arrived at a mutually acceptable and agreeable statement of the present value.

Mr. Speaker, I trust that the debate can proceed on this bill on a more reasonable plane than I have been treated to earlier this afternoon, and the House can get back to the business of solving this dispute.

MR. SPEAKER:

The hon. member for Calgary Bow followed by the hon. Member for Edmonton Kingsway, and then the hon. Member for Edmonton Ottewell.

MR. WILSON:

Mr. Speaker, the purchase of AGT business and assets by Edmonton Telephones, in my opinion, certainly wasn't made or proposed on the basis of a usual good business decision. It was made as a result of a Tory campaign promise. It seems evident to me that 16 Tory seats in Edmonton are pretty good evidence of pressure to carry out that campaign promise. Now with that background, it is obvious that the government was not entering negotiations on an even footing with that of Edmonton. The government was under terrific pressure, and could not bargain from a position of strength, which one usually enjoys when entering into a business transaction. This is obvious by the way the bill is prepared. Edmonton can back out; the government cannot. There is no provision in the bill to establish a change in boundaries should Edmonton expand or grow in future years. Are we going to be committed continually to selling off in bits and pieces parts of AGT as the City of Edmonton grows?

This bill does not finalize the situation; it only perpetuates the problem. In negotiations it seems evident that the government started with a commitment to sell, and the only tool they had was the price to negotiate on. Usually in a business transaction you have a willing purchaser and a willing vendor. You have both sides dealing from a position of full facts and knowledge, and both sides dealing without pressure. In this instance, Mr. Speaker, I contend, because of the way we got into this situation via the campaign promise route, that the government lost all of their positions in what usually makes up the basic formula for negotiating a business deal.

So, Mr. Speaker, it is pretty difficult to make a silk purse out of a sow's ear, and it may be that this bill is the best that can be done in a bad situation. However, I was not part of the campaign promise that got us into this situation and certainly, I feel no responsibility towards supporting the bill.

DR. PAPROSKI:

Mr. Speaker, I would like to make a few comments as a member for Edmonton Kingsway. After hearing that verbal barrage from the hon. Member for Calgary Mountain View I can understand why some citizens state that, in fact, some of the speeches have very little substance.

With these remarks, and they will be very precise, I think all has been said on this topic very well, and very little can be added. Surely there are points to be had from both sides of the floor. I feel it is very important, as an Edmonton member, that Edmonton Telephones be allowed to expand to the natural boundaries; not only be allowed to expand to those natural boundaries, but as those boundaries vary from time to time. This is based on the facts, as mentioned by the hon. Member for Edmonton Strathcona yesterday, that this is in The Municipal Government Act and The Hydro Electric Act where this is allowed already. I cannot see how we can advocate these responsibilities. But even more important than that, I think the Edmontonians have contributed to this enterprise and participated in this enterprise known as Edmonton Telephones, and they deserve to benefit from it, because they took the risk and they should be allowed to do so.

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With these remarks I say allow them to expand to their boundaries, but, in the future, if they choose otherwise, and I'm speaking of the citizens of Edmonton and also negotiation with the provincial government and not by applying pressure like the hon. member mentioned last, this may be changed and then negotiations will be opened up. But I don't think there should be any pressure here at this juncture.

MR. SPEAKER:

The hon. Member for Edmonton Calder, followed by the hon. Opposition House Leader.

MR. CHAMBERS:

Mr. Speaker, I will also keep my comments brief. First of all, I think it should again be underlined that Edmonton Telephones is an old established enterprise, in fact, this system was either the first or the second in Canada to establish automatic dialing. I think our early city forefathers are to be commended for their foresight in establishing this enterprise. Contrary to some comments, I do believe it is a modern system and it does help the Edmonton taxpayer by reducing his mill rate.

The fact is -- and I think this is very important -- the City of Edmonton does not wish to sell this telephone system. Surely, no one who believes in the free enterprise system would suggest appropriation of such an enterprise against the will of the people of this large municipality. Yet it seems obvious that the city should serve all of its citizens with telephone service, not just a large percentage of them, just as it provides sewer, water and power service. Therefore, it also seems obvious that AGT should sell that portion of its system referred to in this act for a fair price. In my view, the negotiating committee were able to negotiate a fair price, and I think they are to be commended for the job that they did.

Mr. Speaker, I recommend that all members take the logical approach and approve this act.

MR. TAYLOR:

Mr. Speaker, since this debate has commenced I would think that the Edmonton taxpayer is starting to worry. I believe I am in a position similar to some other members, but different from a great number, in that I am a taxpayer in the City of Edmonton, consequently anxious along with all other Edmonton taxpayers to make sure that nothing is done to raise taxes unduly. I am also a member for a rural riding that is served by AGT. Consequently, I am most anxious that nothing is done that AGT subscribers are going to have to pay more money. So I think I am in a position to try and strike a balance that the deal will be as completely fair as possible to the people of the City of Edmonton and the people of the province.

Now when the statement appeared alleging, that the hon. minister stated that AGT was losing or giving a money loser to the city of Edmonton, I became a little bit disturbed. I hope the hon. minister will deal with this when he closes the debate because I think Edmonton citizens are entitled, whether taxpayers or not, to know if by virtue of this agreement, this deal, this act, they are going to be required to pay an additional sum of money for telephone service. If the telephone exchange is being given to the City of Edmonton for some consideration, this is going to mean an increase in telephone rates to the subscriber in Edmonton now. I think the people of Edmonton would take a pretty dim view of the whole deal. I am certainly sure that I would. I don't think money losers should be shoved over on to municipality that is less able to pay than the province. I don't know whether it's going to be a money loser or not. I would think that the negotiating committee can answer that, because surely they have at their command the ability and the staff to work out exactly what the revenue has been and what it is likely to be.

Are the people of Edmonton getting a glorious bag of goodies through this deal? I think that's what the average person of Edmonton wants to know. And conversely, if the first part is true, that we are getting rid of a money loser, then of course, I suppose people who are subscribers to AGT should be quite happy in the sense that they should have better rates or better return.

I think it is very essential that this be viewed rationally from the part of both systems. We have to recognize that they're both there. We can't close our eyes and hope that one will go away. They're both there and have been there for a long time. Both have legal entity and the legal right to be there, so it's essential that the best possible deal as fair to both as possible, be

worked out. Whether this deal does it, I don't know because we haven't been given the figures and I'm not sure that we are able to analyze this. I would appreciate the hon. minister answering that when he is closing the debate.

Now the other point that I want to deal with just briefly, prior to dealing with another aspect that has not just been touched in this debate, is the statement by the hon. Member for Calgary North Hill. I hope he was not speaking for the government, and I hope he was not speaking for the hon. minister, when he suggested that the AGT was badly run, that it is overstaffed, and so on. If that's the case, the hon. minister has a little explaining to do. I don't think any government minister can let that type of statement go unchallenged. If it is overstaffed and if it is badly run, let's get it corrected. There is no reason in my view, why a corporation under a government can't be run as efficiently as under a private enterprise. And I don't think we can accept anything less. I was Minister of Telephones for about eight years, and during that time I did a lot of reprimanding of staff. We didn't tolerate people running around in government vehicles, and we discharged people for doing it. We were just as tough in our administration as any private enterprise is, and I think tougher than Calgary Power, much tougher, if you want a comparison in day-to-day operations. So I'm a little amazed and astounded to hear that the hon. Member for Calgary North Hill considers AGT as overstaffed and badly run. As I said, if this is so then the hon. minister has a job to do, and a job to do very quickly. Because the people of Alberta would not be happy to hear that type of thing.

The only other point raised by the hon. Member for Calgary North Hill, and I am sorry he is not in his seat, was the fact that AGT wasn't a money maker like some corporations. Well I don't think we ever intended that AGT should be a money maker like other corporations. AGT is a service organization, to give service to the people of Alberta to the greatest possible degree, to be run efficiently, and to make a reasonable profit with which it can replace its equipment and stay in business as a viable organization; and at the same time, to give the best possible rates to the subscribers to telephones in the province, and to do a little missionary work to get telephones out to some of the out-of-the-way places -- a job that Bell Telephones doesn't do efficiently in Eastern Canada. So AGT was never expected to be a great money maker. It was expected to run efficiently though, and to make a reasonable profit and to be run as an efficient and viable business.

Now my main reason for getting up in this debate, was the point that is not mentioned in the bill, but is part of the deal, and it is a very important part as far as I am concerned. And that is the problem of staff that is involved in this particular agreement and this particular transaction. I'm going to outline some of the things that are of concern to me, and to AGT staff. I think that AGT staff deserves consideration in the points that I am going to raise.

When the deal was apparently reaching completion, or had been completed, at least orally, the AGT staff were given to understand that they would have until September 30 to decide whether they would stay with AGT or apply for admission to Edmonton Telephones. The summary of the items affecting the transfer was prepared by the office, and given to personnel. The personnel were not given a copy, they were not told what benefits they could expect, whether their seniority would be respected, whether they would be given every benefit to which they were entitled under AGT administration, or otherwise. They were given a summary of the items affecting the transfer that was prepared, and they had to read this and then return it to the supervisor. Now this was distasteful to AGT employees. They should have had a copy of this and something they could keep, because once this has been done it may be there for a long time. And the statement, at that, left out many items of concern, particularly in regard to seniority. It said nothing about respecting the seniority that had been gained through a number of years working in AGT. And this concerned the AGT personnel a great deal.

Originally the Edmonton Telephones wanted 44 employees only. Now an AGT letter dated about September 8th, or perhaps a little earlier, went to all employees who had ever worked in the Jasper Place Exchange, about 100, I'm so advised. They were given this information that it was okay to apply, as far as AGT was concerned, to transfer to Edmonton Telephones. The International Brotherhood of Electrical Workers, who represent AGT workers and who are a very efficient organization (I found when I was minister), and have very excellent personnel and reasonable men -- I think the present minister will bear that out too -- the International Brotherhood of Electrical Workers wanted to have a meeting between the top AGT personnel and the top Edmonton Telephones personnel, which seems to me to be a logical way to proceed. Apparently, they wanted to iron out the problems. They wanted the right to raise the various points that concerned Edmonton AGT personnel, who were considering transferring.

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I am advised that the hon. minister frowned on such a meeting and they were not able to proceed with this meeting. The union officials, however, were referred to the deputy minister, the general manager, who is a very fine and able man. He met them and he, too, frowned on such a meeting. I can't see why this is so. I would think the logical way to proceed, when there is concern on the part of the staff, is to get a meeting with the union representatives of that staff and the top AGT personnel and possibly the top Edmonton Telephones personnel and iron out the problems. It wasn't the case of saying yes to everything or no to everything, but the AGT personnel had a right to know, when their whole future is involved in the transfer. So the meeting was frowned on by the deputy minister, too, and did not proceed. It was left to the secondary level of people to meet and recognize problem areas. Well, this was better than nothing and it did produce some results, because the date was extended from September 30th to October 15th. The personnel, consequently, get an additional 15 days to think about this.

The second outcome of that secondary level of negotiations was the promise from both AGT and Edmonton Telephones that any employee could rescind his application up to December 31, 1972. That was an agreement, certainly by the secondary level. But surely it would be accepted by the top personnel of both telephone systems that their employees could rescind their applications up to December 31st. Now, this would facilitate the employees deciding whether they wanted to transfer to Edmonton Telephones or otherwise.

Since that time, AGT has been contacting these employees and saying, "We want you to make up your minds right away." This is a negation of the agreement that was reached; that they would have until December 31, 1972 to apply or to rescind their applications.

Who is it that would likely transfer from AGT, which is a very excellent organization and, in my view, an efficient operation? Certainly it was when I was there and the top personnel endeavour to make it that way. I have no reason to doubt that it still is. I disagree with the hon. Member for North Hill who wasn't here when I was dealing with his remarks.

MR. FARRAN:

Will you permit a question?

MR. TAYLOR:

Most certainly, any time.

MR. FARRAN:

I'm sorry, Mr. Speaker, that I wasn't here when you made those remarks. I understand you claimed that I said that AGT was badly staffed and badly run. I said over-staffed. I said I enjoyed the service and thought it was tremendous, but that it was over-capitalized and gave a very poor return on the dollars invested.

MR. TAYLOR:

Yes, over-staffed was the word that I had used. Now, if I said badly run, wrongly, and you think that is not right, I will take that back. But the over-staffed part is the part I was really concerned about, because that is waste of public money.

Those who are likely to apply were AGT personnel who have been on the road for a number of years. Now I think this is logical. They want some home life. They'd like to get into a place where they can be home every evening. I think we have to pay quite a tribute to AGT personnel for their excellence and also their readiness to be on the road, year after year, because the job requires it. And it does lead to a very poor home life. These are the people who are likely to apply. But what I want to emphasize is that, first of all, there is an open invitation or an open seal for any AGT person who ever worked at Jasper Place to apply, and then suddenly AGT restricts that, and I'm coming to probably why.

Edmonton Telephone arranged interviews with the AGT personnel who wanted to apply. I've never heard of this before, but they were half hour interviews. I suppose Edmonton Telephone has the right to operate as they wish, and maybe they thought they could save time and save the time of high cost personnel, and complete the job in that way. This wasn't very good, as far as the AGT personnel were concerned, because they didn't get the answers in a half hour meeting. There was not enough time. There were answers they wanted about the portability of their benefits, the portability of their seniority, they wanted

some guarantees that once they got into Edmonton Telephones and had resigned from AGT they would then find that their seniority was taking on a different picture entirely. This was of very great concern to them. The Edmonton Telephone people said, after the half hour interview, "We know you have a lot more questions, but we will deal with those after your medical." Some got the nod from AGT to transfer. AGT now wants to know how many are going to apply, which appears to be a negation of the agreement that was reached that they would have until December 31st to decide, and to even rescind their application, as far as AGT was concerned, if they found that things were not as they thought they were going to be with Edmonton Telephones.

Now I think the union who represents these workers should be entitled to know who is applying, and from what branches. Otherwise, we are saying that the union is unable to do its job. They must know what branch these people are coming from, and who is applying. I think this information should be made available at the earliest possible time to the Brotherhood of Electrical Workers. For instance, is the cream of the crop wanting to transfer? Telephone business has become highly technical. It's not as it was 20, or 30, or 40 years ago; not at all. It's highly technical. And as the hon. minister will tell you, AGT and every other telephone company on this continent are continually having courses to keep their personnel up to the latest developments in electronics and telephony and so on, and properly so.

Is Edmonton Telephones going to take the top level men only, and leave AGT with personnel who are not as highly qualified? If so, this would certainly be a matter of concern.

The present situation with, first of all, the September 30th deadline, and then the extension to October 15th, then the extension to December 31st, with the right to rescind up to December 31st, then AGT telling these people they want to know now whether they are going to apply or not, is most frustrating to AGT personnel. I think every hon. member will understand why. AGT employees, it appears, may be taking the brunt of this agreement. I don't think any hon. member of this House, or any hon. minister of the Crown, wants that to be so. I think the hon. minister, when he is closing the debate, should give this House the assurance that at least the following four points are going to be made abundantly clear to AGT personnel, many of whom have given much of their lives to the building up of an enviable record and the excellence presently found in AGT.

1. AGT personnel want the opportunity to fit in to Edmonton Telephones. If they are going to transfer they don't want to become errand boys because they are new there they don't want to be treated as a new employee. They want the opportunity to fit in in accordance with their ability, their training, and their present classification in AGT.
2. AGT personnel should not lose any benefits whatsoever through this transfer, and that includes seniority. I say that again, because I think that has to be emphasized. AGT personnel should not lose any benefits or any seniority through their transfer with Edmonton Telephones, and that should be definitely negotiated, if it hasn't already been done.
3. AGT personnel should have an opportunity to return to AGT within a reasonable time if Edmonton Telephones do not provide the same benefits, seniority, or in any way backtrack after they have these employees in their organization. AGT personnel should have the opportunity to return without the loss of benefits or seniority to AGT, and I think up to December 31, providing the transfers are made at a reasonably early date. Let me say that again. I think the AGT personnel who go into Edmonton Telephones should have a period of time after December 31st to find out whether the seniority, the benefits, are going to be as they are told they are going to be, and that they lose none of their benefits or seniority from AGT. If they do they should have the right to come back to their original position and to their original pay with AGT when they applied to Edmonton Telephones.
4. The International Brotherhood should be advised. I think we expect the Unions to be fair and responsible, but in this case how can they deal with this problem if they don't know who is going, and from what branches? The Brotherhood of Electrical Workers is just as anxious as top personnel in AGT that AGT is not going to be left in a weakened position through the transfer of highly trained technical people who can't be replaced with others in AGT. So my fourth point is the International Brotherhood should be advised at the earliest possible time the names of the men who are going, and the branches from which they come.

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MR. SPEAKER:

The hon. Member for St. Albert, unless he wishes to yield, followed by the hon. Member for Calgary McKnight.

MR. JAMISON:

Mr. Speaker, I would like to partake in this debate by making three important points I feel are reasonable and justified.

1. I am in agreement with the sale of AGT property within the present boundaries of Edmonton. This was a campaign statement, whether it was correctly interpreted or not by our Premier and whether it was in writing or verbal, I go on record of fulfilling this statement.

AN HON. MEMBER:

It's not a good enough reason.

MR. JAMISON:

2. Having said that, I am of the opinion that the boundaries of Edmonton as they exist today, suffice; it's an area I am given to understand that will accommodate 1,250,000 people.
3. My real concern is this ever-increasing growth of Edmonton. I feel it is justified to limit Edmonton, and therefore Edmonton Telephones, to the present annexed boundaries.

Thank you, Mr. Speaker.

MR. LEE:

Mr. Speaker, I want to make just two observations as a member from outside Edmonton, and party to this agreement as a member of the campaign team which ran under that slogan and I want to make clear the dual considerations and I want to make clear the dual considerations that are inherent in Bill 120, considerations that perhaps have been clouded by the issues that have been discussed, but which I feel are very clear in this bill.

1. Bill 120 is a recognition of the very historic traditional right of a city to retain its particular telephone system. It is a recognition and a response by our party prior to the election, as a campaign pledge, that this recognition would be fulfilled, and bill 120 is in response to one of our campaign pledges. And we are proud of that.

2. Secondly, there is another basic consideration which was very well put by my colleague, Mr. Young, that this Bill 120 is based on a sound business contractual agreement. The agreement has not been finalized, there are provisions in section 2 for this finalization.

I have heard questions on both sides, and I am not sure who is getting the bill here, whether it is AGT or whether it is Edmonton Telephones, but this will be determined. Far be it from me to say at this point whether it is a deal for one or the other. But the main, basic consideration here is that it is in response to a campaign pledge, and secondly it is a sound contractual agreement upon a choice of both parties.

DR. BUCK:

Mr. Speaker, I would like just briefly to make one or two points. I would like to say that I have never, never heard a weaker argument, to say that you can justify a bill such as this because the leader of your party made an election promise. I am really quite amazed, or enlightened I guess, to see that 'now' promises or pledges, and new ideas are 'trust' -- this is the new terminology that seems to be emanating from the members on the other side. But I am very appalled, Mr. Speaker, to find out that we are getting absolutely no word from the rural members in that caucus, especially the minister responsible for rural development. We never get any comments period, from him. He should be standing up and supporting the position of the people who are in the rural areas because they are really the ones who will be getting the short end of this stick.

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MR. LEE:

Point of order, Mr. Speaker. I think it should be made clear that this was a pledge by a political party, not just its leader.

DR. BUCK:

I feel that governments -- in my short experience -- are probably the worst and most contrary type of organization. When they make a mistake they will move heaven and earth to try and justify that mistake, and try to cover it up.

I would like to say that we, as elected members in this legislature, must say it as we think it is, and as we see it. I would like to say right now that I think that the former Social Credit government was wrong when they did not take Edmonton Telephones over, and I am saying right now, that the new government is wrong because they are not taking it over. They are not looking at this realistically, because all they are doing is just opening the Pandora's Box. First of all, they are saying, we are going to give you the extension to the natural boundaries, and just as soon as they brought this bill in, you see the mayor of the City of Edmonton saying, "Okay now, when are we going to get our cut of the long distance revenue?" So that this problem will never, never be resolved unless this government across the way has got the guts to do what they really know is right and what should be done.

Mr. Speaker, when I listen to the hon. Member for Jasper Place, I would like to know if the hon. member was in Jasper Place when Edmonton Telephones would not service them, did not want them in their telephone system. He seems to have a very, very short memory, because as that area developed, AGT were asked to come in there because Edmonton Telephones were not interested in them. But suddenly that it is potential for a money-making proposition, then Edmonton Telephones extended their service into that area at the same time as Alberta Government Telephones was servicing that area. I would like to say to the hon. Member for Jasper Place that he does have a very, very short memory because Edmonton Telephones didn't want them and suddenly they do want them.

So I would say to the hon. members across the way that this is probably one of your first major decisions on which you have ever made a concrete decision. I would like to suggest to you that you have made it very, very badly. I would say to you that when you go out in the rural areas and when you talk to the rest of the people in Alberta about the decision you have made, I don't think you can look them in the eye. Because you are making a decision that is strictly parochial. You are just justifying this as an election promise for the 16 members that are sitting in your caucus -- 15, I beg your indulgence, Mr. Speaker, you are impartial -- but the fact is that we must in this province have a totally integrated telephone and communication system. When we leave one city, such as this, out then we are doing nothing but leaving ourselves open to problems. If you give this to Edmonton Telephones you are bringing in a Bill of Rights which says you won't be discriminating against anyone. You certainly are going to be discriminating against Calgary, Medicine Hat, Lethbridge, Grande Prairie; why can they not get in on this because some day Grande Prairie may be a million and a half people. Are you going to change the rules then?

So I would like to say, Mr. Speaker, that I would like the government -- I know they won't retract because they have their heels dug in, -- trying to justify this bad piece of legislation -- but I would like them just to take it back to their caucus and give it a little reconsideration, and I wish that the rural members on that caucus will do a little bit to enlighten the members because they have made a bad election promise.

MR. YOUNG:

Mr. Speaker, I have a question for the hon. member. In which of the last 35 years did your party finally reach the conclusion that you should have taken over Edmonton Telephones?

DR. BUCK:

Mr. Speaker, the point I made was that I think the Social Credit government was wrong by not taking ET over and you guys don't have to come back and keep saying --

MR. SPEAKER:

Would the hon. member please address his remarks to the Chair, and I think you would find it easier if you were to do it in the third person.

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DR. BUCK:

Mr. Speaker, I would like to say to the hon. member that the statement I made was that I think the past government was wrong in not taking ET over, and I think the present government is wrong in not taking ET over. I would like to say that I wish that I would hear for the last time, 'You had 35 years to do it, and you didn't do it.' You are supposed to be a new government that has promised the people of this province a lot of new things so get off your -- I mean get going and do it.

MR. KING:

Mr. Speaker, the afternoon has been an education for me. I have heard at least two hon. members talking -- talking at great length I might say -- about something about which I thought they had no real interest because they had previously, and again this afternoon, demonstrated their great capacity to communicate to the far corners of the province without the use of telephones.

The bill under discussion seems to me to break down into a small number of points relatively easy to digest. The first thing I would like to say is that having listened to the remarks made this afternoon, the expressions of the members on many points would have to be expressions of opinion, rather than fact. I regret the implication that may have been left by some people that in expressing their opinion they were expressing facts about the situation.

I would like to deal with four things very briefly. The first is fact that I think it is a generally recognized that you cannot truncate, you cannot divide up arbitrarily a communications market. Both government and private enterprise have accepted that fact at the municipal, provincial and federal level. You must maintain as a unity a small compact homogeneous market; Bell Canada believes that, the Science Council of Canada believes it, apparently the Alberta Government Telephones and Edmonton Telephones both accept it.

Now, if it not in the long run advantageous to divide markets arbitrarily, then in this particular case we have two options. The first is as is recommended by this bill to give Edmonton Telephones control of their market to the boundaries of that market, the second one is to have Alberta Government Telephones buy out Edmonton Telephones completely. Now in that respect there is one brief digression that I would like to make before proceeding to two other points. The first is that while economies of scale are a very real thing from which we benefit to a certain point, it is also increasingly realized that there is a size at which economies of scale become dysfunctional. I would like to ask, and I am afraid it would have to be rhetorically at this point because most members on the opposite side have already spoken, whether or not the arguments they advance in this debate this afternoon are arguments that apply equally to the sale of Edmonton Power, to Calgary Power because it services most of the province, or whether or not they are arguments that expand or extend rather to the centralized control of all school systems in the province because of the benefits which it has been said would be achieved by centralization and by singular control of a program, and I just don't believe it. I don't believe it is an argument that applies with respect to schools or Calgary Power, and I don't believe it's an argument that applies with respect to Edmonton Telephones vis-a-vis AGT.

The second point I would like to make is that we are not simply losing a lucrative revenue. We are not selling off a part of AGT. We are selling some of the aspects of AGT, but it should be remembered that for the revenue that we give up in the service areas we are also giving up associated expenses that must necessarily be incurred in order to receive that revenue. On the other hand, we have maintained for the benefit of the province as a whole, the toll revenues that occur from long-distance calls originating or terminating within these service areas. And I would say that what we have done is turn over some revenue and, it is important to note, some associated expenses, to Edmonton Telephones in return for which we have guaranteed the continued receipt of some revenue, for receipt of which we are not going to have to pay out any expenses. I think that this is an important thing to remember, that we will continue to get revenue from these sources, that it is revenue we will continue to receive without having to make any payment of expenses.

The third thing to remember is we are not giving anything away. The compensation is going to be based on the price of the assets, less depreciation, as determined by an independent body. Now it is, a question of what this final price is going to be. It is a question of what the toll revenues that are accrued to the province are, relative to the local revenues that Edmonton Telephones will gain. I think the important thing to remember here, though, is that if you accept the fact that you cannot divide up markets arbitrarily, then

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it becomes a purely economic exercise after that to determine whether or not one or both of the parties are getting maximum benefit from the agreement.

It is something over which an argument of opinion can be made. But it is not a thing over which, as the result of any of the comments made this afternoon, you could indisputedly prove that the Province of Alberta is losing at the expense of the City of Edmonton. Speaking both as a citizen of the city, and as a legislator of the province, I am confident from what I have heard that the province has done well in its negotiations. I can only hope, as a citizen of the city, that the city has done equally well.

MR. STROM:

Mr. Speaker, I hesitate to rise and take part in the debate on Bill No. 120, and I want to say at the outset that I have no intention of trying to repeat many of the things that have been said. I think they have been expressed well, and I think they have sometimes been repeated. And I would have to say that I think sometimes they have been stated without full knowledge of the background that exists in this particular problem.

I would like at the outset to say, Mr. Speaker, I have more than a passing understanding of the problems that the hon. minister has had to face in the negotiations, because even though I was not involved for too long, I was involved for a while and I have full appreciation for the problem that government was facing in trying to resolve a very difficult area.

It is not my intention this afternoon, Mr. Speaker, in any way to cast reflection on any member. But I would like, if the hon. Member for Rocky Mountain House doesn't take exception, to say that her remarks last night have spurred me to rise to my feet at this late hour to make a few comments. She may well wonder what she said that has made this difference, and I suggest that when she said that the problem has been with us for the last 50 years, and that nothing has been done to resolve it, that I thought she was speaking more in trying to get even with the Member for Calgary Millican than to try to deal with the facts as they actually exist. And I say that certainly kindly enough; I'm not trying to provoke her, because I certainly think that she shows a lot of spirit when she is provoked, Mr. Speaker.

In the discussion that we have had up to this point, I don't think that a single member has attempted to outline the historical settlement that brings us to the situation that we are in today. There have been some passing references to it, but at no time has there been an attempt to try and outline the situation as it existed prior to the actual negotiations taking place. Certainly it is not my intention to spend a lot of time in trying to review it, but I think there are some facts which we ought to think about just a little bit when we are discussing Bill No. 120.

It is a well known fact that there were two areas adjacent to Edmonton, fast-growing areas, that were very anxious to receive the standard of telephone service that existed in other urban areas. I think of Jasper Place for example, and I'm aware that there was a time when they were operating under the party system -- the party-line system -- rather than the individual operation that urban areas are enjoying. They didn't like it. They were most anxious to have their system updated. Beverly was another suburb, or village, or town, whatever it happened to be, growing very rapidly -- adjacent to the City of Edmonton. Following the war years and with the increase of growth in all of the areas, there was a reaching out toward the areas by the Edmonton Telephone system, and understandably so. But the problem that existed was that Jasper Place, for example, was still unable to get the service that they wanted, and it reached the point where there was a need for updating the system by getting new equipment. There were expensive interface connections, tie-in terminals that were needed, there were technical changes in equipment that were very expensive to replace, there was a request from the industrial area east of Edmonton wanting to have improved service, and wondering who was going to supply it to them. Then, of course, the one I think all of us recognize today, is that in the communication system, there is a need for long-term planning.

Recognizing all of these problems, the city and AGT realized that they had to get together and arrive at some settlement of a suitable arrangement for providing service to all areas. So they established a joint committee. I would say that this committee was established possibly in the later '50's, maybe starting about 1955. The committee spent a great deal of time looking after various alternatives. One of the things the committee had to recognize was that Edmonton Telephones, at that point in time, was not interested in providing service for Jasper Place. I think that is pretty significant. But, at any rate, the committee, after looking it over very carefully, was able to define

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areas of service for Edmonton Telephones and AGT. As a result of the recommendations, an agreement was drawn up defining the areas that each was to serve. I am sure it was looked at very carefully by the commissioners, by various aldermen, and I know it certainly was reviewed by the mayor at that time. It was signed by the mayor and the commissioners on behalf of the City of Edmonton, (I am not sure whether it was signed by one of our ministers but I think it was) and by the officials of Alberta Government Telephones. That agreement was signed in 1962. Following the years from 1962, the agreement was very carefully adhered to by both parties, up until about two or three years ago, when a new mayor, and maybe some new officials, reviewed the agreement and, at that point in time, decided that the agreement had some loopholes. It had not been ratified by City Council by-law and, as such, they found that there was a chance of them saying that the agreement was not valid.

You know, Mr. Speaker, this brings me to, what I consider, a very important point in the recognition of how society should operate. It gives me a great deal of concern when I think, for example, of a statement that was made by the hon. Minister of Municipal Affairs today, and I marked it down, when he suggested that legislation on the books did not follow the spirit and intent of legislation. You know, I agree with that. Here we find ourselves with an agreement that the city understood, and Alberta Government Telephones understood. They knew what the spirit and intent of the agreement was. But it seems that we have reached a place in our society when we can say that, "It really doesn't matter what we say as individuals; our word really doesn't matter." Or we can say, "An agreement, even though I understand the spirit and the intent, it really doesn't matter." This really concerns me. I suggest, Mr. Speaker, that we are discussing more than just the mere arrangements between two levels of government. I appreciate that the hon. Member for Jasper Place suggested that they were both publicly owned, and so it didn't matter. I can't accept that. I think it does matter. I think that when governments approach one another, or when individuals approach one another to make agreements, a deal, or otherwise, we still ought to have some trust that that which we are trying to do is understood, and after it is understood, is accepted. Now I am not going to quarrel with the government's right to make an agreement, but I simply say, Mr. Speaker, to you, that I think it is unfortunate that we have reached a point in time when society feels that this is the way we ought to operate. I am concerned.

MR. YOUNG:

Mr. Speaker, any statement which I made to the effect that it doesn't matter, does not have any reference at all to any agreements which may or may not have existed. I respectfully request that this statement not be attributed to me in that sense.

MR. STROM:

Mr. Speaker, I did not say that the hon. Member for Edmonton Jasper Place had referred to the agreement. I stated that what you had said was that they were both publicly owned operations and therefore, it didn't matter. If I am wrong in that, of course, I would stand to be corrected.

MR. YOUNG:

Mr. Speaker, it doesn't matter in the sense that I was comparing private enterprise and the choice between private enterprise and public ownership. Since they are both publicly owned, there was no choice to make.

MR. STROM:

Mr. Speaker, I feel confident that the hon. Member for Edmonton Jasper Place appreciates the point that I am trying to make. I am not in any way suggesting that you disagree with me. I am now speaking generally, and I am suggesting that I am concerned about attitudes that are developing within our society when we are facing situations such as the one that I have just described.

I would like to think that the bill that is before us at this point in time would be a solution to the problem, and again, I am very sorry to say, Mr. Speaker, that I do not think it is. I say that for this reason. About three or four nights ago, watching TV at home, I saw the Mayor being interviewed, and I was amazed. At that time I was under the impression that the bill that was being brought before us today is a bill to resolve the problem that we are facing at the present time; that it, once and for all, was going to take care of a very bad situation. But what do I find the Mayor saying? He was asked about toll costs, and he stated very clearly that in his mind, this was still a

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subject that was going to be negotiated. They hadn't considered it a lost effort; they were going to continue. So I am disturbed further in that the bill, which I thought was going to resolve the problem, still leaves areas that are not decided or finalized. I think that it is only fair to say that at this time, when Bill No. 120 is being brought in, we ought to arrive at an arrangement whereby it will be possible to go forward in the future, knowing what the terms of reference are going to be and providing an arrangement that will permit both groups to plan for the future and to provide long-term planning.

I would have to say again, as I said earlier in my remarks, that I am not going to argue particularly with the negotiations that have taken place with the final settlement that has been made, but I hope that each one in this House will give some thought to the matter of the respect we give to agreements that have been arrived at in the past. I for one would hate to think that, just because somebody made an agreement in prior years, and just because I am sitting here now, I am going to look for all the loopholes that I can. I think that as honourable men and women we have to sit down and talk about it; I'm not trying to find ways of avoiding our responsibilities.

Now, Mr. Speaker, as I said at the outset, I hesitated to stand up and outline the history of it. I hope that I have been fair; I certainly did not intend to be unfair, but merely to bring the facts as they were, because it did provide me with a great deal of concern, when I was in government, to try and settle it in a manner that would finalize it so it wouldn't be a recurring problem.

I would like to say to the minister that I hope he can assure us that he does it in a better manner than we have been led to believe when listening to the Mayor make his remarks. Thank you.

MISS HUNLEY:

Point of order. I am not too sure, since I didn't speak from a prepared text last night; my enthusiasm in the debate. I really don't think I said that nothing had been done. I think I said that we hadn't solved the problem; I'm not sure, I haven't referred to Hansard. I know lots has been done; some of it was maybe good and maybe bad like the race for Jasper Place.

MR. TOPOLNISKY:

Mr. Speaker, in relation to rural telephones, we are very much aware of the needs of the extended area service in rural Alberta. Now the Minister of Telephones and Utilities has already advanced the D.A.S. program two or three years, which is certainly going to be a tremendous boost to rural Alberta in that project.

Now it is worthy to note, Mr. Speaker, that the first correspondence I received last fall was from the Clover Bar constituency, from the areas of Bruderheim and Lamont, which have been waiting for telephone service for a long long time. The M.L.A. for the area has turned a deaf ear to the needs and the services of the constituents required in the last five years.

DR. BUCK:

Have you got it fixed for them?

MR. SPEAKER:

May the hon. minister close the debate?

MR. WERRY:

Thank you, Mr. Speaker. I hadn't realized that there were so many telephone experts in the House. In all the debates from the other side, Mr. Speaker, it would be an interesting exercise if every member were to go out and have a review of the 1971 Votes and Proceedings.

In their group, Mr. Speaker, you will notice that #48 is vacant and I wonder why one of the members from the other side who was in the House during the previous session didn't speak up and say why Bill 48, being a Municipal Telephone Amendment Act, wasn't proceeded with. You have lots of solutions today; you had a solution obviously in Bill 48; why wasn't the bill introduced?

[Interjections]

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MR. GETTY:

Mr. Speaker, on a point of order, the hon. members have had all afternoon to express their opinions. I think now they should just be quiet and allow the minister to close the debate.

MR. LUDWIG:

Mr. Speaker, I support the point of order. In view of the fact that the hon. minister particularly was so quiet when we spoke on this side, maybe we should reciprocate.

MR. WERRY:

Mr. Speaker, I am rather pleased to see that the hon. Member for Mountain View is back in the House, because I rather thought that he reminded me of a small child who fires a popgun then runs out and hides under the verandah.

MR. LUDWIG:

Mr. Speaker, that's the finest example of the minister's brilliance since he's been in the House.

MR. WERRY:

Mr. Speaker, I think I'm going to paraphrase one of his little expressions made a while ago. He compared me to a reluctant bride. Well, I would rather be a reluctant bride than an impotent groom.

MR. LUDWIG:

Mr. Speaker, the rules of the House do not permit me to show that the hon. minister doesn't know what he is talking about.

MR. WERRY:

Mr. Speaker, I know that he is an instant expert on that subject also.

Mr. Speaker, in closing the debate on Bill 120, I think it is important to note that there are two basic principles involved in the settling of this longstanding dispute. It has been referred to a couple of times today, the report and recommendations of the Telephone Mediation Committee, and it is interesting to note in there, Mr. Speaker, that there are some eleven recommendations. There are eight recommendations regarding boundaries. Now the two principles that were involved in the settlement of the dispute were these.

First, that Edmonton would be allowed to service those citizens within the city as the boundaries may be from time to time, and that one, Mr. Speaker, was a deviation from the recommendations of the committee report. The second principle was that no share of long distance toll revenue would go to the City of Edmonton telephone system. And that also, was a deviation from the telephone mediation committee. So there were two departures and the whole wrap-up of the utilization committee was based on those two principles. On that, I would like to speak to the first. The first is that in Alberta we have the municipalities who have the right to provide utility services to the residents. Take the City of Calgary, and the City of Red Deer -- they purchase power in bulk from Calgary Power. They distribute it and sell it to the citizens within their municipal boundaries, and they sell it for a profit. We can take the City of Medicine Hat, the City of Lethbridge, and the City of Edmonton, who generate, distribute and sell that same power.

As it has been mentioned previously, in 1968, the City of Edmonton annexed Jasper Place. At the time, the City of Edmonton negotiated with Calgary Power a settlement for those assets that were contained within the corporate boundaries of Jasper Place. It has been further mentioned, Mr. Speaker, that provision is in the municipal act whereby a municipality, when a franchise expires, has the authority to apply to service that franchised area.

This has been done on a number of occasions. The municipality has applied to have an evaluation set for utility service, and it has been mainly in the area of gas services. Because of the price that is arbitrated by the Public Utilities Board, and set for the takeover, that cost is prohibitive. The basis of the price is reproduction costs new, less depreciation. Now in taking into consideration those points in evaluation of a gas system or an electrical system, when you have reproduction costs new, and you have to apply the same rates that you now have, it becomes uneconomic to acquire that system. And to

date, no municipality has taken over any of those systems that they have served notice they wished to do so.

The sale in west Jasper Place exchanges is also on the basis of reproduction costs new less depreciation. Now the basic cost to AGT, as best as can be determined without going into a detailed analysis of each and every piece of equipment in there, but which will be necessary before the contract is concluded, is in the neighbourhood of \$8 million. Now the reproduction cost new of that system is going to be approximately \$11 million; \$10.5 to \$11 million.

As also has been indicated in the House today, not only do you get revenue from a utility system, you also have to take on the basic costs that are built into running it. I would just like to run through some standard figures for operating an exchange. They are: 6 per cent for depreciation; today's cost of money is 8.5 per cent, 4 per cent for maintenance, 2 per cent for administration; you come up then with a total figure of 20.5 per cent of capital cost for operating a local exchange system. You take that 20 per cent and apply it to \$11 million and you come up with a cost of \$2.2 million. This is using the 1971 figures. You have expenses of \$2.2 million and the revenue for Jasper Place and West Jasper Place in 1971 was \$1.5 million. So on the basis of reproduction cost new at today's date, using the revenue from the same period, you come up with a \$700,000 loss.

Now the second principle involved is that the City of Edmonton is to obtain no share of the long-distance toll revenue. This comes down to one basic fact that Alberta has one communication system. It comprises long-distance network; it comprises microwave systems, and it is also inter-connected with the Trans-Canada Telephone System which provides a network throughout Canada and United States for a total communication system within the province, of which the City of Edmonton is a local exchange and only forms a minor part of that total communication system.

It has been reiterated before, and I would like to place it again before the House today, that 65 per cent of AGT's revenue comes from longdistance telecommunications operations. That lucrative revenue allows AGT to provide the superior quality of service that all Albertans have come to expect from Alberta Government Telephones.

As long as Alberta Government Telephones has the total communication system and the revenue therefrom, there will be no impairment of rates, and furthermore AGT will be able to use that extra bit of revenue in order to subsidize those services in the uneconomic areas which has become a matter of principle with that organization throughout the province, and which this province, I would say, is very proud to have.

Mr. Speaker, before I sit down I would like again to put on the record a few points that I was attempting to get onto the record last night. The City of Edmonton at the present time collects from the pay phones a share of the longdistance revenue that emanates from those pay phones. There will be no change in that percentage. If the \$10 million that is in the bill, or the equipment is found to be over-valued and the \$10 million is in excess the city gives over to AGT on the 28th of December or the 1st of January, that excess will be returned to the city within 30 days after the evaluation has taken place. The city has also indicated that they are not pleased with the method of arbitration or the tribunal that will be setting the evaluation of the system, and we will certainly take into consideration any changes that they prefer in setting out a method of evaluation that would be acceptable to both sides.

I can give assurance to the City of Edmonton that those points will be taken into full consideration and they have my commitment that they will be dealt with in the manner that I have outlined to the House today, and I would like to thank you, Mr. Speaker, for this opportunity in closing the debate.

MR. TAYLOR:

Mr. Speaker, will the hon. Minister permit a question?

MR. WERRY:

Yes Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, the hon. minister didn't answer quite a number of the questions, but one of the main ones I would like to hear an answer from; is Jasper Place indeed a money loser?

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MR. WERRY:

Well, I thought I explained that fairly adequately for the members' consideration. I mentioned that on the basis of what are the approximate known costs today, the capital cost of Jasper Place and West Jasper Place would be in the neighbourhood of \$8,000,000, and using that 20 per cent cost factor, on the capital cost, you would come up with expenses of \$1,600,000. The revenue is \$1,500,000, not considering any long-distance toll revenue that emanates out of Jasper Place or West Jasper Place, so on the basis of AGT's cost and AGT's revenues out of Jasper Place, it is fairly close to breaking even.

Now when you take that same system and evaluate it on the basis of reproduction cost less depreciation, you then have a different cost altogether. You are looking at a money losing situation, and as I explained earlier, this is why a number of municipalities throughout the province had applied under the various statutes to acquire gas franchises as those franchises come up in their areas. But because of the basis of evaluating them, they cannot take them over at the present rate structure that they have to offer the Natural Gas Board.

MR. DIXON:

Mr. Speaker, one short question that will only require a yes or no answer. Mr. Speaker, does the hon. minister feel that the City of Edmonton should have lived up to the original 1963 agreement which was decided on by both the government at that time and the city?

MR. WERRY:

Well I have no definite thoughts on that point because the Supreme Court of Alberta had ruled, I believe in 1970, that that agreement was invalid and that the city of Edmonton had the right to provide service to Jasper Place and West Jasper Place.

MR. DIXON:

We can bring that on second reading. The answer is not correct but I won't bother with it today.

[The motion was carried, and Bill No. 120 was read a second time]

MR. HYNDMAN:

Mr. Speaker, before moving that we call it 4:30, I would like to outline the tentative business for Monday for the House. If members would turn to page 2 of today's orders, we will begin on this coming Monday, after routine business and under Orders of the Day, first with Committee of the Whole study of Bill No. 1, The Alberta Bill of Rights, and followed by Bill No. 2, The Individual Rights Protection Act. Following completion of committee study of those two bills, we would then move back to second readings of Bill No. 121, The Improvement Districts Act, and Bill No. 123, The Alberta Lord's Day Amendment Act. If there is time, and remembering we have Monday evening when the House will be sitting, we would then move down again to Committee of the Whole starting with Bill No. 77, The Legal Profession Amendment Act, 1972, and continuing from Bill No. 77 down the list through to Bill No. 115. With one exception, Bill No. 83, The Mental Health Act, 1972, would probably be back into committee no earlier than Monday evening, with respect to the one or two amendments which were to be brought back by the hon. Minister of Health and Social Development at that time.

If there would be time on Monday evening following completion of those matters, we then would contemplate moving to Government Motion No. 3, the debate on the receipt of the report of the Commission on Educational Planning. If there is not time on Monday evening, then a reasonable probability might be commencement of that debate on Tuesday evening.

Mr. Speaker, I move we call it 4:30.

MR. LUDWIG:

Mr. Speaker, before we adjourn, I would like to ask the hon. House Leader a question. Is it the intention of the government not to have any more debate on the speech given by the hon. Premier? Apparently you are not calling it, and I wonder whether that was the intention because I didn't think that debate was finished. I wonder if the hon. House Leader can give us an answer?

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MR. HYNDMAN:

Well, Mr. Speaker, it is not possible to predict whether or not the conduct of business of the assembly will allow for extra time. If the manner in which business proceeds allows time, there certainly will be time, but it is to be remembered that that is not a Throne Speech debate, and certainly there may or may not be debate on it at some time, but at this point I could not give any commitment that it will be called again.

MR. SPEAKER:

It being now 4:30 o'clock, the House stands adjourned until Monday afternoon at 2:30 o'clock.

[The House rose at 4:28 p.m.]