

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, November 6, 1972

[The House met at 2:30 pm.]

PRAYERS

[Mr. Speaker in the Chair.]

PRESENTING REPORTS BY STANDING & SELECT COMMITTEES

Select Committee on Censorship

MR. JAMISON:

Mr. Speaker, I beg leave to table the report of the Select Committee on Censorship. The prime recommendations in this report, Mr. Speaker, is to abolish the Censor Board and replace it with a true classification board, one that will neither cut nor reject any film. In essence, Mr. Speaker, this report, if accepted by this legislature, will put the onus on the producer, the distributor, and the exhibitor to comply with the obscenity laws of the Criminal Code of Canada. Thank you.

INTRODUCTION OF BILLS

Bill No. 116 The Alberta Hospitals Amendment Act, 1972 (No. 2)

MR. CRAWFORD:

Mr. Speaker, I beg leave to introduce a bill being The Alberta Hospitals Amendment Act, 1972 (No. 2). The bill, among other things, grants recognition to the growing need in hospitals for the development of utilization committees within the hospitals, and medical staff review committees to make recommendations to the board in regard to utilization of facilities and, as well, to review practices in regard to the care of patients.

There are some provisions that relate to the divulging of certain records for research and professional review purposes, basically with the consent only of the patient. The act would also introduce a standard eligibility in regard to coverage of this type on the like basis with coverage in other provinces.

[Leave being granted, Bill No. 116 was introduced and read a first time.]

INTRODUCTION OF VISITORS

DR. HORNER:

Mr. Speaker, it gives me a great deal of pleasure to introduce to you and to the House, four top representatives of Canada's Armed Forces in the person of Admiral Stephens, who is the Commander of the Prairie Region; Colonel Reilander, who is Deputy Chief of Staff; Major Beauregard, the Alberta representative to Training Command; and Captain Huckle, the aide to Admiral Stephens. These gentlemen are in Edmonton today for visits with the government in relation to their responsibilities and that of the provincial government. I would ask them to stand in your gallery and be recognized by the legislature.

DR. HOHOL:

Mr. Speaker, I would like to introduce to you, and to this assembly, two more classes from my constituency of Edmonton Belmont. They are students from grades IV and V, from the York Elementary School. They are 75 in number, supervised and attended by their teacher, Mrs. A. Schlep. I commend them for their interest in government and would ask them to rise in the members' gallery and be recognized.

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FILING RETURNS AND TABLING REPORTS

MR. COPITHORNE:

Mr. Speaker, I beg leave to table a report on the archaeology evaluation of the route east of Seebe to the Kananaskis Lakes.

I would like also to table the engineering report.

DR. WARRACK:

Mr. Speaker, at this time I would like to table, for the information of the House, two reports. One is a study done by Lombard North Planning Ltd., having regard to the highway route from Seebe to the Kananaskis Lakes area. The second item, Mr. Speaker, is a preliminary analysis, Phase 1, of the pilot area Kananaskis spray drainage system as a part of the Foothills resource allocations.

MR. YURKO:

Mr. Speaker, I would like to table a report called the Environmental Impact Statement, Provincial Primary Highway No. 40, otherwise known as the Kananaskis Highway.

ORAL QUESTION PERIOD

Oil and Gas Policy

MR. STROM:

I would like to direct my question to the hon. the Premier and ask him if he intends to make an announcement on future gas policy tomorrow or in the next few days?

MR. LOUGHEED:

No, Mr. Speaker. I thought that I was fairly clear, I believe on Friday, but it may have been on some other day last week, that we were talking about within a couple of weeks. I made the observation that we, of course, couldn't judge whether the House would still be in session or not. If it is in session, of course, the position paper will be tabled in the House; if it isn't then I would certainly make sure that all hon. members get a full copy of the position paper as quickly as we possibly can.

MR. STROM:

Mr. Speaker, just for clarification, do I understand that it would not likely be within the next two weeks?

MR. LOUGHEED:

Mr. Speaker, no. What I am unable to judge, Mr. Speaker, is the length of the fall session, not the timing with regard to the report. I anticipate that we will be able to make our position paper clear within the next two weeks.

MR. SPEAKER:

The hon. Opposition House Leader, followed by the hon. Member for Calgary Bow.

Road Allowances

MR. TAYLOR:

Mr. Speaker, may I direct a question to the hon. Minister of Highways? Does the present government agree with the concept that road allowances are public property, and should be available for anyone who wants to use them?

MR. COPITHORNE:

Mr. Speaker, I'm not sure whether there is a public concept or not that road allowances are public property.

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MR. TAYLOR:

Mr. Speaker, does the hon. minister not know what the policy of the government is?

HON. MEMBERS:

Order! Order!

MR. TAYLOR:

Well, supplementary, Mr. Speaker. Why has the minister killed the program of progressively opening road allowances in his constituency and on the other rivers in the Calgary area?

MR. COPITHORNE:

Mr. Speaker, I would be delighted to answer that question. The policy was killed before September 10th, 1971.

MR. TAYLOR:

That's a complete falsehood. That's not so. That is misinformation to the House, Mr. Speaker, and it shouldn't stand unchallenged. Let the minister elaborate if he is telling the truth.

MR. SPEAKER:

The hon. member will have to find some other means, I'm afraid, than the question period to challenge the information. The hon. Member for Calgary Bow, followed by the hon. Member for Sedgewick-Coronation.

MR. LUDWIG:

Mr. Speaker, a supplementary on this question of road allowances. Does the hon. minister own land or have control of land on which there are closed road allowances - that is, legally closed road allowances?

MR. TAYLOR:

Have you so much land you can't tell?

MR. COPITHORNE:

Mr. Speaker, I don't believe so.

MR. LUDWIG:

Mr. Speaker, a supplementary. Then could the minister tell us if he owns any land or has any control of land on which there may be illegally closed road allowances?

DR. HORNER:

Mr. Speaker, on a point of order, and I think it is a very important point of order. If the hon. gentleman is on a witch hunt then he should be putting his questions on the order paper as such because these are technical questions in which some consideration should be given, and further, Mr. Speaker, they are not under the administrative jurisdiction of the minister; they are under his personal ownership, and as such I submit very clearly and very importantly for the future of this legislature, that if this kind of witch hunt is going to take place in the question period it's totally wrong. If the hon. gentleman has some facts, then fine; he has ways and means of putting them on the order paper and dealing with fact, not fiction.

MR. TAYLOR:

Mr. Speaker, on the point of order. The administration of road allowances is under the Minister of Highways.

MR. LUDWIG:

Mr. Speaker, on the point of order, I believe that because the question may embarrass the minister is not a reason for not placing the question. I placed a question to the hon. Minister and he was not sure, but I'm not on any witch

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hunt, I'm after facts which the public ought to know. I think that the hon. Deputy Premier should stand up -- [Interjections]

MR. SPEAKER:

The hon. minister has, of course, completely the option of requiring if he wishes that the question be placed on the order paper.

MR. LUDWIG:

I did not say I was speaking to the point of order, and because the minister may be embarrassed is not a cause for interrupting someone when asking a question; I can understand that the Deputy Premier might find that he might get an embarrassing answer so he jumps to his feet to the defence of a minister who can't take care of his own question -- [Interruptions]

DR. HORNER:

Mr. Speaker, I think the hon. member should now withdraw what he's just said. He's totally unparliamentary; I know he doesn't appreciate parliament and how he operates because he hasn't had enough education. Perhaps when they get that law school in Calgary he'll learn something about it, but the fact still remains --

MR. TAYLOR:

Is this a point of order? This is personalities.

MR. SPEAKER:

Order please. I think we've ventilated the point of order to a sufficient extent and perhaps we could now leave the matter up to the minister.

MR. COPITHORNE:

Mr. Speaker, I would be delighted to report to the House on advisement on this matter.

MR. LUDWIG:

Supplementary to the minister.

MR. SPEAKER:

If the hon. member's question is supplementary could he also add the supplementary to the question which he is going to place on the order paper.

MR. LUDWIG:

[inaudible]

MR. DIXON:

Mr. Speaker, I would like to ask the hon. minister, when he's drawing up this report to include in the report where he said that there was a postponement of opening up road allowances prior to the minister taking over as Minister of Highways. I wonder if he would bring that information into the House, because apparently there is some confusion between the former minister and the present minister.

MR. COPITHORNE:

Yes, Mr. Speaker, I will do that; I'm not sure there is written information in this regard but it is the general consensus in my department that the toilets that were placed at the end of some of the road allowances were asked to be removed prior to the election, August 30, 1971.

MR. TAYLOR:

Moving toilets is not closing road allowances.

AN HON. MEMBER:

It depends on where you're going.

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MR. SPEAKER:

Order please! May I respectfully suggest to the hon. Member for Calgary Millican that he get together with his colleague and add that question to the one which is being put on the order paper so that we won't be dealing with the matter twice.

MR. TAYLOR:

Supplementary. Is the hon. minister aware that the information tabled in return 211 is not correct, and is simply taken out of the report that is a year old?

MR. SPEAKER:

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

Drivers' Licence

MR. WILSON:

I would like to direct a question to the hon. Minister of Highways. Have you completed your consideration of placing photographs of drivers on operators' licences and what, if anything, will be done in this area?

MR. COPITHORNE:

Mr. Speaker, I am still giving this consideration.

MR. WILSON:

Supplementary, Mr. Speaker. When might we expect you to complete your consideration in this area?

MR. COPITHORNE:

Mr. Speaker, if I make an announcement, I will have completed my consideration.

Licence Plates

MR. WILSON:

Supplementary, Mr. Speaker, to the Minister of Highways. Have you completed your study on vanity licence plates?

MR. SPEAKER:

The hon. member's question is not supplementary by any stretch. The hon. Member for Sedgewick-Coronation followed by the hon. Member for Camrose.

Street Improvements in Towns and Villages

MR. SORENSON:

My question is to the Minister of Highways. Is the government aware of the difficulties many towns and villages find themselves in because of the elimination of a program for improvement of streets in towns and villages?

MR. COPITHORNE:

Mr. Speaker, the answer is yes.

MR. SORENSON:

A supplementary. Will funds be reallocated for this purpose?

MR. COPITHORNE:

Mr. Speaker, we are developing many programs that will help the rural and the urban communities of Alberta.

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MR. SORENSON:

Is there any program of the government which will financially assist these towns and villages and specifically, I am thinking of a town in my constituency, Sedgewick.

MR. COPITHORNE:

Mr. Speaker, this may be answered when the budget is prepared for the 1972-73 year.

MR. SPEAKER:

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

Big Knife Provincial Park

MR. STROMBERG:

Mr. Speaker, a question to the hon. Minister of Lands and Forests. How many campers this year were turned away from Big Knife provincial park which is in my constituency, and the reason why?

DR. WARRACK:

I would appreciate notice on this question so I can give a precise answer. Twelve people were asked if they would be kind enough to delay their entry into Big Knife Provincial Park. That is May 24th weekend which happened to be good weather, one of the few times this summer when there was good weather, so there was a very heavy traffic count at a number of provincial parks including the same kind of problem at Rochon Sands as brought to my attention by the member from Stettler, Graham Harle. In the case of Big Knife, there were some 12 people that were asked to delay their entry, so that with the traffic flow in and out of that with the traffic flow in and out of the park it would be possible to have entry for them and to accommodate them properly when they did enter.

MR. STROMBERG:

Supplementary, Mr. Speaker. Are you considering further expansion to the park? I understand that in 1970 there was an \$11,000 bridge built there, and it has been idle ever since. It is not open to the public.

AN HON. MEMBER:

A new direction?

DR. WARRACK:

Well, that sounds like an old direction to me. If that bridge was put in and it is not being utilized, to my knowledge I know of no additional use encompassing that bridge at Big Knife Provincial Park. It apparently must have been installed at some time prior to my being there because it has not been installed since. I would be happy to check into it.

MR. STROMBERG:

One last supplementary, Mr. Speaker. Are you aware that the land on the other side of the bridge is presently owned by Canadian Utilities and always has been?

DR. WARRACK:

No, I'm not, Mr. Speaker, but I appreciate the information, and now I certainly would be confused as to why we would build a bridge there, but I will check into it. I shouldn't say we, that was before my time.

MR. SPEAKER:

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

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Highway Construction Projections

MR. BUCKWELL:

Mr. Speaker, a question to the hon. minister of Highways. You indicated last spring that you were preparing a five-year highway construction program for completion, with Cabinet approval, this summer. Has this been done, or has the completion been approved?

MR. COPITHORNE:

Yes, Mr. Speaker, there has been a program of projections for the development of highway assistance for Albertans for the next five years.

MR. BUCKWELL:

Supplementary, Mr. Minister. When will you be informing the House as to the government's program in this area?

MR. COPITHORNE:

I'm not going to be informing the House, Mr. Speaker, of this program. It is just a program that is useful to me in projecting to my colleagues why I need certain monies for the year following one on to the other.

Rapid Transit

MR. R. SPEAKER:

Mr. Speaker, a question to the Minister of Highways. Has your department or the government developed a policy with regard to rapid transit in the urban areas?

MR. COPITHORNE:

Well, Mr. Speaker, there are many studies being taken at this time and we would expect a good deal of direction to come from the cities themselves in this regard.

MR. R. SPEAKER:

Mr. Speaker, supplementary. Mr. Minister, on April 28th in the question period you indicated that the City of Edmonton had given a plan to you outlining all of their transportation needs. Have you looked at that submission and will that be part of your plans?

MR. COPITHORNE:

Mr. Speaker, the City of Edmonton and the City of Calgary -- in fact, every city in Alberta with the exception of Camrose -- have submitted a plan of what their projections on rapid transportation corridors and needs will be.

MR. R. SPEAKER:

A supplementary, Mr. Speaker, to the hon. minister. When will the people of Alberta be aware of your comprehensive policy in this program?

MR. COPITHORNE:

Mr. Speaker, it develops all the time and there have to be set priorities in where you start and what you do first with the capabilities and the monies that are available.

MR. R. SPEAKER:

Mr. Speaker, a supplementary. Will the hon. minister be releasing part of the plan so that the urban areas can initiate their planning programs to meet their needs, and also to plan in a more meaningful manner?

MR. COPITHORNE:

Mr. Speaker, the urban and rural areas municipalities certainly know what the priorities are as they have set their priorities themselves.

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MR. SPEAKER:

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

Vista Heights, Calgary

MR. FARRAN:

Mr. Speaker, I have a question for the hon. Minister of Municipal Affairs. Mr. Minister could you report to the House on your meetings with the Mayor of Calgary and others in efforts to find a solution to the problem in Vista Heights in Calgary?

MR. RUSSELL:

Mr. Speaker, last week the Mayor of Calgary asked the province to intercede in attempting to find some sort of solution to a controversy in the city of Calgary that was becoming extremely contentious. I met in Calgary last Thursday morning with the mayor and with legal representatives of both sides -- if I can call them that -- and we merely pointed out that our involvement would be restricted to two areas. (1) The enforcement of any provincial licences or permits that had to be issued through various agencies of the government with respect to the developmental; (2) That we might take the initiative in keeping this new industry in Alberta in trying to find an attractive alternate site that would be acceptable to all parties and that process is now under way.

MR. FARRAN:

Mr. Speaker, a supplementary question. Did any of these efforts arise from representations from any M.L.A.s who represent that area, Mr. Minister?

MR. RUSSELL:

The request came from the Mayor of Calgary, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Calgary McKnight, followed by the hon. Member for Vermilion-Viking.

University of Calgary

MR. LEE:

A question for the hon. Minister of Advanced Education. Have you had discussions lately with the Universities Commission regarding financing of the four-year arts program at the University of Calgary, and if so what is the present position on this item and on your previous request that a three-year degree be offered at that university?

MR. FOSTER:

Mr. Speaker, I have not had discussions with the Universities Commission concerning the compulsory or otherwise three year or four year degree program in the University of Calgary. This is a decision and a matter which has been before the commission and between the commission and the University of Calgary. I am aware that the weighting factor assigned by the University of Calgary to the compulsory four year non-honour bachelor degree program is a weighting factor of 1.0. I understand that the University of Calgary is somewhat concerned that that weighting factor may not provide sufficient funds to provide the course and they would like to return to the previous policy for a weighting factor of 1.5, which was for the compulsory four-year program when there was an optional three years. The Universities Commission assigns the weighty factor, which all members of the House may appreciate is the basis upon which individual units of funds are made available to universities. I said that the waiting factor of 1.0 was tentative, and that is if there is any university which feels that they would like to make submissions to change that tentative position by the commission, the commission is prepared to hear it.

MR. GHITTER:

On a supplementary to the Minister of Advanced Education. I am wondering what assurances the hon. minister can give that the institutional autonomy of the University of Calgary will be respected, now that the Universities

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Commission will no longer be here to insure that there will be public input in respect to problems like those raised by the hon. Member for Calgary McKnight?

MR. FOSTER:

Well, Mr. Speaker, this is something that I had hoped to deal with briefly on the discussion of the Worth Report, the Commission on Educational Planning, however, I'll answer it very briefly at the moment. I have assured the university community that in the reorganization of the Department of Advanced Education and upon the transfer of the authorities of both commissions to the department, we would carefully assess the matter of institutional autonomy and the matter of academic freedom.

It is a problem, generally Mr. Speaker, of balancing a move towards an integrated post-secondary education system on the one hand, and institutional autonomy on the other, and one such device for insuring that is to create an agency or an organization, call it what you will, which will accommodate members of the public in relationships between government and the institution. I don't know at this time whether or not it should include representatives of the institutions, but I am very sure, in my view at least, that it should include members of the public in an advisory policy role between the institutions and government with freedom to comment, freedom to publish, freedom to criticize, and working in that relationship. That is one area that I think the role of the institution can be guaranteed and its autonomous nature, I think, preserved from government.

MR. CLARK:

Mr. Speaker, when do you plan to make this information available?

MR. FOSTER:

Mr. Speaker, if you will permit me a moment, it occurs to me that in a press release -- I'm sorry I don't have it with me -- at the time when we announced that the Universities and Colleges commissions would be abolished the end of this year, we also made it clear -- and I appreciate the opportunity to say this because this message has not got across to the academic community as well as I had hoped -- that we wanted, as part of that assurance, to create some organization representative of the public in this relationship, as I previously answered. That for some reason did not get across to them, but it was in the press release that went out, I think, in mid-September.

MR. SPEAKER:

The hon. Member for Vermillion-Viking, followed by the hon. Member for Bonnyville.

Licence Plates (cont)

MR. COOPER:

To the hon. Minister of Highways, a short preamble -- Mr. Minister. At the spring sitting of the legislature you intimated that you were carrying on a review of the methods used to determine the fees for licence plates on private automobiles. Has the study been completed?

MR. COPITHORNE:

Mr. Speaker, the study has been completed but there has been no decision made as yet.

MR. COOPER:

Supplementary Mr. Speaker, will the hon. minister be making an announcement to us or divulging the information to us when a decision has been reached?

MR. COPITHORNE:

Well Mr. Speaker, if there are any dramatic changes the minister will be making announcements to the House.

MR. WILSON:

Mr. Speaker, to the Minister of Highways. Are you considering the possibility of additional revenue to the province by allowing people to have permanent plates with their choice of letters and numbers?

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MR. COPITHORNE:

Well Mr. Speaker, it is a consideration that we could consider.

MP. SPEAKER:

The hon. Member for Bonnyville, followed by the hon. Member for Olds-Didsbury.

Oculists' Services

MR. HANSEN:

Mr. Speaker, I would like to direct a question to the Minister of Health. I have a letter here from one of the constituents, and he complains that he had his eyes tested a month, and they told him that he would have to wait another two to three months on account of shortage of money. Has your department looked into this and found out if this is so?

Mr. Speaker, the study has been completed but there has been no decision made as yet.

MP. CRAWFORD:

Yes, the question, raised by the hon. member on behalf of one of his constituents relates to arrangements, I believe, between the provincial government and the Optometrists' Association for the providing of glasses to persons who are receiving provincial assistance. There was a period during which there was some disagreement over the terms upon which the services would be provided, and these differences were resolved as of last week.

Kananaskis Highway

MR. CLARK:

Mr. Speaker, my question is for the hon. Minister of Highways. I would like to ask him if he could tell us at this time when he expects the Kananaskis Road from Coleman to Hinton to be fixed?

MR. COPITHORNE:

Well, Mr. Speaker, from Kananaskis to Coleman, there is already a forestry road, and we are proposing at this time to build 30 miles in the Kananaskis Valley in the next three years.

MR. CLARK:

Mr. Speaker, supplementary question, to the hon. minister. Does the minister expect to work on the road from Kananaskis north? This is directly to Hinton.

MR. COPITHORNE:

Well, Mr. Speaker, at this time we have no plans in that particular program from Kananaskis north. But there are certain parts of the road that will be upgraded.

MR. CLARK:

Mr. Speaker, will the hon. minister give a commitment to the House that before you embark on any additional upgrading or reconstruction process of the Kananaskis road, you will first of all do an impact study, and secondly, a public hearing before construction begins?

MR. COPITHORNE:

Well, Mr. Speaker, if the hon. member would have a look at the amount of work that is being done on the Kananaskis road it might be self-answerable, the question that he is asking.

MR. CLARK:

Mr. Speaker, all I am asking the hon. minister is, would he give the assurance of the House that an impact study for any additional construction to the Kananaskis road, and secondly, will there be public hearings?

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MR. YURKO:

Mr. Speaker, I might answer that question as it lies to some degree in my department, in connection with environmental impact studies. I think the government has indicated on several occasions that on projects which have a considerable impact on the environment, the issuing of an environmental impact statement is a matter of government policy, and in fact that was done in regard to the Kananaskis Highway.

MR. CLARK:

Yes -- after --

MR. YURKO:

Not after. We've been working on this for sometime, Mr. Speaker. If that road was, in fact, considered for extension northward, then certainly an environmental impact study will be tabled, and if public hearings are warranted, public hearings will certainly be held.

MR. CLARK:

Mr. Speaker, supplementary question to the hon. minister. Will the hon. Minister of the Environment give us an undertaking as to the public hearings?

MR. YURKO:

Mr. Speaker, I have just answered the question at some length.

MR. CLARK:

Mr. Speaker, is the hon. minister then saying he will not guarantee the House there will be public hearings?

Snowridge Ski Resort

MR. DIXON:

A supplementary question, Mr. Speaker, to the hon. Minister of Highways. I wonder if the hon. minister could indicate to the House that the large Snowridge ski complex will be opened if they do build a road 30 miles to the ski resort? Has the company indicated that they will open this resort again once the road is completed?

MR. COPITHORNE:

Well, Mr. Speaker, I have no idea what the business affairs are of the ski resort at Snowridge. It will be three years before the highway is probably brought to a completion to that length, and I have no idea what the management of the operations of Snowridge will decide to do at that time.

MR. DIXON:

Mr. Speaker, the hon. minister indicated to me that this was the main issue. Is he indicating that Snowridge has not been in touch with you regarding the road at all in the last year?

AN HON. MEMBER:

Out of Order.

MR. SPEAKER:

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

Alcoholism and Drug Abuse Legislation

MR. LUDWIG:

Mr. Speaker, I have a question for the hon. Attorney General. In view of the concern expressed by the media and the public concerning the alcoholism and the drug problems, do you expect any new program or any new thrust from the department of the Attorney General in dealing with these two problems in Alberta?

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MR. LEITCH:

Mr. Speaker, I think that, perhaps, should be answered partially by myself and partially by the hon. Minister of Health and Social Development. I can say, in answer to the hon. member's question, that I do regard the question of alcoholism as much more of a health and social problem than a criminal problem. As a result primarily of my tour of correctional institutions this summer, I have reached the conclusion that while we have made a number of changes in recent years in our liquor legislation, in the way we handle people with an alcohol problem, I'm still convinced that we are sending to our correctional institutes people for alcohol offenses that shouldn't be going there, and should be treated more as a health and social problem and crime control problem. To that extent, we are currently working within the Attorney General's department toward a problem, which I expect will bring about that result.

With respect to treatment programs, Mr. Speaker, I feel that would fall more within the Department of Health and Social Development.

MR. CRAWFORD:

Mr. Speaker, with your leave I would add a little bit to the answer of the hon. Attorney General. I think the government would recognize that there are gaps in certain levels of treatment as provided, which is the prime responsibility of the Alcoholism and Drug Abuse Commission. I have met, as recently as yesterday, with the commission and in part the subject matter of the hon. member's question came under discussion. However, we certainly didn't wait until the occasion of that discussion to give full consideration to this. I could indicate that plans are in a fairly established form to close some gaps that exist in the areas, for example, of detoxification and rehabilitation of both alcoholics and drug addicts.

MR. LUDWIG:

A supplementary, Mr. Speaker, to the hon. minister. Is it the intention of the government to disband or eliminate the commission on alcoholism?

MR. CRAWFORD:

Mr. Speaker, no.

MR. LUDWIG:

Supplementary. Has the government made any additional allocation of funds for the operation of the commission. . .

MR. CRAWFORD:

Mr. Speaker, the estimates of 1972-1973 show the amounts allocated by the government for the commission.

MR. LUDWIG:

How about any special ones?

MR. CRAWFORD:

Mr. Speaker, that is a question of detail that I would ask the hon. member to put on the Order Paper. In fairness to him I would just say that if there were, it would perhaps be the odd grant that might have gone through by special warrant. I can't say no, there weren't any. But for purposes other than relatively minor expenditures, I can say that there weren't any.

MR. SPEAKER:

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

Highways Commission

MR. BENOIT:

Mr. Speaker, my question is addressed to the hon. Minister of Highways. Has the government given any consideration this year to the establishment of a Highways Commission as intimated by your reply to a question last spring?

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MR. PEACOCK:

Mr. Speaker, if I was going to make any announcements, I would do so at the specific time that I find appropriate.

MR. SPEAKER:

The hon. Member for Stony Plain, followed by the hon. Member for Spirit River-Fairview.

Taxation of Senior Citizens' Homes

MR. PURDY:

Mr. Speaker, I have a question for the Minister of Municipal Affairs. Is there any legislation in Alberta at the present time that would allow the City of Edmonton to put a tax on senior citizens' homes, and if so, would there be any consideration to repealing this type of legislation?

MR. RUSSELL:

Yes, the legislation is there, Mr. Speaker, under The Municipal Taxation Act. I think all members of the legislature will recall this spring that we supported unanimously, I think, an amendment giving further relief to non-profit organizations with respect to property taxes on institutions they are running for the elderly. It was rather puzzling that Edmonton did make this move, but that is one thing that our task force on Provincial-Municipal Financing is considering. We expect to perhaps bring in better guidelines in the future, but the legislation, fortunately or perhaps unfortunately, is there.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Lethbridge East.

Contract Awarding Procedures

MR. NOTLEY:

Mr. Speaker, I'm going to direct this question to the hon. the Premier, and then perhaps you can allocate it to whichever minister, sir, it would come under. Can the government advise what the policy is with respect to awarding insurance contracts on department vehicles?

MR. LOUGHEED:

Mr. Speaker, I believe that's a question I probably should answer by virtue of the Order Paper. It's a question of trying to make an assessment on any sort of a service or professional contract between the various people that are available and in the particular industry offering that service. So perhaps if the hon. member would put it on the Order Paper, I could give him an answer.

MR. NOTLEY:

Mr. Speaker, I'll put that particular question on the Order Paper, but I was wondering if I could rephrase it and make it a little more specific. Again, to the hon. Premier. Is tendering the rule in the awarding of these contracts, or one of the factors that the government takes into consideration?

MR. LOUGHEED:

Mr. Speaker, subject to correction, I don't believe that in this particular area it is. It's a matter of services and supplying of professional or semi-professional advice and assistance, and in that particular case I don't believe that it is the policy of the government to operate on a tender basis.

MR. NOTLEY:

Supplementary question, Mr. Speaker, to the hon. the Premier. Is it true, Mr. Premier, that most government vehicles are insured through Roy Henry Agencies Ltd., which is operated by Mr. Roy Watson?

MR. LOUGHEED:

Mr. Speaker, that's probably so, but again, would you put that as part of the supplementary question on the Order Paper?

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MR. SPEAKER:

The hon. Member for Lethbridge East, followed by the hon. Member for Clover Bar.

Industrial Service Roads

MR. ANDERSON:

Mr. Speaker, I'd like to pose a question to the hon. Minister of Highways. What assistance is your department prepared to give municipalities in developing industrial service roads and bypass roads? I have in mind 43rd Street in Lethbridge, of which you are aware.

MR. COPITHORNE:

Mr. Speaker, dealing with 43rd Street in Lethbridge, there are three communities who have responsibilities, namely, the City of Lethbridge, the county next to Lethbridge, and the provincial government. We are now working in co-ordination to resolve the responsibility there.

MR. ANDERSON:

Then there are plans going ahead for fixing up that road?

MR. COPITHORNE:

Well, Mr. Speaker, that's kind of a loaded question, because at this time there has not been a priority set on that which all three parties would maybe agree to.

MR. SPEAKER:

The hon. Member for Clover Bar, followed by the hon. Member for Wainwright.

Sewage Lagoon Protection

DR. BUCK:

I would like to address this question to either the Minister of Municipal Affairs or the Minister of the Environment, whoever can help me with this problem. With your indulgence, Mr. Speaker, I would like to give a little preamble. Perhaps the members of the House noticed the tragedy that occurred in my constituency, in Bruderheim, where three youngsters were drowned in a sewage lagoon. My question to either one of the gentlemen is this: is there a possibility that municipalities that have either settling ponds or sewage lagoons be, shall we say, indirectly advised to put adequate safety fences around these facilities in the future when they are getting provincial funds, and be directed retroactively some way to put up adequate safety fences? If somebody could help me with this matter?

MR. YURKO:

Mr. Speaker, if I might answer that question, the regulations with regard to sewage lagoons call for fences. I happen to have it in front of me, and I might just read it for the benefit of the House, because it is a serious problem and it has resulted in a most unfortunate accident in the last few days. The requirement thus far reads as follows:

The pond areas shall be fenced and gates provided with locks. The burns shall be seeded with grass to control weed growth and to reduce erosion. The grass should be cut two or three times a year.

In this regard, Mr. Speaker, I have asked the department to review this particular regulation so that in fact it might be made far more definite and something like a chain link fence be required rather than barbed wire fencing which has been used on several occasions.

MR. SPEAKER:

The hon. Member for Wainwright followed by the hon. Member for Wetaskiwin-Leduc.

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Urban Ring-Road Systems

MR. RUSTE:

Mr. Speaker, I would like to direct a question to the Minister of Highways. Have there been any discussions with the City of Edmonton with regard to re-allocation of financial priorities for the Jasper Freeway and the Mackinnon Ravine projects?

MR. COPITHORNE:

Mr. Speaker, within the bounds of the city, as I have stated many times in this House, we believe that local authority should be able to make the decisions where they put priority, and we have a \$4.5 million grant which is applicable to the projects that are on the plans for their transportation policies and which we will share costs with them, usually on a 75-25 basis.

MR. RUSSELL:

Supplementary, Mr. Speaker, to that. In light of the answer the minister has given, you indicated during the spring session that you were seriously considering a ring-road system for the City of Edmonton and Calgary, and what is your progress to date on that?

MR. COPITHORNE:

Well again, Mr. Speaker, when you are developing a program that is going to be useful for the economics and the distribution of traffic throughout the province, you have to have a plan and that is exactly what I have developed and it will be brought forth at the appropriate time.

MR. SPEAKER:

The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Smoky River.

AGT Personnel - Wetaskiwin

MR. HENDERSON:

I wonder if the Minister of Telephones can advise as to when he will be meeting with the City of Wetaskiwin to discuss the matter of the withdrawal of AGT staff from that city?

MR. WERRY:

Mr. Speaker, the city has written a letter requesting an appointment and I believe it is tentatively laid on for the first week in December.

MR. SPEAKER:

The hon. Member for Smoky River followed by the hon. Member for Calgary Millican.

Crude Oil Revenues

MR. MOORE:

Mr. Speaker, I have a question to the hon. the Premier regarding the 10 cent per barrel price increase announced by Imperial Oil this morning for crude oil. I am wondering what effect this will have on the crude oil revenue returns to the people of the province of Alberta?

MR. LOUGHEED:

Mr. Speaker, it is a very significant announcement and it has very major connotations for the province. Certainly an increase, even as small as 10 cents a barrel will have, as I am sure the Minister of Mines and Minerals will be prepared to supplement, a very significant effect upon the revenue of the province. However, we note that the press report made the comment that it would bring Canadian crude more in line with competitive crude prices in key export markets. Our concern, of course, has been, and continues to be, that we, as the government of Alberta, representing the people, have a very large partnership-ownership interest in this depleting asset and the fact that the production is at its present high level and is being moved out of this province by way of exports -- some 90 percent of the crude oil production being exported at a price

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that we believe is below commodity value -- is of serious concern to us, and, we would hope, to all members and to the public at large. We hope to do what we can to exercise the necessary pressures to assure that the value is more closely equated with the commodity value. I raised, Mr. Speaker, in my earlier remarks, the question of the impact upon the consumer in Alberta.

MR. NOTLEY:

I wonder if the hon. the Premier could be a little more specific on the impact on the consumer of this price increase? Have you, sir, been able to give any preliminary assessment to what the price increase might be at the gas pump level, and further, to save another supplementary question, have you considered alternative actions that might be taken to stop the price increase?

MR. LOUGHEED:

Mr. Speaker, I think I adequately answered that item during the course of my remarks in the House on October 25th, and would refer the hon. member to Hansard on page 61-24. Perhaps the hon. Minister of Mines and Minerals though would like to point out the degree of impact upon the people of Alberta, of as little as a 10 cents a barrel increase.

MR. DICKIE:

I will supplement that. After the information was received that the price of crude oil was going up 10 cents a barrel, I requested our department to give us some idea of what that would mean to the provincial treasury. They have now advised me, and I know all hon. members would be interested in knowing, that the 10 cents a barrel will mean approximately, based on last month's production, some \$600,000 per month.

MR. BARTON:

Supplementary, to the hon. Minister of Mines and Minerals. Does this mean that taking the hon. Premier's question to heart -- does this mean that the high quota allotments that are now being produced in the oil fields are going to continue to increase?

MR. DICKIE:

Mr. Speaker, I don't really think you can read that into that answer. Again I should also mention that the price of 10 cents a barrel that was announced by Imperial Oil would also have a bearing whether the major producers such as Texaco, and Gulf and Shell would go along with the 10 cents a barrel.

MR. SPEAKER:

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

Re American Investment

MR. DIXON:

Mr. Speaker, I would like to direct a question to the hon. the Premier, and I am just going to have to make a short explanation to my question. Apparently, a American senator was asking for an investigation as to why an American company was allowed to invest \$60 or \$80 million in Alberta for gas export with no guarantee of gas export. I was wondering if the Premier or the Minister of Intergovernmental Affairs were going to enlighten Ottawa to forward this information on to Washington as to what our policy is in gas export. This could have a serious effect if the American government decides to look at every investment that comes into Canada. I am just wondering if any action is going to be taken to rebut the argument that this hon. senator is bringing up?

MR. LOUGHEED:

Mr. Speaker, I don't at all follow the imputation behind the hon. member's question. As I remarked on the House on Friday, I would hope that we all understand that it is the position of the government of the Province of Alberta to protect the people of Alberta and the resources that we own.

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MR. DIXON:

Supplementary question, Mr. Speaker. I am just as concerned as the hon. Premier about the people of Alberta. I know it is an important issue. But secondly, I think it is also important --

MR. SPEAKER:

Is the hon. member asking a question?

MR. DIXON:

Yes, I am. My question, Mr. Speaker, is; is the government going to take any action to inform the American investor of our policy and indicate to the American government through Ottawa, or direct through our city to your office in Washington that you are going to establish there?

MR. LOUGHEED:

Mr. Speaker, I haven't any doubt but that the document which we will present to the people of Alberta within the next two weeks will make its way very quickly, to the various offices in Washington, and if there is any possibility that that won't occur, we will see that it does.

MR. SPEAKER:

We will have to conclude the question period with the question from the hon. Member for Wainwright.

Advertisements Along Highways

MR. RUSTE:

Mr. Speaker, a question to the Minister of Highways. Earlier in this session you indicated that you were reviewing the policy of advertising signs along the highway. I am thinking in particular of livestock producers and so on. Have you done that at this time, are you in a position to make an announcement?

MR. COPITHORNE:

Yes, Mr. Speaker, we have made a considerable amount of progress in provincial highway signing in regard to farms and in regard to secondary roads throughout the province.

MR. RUSTE:

A supplementary question then. Would the minister be in a position to make this known to the members?

MR. COPITHORNE:

Yes, Mr. Speaker, I hope in the next day or two to have a handy book coming out that will help you solve some of these problems.

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS

MR. HYNDMAN:

Mr. Speaker, I move you do now leave the chair and the assembly resolve itself into Committee of the Whole for consideration of certain bills on the Order Paper.

[The motion was carried without dissent.]

[Mr. Speaker left the chair.]

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CCMMITTEE OF THE WHOLE

[Mr. Diachuk took the chair.]

Bill No. 77: The Legal Profession Amendment Act, 1972 (No. 2)

MR. CHAIRMAN:

There is one amendment I trust you have, based on Section 5.1.

[Sections 1 to 5 were agreed to without debate. Section 6 effects the addition to the existing act of Sections 102 to 108, Section 102 was agreed to without debate.]

Section 103

MR. COOKSON:

Mr. Chairman, if I could just say a word or two about this section, because I have spoken to those involved in establishing this act and I have some reservations about Section 103. I would like to lodge these with the hon. the Attorney General so that he understands clearly my position, in saying the few words that I have. It perhaps overlaps in some of the other sections.

Talking to some of the legal firms I know that there is a great deal of money which is deposited in trust funds in banks which draw no interest because there is no way of identifying the client. For example, one of the firms that I discussed this with has as much as \$100,000 in trust which is not deriving any benefit to the client or to the legal firm or to anyone, for that matter, except to the bank. So in that respect I support the concept of making use of these funds. I think it was suggested something like \$5 million floating around in banks being used from which no benefit is being derived, except to the banks. So I agree with the concept, but I find it difficult to rationalize the way in which the foundation is set up. For example, I question under Section 103 whether we should, in fact, be pointing out the use of these funds for specific individuals or groups of individuals.

In Subsection 4, I wonder why we have to suggest in here that it is to assist native peoples' legal programs. In this area I am wondering if this might overlap into the area of The Bill of Rights. It avoids naming other groups, and therefore, it exempts other groups from this type of assistance. I wonder in my own mind whether, if it were spelled out that it was not to provide assistance to native peoples' programs, whether in fact then it would be a violation of the Bill of Rights? In effect it's saying that about other groups.

As I've said, I have some reservations about the foundation and getting into other areas which perhaps I could refer to at a later date; Section 104 which spells out the members of the foundation, where a majority of the group are members of the legal profession. I have some concern about the rights of this fund, and the interest on this fund, with regard to all the people of Alberta.

I know what the intent is. Hopefully this intent will be carried out, but I have some concern about these funds which really belong to all the people of Alberta, and how the interest will be used with regard to them. In other words, in Section 103, I'd be much happier if in subsection (a) you could clearly spell out that it was for the benefit of all the people of Alberta. I'd be much happier in Section 104, since it's dealing with interest of people, that the majority of the members of this foundation were lay people or were people who were not directly associated with the legal profession. My feeling is that the funds should be for the benefit of everyone and not specifically spelled out for individuals or groups. These are the only concerns and reservations that I have and hopefully if the bill goes through, these concerns that I have won't occur. It will be carried out as I am sure the intent is. I don't know whether this should result in comments by the Attorney General, perhaps he would like to comment on this.

MR. STROM:

If I might just repeat what I said the other day, I would have to say that the hon. Member for Lacombe has expressed the same concern that I expressed the other day when we were discussing the principle of the bill, and I think the points that he has raised today are very valid and have been expressed very well.

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This is money that belongs to people from every walk of life. It is all of the people who are involved in any way, shape, or form, where monies have to be left in trust with the legal profession. I think I indicated the other day that there is just the possibility of ideas being construed or coming up in the minds of people that may be hard to answer if it is limited in any way, shape, or form. It seems to me the points raised this afternoon again, are very valid and I would certainly like to see the Attorney General give this some attention.

MR. LEITCH:

Mr. Speaker, the points of view just expressed by the last two speakers are valid ones and I should say that some time ago when, as a member of the Law Society I was involved in a discussion concerning this, I felt there might be some merit in simply providing that the money go to the general revenue of the province, and therefore, as the last speakers have said, be for the benefit of all.

But as I expressed on the comments made at second reading, there is this argument which has led me to go the other way, and that is that these monies come from people who are involved with the legal process, that is the reason the money has come there. Now, it's probably fair, to say then, use that money -- since we're not capable of sending it back to the clients -- to improve the legal process. And that is what this fund is designed to do. So the clients whose money is being used in this way may well feel much happier about it being used for research and improvement of the law, simplifying it, research to improve the administration of the judicial system. They may not feel it's quite so appropriate to use it for, say, improving fishing, or an agriculture program, or something of that nature, which would be the case if it went to the general revenue. So, while the point is a valid one, it's been my feeling after giving it a good deal of consideration, that it is more appropriate at least to use this money for that group of people who have come within the legal process, and in an effort to improve and streamline that process. So I think that argument is the one that justifies restricting the use of the fund to that area, rather than simply putting it in the province's general revenue.

Now, as to the comment about it being a breach of The Bill of Rights. The view I take of The Bill of Rights, it isn't in breach of it. I do not believe The Bill of Rights prevents the conferring of special benefits on any group. And that being so, this, at most, confers a special benefit on a particular group. And in my view The Bill of Rights was not in any way designed to prohibit that kind of thing. If it did, it would prohibit most of our programs, where for one reason or another we select a group and confer on them some special benefit.

As to the make-up of the board -- and I do want to correct a statement I think I inadvertently made on second reading, in which I said that the board of seven people could be five from the profession and two laymen. That is not the fact. The bill provides that the board of seven shall be three from the profession, three who are not members of the profession, and the seventh person is either the Attorney General or his nominee. That person may be a member of the profession, or he may not, but in any event I wouldn't consider the Attorney General or his nominee as being either a lay person or a member of the profession. I think he is there as a representative of the government. So that what we have on this board is an equal division between the professional and lay people.

The next thing I'd like to call to the hon. members' attention, is that the government does appoint the majority of this board. It appoints three of the five, and those five then appoint an additional two. So in that way the government does appoint the majority of the board.

There needs to be a number of people from the profession on this board if we're going to have the objects that are set out in clause 103(a)(i), take for example the first object, "conducting research into and recommending reform of the law and the administration of justice." When there are decisions as to what kind of research should be conducted, how it should be conducted, what areas should be looked into -- when those decisions are being made you need a significant amount of information from the profession itself. They know the weaknesses; they know the areas in which research may be of some value, and you can't rely on one person from the profession to give that kind of input because his experience may simply not be wide enough. For that reason, I feel that there needs to be a reasonable representation from the profession to enable the board to make proper decisions on what should be done within the objectives as set out in 103. It seems to need an equal balance between the professionals and lay people with the odd person being a representative of the government. It is going to be a reasonable, workable kind of board.

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MRS. CHICHAK:

Mr. Chairman, I have indicated previously some comments on second reading on principle, and my concern, and I think they have been adequately dispelled. I would like to comment on some of the pluses that this bill has with respect to the establishment of the Alberta Law Foundation.

Having been employed in a legal office for a number of years and being in reasonably close contact with the kind of problems which arise in the minds of the people, and knowing how little they know about their individual rights and the rights as we have them in our society and in our system, I think many criticisms levied against the legal profession, or many problems that arise between husband and wife, neighbours, friends, or business involvements, arise because of the lack of understanding of the legal rights that exist in our province. So I think it is necessary and long overdue for some means of providing to the public the kind of educational program where they don't necessarily need to be involved with expenditures which perhaps their budgets don't allow. I think that this is a very big plus for this particular bill. We are concerned about corporations keeping money, making money on the individual, and I think it has been too long since we have been concerned about the kinds of money deposits that have been made into our banking systems or institutions, would they have had the use of such funds without having to pay for them? Yet each day or each time that we go into an institution and ask for any funds or the use of any money, we have to pay for them.

So I recognize that this bill will now require the institutions where the lawyers deposit their funds (being trust monies); it will now provide the kind of assistance that programs of the nature of helping the public, generally, in their knowledge of their rights, and will help the kind of groups that we often forget about. So I am not so displeased with Section 103(a)(iv), where we indicate specifically an area of assistance. I think that if we just leave it completely open to just Albertans, somehow the native people seem to be forgotten as Albertans as well. Or on the other hand, we interpret them as being citizens who come under the periphery of the federal government and that we have little responsibility for them. So I'm pleased that this has been spelled out.

Insofar as assistance to students is concerned, I think that they have enough of a hardship in meeting the costs of education, in bettering themselves, that many of them have personal problems as well as problems of a legal nature. They do not have the kinds of money that they may require to go into a law office or to go to a lawyer and get advice. I'm not exactly adverse to the suggestion that is here. I'm reasonably satisfied that with the Attorney General constantly being involved in being present, and overseeing that the foundation is properly implemented, and in the best interests of Albertans, I think that we need to give very serious consideration to passing this bill. As a matter of fact we should pass it very quickly, because I feel that it is long overdue.

Like many other new programs, it may cause many questions which certainly we cannot answer at the beginning. We need to try the program, and if we find that there are certain aspects of it that are adverse to the type of service that should be afforded, taking into consideration where the money is coming from, I should certainly hope that we in this legislature, or whoever may be here, would have constantly that right and that privilege to make such recommendations of change and improvement as may become necessary. But I think to try and resolve and anticipate every problem in advance may be somewhat foolhardy, because surely we cannot foresee all of the many problems that may come in the future.

I think it is important for us not to become overly distressed about some of the questions that may not be answered when they are being anticipated, but to try it and see how effectively this program can be implemented. Sooner this foundation is established, the sooner the dollars will come into the areas of need. Thank you, Mr. Chairman.

MR. WILSON:

Mr. Chairman, to the hon. Attorney General: solicitor-client relationships, generally speaking in Alberta, are very good, and I think it is in everybody's interest that we can maintain them on a very good level. I'm wondering how a solicitor might defend himself in the circumstances of a delay in a transaction. The solicitor holding the funds quite often is in a position where the culmination of the transaction is delayed through no fault of his own. Under the present circumstances, the client is not led to suspect that the solicitor is delaying the transaction, because there is no benefit to the solicitor if it

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is delayed. I wonder if there is any possibility in your opinion -- and I would like your assurance, if possible, that there isn't -- that this may tend to deteriorate solicitor-client relationships from that aspect of when delays occur. The client might feel that the solicitor is purposely delaying it? Most certainly I would hope that it would be unfounded, but I wonder if you have considered this, and if you have a defense ready, so to speak, for your colleagues in the event that the solicitor-client relationship begins to deteriorate?

MR. BENOIT:

I have a question along the same line, and I'd like to elaborate a little farther. I know of more than one instance where two clients, each having his own lawyer, were making a transaction. The first client passes his money to the lawyer and the lawyer keeps it for two months, and then he passes it on to the next lawyer and he keeps it for two months, and then he gives it to the second client. In the meantime, the two lawyers have had the money for four months, and the clients have been under the impression that these lawyers are getting interest on the money that they have each passed to their lawyer. Is it, in fact, a situation now that there is no possibility of a lawyer getting interest from funds of that nature? Does he have to put the money into a trust fund, or is there a possibility that the lawyer may put it in his own fund while it is being passed from one client to another?

MR. FRENCH:

Mr. Chairman, I just have a question to ask the Attorney General. In view of the fact that the payments made for legal aid are lower in Alberta than in some other parts of Canada, has any consideration been given to include legal aid in the objects of the foundation, thereby making it easier for people today that are having problems in obtaining legal aid so they will be able to get it in the near future?

MR. LEITCH:

Mr. Chairman, dealing with the questions in order in which they were asked. The first question was whether this legislation was likely to cause some deterioration in the solicitor-client relationship because it may leave the public to be suspicious that the lawyer is holding the money longer than he should in order to have the foundation earn interest. The answer to that is quite the reverse. There has been, although it may be unjustified, a feeling that the legal profession does get some indirect benefits from the financial institutions as a result of having their trust monies there (such as free chequing privileges or lower interest rates or things of that nature) and, I say, some speculation, because I have made some personal checks of my own while practising and since then, and satisfied myself that in the instances that I checked into it it was not so. But there is certainly some feeling to that effect among the public at large and this, if anything, removes that because it now doesn't make any difference to the financial institution how long the money stays there, whereas in the absence of this bill it is to their advantage if the money stays there a long time. So I think far from making this situation worse, if anything it improves it.

To deal with the second question, which is whether there was any possibility now of the lawyer using his client's money. The answer to that is simply and clearly no. If he uses his client's money in any way whatsoever, that is a breach of conduct for which the punishment is extremely severe. In most cases it leads to disbarment. What normally happens, when a lawyer receives money he is holding on behalf of a client, knows he is going to be holding it say, for a month, is that he puts it on deposit with the financial institution in an interest bearing trust account and pays that interest to the client. And in fact in the two firms that I had reviewed by auditors shortly before introducing this bill, one firm had about 30 per cent of its total trust money in interest bearing accounts where they accounted to the client for the interest. The other firm, which was a little smaller, had somewhere around 20 per cent. But what will happen occasionally in the kind of situation that the hon. member raises, is that the money will come into the lawyer's hands and he expects to be able to disburse it in the next week or so, and then some difficulty arises in the transaction and he thinks it is going to get resolved daily and it does not get resolved, and ultimately will have held the money for quite some little time without any interest being earned on it. But that is one of the things they should simply try to avoid, but on occasion it's unavoidable.

The last question raised by the hon. Member for Hanna-Oyen, as I recall, was whether we had considered as one of the objects of this bill, the use of the money for legal aid. The answer to that is yes, and there are some provinces

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which do provide comparable legislation, that the money be used for legal aid. It's not included here for two reasons. I think the prime one is that the profession didn't want the money coming back to it directly. It didn't want to be charged with the accusation that here was a fund that was somehow benefiting lawyers and if the money is going into the fund and back out to them, through their work in legal aid, that was what would be happening and they would then have to make the defense that they are doing the work under legal aid for an appreciable reduction; they simply didn't want to be in that position. I don't feel there is any advantage to our putting a specific provision to allocate these funds to legal aid. We are funding the legal aid program out of provincial general revenue, and it seems to me as I said earlier, I think during the estimates last year, that the amount of funds we require there should provide them. It is simply a question of assessing the program, assessing those claims that are turned down (be it for a lack of funds in making a decision on whether they shouldn't have been turned down or whether more funds are needed for them) and expand the legal aid program in that way.

I should also add that with the federal government proposing to come into legal aid (and negotiations on the terms of their coming into it are under way between the provincial government and the federal government now). I rather anticipate it will be concluded by the federal government contributing towards legal aid. This would make a substantial increase in the total amount of money available for legal aid.

MR. YOUNG:

Mr. Chairman, very briefly my comment is along the line of comments made by the Attorney General, but for the record in any event, I have a concern here that this 'found' money, if you will, not be used in a sense as to remove any professional obligation which the Law Society may currently feel, either toward research on its own, and it must be doing some, or toward the assistance of student legal aid programs. There are a number of these programs which are in fact mentioned specifically in section 103 currently underway in the province to some degree. I am not sure the funding of them currently. I just wanted to express my hope that these monies do not in fact, replace monies which are currently being identified for these particular uses.

MR. ZANDER:

Mr. Chairman, my concern is not with the amount of monies left in from a month to month basis. I am thinking in particular of two people in my area where the principal fund is well over \$30,000, and it is well into the second year. Perhaps it will be settled in the third year. Since this money is bringing in approximately well over \$2,000 a year interest, will this part of the act now mean that these parties are not entitled to the interest that this money accumulates over a period of two or three years?

MR. LEITCH:

I will answer the last question first this time, Mr. Chairman. The answer is no. Subsection 3 of section 108, which is the appropriate section, provides that nothing in this bill in any way interferes with any arrangement made between a lawyer and his client, as to the depositing of trust funds into accounts to earn interest, and the payment of that interest to the client. It is worthwhile repeating again, this bill in no way affects the existing rights between a lawyer and his client as to what is done with the client's money. The client can day to day come in and say, "here, I am depositing with you \$10,000. You will be holding it for me for two months. Please put it in the bank or trust company and then account to me for the interest." In other words, "pay me the interest". That arrangement you can still enter into. It is wholly unaffected by this bill. This bill only affects those areas where, because of accounting difficulties, such an arrangement could not be entered into. I feel I should respond to the earlier comment made about this somehow tending to destroy the social responsibility that the profession now has, and in the areas where it is on its own, legal research, legal aid work. Incidentally, the profession has done this for years, much of it voluntarily, much of it simply contributing its own time without any payment for individual clients or groups of clients.

I share that concern; I think that has been a good thing for the profession. I hope that they will continue to do that, and I'm satisfied that they will. Under the existing legal aid program they do contribute a good deal; they do carry on a reasonable amount of research through their various local, provincial, and national associations. However, much research in this area is so complex that it simply cannot be carried on on the volunteer basis. An example of that is the Institute of Law Research and Reform which has done and

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is now doing work that I don't feel could be carried on on a volunteer basis, and I think that is the kind of research I would hope the foundation would look to here, in addition, perhaps, assisting persons out of university doctoral researches and things of that nature.

MR. D. MILLER:

I have thought about this for some time and I think we should be careful about passing Part 7 of the Alberta Law Foundation or any amendments thereto, because I have listened closely to the discussions that have taken place on monies that may be placed -- small or large, for a short time or a long time -- with the barristers in the province and they say that because of accounting difficulties -- I can hardly buy that because I am sure the bank could take care of it quite easily and arrive at an average.

But reading this and looking at it closely, as far as I am concerned, and I would ask all members to look at it closely, I think we should be careful to pass legislation that would turn monies that belong to somebody else or could be directed to them and their estate, and turn it over to the Bar Association or the Alberta Law Foundation. I think we should be very cautious about this.

MR. LEITCH:

The one comment I would like to respond to is the statement that they can be accounted for and they have never been accounted for in the past in any jurisdiction. I think that is pretty strong evidence in itself. They simply are not accounted for. I can give some very simple illustrations as to what happens and why they aren't accounted for. It is not uncommon, for example, in the case of a lawsuit for a lawyer to ask for a retainer to meet, perhaps, his fees, but in addition his expenses. So he then gets in, say, \$1000 and he will start paying it out and he might pay it out in a dozen different small amounts. The banks or the financial institutions pay interest on this kind of account based on the minimum balance over a three-month period, and then to properly allocate the interest to all of the dollars that were in that fund over that three-month period you would have to take the interest and calculate it at so much per dollar of the total funds that flowed through during that three-month period, and then work it back to each individual client whose funds were in there.

To give you an illustration of the complexity of that transaction I have looked at one firm which started with an \$800,000 trust balance at the beginning of the period and finished a two-month period with \$800,000 in its trust account. But during that two month period \$3 million flowed through the trust account and that would represent a tremendous number of transactions. To work out the interest payable to each one you would have to figure out the amount per dollar per day that was earned, and then try to allocate it back. It simply is an accounting impossibility in this sense that the costs of doing so are going to be equal roughly to the money that was earned. So all you have done is taken the money and paid for a lot of accounting costs that has, at the most, given some people employment. But it is not going to result in any return to the people whose money is there.

[Section 103 was agreed to without further debate.]

[Section 104 to Section 107 were agreed to without debate.]

Section 108(1)

MR. KOZIAK:

This is the section that requires the practising lawyer and the firm to open up an interest bearing account. Now, I think that we have precedent for this requirement in the scriptures; you will all recall the parable about the talents and the wrath of the Lord in regard to the one individual who took his talent and buried it because he was afraid to lose it, and I think this is an area which has concerned a number of individuals for some time, that here we have funds that are sitting idle and not creating anything for the benefit of anybody, society or the owners of those funds or the users of those funds. But I have some concerns in connection with this section and I'll put these to the hon. minister and perhaps he can allay my fears.

The first concern is in connection with the requirement that every member open up an interest bearing account. Now with my experience in whatever banking I have done, I have never run into an interest paying current account with a bank. Now I may be wrong; however, I would like the hon. minister to assure us that there are such animals as interest paying current accounts. I know that

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the trust companies do provide this service; they will pay an interest on current checking accounts. However, I am not sure that a bank provides this service; in other words, pays interest on a checking account.

Now the reason I bring this up, is that if these current accounts do not pay interest and some arrangement is made for an interest paying current account, there would then be charges made for cheques written against that account and those charges would be passed on to the very people who have funds in deposit in those trust accounts; and this may work to their detriment. So I would hope that there have been discussions or correspondence with the banking institutions in regard to this proposed section, and that some sort of a system has been worked out whereby existing clients won't be hurt by a change in existing practices.

The other thing that concerns me, of course, is interest rates, because the principal is fine but the principal is based on a certain return, on the fact that there's money sitting idly by and only the financial institutions benefit from that. I recall when my savings account earned one or one and a one-half per cent interest. Those were the days when you paid six per cent on a loan and those days are gone. But we may some day return to that. However, in the meantime we are in a state of rather high interest rates, and one-half of one per cent may be a particular interest rate at a particular bank which is prepared to pay for this type of an account, whereas another may be prepared to pay one and one half or two. So the real value of the act then depends on the amount of interest which is paid on the monies in the account. Because if the principle is that we shouldn't leave the money sitting idly by, then that principal hasn't been served, if in one case you can get a half per cent, and in the other case you can get five and a half per cent. But then if you proceed with that direction, I'm concerned that perhaps the firm or the lawyer might be pressed into depositing funds in a higher interest paying account, but that might have correspondingly higher loss rate, more of a possibility of the principal being lost, because there is a correlation between the interest paid and the risk involved. And the main concern of the barrister and solicitor in taking trust funds on deposit is that he return them to the client or to the purpose that they are supposed to be put. And he should at no time be jeopardized by the banking institution with which he is dealing.

MR. FRENCH:

Mr. Chairman, I have another concern which is along the lines expressed by the hon. Member for Edmonton Strathcona. And that is, what assurance have we that the interest will not be added to the taxable income of that particular lawyer, notwithstanding the fact that the money will eventually be paid to the foundation? At the present time the banks, I believe, issue what is known as a T-5 slip, and this will be issued in the name of the lawyer, and what assurance have we that this won't be added to the taxable income, because copies of these T-5 slips are sent to the tax branch, and I don't know -- possibly we have some assurance from the hon. minister that this will not happen. In any event I'm wondering if maybe this section shouldn't have an amendment to be absolutely sure that this interest will not be added to the taxable income of that particular lawyer. I know we have quite a number of lawyers in the House, and I can understand they may be a little reluctant to bring this point up, but I don't mind bringing it up because I think we should be fair to the association.

MR. LEITCH:

Well to deal with the question of the hon. Member for Hanna-Oyen. I'm sure the legal profession wouldn't be at all reluctant to raise it if they were going to be taxed on money that never came to their hands. I think the short answer to the question you have raised is that the money just never accrues to the lawyer's benefit. So it is not income -- it is not his income at all. Of course there is nothing magic about a T-5 slip; they simply indicate what money came to you, but if the fact is you don't get the money, it is not yours and you do not pay income tax on it, so I don't anticipate any problem in that area. And I am not sure exactly what mechanics the bank would follow in reporting this income; it may well be that they show it as income to the Alberta Law Foundation as opposed to the individual lawyer, because this legislation requires them to account to the foundation, not to the lawyer. I'm not sure what mechanic they would follow, but in any event I'm satisfied that the tax department would not assess the individual lawyer because it was never his money -- never becomes his income.

To deal with some of the concerns raised by the hon. Member for Edmonton Strathcona. One of the questions he raised was whether this provision might lead to a bank making banking charges for cheques and things of that nature, which in turn would find their way back to the clients, because the lawyer would

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not be expected to absorb that as one of his costs, and then the clients would, in fact, be paying some additional money as a result of this legislation which they wouldn't be paying without it. It's my understanding that that has not happened in the other jurisdictions which have similar legislation. I think for this very good reason, the financial institutions, despite this legislation, are still going to have a material advantage in having that trust account there. The example I have given to you of the one firm with an \$800,000 balance at the opening of a two-month period, and an \$800 balance at the closing of the two-month period, that would be the figure on which they would pay interest. But, during that two-month period an additional \$5 million flowed through that account. That money, even if it is only there for a day, is available and the institution makes use of it and doesn't pay interest on it. So I would expect the existing arrangement, whereby banks do not charge law firms the normal bank charges on the processing of the cheques and trust accounts would continue. If it turns out that that does not continue, then I would be quite prepared to recommend amendments to the legislation which would provide for that. There are some jurisdictions which have that kind of provision. There are some jurisdictions which have gone through a rather elaborate procedure providing for payments of interest on only certain sums over a minimum balance. They've left in the trust account a minimum balance to ensure the free charges that now exist. I doubt that that would be necessary but it is a point that we will keep in mind and something we gave consideration to in preparation of the bill.

The other question of interest rates is again a matter that hasn't created a problem in the other jurisdiction. I don't anticipate a problem. If one arises, again it is something that may be cured by an appropriate amendment. I would expect the financial institutions simply to pay the going interest rates on these deposits, because again I'm sure they will be pleased to have them, although they now must pay interest on them.

On the question of a depositor endeavouring to get a higher interest rate, and as a result placing the money in a more risky institution, I doubt that there is any danger there. The act specifically requires that funds be deposited with a bank, trust company, or treasury branch, and that is where they are now deposited. In those areas there are certain guarantees provided under by the federal government with agreements with the provincial governments. This restricts the depositing of those three types of institutions where the depositor's money is guaranteed.

[Section 108(1) was agreed to.]

Section 108(2)

MR. HENDERSON:

Mr. Chairman, before we leave this page, I would like to ask the hon. minister the implications under 106(6) where it is talking about investing surplus funds under the Canadian and British Insurance Companies Act. What specifically was that chosen for (maybe a far-fetched question) first with Britain in the process of assuming much closer relationships with the Common Market and reducing many of its economic involvements in the Commonwealth; and, secondly, with the fact that, as I understand it, there are laws before the British House that will, in effect, make a Canadian an alien in Britain? What are the ministers doing with investment related to the British Insurance Companies Act? I realize it is an act of Canada, but will the hon. minister explain it?

MR. LEITCH:

Mr. Chairman, that merely specifies the type of securities the foundation may invest in. They are defined under that legislation. The federal act says that insurance companies can invest in certain things. The object is to secure the assets of the insurance companies by restricting them to the type of investment they can invest in. What has been done here is simply saying to the foundation, "You must invest in similar securities, so that the assets of the foundation are not exposed to an unnecessary risk which might occur if the directors were given complete opportunity in what they could invest in." So that legislation, although I appreciate the hon. member's concern with name, is merely federal legislation that specifies the kind of security that could be invested. It might have been tied to our own legislation. We have legislation for trust companies, for example, we could have tied it to that, but this is a little broader.

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MR. HENDERSON:

Just a question on the interpretation of the act -- and quite frankly, I haven't looked at The Canadian and British Insurance Companies Act -- but does this mean that surplus funds could be invested in a foreign operation? As far as I am concerned, England has got to be foreign since you are treated as a foreigner if you want to go to England now, so it is a foreign operation.

MR. LEITCH:

Mr. Chairman, I'd have to look at the act again to be sure. My memory is not. They are restricted to bonds and things of that nature under that act. That is what insurance companies can invest in -- mortgages and things of that nature, and it is spelled out. But without again looking at the act, I couldn't answer that question.

MR. HENDERSON:

Well, would the minister consider putting some restrictions on it a little closer to home, under the jurisdiction of this legislature? As I say, quite seriously, with the change in the world situation as far as Britain is concerned, I, quite frankly, have no idea what the implications are but I would be far happier if I saw something in here that related to the controls that are under the jurisdiction of this legislature.

MR. LEITCH:

Mr. Chairman, I'm not sure we have a problem here, or that the hon. member has one, and I think it might easily be solved by just looking at the act to see what the act does permit in the way of investment.

MR. HENDERSON:

Does the Attorney General think now that he'd better look at it? He's the one that has brought the legislation before the House.

MR. LEITCH:

Well, I was satisfied when it was drafted that there was no problem, but I can appreciate that the hon. member is not prepared to take my assurance of that. But I really think that if you will look at the act you will be satisfied.

MR. HENDERSON:

Will the minister look at it?

MR. LEITCH:

Yes.

Section 108(3)

MR. TAYLOR:

Mr. Chairman, this is a type of public money -- public in the sense that it belongs to someone else and not to the lawyers -- and I notice that there is provision made for the books to be audited by chartered accountants for the purposes of the board. But I can't find any place in the act where the legislature is going to be informed as to how much money is coming into this fund, the accounting for it, the number of expenses, and so on. I realize it is not money that belongs to the legislature, but since the act is being passed by the legislature, I would think that there should be an annual report tabled with the legislature -- at least the audited report -- so that we know whether we've done well or whether we've done badly in passing this type of legislation. I would like to see in the bill the requirement that a report including the audited statement be filed with the Attorney General and tabled in the legislature each year.

MR. LEITCH:

Mr. Chairman, I think the hon. member has raised a good point, and I would have no objection to a suitable amendment. I'm not sure whether it is a requirement that it be tabled in the legislature. It may be that it should be restricted to filing a report with the Attorney General or with the government. I'm not sure, for example, what is done with other comparable funds, whether

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they file annual reports for tabling in the legislature. But I am in agreement with the principle, that there be some communication requirement, such as a report from the board to the government.

MR. TAYLOR:

I think that is a good point, but that doesn't make it public unless the Attorney General in office at the time made it public. What I was thinking is that this is public money in the sense that it is being handled by somebody who doesn't own the money. I would think it would be a good gesture to make this public by tabling it in the legislature each year.

MR. COOKSON:

I have just one comment on 108(3). It's interesting to note that one of the better critics on the other side, with considerable legal background, is very silent on this bill; that's our hon. Member for Calgary Mountain View. He's one of the better critics; I'd like to see him rise, just with reference to subsection 3; I wouldn't want everyone to fall asleep this afternoon.

When you provide a provision in section ..

MR. HENDERSON:

May I raise a question on 106(7) before we go on to this next point?

AN HON. MEMBER:

Which?

I don't know who's asleep here, but it's 106(7) that we're specifically asking the minister about at the moment. Certainly I can't see anything in it other than the public interest and the interest of the legal profession; I like to think that all lawyers are legal -- but that actual statement should simply be tabled in the House each year. It's a matter of public record; I think it precludes the possibility of people criticizing public money being spent here and there purposelessly, and so on.

MR. LEITCH:

Mr. Chairman, I wonder if we might, if we complete the bill this afternoon, hold that question and during the adjournment between 5:30 and 8:00 I'll give some thought to it. As I indicated earlier, the problem that concerns me is whether this type of funding is in keeping with other funds of a similar type for which we require a flat tabling in the legislature. Perhaps I'll be able to come back with an amendment. It would merely be an addition to 106, because the foundation has auditors and the accounts will be audited. It would simply be adding to it another subsection requiring the statement to be filed or delivered to the government. So we'll hold that 106 and deal with it this evening.

MR. COOKSON:

Mr. Chairman, on that same point....

MR. CHAIRMAN:

So we will come back to 108(2), however, even after approval of this complete act we will hold it; we won't report until the Attorney General has given further thought to it, so Mr. Cookson, please continue. You had a question on 108(3).

MR. COOKSON:

Mr. Chairman, I was hoping I would get the member for Calgary Mountain View to rise but he is hesitant. You spell out in section 103 that the funds will be used to maintain operating law libraries, and then you stack your foundation, if I may use the term, with a majority or a number in the legal profession, it could be the majority; then you have 108(3). Most clients have little if any knowledge of what trust funds are used for or how they are held. There is no provision in the bill other than a subsection which quite likely no one will ever be aware of. Is there any protection, or would there be any protection, against the possibility eventually that legal people will channel all trust funds into this sort of a foundation and the interest will escalate as the years progress?

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MR. LEE:

I have a suggestion on Mr. Taylor's comment in regard to section 105. Perhaps this filing of the operations of the foundation could come under section 105 and I guess my question is; under 105, are these by-laws to be filed with the Attorney General? Perhaps it could be extended within that section?

MR. LEITCH:

There is no requirement, Mr. Chairman, that by-laws be filed with the Attorney General, but there is in the act a provision that either the Attorney General or his nominee is on the board. As a result of being on the board he is of course aware of the by-laws because they are made by the board. Turning to the last point about the trust monies, I should say that the concern expressed as I followed it, was that the lawyer might, in order to increase the amount of money in this fund, not put his client's money in an interest bearing trust account when he should. I think there are just two simple answers to that. First of all, the Law Society would exercise some control over that. I would think that the lawyer who retained money in a trust account, a non-interest bearing trust account, when it would have been to his client's interest to put it in an interest bearing trust account, would be in difficulty with the law society. That is the first thing.

The second thing is when you talk about law libraries, these law libraries really aren't of very much benefit to the legal profession. If you go to any large law firm, it maintains its own law library, and notwithstanding the fact that there is a large law library in the court house two blocks away, they simply don't use it, except for very, very complex items in research where you need books that might be from other Commonwealth countries, special reports from the United States, and so on. In fact, nearly every lawyer who has an office with any substantial number of people in it has a fairly substantial library which he buys himself and maintains himself. He uses that as his every day working tool. They really make quite limited use of the libraries in court houses and what have you, which is what we really have in mind here. They are used much more as a convenience during the course of trials, because you simply get your books out of that library and take them into the courtroom, rather than carting them from your office to the court house. The public makes quite extensive use of the law libraries in the court houses, particularly law students who are going to university. They quite frequently use the downtown library as opposed to the library at the university because it is easier for them to get to in the evening. People doing research and things of that nature make use of libraries. Then the staff of the courthouse, and the judiciary, make use of those libraries. So, I think I just want to dispel any suggestion that these libraries -- maintained now, in part, by the government, under an agreement with the Law Society in the court houses are not used that extensively, or certainly not solely by the legal profession.

MR. BUCKWELL:

I just want to ask the Attorney General for a bit of information. How does the Law Society check up on the individual lawyer, whether he put the accounts into an interest bearing or non-interest bearing account?

MR. LEITCH:

Two ways, Mr. Chairman. One, through complaints from clients -- if you are holding a client's money for any length of time in an account and there is no interest there, it is not at all unusual for him to ask you about it. He then can complain to the law society about it. The second way, of course is that the law society, in the operation of its fund to pay for any defaultations, has auditors who go in and examine the lawyer's trust account without warning. That is the way that they police it. They are examined by accountants or auditors retained by the society, and they don't specifically look for that kind of thing, they are really looking at the balances -- that you have the amount there that you should have. But if, in the course of that review, something of this nature came to their attention, that would be, I am sure, part of their report to the Law Society.

[The remaining clauses of the bill, the title, and the preamble were agreed to.]

MR. CHAIRMAN:

We will hold this until tonight.

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Bill No. 108: The Workmen's Compensation Amendment Act, 1972 (No. 2)

[All the clauses of this bill, and the title and preamble, were agreed to without debate.]

DR. HOHOL:

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

[The motion was carried without debate.]

Bill No. 109: The Land Titles Amendment Act, 1972

[All clauses of this bill were agreed to without debate.]

Title and Preamble

MR. RUSTE:

I had drawn to my attention this summer the fact that the people were waiting for their titles to be transferred; would this facilitate this procedure? This is where people needed their titles to get loans and so on, as a deposit for borrowing power.

MR. LEITCH:

Yes, Mr. Chairman, we hope that this will lead to a more efficient and speedy service within the Land Titles office.

MR. KOZIAK:

A question that arose from that -- have the TWX facilities been arranged for searches between the Land Titles Office in Edmonton and solicitors in Edmonton, and the Land Titles Office in Calgary and solicitors in Calgary?

MR. LEITCH:

Mr. Chairman, I can't answer that without checking.

MR. ZANDER:

Mr. Minister, has any thought been given to the number of caveats that are being put on to the lands? I have seen titles that have had as many as possible that can be put on the back of any land title that I have seen. Is it possible that some of these caveats that are placed on this land by companies having an interest in the land (by virtue of a pipeline or power line or well site) be determined by the area rather than by the quarter or half section, whatever the amount is; if it is 4.1 acres the company has an interest on 4.1 acres rather than on the whole title. This seems to be the concern that most of the farmers and farm unions have now -- the caveat should state that it is the area, not the 160 acres in a quarter section, rather than the amount of land that is under survey that they have taken from that quarter section.

MR. LEITCH:

Mr. Chairman, the hon. member raises a very good point and it is one that has been a concern to many people. It will arise in the case of, say, someone who owns farm land and he has worked hard all his life and finally succeeded in clearing the mortgage off, but at the same time some electrical or pipeline company has acquired an easement over his property and the next time he looks at his title he finds that there is a \$6 million or \$10 million mortgage registered against it because the company has used that easement as part of the security to raise its financing. That is a question that has been under consideration. The Institute, as I recall it, has looked at the matter and there is nothing in this bill that deals with that. It is of valid concern and it is something for which we will endeavour to find a satisfactory answer.

MR. ZANDER:

I would like to ask, Mr. Minister, about a concern of the people, especially in my area; I know that some of them have as high as 25 caveats placed against their quarter and it's always the willing buyer that has to accept those caveats and sometimes it takes about six months or maybe a year before a transaction can be completed. Now I think there is deep concern by the farm

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people and the farm unions in Alberta, concerning the method of how they are being applied as you said, for security purposes.

I am only going to refer to one thing that happened in my constituency, where the pipeline company in the construction went broke and the owner of the land was just in the process of selling it. Now this has gone on for about three years now and the whole thing is tied up because the person cannot sell it because the pipeline company has a \$3 million dollar caveat on that property and won't lift it. I wonder if we couldn't have a good look to see whether these companies, or whatever people take any portion of a quarter section, should be entitled to the amount that they take, and not in reference to the whole quarter section.

MR. LEITCH:

Well, Mr. Chairman, I can't comment in detail on the hon. member's statement without knowing a good deal more about the facts. The caveat, of course, doesn't protect any wider interest than the document on which the caveat is founded. So the fact is that the caveat really only attaches to the property covered by the easement, if the caveat is given by the owner of the easement. So while there's no distinguishing on the title itself, indicating to what area the caveat refers, the fact is that it can only refer, if it's based on the easement, to the area covered by the easement. But without knowing the exact details of the case, I can't really respond beyond that.

[The title and preamble were agreed to.]

Bill No. 110 The Defamation Amendment Act, 1972

[All Sections of the bill, the title, and the preamble were agreed to without debate.]

MR. LEITCH:

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

[The motion was carried.]

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

[All sections of this bill, the title, and the preamble were agreed to without debate.]

MR. MINIELY:

Mr. Chairman, I move that this bill be reported.

[The motion was carried.]

Bill No. 112 The Department of Public Works Amendment Act, 1972

[All sections of this bill were agreed to without debate.]

Title and Preamble

MR. LUDWIG:

I'd like to make a few remarks on title and preamble and it deals with a matter that concerns the Department of Public Works in Calgary. That's in the vicinity of the Court House. I understand that there have been some changes made and some repairs to the steps in front of the Court House, and this has been going on for five or six weeks, and when I see how this operation is being handled, I get the impression, and people seem to get the impression that a haywire outfit is doing the job. There doesn't seem to be anyone moving ahead with what is intended to be done. Everybody is moving slowly, the winter is well on the way, and we have not completed this very minor project. If it takes the department more than six weeks to do a minor project like this, I'd hate to see them construct a whole court house.

Now, something else that I noticed about that operation. It was a policy of the department to make provision for access for handicapped people -- people in wheelchairs, etc. In these changes that are being made, I don't notice that being done with regard to either of the access entrances to the court house.

Now, another item of interest, I think, that should be brought to the hon. Minister of Public Works. It's minor, but it's important. There is a dead tree

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beside the court house, it's been dead since spring, and I am surprised that -- I don't know who the M.L.A. for Calgary Buffalo is, but he walked past there and he doesn't seem to care. Now I was going to suggest that perhaps the Calgary M.L.A.s could --

MR. GHITTER:

Point of order. Having walked by that location on many occasions, not only was I very disturbed about the dead tree, but I was also very disturbed about the dead fish in the pond outside the court house. And I would like to see the hon. minister do something about that as well, which I am sure would please the hon. Member for Calgary Mountain View.

MR. LUDWIG:

Yes, apparently the dead fish rebelled against the change in administration, obviously. But, Mr. Chairman, with regard to that tree, almost \$1/2 million was spent in building a mini-park down there, and this tree is there, and anyone can see that something should be done. It is a minor operation. I think the hon. minister ought to find out and change this. It detracts from the whole beautiful mini-park that is there. It is something I think the Calgary people deserve to have changed, and I would only like to recommend that when you change the tree, don't plant an apple tree because some conservative spark might escort it out of its place at midnight. So I think an evergreen tree planted there would be an indication that someone is concerned about what is going on there, Mr. Minister, and I hope you will attend to this very quickly. Thank you very much.

MR. TAYLOR:

Mr. Chairman, this isn't too vital, but I am just wondering what type of articles the hon. minister is concerned about. Also, will there be any advertising through press releases where these articles are of some value, so that people might know that they have been retained by the government? Say a person lost a diamond ring, and the government held it for three months and then sold it. Would there be a press release stating that a diamond ring had been found in the auditorium, or wherever it was found? What I am trying to get at is: what is being done in order to acquaint the public that the government has some articles that it is going to sell if they are not claimed promptly?

DR. BACKUS:

I have noted the problems brought to my attention by the hon. Member for Calgary Mountain View, and certainly will look into these matters. I'm afraid I was not aware of the dead tree or the fish, but these will certainly be looked into, and also the matter of the steps. I did a preliminary check on the steps and this has already had some review.

With regard to the bill, the types of articles that are left are various articles of apparel left in the Jubilee Auditorium and other public buildings. These can vary quite a little bit. I do believe that already at the present, if any really valuable article is found, the normal process of notification of the police is carried out. If anybody losing one of these articles follows the usual process of trying to find it, he should be able to find out where it was lost. On the other hand, it does present a real problem because a lot of people seem to leave things behind and don't seem to have the least concern about recovering them. They are kept there for the public to come back and recover them for this period of three months, and, in fact, in the past they have been kept a lot longer. Nobody seems to bother to come back and pick them up. I'm sure if somebody even thought that he had lost a diamond ring and there was the least possibility it might have been lost in a public building, he would be very quick in trying to follow it up.

I could look into the possibility of advertising these lost property sales in such a way that people would have an opportunity, if they saw the advertisement and recognized personal possessions in the list, to get into the department to claim it before it was actually sold. I can assure the hon. members that if this were the case and somebody gave notification before an article was sold, even if the three months had expired, there would be no question about returning it to the person. It is really just to cover the ones who don't seem to worry about their articles being left behind.

MR. YOUNG:

Mr. Chairman, I just wanted to suggest to the hon. minister that I would like him to give some consideration over a year or two, if this bill proceeds.

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I have some question, in my own mind, as to whether the procedure for the sale and disposal of these lost items is most appropriately the Alberta Opportunity Company. My understanding of the operations of that company is that its procedure may perhaps be better suited to government office fixtures and this sort of things -- larger items, which can be put on display on the floor. I would guess that these items we are discussing here are of a smaller more personal nature and might just as well be disposed of by auction sales, for instance, as the federal post office does.

Also I'm not aware of the Alberta Opportunity Company advertising its items the way auction sales are sometimes advertised. So, while I'm not opposed to a procedure of some type, I do raise a question as to whether, after some experience, we might not again look at this with a view to a different procedure.

DR. BACKUS:

I perhaps should say, at this point, that the desks and other items which you referred to had, in the past, been handled by the commercial branch. The Alberta Opportunity Company is a completely new undertaking. For this reason, we really have had virtually no experience of their method of disposal of articles. I certainly think any recommendations would be very much appreciated by the Alberta Opportunity Company. I'm sure they will look into the various ways of disposing of these things, whether by auction or by bulk sale, whatever seems to bring in the most satisfactory return for them. I'm sure they would only be too happy to adopt this. I certainly agree that after we have watched this go along for a short while, there will be some changes in the technique of selling these surplus articles.

[The title and preamble were agreed to.]

DR. BACKUS:

Mr. Chairman, I move the bill be reported.

[The motion was carried.]

Bill No. 115, The Financial Administration Amendment Act, (No. 2)

[All Sections of the bill, the title, and the preamble, were agreed to without debate.]

MR. MINIELY:

Mr. Chairman, I move the bill be reported.

[The motion was carried]

Bill No. 120, The AGT-Edmonton Telephones Act

[Section 1 to Section 2(1) (b) were agreed to without debate]

Section 2(1) (c)

MR. BENOIT:

Mr. Chairman, I can't see the difference between these two; arbitration tribunal and price evaluation committee. Are they going to do the same thing and have a different name?

MR. WERRY:

Mr. Chairman, we are on Section 3, are we?

MR. CHAIRMAN:

Section 2(1) (c), the first amendment, the Arbitration Tribunal.

MR. WERRY:

Mr. Chairman, I'll speak to that, and while I'm speaking to that, I will also be speaking to Section 3. The arbitration tribunal, as set out in the present bill before it is amended, states that the Executive Council shall sit for any matters that are in dispute as to compensation, or what the assets are under Section 3. The tribunal, as it is referred to, shall be set by the Executive Council. Well, upon the request of the City of Edmonton, we have

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changed Section 3 so that the tribunal, or what is now called the Price Evaluation Committee, is set as follows: the City Council shall nominate one member; the Executive Council will appoint one member; and then those two members shall appoint the third member. So, really we are talking about the same thing. Instead of calling it a tribunal, now it is a Price Evaluation Committee and has to do with the pricing and the assets that will go into the evaluation as of December 31st.

MR. LUDWIG:

Mr. Chairman, in appointing a member to this price evaluation committee, has the government indicated who will be representing it?

MR. WERRY:

Certainly not, Mr. Chairman, because if the hon. member will look at Section 3, there are two items there that might require the striking of the price evaluation committee. We have no idea if there are going to be any items to be referred to this committee, and until there is some item that is in dispute, why strike a committee?

MR. LUDWIG:

Mr. Chairman, the concern I have is: have any prices been agreed to, to date, and if they have, would the minister give us some indication of how they have been arrived at and who agreed to any prices? Naturally if one party is selling and there are a number of items for sale, one can anticipate that Edmonton is going to want the best deal it can get and the government ought to get for the people the best deal possible if this bill passes. I'd like to know who the individual is who is going to be representing the people of the province against Edmonton Telephones.

MR. WERRY:

The hon. member will know when the member is appointed.

MR. LUDWIG:

After that remark, I hope it is someone who can do a much better job for the people than the hon. minister has done on this bill.

MR. HYNDMAN:

You had 30 years to do nothing.

MR. NOTLEY:

Mr. Chairman, just a small question to the minister. I gather that whether it is called a price evaluation committee or an arbitration tribunal, the decision will be binding on both parties?

MR. WERRY:

Yes, that is correct, Mr. Chairman. Under the provisions of section 3, the third member that is appointed; there is a three-man committee and the majority carries, so that in effect the chairman will act as the person that will set the value of the equipment.

MR. CHAIRMAN:

Mr. Dixon.

MR. DIXON:

Mr. Chairman, I would like to direct a question to the hon. minister. I was wondering if in this bill somewhere they could allow an option exercise where the province, in the case where it decides to negotiate with others and Edmonton to buy them out, if they can have the option to use the same conditions as we are giving Edmonton at the present time, as a safeguard. The option would be that they could use it if they wished to, or if they wanted to go with what the committee recommended later on in the day. I was wondering if there was some protection for the Alberta people whose crown assets we are selling, because they are being sold at an encouraging price to Edmonton, and I am wondering if the shoe was on the other foot, and especially when I heard during the debates the members opposite who were stating they were hoping to build up this Edmonton empire and then maybe at that time start selling it back to AGT,

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so I was wondering, and I am being serious, I was wondering if there was some way where there could be an option whereby we, as AGT subscribers, could buy it back under the same conditions as we are selling at the present time, providing that each party is agreeable to a sale?

MR. WERRY:

Mr. Chairman, there are a number of problems with that and, in principle, what the hon. member is saying is a good point, but in that sort of an event we have to have a willing seller and at this particular point in time the City of Edmonton has indicated that the system is not for sale. Now with respect to this bill, we hope that a precedent will be set for evaluation of equipment from here on in, and that evaluation has nothing to do with cost.

For instance, as of today's date an approximate value of the cost of the City of Edmonton telephone system is \$60 million. Well to anyone who has been aware of the debates that have taken place in the council chambers, that figure gets bandied around from \$100 million to \$200 million, depending on which council member is speaking. I am hopeful that this bill here will reflect how a purchase price can be set if, in fact, Edmonton Telephones would be for sale in the foreseeable future. It is a precedent, too, that is well recognized in utilities in Alberta, in that in The Public Utilities Act it states that any franchise that is acquired shall be on the basis of reproduction cost new, less depreciation.

MR. HENDERSON:

Mr. Chairman, I think I understand the intent of Section 2, particularly (1)(c) but I am wondering if it really makes it clear that this committee is to deal with the payment to the city for incremental cost over and above the \$10 million referred to the preamble in clause 1. Now the way I look at the thing, I don't think it makes it explicit that the committee aren't negotiating or dealing with the question of \$10 million. All they are dealing with is this--

MR. WERRY:

Mr. Chairman, if the hon. member will refer to the amendments that have been circulated, then I think he will see what I am referring to. Unfortunately I had to move from section 2 to section 3 to explain the change in wording from "tribunal" to "price evaluation committee."

MR. LUDWIG:

Mr. Chairman, the minister states that Edmonton was not a willing seller. Can he explain why and for what reason AGT became a willing seller?

MR. WERRY:

Well, if the hon. member was listening Friday last, I think he would have found out a little bit about what happened in the previous five years. I don't want to take the time of the House to go back to the year 1902 to bring them up-to-date --

MR. LUDWIG:

Go ahead, go ahead. I don't want to take the time of the House to go back to the year 1902 to bring them up to date, but I would just reiterate that in the last three or four years the City of Edmonton had requested that they service Jasper Place and West Jasper Place. In January of 1971, Justice Dechene ruled in the Supreme Court of Alberta that the City of Edmonton had the right to service Jasper Place. Now, at that point, the whole telephone dispute sort of exploded, as you might say. The thing got out of hand, and a telephone mediation committee was struck. There was one appointee from the City of Edmonton; there was one appointee from AGT, and there was an independent person, Alec Lester. They came down with a mediation report. As I indicated in the House on Friday, there were -- I don't have the mediation committee report with me -- but I think there were some 15 points in that the committee recommended, that had to do with the solution of the outstanding items that had been bandied around for some time.

Now all of those were accepted with the exception of two. One of them had to do with boundaries. And in the boundaries question there were eight recommendations as to different boundaries. Also, in those recommendations was another item that recommended that Edmonton Telephones received three per cent of the long distance toll revenue from the calls emanating or terminating in the City of Edmonton. So, in this telephone negotiating committee that was struck,

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being comprised of members of city council and three members from the government side, we moved off the mediation committee report in two areas. We moved off on the boundaries, and we moved off on the long-distance toll settlement. The agreement was that the City of Edmonton would be allowed to serve the subscribers in the City of Edmonton as the boundaries may be from time to time.

The second part of that settlement was that AGT is not authorized to enter into any agreement with the City of Edmonton for toll revenue. And that, Mr. Chairman, was the basis of the settlement.

MR. LUDWIG:

Mr. Chairman, I could understand and appreciate the minister's concern for trying to make this mess look good, but I want to know why he said that all the recommendations of the mediation committee were accepted, when the number one recommendation of the mediation committee was that AGT buy out Edmonton Telephones. That was number one and they did not accept that one. What was the reason for AGT being so anxious to alienate the assets of a Crown corporation which are the assets of the people with the exception of the fact that Mr. Lougheed put his foot in it and made a promise? There is no other reason for it.

MR. WERRY:

Mr. Chairman, obviously you can't enter into an agreement on the first recommendation because there wasn't a willing seller. The City of Edmonton, right from the start of the negotiations, said that the Edmonton Telephone system was not for sale. In the second recommendation it stated that if the two parties could not agree to the first recommendation -- that is the sale of Edmonton Telephones -- then there should be a joint corporation formed. That one wasn't acceptable by the members of the negotiating committee. So then we had to deal item by item as the report indicated, and we settled them item by item.

MR. LUDWIG:

Isn't it true that the second recommendation was not acceptable to the Edmonton negotiators, and the government negotiators capitulated and went along. Whatever Edmonton wanted it got, and what it didn't want it didn't get. That is the position, and I am quite convinced now, Mr. Chairman, that of the committee that was negotiating following the mediation committee report, two people from Edmonton represented ET, and I am convinced that the hon. minister, Miss Hunley, and the hon. Minister, Len Werry, represented Mr. Lougheed and nobody represented the people of Alberta. That is the position we have right now.

MR. DIXON:

Mr. Chairman, I have to get something clear with the hon. minister. It is my understanding in the reading that I have done that in the court case that Mr. Justice Dechene brought down he declared that the 1963 agreement was ultra vires because it had been signed by the mayor and the commissioners, but it had not been ratified by the council. Now this is what he based his ruling on, not that Edmonton could serve Jasper Place. Because once he made the ruling that the agreement was ultra vires you could throw anything in -- toll rates, Jasper Place and anything else. But in my understanding the only thing that the learned judge brought down in his case was the fact that the City of Edmonton, who made an agreement -- whether it was found out later not to be legal because it was not turned over to the council for ratification. There was a moral agreement signed by all parties and they were agreeable to it at that time. I would like the hon. minister to clarify this point for me because anything that I have read on it that was his ruling. It was the problem of not having the council members ratify it.

I would also like to ask the hon. minister -- it seems the general opinion by the council in the City of Edmonton, and in particular the editorial letters of The Edmonton Journal that the reason the Edmonton got such a good deal in purchasing part of AGT assets is because of the fact they said, "Well, we will give you this deal providing you don't bother to ask us for any more toll revenue." I think this is a misleading statement as well, and I am just wondering if the hon. minister agrees with what The Edmonton Journal and some of the Edmonton city council are saying?

MR. WERRY:

Dealing with the second question first, I am not aware of what The Journal is saying or the city council is saying. I am saying that there are two basic

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principles in this agreement. The City of Edmonton is allowed to serve the residents of the city. The second principle is that Edmonton Telephones will not get one cent of long distance revenue from AGT.

With respect to the first, the hon. member is partially correct, but in order to get that into courts a citizen of Jasper Place applied to Edmonton Telephones for service. At that point Edmonton said, well we cannot serve you because of the boundary agreement. The resident then took it into court. That is how the 1963 boundary agreement got into the courts through the application of a resident of Jasper Place applying for telephone service from Jasper Place. The judge did rule that the agreement was not valid, for the reasons stated, and in so saying the implication was that Edmonton Telephones could service the citizens of Jasper Place. Now with that kind of a situation it just does not make sense to have two telephone companies stringing lines up and down back alleys to try to service one community. The only way of overcoming that would be to come down with some sort of legislation that says, you can't do it, when already the courts had said you can do it.

MR. DIXON:

A further question I forgot to ask the hon. minister. The City of Edmonton is taking the position, and The Edmonton Journal editorial points this out, that they in effect say that because they are not getting the toll revenue that is their part of subsidizing the rural areas, plus Calgary. I just wonder how they arrived at that conclusion. I don't expect you to stand up for the Edmonton Journal, but that is what some of the aldermen are saying.

MR. WERRY:

It is a basic fact, Mr. Chairman, that a local exchange is part of an integrated communications network. Basically, a telephone exchange is not that profitable unless you get into the telecommunications revenue of which long distance revenue is the largest. So that, in effect, AGT uses the long distance telephone revenue to provide telecommunication services to uneconomic areas and to exchanges that otherwise would not be able to have the kinds of exchange equipment that they do have in their vicinity. Also the rural cable program that will be completed next year is another component. It is going to cost some \$84 million when it is through. Without that long distance toll revenue they would not otherwise be able to have the kinds of exchange equipment that they do have in their vicinity. And also, the rural cable program that will be completed next year is another component; it's going to cost some \$84,000,000 when it's through. Well, without that long distance toll revenue, there is no way that A.G.T., with their present rate structures, could have provided a buried cable program. So the long distance revenue certainly is a lucrative part of the telecommunications industry.

DR. BUCK:

I feel I would be very derelict in my duty if I did not express the wishes of the people that I am trying to serve. And I would like to say, Mr. Chairman, that this type of marriage I don't think is going to work. We are just starting upon the road to more and more problems. I would like to say that to base a bill such as this upon a political promise, is absolutely the wrong premise to base an argument upon. I would like to say that if Alberta Government Telephones would take E.T. over, we would solve the problem permanently. But the point that I want to make, hon. minister, is this; there's no way I, or you, can convince the people of Fort Saskatchewan, Leduc, Devon and these areas, that we cannot extend to them a toll free service when we turn around and sell part of A.G.T. to E.T. There's no way they are going to buy that argument. There's no way they are going to stay silent, and just have this shoved down their throats. They want this extended area of service, and they want it relatively soon. So when we are in this legislature, and we vote for things such as this, we have to answer these people. I have to answer to mine, the hon. Member for Leduc has to answer to his, and you are going to have to answer to all of them, hon. sir. So I would like to say to you, I know that this bill is going to be passed, but you as a government are going to have to answer for it.

MR. HENDERSON:

Mr. Chairman, I would like to come back to this question I brought up to the minister earlier, and point out to him that his reply that the amendment he introduced does not deal with the question that concerns me, as to exactly what it is that this committee is negotiating. And the amendment, as far as I am concerned, produces all the more grounds for confusion, because this amendment, if we could just look at it briefly on page 2, says "The price evaluation committee shall proceed to hear and determine any matters referred to in Section

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1(1)" and one of the matters referred to in subsection 1 is a \$10 million figure. And the way I read this act and the amendment it means the committee could deal with the question negotiating on the \$10 million. Is that the intention of the act, or is it a committee simply dealing with the question of appraisal, evaluating, put a dollar price on clause 1(c)? I would like to know what it is negotiating. There's no point in \$10 million in the act, unless it can be negotiated. The wording does not make it plain. It's pretty critical to what we do with the bill, because the way I read it, this amendment just makes it plain that the committee can look at the whole ball park again, the \$10 million, all the other costs related thereto. If he wants to put in here "Shall proceed to the subsection 1(c)", that might clarify it, but I'd like to know what the intent of the bill is first; then we can talk about the wording of it second, because it leaves you confused as it is.

MR. WERRY:

Well, Mr. Chairman, if the hon. member will look at 2(1)(c), all the 2(1)(c) is doing is changing the wording of "arbitration tribunal" to "price evaluation committee," then section 3 of the bill has to do with what is referred to, that price evaluation committee. So in 2(1)(c), all we're doing is changing the name there.

MR. HENDERSON:

That doesn't basically alter the question of what the committee is dealing with. Is the committee dealing with the question of the \$10 million? Well, why doesn't the bill say so?

MR. WERRY:

Yes, as I said, we had to then move on to section 3 to find out what the price evaluation committee -- what could be referred to it.

MR. HENDERSON:

Mr. Chairman, that's exactly what I did and I read it out to him, on this amendment that he gave us, "the price evaluation committee (a), shall proceed to hear and determine any matters mentioned in sub-section 1."

One of the mentioned in sub-section 1, and the biggest one is the \$10 million. Until I saw the amendment I presumed that all the committee was talking about were the items that are referred to in 1(c), but the hon. minister is really confused. The amendment doesn't clarify the question of what it is the committee is negotiating. Is it \$10 million plus the amount in 1(c)? Or is it \$10 million any figure? Can the \$10 million be renegotiated? I'd like to get the answer out of the hon. minister if I could. I didn't address the question to the hon. member, I addressed the question to the hon. minister.

MR. GHITTER:

Maybe it needs a little interpretation -- it's so obvious -- it doesn't relate to the \$10 million, it relates to the compensation payable by the city under section 2, sub-section 1(c).

MR. HENDERSON:

Mine doesn't say that.

MR. GHITTER:

My amendment does. I don't know about yours. It does right here, paragraph 3. Section 2, sub-section (1)(c). That doesn't refer to the \$10 million, it only refers to the (c) portion. That is very clear and the hon. minister is correct.

MR. LUDWIG:

Mr. Chairman, the hon. minister makes a tremendous case about what they did not give Edmonton, and he is defending his position really before he gets to Edmonton. He is stating, well the rest of it isn't that important, the important thing is that we didn't give them the long-distance toll. But what did we give them? He told Calgary that they sold Edmonton a money loser, and he's trying to make a poor case look good.

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MR. YOUNG:

Mr. Chairman, are we not at this point in time on the detail in the bill, rather than on the principle of the bill, which should properly come under either title and preamble, or under the opening statement?

MR. LUDWIG:

The hon. minister made reference to what he didn't give Edmonton, and I want to comment on it under this section. If it isn't relevant now, it should not have been relevant five minutes ago. I believe it is relevant and I would like to comment on it.

MR. CHAIRMAN:

Well, Mr. Ludwig, you know you will be given an opportunity under title and preamble. Please finish off so we can get back to this under title and preamble.

MR. LUDWIG:

Mr. Chairman, I intend to take all the time I need on this bill if it is relevant and I would appreciate it very much if I was not interrupted by irrelevant points of order, and furthermore, I am also aware of the fact that under title and preamble I am entitled to make that address.

So, Mr. Chairman, the hon. minister made quite a case, that we did not give Edmonton the long distance tolls. He said that about five times, and it is an indication that he has no confidence in the rest of the proposal. He is trying to project that part that everybody knows. He didn't give them, but I think he gave them the rest of it, and the concern we had is that, was there any kind of an independent study made, by anyone, to project the loss of revenue to AGT within a given number of years into the future? Has any kind of a study been conducted outside of your department?

MR. WERRY:

No. The only evaluation that is taking place is with respect to the equipment that will be sold to Edmonton Telephones. That equipment is at the present time, as are all of the assets, being appraised and evaluated by an independent appraiser at my direction.

MR. LUDWIG:

Who is the independent appraiser? Could the hon. minister tell the House?

MR. WERRY:

Mr. Chairman, the appraiser is Gamma Engineering of Edmonton.

MR. LUDWIG:

Mr. Chairman, is this an Edmonton based firm? Have they got businesses in Edmonton? And are you telling this committee it's an independent appraiser?

MR. FARRAN:

Would the hon. member permit a question? This is a question to the hon. Member for Calgary Mountain View, although it could be to the hon. Member for Wetaskiwin-Leduc.

MR. CHAIRMAN:

Mr. Farran --

MR. FARRAN:

Would you permit a question? Oh, you're not going to allow me to put in a question to you?

MR. CHAIRMAN:

No, not at this time, Mr. Farran.

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MR. LUDWIG:

Has the hon. member given up hope for getting any answers from the hon. minister? I'll take them if you can't get the answer.

MR. CHAIRMAN:

Order!

[Section 2(1) (c) to 3(2) (b) as amended were agreed to]

Section 3(2) (c)

MR. CHAIRMAN:

Under Clause (c), Mr. Minister, there is a change here. Do you want to read the change?

MR. WERRY:

Mr. Chairman, if you would change (c) to read "The members so appointed by the city and the Lieutenant Governor in Council."

MR. CHAIRMAN:

We will cross out AGT. Is that agreed?

[Section 3(2) (c) to Section 6 were agreed to]

Section 7(1)

MR. LUDWIG:

Mr. Chairman, on Section 7(1), it says, "AGT has no power to enter into any agreement or arrangement with the city whereby any part of AGT's toll revenues from telephone calls originating or terminating in Edmonton may be paid to the city." Then what authority did AGT have to negotiate with the city and agree before bringing this to the legislature of selling out a considerable portion of AGT toll revenues and materials? Under what authority was this done? Could the hon. minister describe his exact authority?

AN HON. MEMBER:

This act!

MR. WERRY:

Mr. Chairman, the two sides to the dispute entered into an agreement. This bill then authorized the two parties to enter into the agreement and it makes it valid and binding on both parties.

MR. LUDWIG:

Mr. Chairman, when all this was done, and a sell-out was in progress, this bill was not even in its gestation stage yet. Nothing was before the House. The hon. minister is trying to justify his past actions with a bill that isn't even passed yet. I think that this is an utterly ridiculous and misleading position to take.

MR. POSTER:

You're supposed to be a lawyer, for Pete's sake!

MR. LUDWIG:

Yes, so are you. You just keep quiet!

MR. CHAIRMAN:

Gentlemen --

MR. LUDWIG:

Just a minute, just a minute. I'm still speaking!

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MR. CHAIRMAN:

Mr. Ludwig, I wonder if we shouldn't call it 5:30 and --

AN HON. MEMBER:

You'll feel better now that you've sat down.

MR. HYNDMAN:

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

MR. CHAIRMAN:

It has been moved by the hon. House Leader that we report. Is it agreed?

SOME HON. MEMBERS:

Agreed.

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills: Bill No. 108, Bill No. 109, Bill No. 110, Bill No. 111, Bill No. 112, Bill No. 115 and begs to report the same.

The Committee of the Whole Assembly has had under consideration Bill No. 120 and begs to report progress on same and asks leave to sit again.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

A point of order, perhaps to advise members as to business this evening; at 8:00 o'clock, hopefully, we would begin with the conclusion of consideration of Bill No. 120, The AGT-Edmonton Telephones Act. Following that we would move back to Bill No. 77, The Legal Profession Act with respect to one amendment on one section that was discussed earlier today; then to Bill No. 114, The Brand Amendment Act; and then to second readings of Bill No. 121, The Improvement Districts Act, and Bill No. 123, The Alberta Lord's Day Amendment Act; following that move into government motion No. 3 regarding the report of the Commission on Educational Planning.

MR. SPEAKER:

The house stands adjourned until 8:00 o'clock this evening.

[The House rose at 5:33 p.m.]

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

MR. HYNDMAN:

Mr. Speaker, I move that you do now leave the Chair and we resolve ourselves into Committee of the Whole for consideration of bills on the Order Paper.

MR. SPEAKER:

Having heard the motion, do you all agree?

HON. MEMBERS:

Agreed.

[Mr. Speaker left the Chair at 8:02 p.m.]

* * * * *

COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair.]

Bill No. 120 The AGT - Edmonton Telephones Act, 1972

Section 7

MR. STROM:

In Section 7, just to make sure that I understand correctly, Clause (1) states that the Alberta Government Telephones has no power to enter into any agreement or arrangement with the city in regard to tolls. It seems to me it is fairly straightforward. In Section 7(2), "the city is not liable to pay to AGT any moneys as a contribution towards the costs of AGT's rural distribution system." Just what is implied in Section 7(2)?

MR. WERRY:

Mr. Chairman, in the Telephone Mediation Committee report, the technical one, the recommendations were that 3 per cent of tolls for calls originating and terminating with Edmonton be paid to the City of Edmonton system. The reason for the low percentage was to take into consideration the buried cable program that, by the time it is through, will have cost AGT approximately \$82 million. Normally a sharing arrangement would have been higher, but the Telephone Mediation Committee considered that the City of Edmonton system should, in fact, help cross-subsidize the buried cable program in the city. So in Section 7 it states that there are two principles in this: first of all, AGT cannot enter into a contract with Edmonton Telephones for any share of the long distance revenue, and secondly, the City of Edmonton system is not obliged to pay anything for the buried cable program which is being subsidized by the long distance revenue.

MR. STROM:

Mr. Chairman, maybe I am a little suspicious, and if I am I think I have a right to be inasmuch as I have been involved in some of the negotiations and discussions that went on with the City of Edmonton in regard to this. As I read Clause (2), where it suggests that the city is not liable to pay to AGT any moneys as a contribution towards the cost of AGT's rural distribution, I have to point out to the hon. minister that this is the very argument that they are using right now. In suggesting that they are not getting a share of the toll revenue, they are, in fact, subsidizing the rural system. I say that the two will lay the government open for arguments as to whether or not part of that toll revenue that is due to them is not being used as a subsidization for rural areas. They are generating it within the city; they argue therefore, that it is a partial payment that they are making toward the subsidization. I say it is a clause that lays itself open to some interpretations that could be difficult.

MR. LUDWIG:

Mr. Chairman, in dealing with this section and in negotiating the sellout to Edmonton Telephones, I wonder whether this principle which was recommended by the Mediation Committee was applied by the hon. member, Miss Hunley, when they were negotiating with Edmonton. It says here, in dealing with one recommendation of possible amalgamation, that "amalgamation should preferably be by AGT purchase of Edmonton Telephones, with both parties agreeing to the purchase price, the price to provide the City of Edmonton reasonable assurance

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of retaining present and potential profits." Now the question I want to put to the hon. minister is this: in this arrangement, was there any assurance given to AGT, that is, the people of the province, of potential profits? Is that a principle applied conversely to the one that Edmonton said the Mediation Committee recommended Edmonton must have in the event of buying from Edmonton?

MR. WERRY:

I am sorry, Mr. Chairman, I really don't follow the hon. member's train of thought.

MR. LUDWIG:

I'll read it again here. It says here, "amalgamation should preferably be by AGT purchase of Edmonton Telephones, with both parties agreeing to the purchase price, and the price to provide the City of Edmonton reasonable assurance of retaining present and potential profits." Now the converse development took place; rather than AGT buying out Edmonton Telephones, Edmonton Telephones is buying out a portion of AGT. In the negotiations, was some assurance given to AGT of retaining present and potential profits of the operation that it is losing to Edmonton Telephones?

MR. WERRY:

Mr. Chairman, for the fourth time, twice today and twice on Friday, I'll have to explain to the hon. Member for Calgary Mountain View that in concluding the agreement we made two basic changes from this document. The first one was that the City of Edmonton would be able to acquire those assets in Jasper Place and West Jasper Place. That is the first principle. The second one that we deviated from is that the City of Edmonton would not, and I repeat, would not get a share of the long distance toll revenue.

MR. LUDWIG:

Mr. Chairman, I have heard that many times, and I understand it, and the hon. minister insists on making that point. That's the only point he's got. But I want to know whether the recommendation of the Mediation Committee, as to what principle should be applied in settling with Edmonton if we bought out Edmonton, was applied when Edmonton Telephones bought into AGT. What assurance does AGT have of retaining potential profits from this sale of a portion of its lucrative operation to ET? Was there any, and could you tell me? I know the history of this thing. I have heard you four times now. If you could just answer this question, that's the one I want.

MR. WERRY:

Mr. Chairman, I'll explain this for the hon. member and then hope that he will understand. If this recommendation, No. 6, were to be implemented, in the first year, that is the full year of 1972, it would cost AGT in the neighbourhood of \$400,000, and by the end of the five years that figure would be up around \$1.5 million. I can certainly assure the hon. Member for Calgary Mountain View that Jasper Place and West Jasper Place will never generate profits of that kind.

MR. LUDWIG:

I am not talking about Jasper Place. I am just discussing the matter of the principle of negotiation with ET. I'll read it once more, but I'm really beginning to doubt whether the minister is competent to deal with this issue. He cannot understand the question. Or if he understands it he skips around it. I am entitled to an answer.

MR. CHAIRMAN:

Mr. Ludwig, I am sure that you don't have to read it. You've read it twice already tonight.

MR. LUDWIG:

He doesn't understand. He beats around. I am not interested in the toll revenue, and I am not interested in anything else. I want to know what principle of negotiation existed between ET and AGT because -- and I am saying this for the third time -- if we had purchased Edmonton Telephones, the Mediation Committee recommended that some reasonable assurance be given Edmonton of retaining present and potential profits that they had in the operation. And I am asking the hon. minister if some reasonable assurance is being given to AGT

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of retaining present and potential profits from the operation that we sold out to Edmonton Telephones. Now that is a clear question, and if he can't answer he doesn't have to. But beating around the bush doesn't impress the hon. members in this House.

MR. WERRY:

Mr. Chairman first of all, I must say to the hon. member again, that early in the discussions it was made clear to the parties on our side that Edmonton Telephones was not for sale. Now, even if they were for sale, there are a number of ways that the system could --

MR. LUDWIG:

He is repeating this. He's repeated this about three times.

MR. CHAIRMAN:

Mr. Ludwig, please, you repeated reading that article. Let's give the minister a chance to finish this off.

MR. WERRY:

Mr. Chairman, there would be two basic ways of evaluating the Edmonton Telephones System. There would be evaluating the equipment at cost, and then taking into consideration some factor for goodwill which could be a reasonable amount of present and potential factors. Or, again, the method that could have been used is reproduction cost new less depreciation, and that could have been a lump sum settlement. But as I indicated, the Edmonton Telephones system was not for sale and is not for sale. So from there in negotiations you move on to explore other avenues, and in coming to a conclusion we had to settle on two basic differences or two principles. Certainly neither the government nor the City got everything they wanted. In exchange for giving up Jasper Place and West Jasper Place, AGT is to retain full control and will give up no long distance toll revenue. Those were the two factors taken into consideration in concluding the long and protracted series of disputes that had been going on for five years.

MR. TAYLOR:

I wonder if the hon. minister would tell us if there is in his possession, or in the government's possession, a signed agreement by the City of Edmonton stating that they will not ask for any toll revenue?

MR. WERRY:

No, Mr. Chairman. In the council minutes of July 24, the recommendations that went to council and were accepted by council were the proposals that the two negotiating committees had agreed upon; but also, they stated in the proposal that went to council that the City Council was authorized to continue negotiations with the government on the long distance toll question. And what we are doing here with this bill is stating unequivocally that AGT cannot enter into any agreement with Edmonton Telephones or the City of Edmonton for any share of that long distance toll revenue.

MR. TAYLOR:

The negotiating team went to the trouble of going through a lot of negotiations in order to reach an agreement, and now we are going over the heads of the negotiating committee and making it a one-sided affair. We are saying that the government can't negotiate on toll revenues anymore, while at the same time the City telephone users are contributing towards the rural distribution system because the revenue from any telephone system consists of a number of items, including toll revenue. Now the Edmonton Telephone system is being denied any toll revenue, and so the toll revenue, from the hon. minister's own words and as outlined by the hon. Leader of Her Majesty's Loyal Opposition, is being used for the rural distribution system. Part of them are. Now it is not just the buried lines; it is anything, to get the telephones out to the most sparsely populated area, even on poles. It is still part of the rural distribution system, and so the legislature is being most unfair to the negotiators and to the people in the City of Edmonton by saying, "We'll take all we can get from you but we will forbid the government to do what is right, if the government thinks it is right." [Laughter] You can laugh if you like, but it is exactly what you are doing. You are wanting this legislature to say that the government can't, even if it wants to, pay any portion of the toll revenue to the people of Edmonton. Now, laugh that off, put that in your pipe and smoke

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it; because that is exactly what you are saying. And the hon. minister, then, can go to the City Council and say, "We would love to discuss toll revenues with you, but the legislature said, 'No.'" Well now, that is a ridiculous position to be put in. The hon. Minister of Labour wouldn't put any negotiating team in a labour contract in that position, surely. That's not bargaining in faith. That's bargaining with one side having one of his arms tied behind him and both of yours loose. Well, this isn't fair. If this is the way you wanted it and this is the way you wanted an agreement which the hon. minister keeps referring to, why wasn't it put in the agreement? The only reason was that one side wouldn't agree to it. Now we are going to go over the heads of the negotiators and say, "We'll make you agree to it -- we'll get legislative approval from the legislature saying we can't give you any portion of the toll revenue even though you are entitled to it."

Now if you want to settle the matter as the hon. Leader said the other night, toll revenue is an item that has to be considered. If the negotiating teams had been fair with the City of Edmonton throughout the years and said, "We will make a standing offer to purchase Edmonton Telephones for a proper price -- for the price that that system will give including toll revenues as revenue to the people of Edmonton for a period of years," then nobody in Edmonton would suffer because of the sale, and AGT would have the whole system. But we always want to chisel them out of something that is properly theirs. No wonder the City Council won't agree to that type of thing. It just isn't fair. The toll revenue for any telephone system on this continent is a major source of their revenue. But we say to the City of Edmonton, "You can't have any of the toll revenue, not one iota of it, even though some of it originates in the city of Edmonton, and some of it terminates in the city of Edmonton." So the hon. minister is asking this legislature to do something that is most unfair. It is asking that we give the authority so that they can't even negotiate on toll revenue and at the same time it is saying to the City of Edmonton, "You won't have to pay anything on the rural distribution system," while at the same time they are paying a portion of the cost of the rural distribution system through the toll revenue. Now how consistent is that? That's completely inconsistent. We have broken faith with the negotiators of the City of Edmonton. Consequently, Mr. Chairman, I move that Section 7 be struck out.

MR. HENDERSON:

Mr. Chairman, there are two or three things about this bill which raise a number of doubts. I think the way they are presented in the legislation tends to detract from its credibility, and I think that the government should examine them as well as the remarks just made by the hon. Member for Drumheller. I find it difficult to follow just exactly what the government is doing. I think it should either withdraw that section or put an additional section in the act so that we get some consistency in it. Now, even if Section 7 does describe the government's present policy, I can think of no reason why it needs to be in the statute. They are running AGT and it is government policy that they don't need it in the act to tell AGT they can't do these things. They've got all sorts of other things they tell AGT they can and can't do, and they aren't in the act. What escapes me is why on earth, even if it is government policy -- I'm not going to quarrel at this point whether the policy is good or bad -- but I can find no logic in it whatever and this raises a number of doubts as to why this section need be in the act.

Then on the other hand, a matter of principle, I think, which should be in the act is completely ignored. This is the question that we have heard a lot of fatuous remarks by the Government House Leader about, "You guys didn't do anything for 30 years", while the member knows full well that the government knows full well the problem wasn't around 30 years ago. Maybe he wasn't and the problem wasn't. It wasn't around in 1902 as the hon. minister brought up today when he went to answer a question from one of our members. We insist on having this clause in the act, yet when it comes to something of importance to every member of this legislature and every citizen in this province, namely what is going to be the ultimate solution to the problem between the City of Edmonton telephone system and AGT, all we can find is a statement in Hansard. I don't know even yet whether this is the policy. The hon. minister in the second reading of the bill -- this is in Hansard from last Friday -- was talking about a letter that he received from the City of Edmonton:

I have a letter from the Mayor of the City of Edmonton outlining certain concerns that he has with respect to this bill. I have indicated to him, that in speaking to the bill, I would clarify the question he has posed.

The first question he raises is that the city insists on a clause to give the city telephone rights within the city's boundaries as they exist from time to time.

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This bill states that the Edmonton Telephones is authorized to acquire the assets within the corporate boundaries as at December 31, 1972. Now the reason the date is mentioned is to set the date on which the assets are to be acquired in the method of evaluation. So far so good. These are the minister's words; "This precedent, when it is set, will be used to evaluate equipment of the city system for the city boundaries as the city boundaries expand and is part of the agreement which we reached with the city last July that they will be able to acquire those areas as the boundaries expand.

That, I presume, reflects in principle the government's long term policy relative to its position on the city telephone system vis-a-vis AGT, yet we find nothing in the statute that reflects that policy. And that's important, that's critical because if the gentlemen seated opposite are in office long enough as government, it's only going to be a very short period of time until the hassle comes up again. And surely to goodness, Mr. Chairman, after all the time and effort that's gone into negotiating this issue, both the citizens of the City of Edmonton and the people of the Province of Alberta are entitled to a clear statement of policy as it relates to the city telephone system and so, as I say, it defies credibility as to why something like Section 7, which the minister can issue to the officers of the board that operate AGT as an internal directive they chose to put in the act, but something that is really significant as a matter of policy is not put in the act. It's left up to a statement in Hansard. There's something completely ass-backwards about the whole procedure.

And another thing that completely defies credibility on the issue; on the one hand we have the minister talking about the fact that AGT is not making any money out of Jasper Place, the area that's in contention at this time, that it's a losing proposition, that we should unload it, and on the other side of the coin we have the City of Edmonton lining up to pay \$10 million or more to take on a losing proposition.

Now how on earth, under the circumstances, do the Minister and his colleagues on the other side of the House sit here and think this is such a big joke -- real funny -- expect us on this side to swallow what is being presented here as the arguments behind this bill?

Now, I suggest, Mr. Speaker, that so far as the motion is concerned, to cancel Section 7, I was never under the assumption, or aware of the fact that the City of Edmonton was paying for AGT rural buried form cable. If they are, maybe the minister can elaborate on the matter. If they are not, then what on earth is it doing in the act? Similarly, in the question of the city sharing in the tolls from the long distance dialing revenues that AGT gathers in, they are not sharing in that now. So what on earth does it need to get into the act for? But above all, why is this matter in the minister's statement on second reading of the bill (which, I presume, is significant government policy) not enshrined in the bill? It's six of one and half a dozen of the other. Unfortunately, the effects completely negate any suggestion of credibility in what the government is trying to do with the legislation. So I suggest to the members of the House that there is no legitimate reason, there is really no sensible reason, for Section 7 to be in the act. I therefore second the motion made by the hon. Member for Drumheller. And I suggest that all members of this House, particularly the members from the city of Edmonton seated on the other side of the House who think this is such a bonanza for the city of Edmonton, have enough responsibility to stand up and explain to all of us how on earth they can support the approach that has been taken in this legislation. Either Section 7 goes out, or if it stays in, the statement that is in Hansard should go into the act clarifying what the government's policy is on the matter, period.

MR. FARRAN:

The member opposite is talking of credibility and clarification. I've been sitting here, I think, for three hours listening to the members opposite put on an act as if they were really hard-headed businessmen who understood dollars and cents and were not the people who recently contracted to build a \$40 million railroad for \$90 million, or anything like that.

MR. HENDERSON:

Mr. Chairman, that has nothing to do with it. If he wants to debate the Alberta Resources Railroad, at the appropriate time, let him do so. But it is completely irrelevant. If they have so many capabilities on the railroad, why on earth don't they make a decision on the matter? But it has nothing to do with this particular bill.

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MR. CHAIRMAN:

Mr. Henderson, fine. Mr. Farran, I think that the debate is going to have to be on this motion.

MR. FARRAN:

Well, all right, I'm debating the motion. They are allowed every kind of latitude, but you keep us on a pretty closely checked rein over here.

[Interjections]

MR. CHAIRMAN:

Please, let Mr. Farran speak.

MR. FARRAN:

Mr. Chairman, what I fail to understand, after having listened for a couple of hours, is whether they think \$10 million is too much or too little. They seem to think, on the one hand, that the City of Edmonton is paying too much, and on the other hand, that we are not getting enough. They haven't mentioned any other figure. They haven't said, "Well, it should be \$12 million instead of \$10 million." They've said that perhaps the \$10 million should include also the inventory of assets, while the agreement clearly spells out that the taking of inventory is to be in addition to the \$10 million. As a businessman, I fail to understand the reason for all the rhetoric and all the argument. If you are really discussing the meat of this agreement between AGT and Edmonton Telephones, why don't you get down to dollars and cents? But perhaps you don't think on the order of dollars and cents. It's just one big bluff.

MR. HENDERSON:

Mr. Chairman, I think the statements the Member for Calgary North Hill has made are well taken.

MR. FARRAN:

Mr. Chairman, on that point of order, too --

MR. HENDERSON:

There is no point of order -- [Interjections] --

MR. CHAIRMAN:

Please; Mr. Young. Mr. Young, please.

MR. YOUNG:

Thank you, Mr. Chairman. Mr. Chairman, I've been subjected to quite a few hours of debate on this particular topic. Really, we've been confronted with two or three arguments, as nearly as I can discern the different points that have been made. On the one hand, with respect to this particular amendment, it is suggested that we will not finally, ultimately, definitively dispose of the question of toll revenues by putting it in this bill. It is also suggested, on the other hand, that we could achieve the same thing without putting it in the bill. Obviously, no one, not even the opposition, can have it both ways. There was a further point, which so far as I am aware has not been seriously questioned by anyone in the legislature, and which was made quite eloquently last Friday by the hon. Leader of the Opposition. It was with respect to the old agreement which used to exist -- yes, I guess you could call it an agreement. This was an agreement, which everyone thought was a legal agreement, which, it turned out, was not a legal agreement by virtue, apparently, of the City Council not having approved the agreement in terms of a bylaw. It was found wanting in that respect. No one, I think, has questioned that there may have been a gentleman's agreement, and that the intent was absolutely crystal clear at one time. So far as I know, no one has questioned that. The fact of the matter is that one Mayor and one city council made an agreement; another administration took a different point of view and was able to challenge it on the grounds of that legal loophole. There is no way, no way that this legislature, no way that this government -- as far as I know; I haven't been able to dream up a way -- can definitively come to a conclusion of this dispute in such a manner that somebody will not clamour to have the law changed, or clamour to have some toll revenue. That is absolutely clear. We are subjected every day to groups who would to change the law for some particular purpose.

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Now, if the members opposite want us to buy this system out, then that position should be made clear; but in terms of the argument and the concern about this bill not being a definitive answer, there is no way to make sure that somebody can not lobby, at least not under a democracy, for a change of law or for a change of agreement. So as far as I am concerned, we probably will be hearing from Edmonton Telephones about the toll revenue; but, and this is a point that it seems to me the opposition spokesmen have waffled all over the place on, on the one hand it has been argued that the people of this province are losing a major portion of a public utility, that we are giving it away, they are almost having stolen from them a method of subsidizing rural telephones; on the other hand we have just had a very eloquent plea that we, in fact, are stealing from the people of Edmonton.

It can not be both ways, surely. I am not quite sure which point of view the hon. Member for Drumheller is going to take when he rises to speak. But it seems to me that this particular bill and the agreement which underlies this particular bill has a method of resolution, for the time being at least, of this dispute. All this bill is doing, in the first section, (if we do not accept the amendment) is to provide for a means of putting a price on the portion of the AGT system which is now in Edmonton. That price at this point in time is unknown. It is concomitant with another portion of the agreement. In other words there is a quid pro quo there, as the hon. minister has stated on more than one occasion; I think he responded four times this afternoon to the hon. Member for Calgary Mountain View.

[Interjections]

I am glad someone else is enjoying the repetition of the subject as well. But I believe he repeated at least four times that when the committees sat down to negotiate, the matter was reasonably fixed except on two points: one, the tolls and two, the degree of expansion if there would be any degree of expansion. Obviously the committees have agreed that there should be some expansion to the boundaries of the City of Edmonton, or that there may be. And on the other hand, that there would be no toll revenue.

The upshot of the situation at this point in time is that we have a bill with these points in it. We also have a bill which establishes a means to establish a price for the portion of the AGT system which is within the confines of the city of Edmonton. Once that price is arrived at, the City of Edmonton may, or it may not, choose to purchase. That is open to it. So, it is to me inconceivable that anybody can stand up and say that we are doing in the City of Edmonton, because unless the City of Edmonton, in its wisdom, believes that under the price which will be determined it is getting a good deal, then it has no business making the deal at all and it is not bound to make the deal under this bill. So it has the option. We are not forcing anything down its throat. If on contemplation it decides that it wants to reconsider the position which it has taken during the negotiation (the position that it will not sell at any price), then it is a new ball game; but at the present time no one is forcing the City of Edmonton to do anything, unless it decides it is getting a bargain.

MR. MOORE:

On the motion, Mr. Chairman, I am simply astounded that the hon. Member for Drumheller would suggest the removal of Section 7. Surely he has been here long enough.

MR. CHAIRMAN:

One moment, Mr. Moore. Mr. Dixon first, and then yourself.

MR. DIXON:

Mr. Chairman, as I mentioned in the previous debate, this toll revenue really has nothing to do with this agreement. This has been a red herring, and I said that last Friday and I will say it again tonight. The argument with Edmonton was regarding boundaries, not toll revenue. I will read exactly what the hon. minister was quoted as saying -- I am sure this is a reliable paper because it supports the Conservatives in their stand -- in the Edmonton Journal of July 24, and this is what the hon. minister said that very night. We are talking about toll revenues -- "They can send a delegation tomorrow to re-open it again," Mr. Werry said, "and I expect them to. However, the answer will be the same." Then this is the gem to prove my point: "Mr. Werry regarded the agreement as allowing Edmonton Telephones to buy out existing Alberta Government Telephones facilities within the city limits and to service new areas as the city expands." Listen to this, Mr. Chairman: "This is exactly what they were asking last year and what they got. It meets Premier Peter Lougheed's campaign

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promise of allowing ET to expand to its natural boundaries.'" This toll revenue is just a thing to try and soften the blow to AGT subscribers that were not having Edmonton take any of their tolls, and you people should be satisfied.

I don't think they are ever going to be satisfied and I think as long as we argue in this House, we will be arguing forever. We will never be satisfied until we have one complete telephone system for the whole of Alberta -- either operated by AGT or operated by Edmonton Telephones on behalf of all the province.

While I am on my feet, Mr. Chairman, I would like to ask the hon. minister -- and he can answer this when he gets an opportunity to do so -- the money that is going to be borrowed up to \$13.5 million, is the government going to give a guarantee to that loan? Where is Edmonton going to get the money? If it is bought through the Municipal Finance Corporation it seems kind of ridiculous that we should be buying something out and guaranteeing the loan at the same time. This is something to be thought about.

In any case I just want to make it plain that the tolls that we are arguing about here tonight really is just the red herring in this whole deal. It has absolutely nothing to do with the argument that has gone back through many years. The 1963 agreement had nothing to do with tolls; and the 1973 agreement should have nothing to do with tolls because that was never part of the original argument. The argument was always that we wanted to service our boundaries, and it had nothing to do with splitting the tolls as well. I think we should get this straight. I hope the minister will admit that toll revenue has nothing to do with this argument. This is just a proposal that Edmonton would like to have, but it is not part of the deal. As the hon. House Leader on this side has suggested, we should strike it out because it really doesn't mean anything. I would like the minister to think about where Edmonton is going to finance this. I hope it doesn't end up that we are selling it and end up paying for it ourselves by guaranteeing the loan.

I also wonder if the hon. minister would consider restricting ET to a return similar to that which AGT is restricted to, when it comes to raising subscribers rates and business rates or for any other thing to do with communication within the AGT system. I think if the law applies to AGT it should also apply to ET, because they are getting larger and larger at the expense of the vast majority of Albertans who live outside of the boundaries of the City of Edmonton.

MR. MOORE:

Mr. Chairman, now I am just as astounded at the hon. Member for Calgary Millican. He doesn't seem to understand the whole intent of this act. Section 7, without question, is an integral part of that act that was negotiated in good faith by the hon. Minister of Telephones and his colleagues.

A little while ago -- in fact for several hours in this House, we have heard the hon. Member for Calgary Mountain View suggesting that Calgary has got a very raw deal out of this whole act. Then we have other hon. members suggesting that some of the rural areas in the other parts of Alberta have got a poor deal. Now we have the hon. Member for Drumheller saying that Edmonton has got a poor deal. I think what we probably need, Mr. Chairman, is an adjournment of the House so that the front bench over there can have a caucus to decide what their position really is.

I would suggest in concluding, Mr. Chairman, that the big concern of the hon. members opposite is the lack of concern and the lack of respect that they show for the City of Edmonton and the residents of Edmonton. More than two years ago they completely disregarded discussing with Edmonton the toll revenues or the expansion of their boundaries, and all of the other things that are important to this city. That, Mr. Chairman, is one of the reasons they are sitting over there now, instead of over here. And I think that this agreement is the first agreement that has ever come into this legislature that has really tackled the problem of Edmonton Telephones and Alberta Government Telephones. The motion should be flatly voted down and we should continue on with the very important part which is Section 7 included in the act.

AN HON. MEMBER:

That's pure baloney.

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MR. GHITTER:

Mr. Chairman, if I may. It has always been my understanding in listening to Her Majesty's Loyal Opposition, that the purpose of opposition was to provide in debate with respect to any matters coming before this assembly, lucid, clear, consistent arguments which would assist the government in a constructive way to understand the position of the opposition who are there not to oppose for the sake of opposing, but who are there in a constructive way to offer proper, valid suggestions. If I may deal with the position of the opposition as I understand it relating to the amendment proposed, I am completely confused by the inconsistency that we have heard from the opposition with respect to this particular bill. Remember for a moment, hon. Member for Drumheller, the argument of your cohort from Calgary Millican and the argument of your cohort from Calgary Mountain View, who took his mind off the trees and the lunch at the court house --

MR. LUDWIG:

On a point of order. Every time I see the hon. member, I have to think of the dead fish in that little pool. But I think that we are debating the telephone issue --

MR. CHAIRMAN:

What is your point of order?

MR. LUDWIG:

We are debating Bill 120, we should not be permitting the hon. member to ramble. I am surprised that they accuse us of inconsistency. We are not all obedient, straight, like the members opposite. They all speak with one mind.

MR. CHAIRMAN:

Order. What is the point of order, Mr. Ludwig?

MR. LUDWIG:

Pardon?

MR. CHAIRMAN:

What is the point of order?

MR. LUDWIG:

I've made it.

MR. CHAIRMAN:

The Chair will consider that a draw between you and Mr. Ghitter. You want to continue, Mr. Ghitter?

MR. GHITTER:

I am sorry that the hon. member is so sensitive about some of his favourite topics. I remember so well the hon. Member for Calgary Millican in second reading decrying the fact that Calgary members on this side of the house would sit here and listen to a bill that would result, as he, I recall, set out, in a severe increase in rates to the Calgary consumer because of the fact that Edmonton would be coming into the long distance toll charges the next time around. So the moment we place in Section 7, which forbids this to happen, what develops? An amendment comes before the House saying, get that out of the act. That is inconsistent. That has no credibility whatsoever. Mr. Chairman, I would suggest that we defeat this ludicrous amendment and get on with the work of this House.

MR. STROM:

Mr. Chairman, I think that we are getting a little carried away in the debate. But I would like -- [Interjections] -- I appreciate the words coming from the other side and I think we would be a lot better if we stayed with the discussion instead of the cat calls from one side to the other -- to make a point or two, if I may, dealing with Section 7 that I started to raise with the hon. minister when I rose at the beginning of the evening. I refer you to clause (2) of Section 7. It states, very clearly that, "The City is not liable

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to pay to AGT any monies as a contribution towards the costs of AGT's rural distribution system."

MR. APPLEBY:

Is that directed to the amendment?

MR. STROM:

Mr. Chairman, the point that I am trying to make, for the hon. Member for Athabasca's information, is to verify why I am for the amendment and if he would let me finish I think he will know what I am trying to say. I have read sub-clause (2). I tried to find out from the minister actually why that clause would need to be in. As I understand it, at the present time there is no money accruing to the City in toll calls or in any other form of revenue. Now, when this clause is placed in there, it leads me to believe that the hon. minister is thinking that there may be a chance that we may want to make a direct charge outside of toll calls, outside of the regular run of business, to collect from the City. For the life of me, I will not be able to understand what revenue or what costs they are talking about that the City may be asked to pay in sub-clause (2). Therefore, Mr. Chairman, I say that Section 7, as it now stands, is an unnecessary section. I would like to say for the hon. Member for Edmonton Jasper Place that I don't consider it a change of direction as far as we were concerned. I think that sub-clause (2) does, in fact, open the door for Edmonton to start an argument again, which I think that is the very thing the hon. Member for Edmonton Jasper Place wants to avoid just as much as we do. I think that both sides of the House can agree that the argument has gone on for a long time, and I certainly am not talking in terms of 30 years or even 20 years. Even if it is five years, that is a long time. I have yet to figure out what it is we might be able to charge Edmonton for and why this clause has to be in there to make it clear that they won't have to pay it. I certainly, for that reason, feel that this section is unnecessary.

MR. HENDERSON:

I am hoping that the hon. minister might explain to the House why something like clause 7, which doesn't need to be in the act, is in the act, and why the important matter in principle which is contained in his statement in Hansard, that the City will have the right to purchase additional facilities from AGT as the City expands, is not in the act? Now there is certainly a lot of confusion over the question of the price as was mentioned by the hon. member for Calgary North Hill and I agree with him. Why haven't we come up with an alternate proposal? The first reason is that all I know about the deal is what is in the bill. How on earth does anybody of any intelligence come up with a proposition on an alternative proposal as to what the price should be in the agreement in the absence of any facts or substantiating data? I tried to make this point last Friday in the House and it was conveniently ignored by the government. I have a question on the Order Paper, hoping that we can get that information.

In the meantime what do we all have here? We have the government members hollering about a stalling tactic on this side of the House. I quite frankly say I am not stalling. But I would like to get some factual data other than the \$10 million. We are asked on good faith, to accept the public expenditure of \$10 million on a deal that the hon. Minister of Telephones and Utilities says is really good for the City and for AGT. We are getting out of a losing proposition and, on the other side, it looks like we have the City of Edmonton lining up to spend \$10 million to buy it. There might be a very logical explanation for it but I haven't heard one yet. Nor have I seen any factual data of an economic nature that has anything to do with explaining how the figure of \$10 million was arrived at. It makes me think of a friend of mine; you ask a question and he looks up in the air and snaps his fingers and comes down with \$10 million picked out of thin air. It may be a very good one; it may be as good as any. But how on earth we can have the hon. member for Calgary Buffalo stand up and deliver a lecture in his usual pompous manner to the opposition about their role, and then listen to the criticism when the opposition does stand up and fulfill its responsibilities?

I quite frankly suggest, Mr. Speaker, that rather than voting on the motion that is before the House, the hon. minister would be acting in the interest of the public if he would rise and say that he is going to withhold further progress on the bill until some factual information relative to the economics of the matter had been tabled in the legislature. Maybe the hon. members opposite us have discussed it all in caucus and have all the arithmetic in dollars and cents at their fingertips. But after all we have heard in Alberta in the last year and a half about open government, to witness an exercise such as this; an effort on the part of the government backbenchers simply to intimidate the

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opposition into rushing through this thing because we took three hours on Friday to discuss the bill. The only intelligent words I have heard come out of the opposition -- or the government side I should say -- on this particular bill were from the hon. member, Mr. Young, and he was smart enough to leave the House. Oh, pardon me, he is still here. I congratulate him.

But, Mr. Chairman, I suggest that if we had the factual data before us, we wouldn't be having this big merry-go-round, and if it is open government we are after -- what's the point of having it on the Order Paper after the thing has been stuffed down our throats tonight, Mr. House Leader? It's on the Order Paper. I put it on the Order Paper last week. It got on as fast as it could get there.

MR. CHAIRMAN:

Mr. Henderson, please speak on the amendment.

MR. HENDERSON:

You brought the bill in on Tuesday. You brought it in for second reading on Friday, and on Monday night you are hollering, "We've got to get it through the House." Absolute nonsense.

MR. HYNDMAN:

Mr. Chairman, a point of order. I say we have all tonight, all tomorrow night, and all Wednesday if the hon. gentleman wants to debate it. There was no limitation whatever put on this debate, and any suggestion that there is one is wholly false and inappropriate.

MR. HENDERSON:

Mr. Chairman, I suggest that rather than debating it, the bill should be held up, the hon. minister should ask the committee to report progress at this time, and no further debate should take place until the factual data relating to how the \$10 million is arrived at is seen. Then we will know whether Calgary is making money or losing money; we will know whether Edmonton is making money or losing money. We will know, as representatives of the citizens of the province of Alberta, who is making and who is losing. But nobody with one iota of common sense can arrive at an intelligent conclusion on the basis of what this government has presented in this House to this date in this debate. I brought the matter up on Friday hoping that the government would display a little bit of common sense and would withhold further progress on the bill until they made the information available. I said at that time I was putting a question on the Order Paper. But no. So when I hear the House Leader stand up and say he is not trying to stuff it down our throats, and that we can debate it forever, I think it would be more expeditious use of the time of the members of this assembly if we simply dropped the bill; but by the procedures that have been followed, I can only conclude that it is a force-feeding proposition and the opposition can take it and like it. They can vote it down or not, but this government is going to get a decision on it.

And so one thing we do not need, Mr. Chairman, is any more pompous lectures from any of the intellectual gentlemen seated opposite. I think the hon. Minister, again, would be acting responsibly if he were to report progress at this time, table the information in this House tomorrow, and give us a day or so to look at it.

MR. FARRAN:

Mr. Chairman, it's just not true that the opposition has not offered an alternative, because I distinctly heard the hon. Member for Calgary Millican a short time ago offer an alternative plan. And wait until this one gets back to the old cowtown that I come from. He suggested that AGT should be sold to Edmonton Telephones. Let's see how that sits in Calgary.

MR. CRAWFORD:

Mr. Chairman, I thought I might just add a very little bit to contribute to the equanimity of the House in the sense of understanding that hon. gentlemen will have of this issue.

First of all, on the whole question of toll sharing which both section (7) and the amendment hereto would relate to, this has been, by comparison with the question of boundaries, a rather late-blooming issue. The one point on it I wanted to make was that for many, many years, of course, the City of Edmonton

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made no issue of the question of toll sharing. It was something that came up little by little as the years went by and as the use of long distance telephones became so common that it became apparent that there was going to be a substantial income item involved in that.

I remember well that when the city was trying to make out its case to the Province for the sharing of tolls, a great deal of effort was put into communications -- I will say correspondence so there's no misunderstanding over the name of it, where all of the long distance telephone systems in the country work together and arrange these great long distance arrangements that link us up throughout Canada and North American and elsewhere -- and the City tried very hard to find a precedent somewhere in Canada that it could come to the provincial government on and say, "Here is the basis on which you should make a payment by way of share of the toll revenues, now that we would like to share them." I remember well that the apparent precedents that were discussed and presented by the city two years ago included, I believe, Prince George in British Columbia and Thunder Bay, if I'm not mistaken, in Ontario.

At that time AGT repudiated those arguments and said that the proposals were not appropriate and were not relevant and did not show that an arrangement should be entered into in regard to toll sharing. The City of Edmonton nevertheless had another difficulty at the time, and that related to the question of boundaries which went back to the agreement of 1963. It would be fair to say that throughout this period of time the city was fighting on two fronts against the adversary they saw to be AGT. They found it necessary to appeal to the government for some greater understanding than appeared to be present on the part of AGT. I suppose we are all expressing opinions to some extent, but it was their view at the time that greater understanding, which they hoped to find on the part of the then government as compared with their agency, AGT, was rather an elusive and difficult thing for them to find.

When I say the city was fighting on two fronts at the time, of course the other front was boundaries and I mentioned that it related back to the void agreement of 1963. I of course, dispute the suggestion that all that was involved in the city's completing that agreement in 1963 or subsequently was an act of City Council in the nature of a ratification. That is an entirely inappropriate term. The fact was that the agreement had never been brought to the City Council, which was the only legal agency which could agree to it. Therefore, the proper word is that the agreement was void, and in the eyes of the law had never existed at all.

Then we come to the question of negotiations, and the need to negotiate on these two fronts between two telephone systems. I had the feeling a couple of times tonight that it would have been nice if the hon. Member for Drumheller and the hon. Member for Wetaskiwin-Leduc, and the hon. Member for Calgary Mountain View had been there instead of the former Minister of Telephones and the former Attorney General and the former Provincial Treasurer. I think, perhaps, that from what they have said tonight, the City of Edmonton would have readily found warm acceptance and agreement. The fact is, that dealing with the other gentlemen I have mentioned who were ministers at the time in the government, which was then that of the hon. gentlemen opposite, those three gentlemen did not find an area upon which they could agree with the delegation from the city on either of these points. There is no doubt that the former government took a very stout position on the agreement. There is equally no doubt that the position was one that could not be supported. After the court case was determined no attempt was made to appeal judgment. The decision of the judge, which certainly I suggest was clearly right, was fully justified and not questioned by hon. gentlemen opposite.

There were things said at that time which indicated that perhaps the then government would resolve the matter without reference to an appeal, because after all, they had the legislature. I remember sitting in a room on this floor pleading on behalf of the City of Edmonton to the former Minister of Telephones, and asking him to have some regard for the obligation that all of us had to represent the people of Edmonton, as well as anybody else -- I representing the City on the municipal level at that time, other gentlemen present representing members of this House -- and they will recall seeing him waving his arm in the direction of this chamber and saying the decision would be made here. And indeed, it will be.

Mr. Chairman, I have just another word in regard to section 7 and the proposed amendment. It reflects a very basic part of what the dispute was. The city took the position that because they originated business for the Alberta Government Telephone system --

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MR. STROM:

Mr. Chairman, I wonder if the hon. minister would mind if I asked him a question. It is relative to the matter of bringing it to the House. I was in on some of the meetings, although I don't recall being at that one, but I'm wondering, was the minister suggesting at that time that there be a public hearing in the legislature? I know that that was one of the proposals that was being made. I would just like clarification on that, please.

MR. CRAWFORD:

Mr. Chairman, I don't mind that question. No, he was certainly not suggesting a public hearing. Mr. Chairman, the whole atmosphere of the negotiations at that point was that the City of Edmonton was going to accept the decision, regardless, and that it would be legislated if necessary.

Now, I was talking about Section 7, and what is really involved in it. Mr. Chairman, I think this is important. I think it's possible that some members on this side don't really understand it, along with those across on the other side. I think that is possible. It's just this straightforward. The City of Edmonton took the position that because they originated the business, they should get some share of the proceeds. The province -- by that I mean AGT -- came back and said, "Of course you originated the business, but you used our lines. Now, how on earth are you in Edmonton going to call Montreal if you don't use our lines?" This was really the reaction of AGT at the time. They said, "Surely that's fair. You've got a system, you want to be able to use it to call people elsewhere; do so, but don't expect us to pay you for it with a share of the tolls." And the city, of course, said, "But look at all the business we generate. You would be doing that much less if it wasn't for us." Really, the argument was a draw. It is a draw. And that's what Section 7 reflects. It does. It says that AGT will not pay the City of Edmonton in those circumstances. The City of Edmonton originated the business, but the only way it gets to the destination is through the provincial system, so the province says, "Why should we pay you for that?" The other side of it is that the city, using that very system to complete the calls that are originated in its operation, does not have to pay AGT anything. That is all that that section says. It is a complete draw and that is the way it should be. Anyone who tries to make it any more complicated than that, Mr. Chairman, is going to unnecessary lengths.

MR. TAYLOR:

Mr. Chairman, there are one or two points that I would like to mention in connection with the statement of the hon. Minister of Health and Social Development. In the first place, the threat to bring the matter to the legislature and validate that agreement whether Edmonton liked it or not, never came to the legislature. We did not use that club. I don't think the hon. minister meant to leave the impression, but it sounded to the members as if that had been brought to the legislature, and it had not. It was not brought to the legislature. The government would not agree to its coming to the legislature, even though the minister recommended it at the time. We did not believe it was right to use a big stick over the municipalities to pound them into submission on this particular point. Neither do we believe the present government should be using a big stick to pound them into submission on the matter of tolls as in Section (7). That is exactly what it is doing. It is using a big stick saying, "We will settle this by legislation and you have no say." Again the hon. minister made a comparison that -- and at one time, if I remember right, he argued the other way, for tolls for Edmonton. I do not know whether he recalls that or not, but maybe that is not unusual. Lawyers can argue either way. But he pointed out tonight that in order for a telephone call originating in Edmonton to reach Montreal you have to use the AGT system, and that is right. But he did not mention the other side where a telephone call that originates in Montreal to somebody in Edmonton has to use the Edmonton system for the termination. So, are we to ignore that?

I think there is something to be said on both sides. We have not said which way it should go. But we certainly think that the AGT should not be put in the position where they hold a club over Edmonton, saying, we can't even discuss this. We will discuss it and try to reach a reasonable and sensible agreement based on the facts. That is all that any citizen of Edmonton wants and surely, all any hon. member of this legislature wants. Section 7 does not add one thing to the agreement, nor does it take away anything from the agreement. It is injecting something else entirely, a club that should not be there.

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MR. HENDERSON:

I certainly found the remarks of the Minister of Health and Social Development quite relevant to the subject and informative. But I do suggest, Mr. Chairman, that he has left out of his remarks the basic issue that the argument was about, and that was boundaries. Surely, if the policy is going to be stated in the legislation, it should be all stated. This is the only point I am trying to make at this point in time. I do not know what the government policy clearly is. We have Section (7) in the bill, which apparently states part of it as far as revenue sharing and so on, and we have the minister's words in the second reading of the bill that it does not preclude the right of the city to come back to take over more AGT equipment and facilities as the corporate boundaries of the city grow. Surely, if we are going to have clauses such as Section (7) in the act, we should also have this other clause in the act because the major argument was expansion of the city telephone system in keeping with the growth of the corporate limits of the city. So I come back, Mr. Chairman, to the motion to strike out Section 7. I suggest that if we are talking about policy it should all be stated. But the government has chosen not to state clearly what the policy is in the major issue. Consequently, Section 7 seems somewhat irrelevant to the basic issue, which is the expansion of city boundaries in the future. This deals with the immediate question. But it does not clarify what the policy is so far as the future is concerned. So I suggest this again, Mr. Chairman, that in the absence of a section in the act, which clarifies government policy on future growth, Section 7 does not really belong in the act and should be struck out.

MR. WERRY:

Mr. Chairman, I would just like to reply to some of the valid points that have been raised at this time; particularly to the hon. Member for Wetaskiwin-Leduc's question, and also the hon. Leader of the Opposition. They are indeed valid points.

With respect to the hon. Leader of the Opposition's contention that Section 7 is something that can be misconstrued. I would agree, if it were taken in its whole. But it is only half of it. Again I would like to go back to the report of the Telephone Negotiating Committee to city council dated July 24th, 1972. In that report to city council it recommended a number of things. Among them were two principles. First, to accept the government proposal that Edmonton Telephones serve within its boundaries as they may exist from time to time. We accept that, and they accepted it, it is on the record. But unfortunately -- or whatever point of view you may wish to take -- part (b) of that also states that the committee be instructed to press Edmonton Telephones' case for a share of toll revenues in the strongest possible way, using every means at its disposal. That is in the city council's records. The government accepts that Edmonton Telephones will expand as their boundaries may from time to time. But seeing that it is on record in council minutes that the city negotiating team is authorized to continue to negotiate for a share of the long distance toll revenue, we felt it incumbent upon ourselves to put in Section 7, which states that AGT has no power to enter into an agreement. So that is the whole story. There is the city's instruction that a negotiating committee can continue to press for a share of the long distance revenue and the act that states that AGT cannot enter into an agreement.

Now with respect to the second point that the hon. Leader of the Opposition raised, in reading Subsection (2), that the city is not liable to pay to AGT any money as a contribution towards the cost of AGT's rural distribution system. The reason that is in there is because of the Telephone Mediation Committee report. Bear with me, Mr. Chairman, I would like to read a few words out of recommendation No. 6, wherein they recommend that a fair share of the total revenue would be 3 per cent effective January 1, 1972. The sentence that I think is pertinent here is that: "This is in full settlement of proration of toll revenue contribution to the rural telephone program." It is in this document that the amount is reduced to 3 per cent to recognize that the City of Edmonton does have a responsibility for the rural program throughout Alberta. Again, the bill merely spells out a recommendation of this Mediation Committee report.

With respect to some of the other points that have been raised. The Alberta Government Telephones owns every piece of long distance telephone exchange equipment in the City of Edmonton. On 100th Avenue and 100th Street there are three separate complexes. They all house nothing but long distance toll equipment that is used to terminate and originate calls into the City of Edmonton. The hon. Minister of Health and Social Development has outlined how this crept into the central issue, which was the boundaries question. Alberta Government Telephones has the obligation to provide a total communication system

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throughout the province. In doing so it not only has long distance, it has microwave, buried cables, local exchanges, etc. to provide this total communication system. A very important part of its revenue is long distance toll revenue to provide this total system. If you took each part on its own it is valueless, but once you put it into a whole it is a communications network.

Now with respect to the \$10 million that the bill mentions here. The province will in no way back the issue of the monies that are required to raise this. The City of Edmonton will have to go to the open market and borrow the funds, and borrow them on their own credit rating.

There was one other interesting observation that I think hon. members should be aware of. There was a suggestion that municipal utilities should be brought under the regulatory authority of the Public Utilities Board. There are any number of utilities in this province. Every municipality and a large number of the cities owns its own water system, and its own sewer system. The City of Edmonton, the City of Red Deer, and the City of Medicine Hat own their own power systems where they generate, distribute and sell power. Similarly, the City of Calgary acquires power in block from Calgary Power, and in turn sells it to the residents of the City of Calgary and makes 15 per cent on that re-sale of power. So any suggestion that Edmonton Telephones be brought under the regulatory authority of the Public Utilities Board would only mean that we would have to take all utilities in the province under the same Public Utilities Board. Certainly, there would be a hue and cry by every municipal authority in the province, if their government were even to suggest that, Mr. Chairman. I think that for those reasons Section (7) has to be in here. I hope the hon. House Leader is satisfied with them. It is not because we want it in here, it is merely to clarify the government's position. The two negotiating teams clearly understood that AGT and Edmonton Telephones were not authorized to share any toll revenue. But the city council, on its resolution of July 24th put it into the council records. Therefore we feel it incumbent upon our side to also put it into legislation.

MR. HENDERSON:

The minister still has not touched on the question of why the crux of the argument -- the future growth of the city telephone system within the boundaries of Edmonton -- is not placed in the act in another section so that this hassle doesn't come up again. I mean that is the crux of the argument. And if some clear statement of policy isn't in the act, I suggest just the minister's word -- I don't quarrel with it; if that's the policy, let's have it in the act. It is just as important as these other two items. I would like to know why the government has chosen to put those two clauses in, but leave the crux of the issue, as far as the future is concerned, out of the act?

MR. WERRY:

Mr. Chairman, all I can say to the hon. Member for Leduc is that we accept the fact that the City of Edmonton will continue to serve the residents of Edmonton whatever its boundaries may be. We will not renege on that. There is no need, as far as we are concerned, to put it into legislation.

MR. HENDERSON:

Ministers come and ministers go. The next minister can come along and state a different policy. The only thing we've heard that this is clearly the policy of this government is the words of the minister. If it were just in the act, it would eliminate any argument about it. If the minister says that's the policy, I still come back. When it's the crux of the basic argument, it has been in the past, it's got to be again in the future as the city grows. If it isn't in the act, it is going to be a problem, even if the government says that it is its policy. So with 7(1) and (2) in there, the crux of the issue, the expansion of the boundaries, the government's policy should be in the legislation. I am simply saying -- I don't quarrel with the minister's words; he said it and apparently stands by it. But it should be in the act, as far as the future is concerned. Ministers come and go, and governments come and go. This government doesn't have any assurance it's going to be here four years from now. And if it feels that strongly about it, it should be in the act still. I agree that a subsequent legislature could change it. But I still cannot understand why that particular kernel, which is the crux of the whole issue, is not framed in the act in a specific clause that spells it out.

DR. BUCK:

In support of my colleague, we seem to have short memories. When the argument about the boundaries came up in 1963, the agreement which both parties

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at that time felt was very binding didn't turn out that way. So that section was put in. We're arguing about the toll revenue and then just as soon as the ink is dry, we hear the mayor of the city starting this hassle. So you are putting this section in. Let's be consistent. Put the boundaries in so that they are in the act, and when we vote on it, we will know what the boundaries are and won't have to guess.

MR. DIXON:

One point from what the minister was saying concerns me. He is not in favour, as I see it, of restricting Edmonton through the Public Utilities Board, but he is allowing AGT still to be covered by Public Utilities Board rulings. I can't see why the government doesn't recommend that the telephone system that is owned by the people of Alberta have the same rules -- that they are not governed by the Public Utilities Board. AGT, at the present time, is limited to about five per cent rate of return, while the City of Edmonton is earning about 15 per cent. I am going to see if you are going to be fair to the taxpayers of Edmonton and fair to the taxpayers of Alberta, outside of Edmonton. If your argument is that we would have to go and make all these changes in Red Deer and all the other municipalities because of their utilities, would it not be simpler to say that AGT does not have to come under the restrictions of the Public Utility Board when it comes to a rate increase. Then they would be on the same footing as the City of Edmonton. Both these companies are competing for telephone customers and there should be a fair restriction on both parties, not just on one.

MR. GETTY:

Mr. Chairman, I thought we should perhaps deal with the motion before the House. I can't for the life of me understand why the hon. member is talking about rate increases and the Public Utilities Board when we have a motion before the House dealing with a completely different clause. Apropos of the comments of the hon. Member for Wetaskiwin-Leduc, we have a bill which presents an agreement between two parties. That is what this bill does and it sets it out. Section 7 is part of that. Now he says, why not keep it in a directive to AGT? Maybe the old administration used to send secret directives somewhere. I think we heard one about 'don't talk about the death of the delta' or something, and don't let anybody see that one. Mr. Chairman, we don't do that. We made an agreement and it is here and Section 7 states two of the things that were agreed to. Now why would we hide it? We don't operate that way. We put it right out here; they can vote for it if they like, or they can vote against it instead of obstructing it.

The hon. Member for Calgary Millican said something to the effect that it wasn't even part of the negotiations. That is a lot of baloney. He wasn't part of the three man committee, or two men and one woman committee that dealt with the City. It was a part of the negotiations; obviously it was and that is why it is in this bill. It strikes me, Mr. Chairman, that the real problem here is that with their collective brains they could never solve this thing and come to an agreement. Now that the hon. minister has, it bugs them. I don't know why they don't accept the fact that it has been done and get rid of their frivolous amendments so that we can get on with the bill.

MR. TAYLOR:

Mr. Chairman, we were ready to vote on the bill, but after that harangue, which consisted of nothing but baloney -- In the first place, if the hon. minister had listened to the hon. Minister of Telephones and Utilities, the hon. minister admitted this is not part of the agreement -- [Interjections] -- well, listen to him again, he said this is not part of the agreement, this is what the government wanted but the City didn't agree to it --

MR. WERRY:

On a point of order --

MR. CHAIRMAN:

Mr. Minister, on a point of order.

MR. TAYLOR:

Let him say it again.

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MR. CHAIRMAN:

Mr. Minister.

MR. WERRY:

I have clearly indicated to this House that this was part of the complete settlement. [Interjections] I said of the settlement; the bill allows the City and AGT to enter into an agreement. But back in the months of January, February, March, April, May, June and July when two negotiating teams bargained and negotiated, it was clearly understood by both sides at the conclusion there was to be no share of the toll revenue.

MR. TAYLOR:

Mr. Chairman, I asked the hon. minister if he had a written agreement in which the City had agreed not to ask for toll revenues and he said no. Now, has the hon. minister lost his memory?

MR. CHAIRMAN:

The question has been called. Mr. Minister?

MR. WERRY:

No; question!

MR. CHAIRMAN:

The question has been called; Mr. Dixon?

MR. DIXON:

The hon. the government Intergovernmental Affairs for Federal and Provincial - Interdepartmental -- [Laughter] -- I'll get it right! The hon. -- [Interjections] -- I was going to say --

MR. CHAIRMAN:

Order! Let Mr. Dixon address the --

MR. DIXON:

Mr. Chairman, I was going to say the man whose department I have difficulty with, because I wonder really what he does -- but anyway, what I want to get back into the argument is that this is an agreement which Edmonton and the province are agreeing to. Well the strangest thing has been happening, because every time I turn on my TV or read a newspaper the Mayor of Edmonton is going on about the fact that they are unhappy with the toll revenue, and claims there is no agreement.

MR. GETTY:

Mr. Chairman, anybody can agree to something and still not necessarily be happy with all the terms.

SOME HON. MEMBERS:

No!

MR. GETTY:

Obviously, Mr. Chairman. That's silly. I can remember agreeing, Mr. Chairman, to many things because that was part of the agreement -- you know you give something and you get something, but you don't necessarily like all the terms.

MR. HENDERSON:

The matter can be very simply resolved if the government would table the agreement along with the economic studies on the issue.

AN HON. MEMBER:

Which issue?

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MR. HENDERSON:

The \$10 million. Well, table it.

AN HON. MEMBER:

We tabled it.

MR. HENDERSON:

That's not an agreement, that's a piece of legislation you are shoving down the city's throat, for goodness' sake. So where's the agreement? Let's see it. That's all we're asking for, some background information.

MR. TAYLOR:

Mr. Chairman, the hon. Minister of Federal and Intergovernmental Affairs is misleading the House when he suggests there is an agreement. There is no agreement. The hon. minister has said so. You had better have a caucus and decide what it is over there.

DR. HOHOL:

Mr. Chairman, I am sure my colleague wasn't speaking of a document or a piece of paper. (Excuse my throat: it will ensure a short discussion on a topic of considerable concern to me as an Edmontonian and as an Albertan.) I am sure that the gentleman wasn't speaking of a parchment with seals and signatures. He was speaking, and I think this point is important, Mr. Chairman, of an agreement amongst six people: three representing the City of Edmonton, and three representing the Alberta Government Telephones. One of the three who negotiated for the City of Edmonton was the Mayor. Two points, I think, are significant. One is that as a member of the negotiating team, along with his two teammates and the three of us who negotiated for AGT, there was complete agreement on the matter of discussion. There was complete and total agreement on all points of discussion. It is all right for His Worship to agree as a member of the committee; and there is nothing inconsistent with his position, in my view, as the Mayor of the City of Edmonton once the City Council as a municipality took a view on some matters of negotiation different than that which the negotiating team did. Then to speak that way publicly I think is perfectly proper for him to do. I think this needs to be mentioned.

Isn't the issue really one of boundaries? We recall this very well. This is not a new story, and I appreciate the long discussion that we have had because we have two groups with two very different points of view on the same matter. I think that a discussion like this is very useful for the people of Alberta to make sure they can seek out for themselves the point of view to which they might subscribe. So, not to go into history, but even into last week and this week, discussions about "buy it out" or, even worse, "take it over," are one point of view. Ours was negotiation. The discussions about Edmonton being ensured a fair profit that it may have had in the future had it stayed that way is not a quid pro quo for AGT because their earnings were substantially different. In collective bargaining it's easy to isolate one factor and make it look good or make it look bad. You can do this with Section 7 (a) and (b) which I, as one of the members of the negotiating committee, viewed as a quid pro quo, but you can isolate it and make it look bad and say it should be in or it should be out; but really when you bargain collectively, what counts in the end is a total package, and you've got to buy some items in an agreement and you have to give some to get some.

So in summary, without dealing with the issues that I think have been clearly defined by several people, it's a matter of what you do with that information as an Edmontonian, as an Albertan, as a Calgarian, or as someone from the country. This needs to be remembered, that the toll revenue was in fact negotiated and agreed on by six people. Edmonton is not bound by the act to buy or not to buy. As my colleague from Jasper Place pointed out, they will buy if they feel they have a deal, they need not if they feel that they don't; and surely no act of any government precluded any other government from continuing to negotiate even a change in that particular act. We are doing this as you have done, gentlemen, with acts of parliament of this nation, and municipalities have done it with you when you were government, and the City of Edmonton will with us so long as we are government on many issues that relates municipalities to provincial governments, including the matter of tolls.

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MR. TAYLOR:

Mr. Chairman, the hon. minister has made sense except for one point. The hon. minister suggests that the agreement we are talking about is the agreement of the negotiating committee. This act is dealing with the agreement reached by the city and the province. When the negotiators, whatever they agreed to -- I remember seeing in the paper where one of the ministers on the negotiating team said they all had to take it back to the cabinet, and properly so. And the city negotiators had to take it back to the city council, and properly so. Then the agreement arose from the two final bodies, the cabinet and the city council. That agreement did not contain the no-toll item, as the hon. minister admitted and as the hon. Minister of Federal and Intergovernmental Affairs didn't listen to, and that's the only point we are making. It wasn't reached in the final agreement; now why should we use a big stick saying they can't even continue to negotiate?

DR. HOHOL:

I want to fill out the blanks. I agree with Mr. Taylor that my discussion was at the committee level, and clearly that's where the agreement was, and that's why I made the point that it wasn't a parchment because that would have to be between the two larger bodies, the municipality and the government, so you are correct.

MR. HINMAN:

Mr. Chairman, perhaps after all the leeway that has been granted, a few patriarchal remarks might be listened to. I know I speak at the danger of revealing some senility; however, I want to say a few things. One is that I think the hon. Member for Calgary Buffalo did a pretty good job in outlining what the purpose of the opposition ought to be. All I want to say is that the party system becomes an adversary system. It's only when it becomes acrimonious, largely due to our lack of maturity and our thwarted political purposes, that it breaks down. Experience has taught me, in dealing with the ladies and gentlemen with whom I've had to deal, that there is no better way of fixing their opinions and their positions than to intimate that they are stupid, or that they aren't listening, or that they haven't listened to the evidence. In this House, I've seen a good many things proceed which could have been changed if we could have been a little bit more mature. I've been around here about as long as anyone, except the hon. Member for Drumheller, and this is not a new problem.

About 19 years ago, when I became the Treasurer, one of my first discussions with the Mayor of Edmonton was whether or not the province might be prepared to buy the Edmonton system, the reason being that Edmonton needed money for other purposes. Money was not easy to come by. Edmonton realized that it was going to be expensive to expand and modernize their system. So it was a dollar and cents business: could we sell the telephone system to Alberta, and could Edmonton use the money to good advantage -- the money they saved on interest, the benefits from spending it otherwise, would they be all right? As soon as I intimated that I thought the province would consider this and the Mayor talked to his colleagues, then all the problems that have been discussed today came into focus, and the matter didn't go very far.

Now, I'm going to suggest a few things. It is very evident to me that the hon. Premier -- and he was not Premier then -- decided, I hope after due consideration, that this was one of the issues that he would settle in the best way that he could, at least on a temporary basis. I want to say, too, that I think that no decision on these matters should ever be considered as final as long as these are continuing operations. You can't settle a boundary problem as long as Edmonton is going to grow, and that's probably forever. You can't settle the issue of whether they should share in toll rates to everybody's satisfaction, as long as there can be some reason in the claims that are made. Consequently, I don't think we should regard this as the ultimate. I don't think we ought to regard it as forcing anything on anybody. Edmonton had a choice. They wanted this thing settled, and the reason is very evident, that as the city grew there were the problems of who was going to service whom. I don't think anybody in this House is of the opinion that both parties should have tried to service them, any more than I think Edmonton should set up a system whereby they could tap the lines of other provinces and have their own long distance system, though I think, technologically, it could be possible. They had to decide, at this time, whether they were in a position to borrow money and buy the system, or whether they would do it on the terms that were suggested by the government. On the other hand, the government had to decide: would it carry on like it is, would it continue to serve these people, would it continue

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to have this problem forever dividing the people of Edmonton from the people of Edmonton, also as members of the Legislature of Alberta.

It seems to me that what we have to decide simply is this. If the government, after hearing all of the presentations that have been made, has begun to doubt the wisdom of its policies in regard to any matter that has to do with this agreement; if it, after hearing all that has been said, believes that maybe there is some reason to think that all the considerations haven't been there; if they are led to believe that perhaps, if they filed all of the background information which has been asked for, it would give us some new insights and settle the matter, then certainly the government might delay the passing of this bill for further consideration. I doubt that its urgency is that great. If, on the other hand, the government has listened to us and is still in no doubt as to the wisdom of what it has done, if it feels sure that all of the issues that have been presented have previously been considered and its decisions have been right, then it must proceed and it must take the responsibility. It must, in a sense, risk its political career and its popularity on that decision.

Now, as to Section 7, I can see nothing wrong with leaving it in. I realize it isn't vitally important, but it does do one thing -- it says to the people of Edmonton, who are going to be harangued by somebody in Edmonton that they made a bad deal and that they still ought to fight for some of these tolls, that at least for the time being, and perhaps for ten years, this is out and the problem is settled and that's that. If, on the other hand, somebody looking at the interests of AGT says, "Well, we've just spent an awful lot of money on underground cables and systems rurally which are going to be tied into the system, and Edmonton ought to pay the bill if they are going to get the benefit," then to those people the government will have said, "That issue was settled." I have no objection to the clauses remaining in, and I would vote against taking them out. I simply repeat, if the government has found something in the presentations which we have made to make it doubt that its decision was completely right, and which makes it feel that revealing further background information might be of some advantage, then perhaps it should delay it. If, on the other hand, it is satisfied that all of these points have had full consideration, and is prepared to stand on this decision, then I think it ought to proceed without prolonging this debate any further.

MR. FARRAN:

Mr. Chairman, those are probably the wisest words which have been spoken tonight by the hon. Member for Cardston. I wish I could understand what actually happened in the opposition quarters, because yesterday the Calgary members were claiming wildly that it was a giveaway to Edmonton which would force the phone rates up --

MR. CHAIRMAN:

Mr. Farran, you mean Friday.

MR. FARRAN:

Yes, Friday. Now they are saying that the deal is too tough on Edmonton, that they should get a share of the long distance tolls they never had before, and that the government should commit itself to allowing them future expansion way ahead of time. I notice that the Calgary members have been very quiet in the last hour or two. So I believe that the hon. Member for Cardston has hit it right on the point. It's a good deal and let's vote for it.

MR. TAYLOR:

Mr. Chairman, the hon. Member for Calgary North Hill missed the point, the same as the hon. Member for Cardston did.

SOME HON. MEMBERS:

No!

MR. TAYLOR:

If the hon. members would just listen, the hon. minister said that under Section 2 of the act the city is agreeing not to pay any portion of the rural distribution system; and yet money coming from the tolls from the City of Edmonton is paying for part of the long distance rural distribution, according to the minister's own words. So if the hon. members would just listen to the arguments instead of just talking, maybe we could make some progress.

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MR. CHAIRMAN:

The question has been called. The motion that we have before us was moved by the hon. Member for Drumheller, and seconded by the hon. Member for Wetaskiwin-Leduc, that Section 7 be struck out. According to Beauchesne, Section 242(6), a vote in committee will be taken by standing, but we're not going to record it; it is for the Clerk to count.

[The motion was defeated; Sections 7 to 9 were agreed to.]

Section 10

MR. HENDERSON:

Mr. Chairman, I'd like to move an amendment to the act at this time, which I would read as follows: renumber the present Section 10 as Section 11 and insert the following as Section 10:

Nothing in this act precludes the right of the City of Edmonton to purchase such additional AGT facilities which may come within the city corporate boundaries as a result of expansion of the corporate limits of the city of Edmonton.

That is seconded by Mr. Taylor.

MR. HENDERSON:

Mr. Chairman, if I may speak very briefly to the motion. I will be very brief because I think I have stated the case for why this should be in the act. I don't really believe that the present act is anything other than a temporary postponement of the issue presenting itself once again, as the hon. Member for Cardston pointed out, and his recollection goes back some 19 years.

If this is the policy of the present government I think the clause should be inserted in the act to make this clear to all of the citizens of the City of Edmonton, and all the people in the Province of Alberta. All it does, in so many words, is frame in legislation the statement that the minister made at the time of second reading of the bill, as recorded in Hansard of November 2nd. Therefore I find it difficult to see how there could be any objections to this amendment. I think it will clarify specifically what the position is that this government pursues now and in future on the matter of expansion of Edmonton Telephone service district in keeping with the corporate boundaries of the city.

MR. KOZIAK:

Mr. Chairman, there is something that concerns me about the amendment. It could well include such items as TWX facilities that are now available, the Alberta Government Telephone tower, any long distance facilities that are available in the city of Edmonton, in fact, anything that Alberta Government Telephones owns in the city of Edmonton. I think it could create more problems than it would possibly solve by including this provision in the act. Perhaps the hon. member who made the motion could elaborate on these concerns of mine.

MR. HENDERSON:

Mr. Chairman, I think the words of the hon. Member for Edmonton Strathcona are quite relevant. This simply precludes the right of the city to purchase. Of course when we come to purchasing it takes two parties to make an agreement. It does not bind the government as to what the price is going to be, other matters relative to sale are exactly what the sale will consist of. All it does is take the general statement that the minister made in introduction of second reading of the bill and simply put it in the act. I really have no objections to Section 7 in the act if the clause is in there.

But the crux of the argument is going to remain the crux of the argument until some such stipulation is in the act. I presume that the minister reflects government policy since it was the crux of a debate that was carried on, off and on, for a number of years. I think it is desirable to put it in the act. The question of whether I may agree or disagree with the policy is somewhat incidental to the basic question of having a clear understanding of what the government's intention is. I can't see any reason whatever -- in fact to me it is completely logical that if Section 7 is in, surely a clause dealing with the crux of the issue which frames into legislative words the statement that the minister made in introducing second reading of the bill, should also be in the

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act. Now if the minister and the government favour such an amendment I have no quarrel with changing the wording to make the amendment in a clause that is acceptable, wording-wise, to the government. It is the principle really that I am concerned about in the clause, basically the right of the city to purchase AGT facilities as per the present agreement. The present agreement doesn't deal with these other matters as the city grows and expands. And that is all it does -- [Interjection] Well, Mr. Chairman, that is why I put the motion. If the hon. government doesn't think that it should back up the statement of its minister and policy by framing it in the statute, that's the prerogative of the government, but I simply say the agreement doesn't clearly reflect what the policy position of the administration is without the clause in the act. And maybe the government doesn't want it to reflect what its policy is. I don't know. But I would think that it's relevant to the act that we have before us, and I sincerely suggest that all members should seriously consider whether the act is adequate without the minister's statement of policy being framed in a statute that is endorsed by this legislature, not just by the government, by this legislature.

MR. WERRY:

Mr. Chairman, really, there is no need for this amendment, as it is clearly superfluous. The City Council of Edmonton clearly understands that Edmonton Telephones is allowed to expand as their boundaries may be from time to time. The citizens of Edmonton and the citizens of Alberta also understand this, and to frame this within the legislation which merely sets out the terms of the agreement for the sale of the equipment in the areas that we have been discussing for the last four days, is, I think, clearly redundant.

MR. HENDERSON:

I guess there is no further debate. I notice that the Deputy Premier snapped his finger at all the ranks, and the troops are falling in behind him, but are not going to venture any opinions on the subject, including the members from the City of Edmonton. The Deputy Premier doesn't come from the city of Edmonton, the minister involved doesn't come from the city of Edmonton. Surely the members that are from the city of Edmonton can't but agree that, in view of the minister's statements in second reading of the bill, this is simply a statement of government policy.

I am really at a complete loss to understand why on earth there should be objections to putting it in the bill, when it is the whole crux of the issue. The whole exercise that the government is going through then, I think, is completely lacking in credibility without this in there. There isn't even the Premier prepared to stand up and say that what the minister said reflects government policy. Next week, I presume, he could stand up and change ministers and say that it wasn't government policy, that was the word of the ex-Minister of Telephones. Now surely to goodness if this agreement is to be anything other than just a farce in a partisan political debate, this clause should be in the bill. I am really astounded and somewhat appalled to see the deputy premier stand up and snap his fingers and that's a signal for every member on the other side of the House --

MR. CHAIRMAN:

Point of order, Mrs. Chichak.

MRS. CHICHAK:

I would like to say that certainly there was no snapping of fingers to indicate to us how we are to vote. If there was, I wasn't aware of it. In any event, I can make up my own mind.

I am concerned about the amendment that has come through as to the misinterpretation that may be applied in the future; to have an understanding and agreement that the City of Edmonton may service its citizens within its boundaries as they may change is one thing, but to leave open the possibility of interpretation of purchasing perhaps assets that belong to Albertans as a whole may be another, and I certainly of my own volition --

MR. HENDERSON:

Mr. Chairman, what's the point of order?

MR. DIACHUK:

Well, --

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MRS. CHICHAK:

The point of order was that you made an indication that we could not make up our own minds, and we certainly can.

MR. CHAIRMAN:

Thank you, Mrs. Chichak. Mr. Henderson, please continue.

MR. HENDERSON:

If I could just conclude my remarks as to whether the backbenchers seated opposite can make their own minds. I suggest that this is a debatable point. I am judging by what I witness in this Assembly and I am appalled at the hon. member that just spoke those words because I read the last statement on this paragraph from the minister's speech in this House as it is recorded in Hansard: "this precedent, when it is set, will be used to evaluate equipment as the city system or the city boundaries expand, and is part of the agreement which we reached with the City last July, that we would be able to acquire those areas as the boundaries expand." And I presume if more elaboration had been desirable, the minister, in his wisdom, would have elaborated. And I, quite frankly, concluded that that stated very briefly and succinctly the government's policy and position. And if the minister wants to elaborate on it at this point of time, I have no objection; I do suggest once again, Mr. Chairman, that as to whether the members opposite on the backbenches are prepared to vote their personal convictions on this matter, is still a debatable point, which I think we should pursue.

MR. CHAIRMAN:

Very well, the question has been called. The motion, as I presented it earlier, I will repeat it again, is to renumber the present Section 10 as Section 11 and add the following Section 10, "Nothing in this Act precludes the right of the City of Edmonton to purchase such additional AGT facilities which may come within the city corporate boundaries, as a result of expansion of the corporate limits of the City of Edmonton."

All those in favour, would you please stand so the Clerk can record the numbers? Not the names, just the numbers.

All those opposed?

I declare the motion defeated.

MR. HENDERSON:

I challenge your ruling in that particular matter.

DR. HORNER:

Mr. Chairman, on a point of order, the hon. member has to do more than just challenge the ruling because it isn't your ruling, it is the Clerk's ruling.

MR. CHAIRMAN:

My understanding is, Mr. Henderson, that you may challenge it but you have to do it in the Assembly, when the Speaker is back. Now the --

MR. HENDERSON:

Mr. Chairman, this little smoke-screen the Deputy Premier has thrown up -- I realize the Clerk's counting arithmetic; the ruling is from the Chair, and if not I suggest we don't need a Deputy Speaker to do this type of work and we could save the money by eliminating the position.

MR. CHAIRMAN:

What is your point, Mr. Henderson?

MR. HENDERSON:

I am speaking to the point raised by the Deputy Premier that the ruling wasn't from the Chair, that it was the ruling from the Assistant Clerk of the Legislature - that's nonsense.

MR. CHAIRMAN:

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No, the ruling was from the count, Mr. Henderson, and Beauchesne does not indicate the Chairman has to announce the count. The Clerk counts the numbers and gives the Chairman the numbers, and I can give them here if this is what you want; for - 21, against - 42.

MR. HENDERSON:

We challenge your ruling in that regard, Mr. Chairman.

DR. HORNER:

Mr. Chairman, the hon. member is out of order, and he cannot challenge this type of ruling -- there is no -- if he would like to quote from Beauchesne or some place -- in fact, he can do this.

MR. HENDERSON:

As the hon. member knows on the point of order that he is an old past expert at doing this. I did the same thing once last year, and the hon. member got up and pointed out that the Chairman was quite in order; the decision is challenged, and the Speaker must come in and put the question, and there is a recorded vote on it. Now the hon. Deputy Premier knows full well that if he is trying to tell me -- [Interjections] -- well then, let's do it right. I haven't seen any of the hon. members opposite that really introduce a resolution right on a bill in the House -- it would take half of Calgary to make most of the motions about reporting it right. Now let's not get bogged down on those technicalities, Mr. Chairman. The Deputy Premier knows full well that the procedure is in order and I suggest we call in the Speaker --

MR. CHAIRMAN:

Mr. Henderson --

DR. HORNER:

On a point of order - the hon. gentleman wants to do something and unfortunately he doesn't know how, and that is too bad; but until he does it properly, then the committee shouldn't just accept his statement, "Call in the Speaker" -- that is not good enough, Mr. Chairman; unless the hon. gentleman has enough parliamentary experience to know what he is doing, he shouldn't be allowed to do it.

MR. HENDERSON:

Mr. Chairman, I suggest that is really hogwash. The Chair is the one that has the responsibility for making decisions in this particular meeting as far as what is in order and what is not in order, and clearly it is quite in order to rise and challenge the Chair's ruling in this regard. We have to refer back to the action that took place at this House last year and action in previous years. What the Deputy Premier has -- [Interjections] Oh well, Mr. Chairman, if we were going to go back on this, we would be back in the predicament where one of the bills that the members brought in last year was illegal -- we had to go back afterwards and bring it in and go through it properly. We didn't make a major issue out of it. I suggest, Mr. Chairman, that the member is being rather frivolous when he knows full well that the parliamentary procedure provides for it. I therefore suggest, Mr. Chairman, that some of my colleagues on this side rise with me and we challenge your ruling, Mr. Chairman, according with the procedures established here.

MR. HORNER:

Point of order. The hon. gentleman should make a motion.

MR. LUDWIG:

Mr. Chairman, I would like to quote the rule under which this appeal is made. I think it isn't debatable. The section I am referring to is 59(4) on page 192, "The Chairman shall maintain order in the Committee of the whole House deciding all questions of order subject to an appeal to the House.

Now if the hon. the Deputy Premier wishes to challenge that, he has to quote a rule under which he can debate this. I am saying this is not debatable. You have been challenged and you have to call in the Speaker to decide this issue. This issue is not debatable and you should try to abide by the rules if at all possible, Mr. Chairman.

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[Interjections]

MR. CHAIRMAN:

Order!

DR. HORNER:

On the point of order, Mr. Chairman, the hon. gentleman apparently doesn't appreciate that --

MR. LUDWIG:

Mr. Chairman, on a point of order, it's not debatable. Under what rule are you debating --

DR. HORNER:

I'm raising a point of order.

MR. LUDWIG:

Under what rule are you debating a challenge --

DR. HORNER:

On a point of order.

MR. LUDWIG:

Mr. Chairman, what rule --

DR. HORNER:

Well, Mr. Chairman, the hon. gentleman --

MR. LUDWIG:

No, you sit down! I'm not --

MR. CHAIRMAN:

Order!

DR. HORNER:

-- is apparently having difficulty understanding what parliamentary procedure is all about.

MR. LUDWIG:

. . . because he can't debate this.

MR. CHAIRMAN:

May I have order here, please?

MR. LUDWIG:

. . . a lot of nonsense. You've got to sit down.

MR. TAYLOR:

Mr. Chairman --

MR. CHAIRMAN:

May I have order, please?

MR. TAYLOR:

Mr. Chairman --

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MR. CHAIRMAN:

Order, please. I very well understand the hon. Member for Wetaskiwin-Leduc and what he has indicated to me. My understanding of the rules is, that when I report to the assembly I report to the Speaker that my decision was challenged. The difficult part here is that the debate is continuing and both sides are right, and I want to be given a chance to accept this challenge from Mr. Henderson. I will report this in the Report, and the Speaker will then take it from there. Now unless I am wrong here -- I have looked into Beauchesne and I have looked at the reference that you gave, Mr. Ludwig. If the assembly and committee here accept my ruling on this, this is the way I intend to report this bill.

MR. TAYLOR:

May we do it properly according to the hon. Deputy Minister. I move that the Chairman leave the Chair, and I refer you to Section 60 on page 192 and Section 232: "In case of appeal to the House, it is the duty of the Chairman to leave the Chair immediately and report in writing the point of order which he has decided. The Speaker must then submit the matter to the determination of the House"

MR. CHAIRMAN:

There is no debate on that type of motion.

MR. HO LEM:

. . . to challenge the count. You had recorded it as 42 on that side and presently there are 45 members, and Mr. Doan was the only one who came in after the vote was taken.

MR. CHAIRMAN:

There is no debate on this. I appreciate your point,

MR. HO LEM:

I just want to point out the fact that if the Clerk wished to count again, he may.

MR. CHAIRMAN:

All in favour of the motion --

SOME HON. MEMBERS:

No!

MR. TAYLOR:

You leave the chair immediately.

[Mr. Diachuk left the Chair at 10:06 p.m.]

* * * * *

[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Assembly has had under consideration Bill No. 120 and on an amendment presented, a count was ruled against the amendment and the Chairman's ruling was challenged.

MR. SPEAKER:

I assume a point of order has arisen and is there a copy of that point of order? Has it been reduced to writing?

MR. TAYLOR:

Mr. Speaker, it is not a point of order; the point is that the Chairman made a ruling on a vote and we want a record of that vote.

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MR. HYNDMAN:

Mr. Speaker, may I suggest that it should now put before the House that the decision of the Chairman be confirmed?

MR. SPEAKER:

The question will be put if one would so move.

MR. HYNDMAN:

I would so move, seconded by the Provincial Treasurer.

MR. DIXON:

On a point of order, Mr. Speaker, the motion as the House Leader put it is partially correct, but I think it should be that the question before the House is those that uphold the Chairman's ruling and those opposed to it and this is where the House is going to have to be asked to make a decision.

MR. HYNDMAN:

Mr. Speaker, I refer to Page 197, Paragraph 232 (1), which says the Speaker must then submit the matter to the determination of the House in the language reported to him and put the question "that the decision of the Chairman be confirmed". No discussion is allowed on the appeal.

MR. SPEAKER:

I take it that the House is familiar with the decision of the Chairman which has now been put to the House.

[After putting the question, the Speaker declared the ruling upheld. A number of members rose, calling for a record division, whereupon the division bells were rung.]

MR. SPEAKER:

While we are waiting for the time to expire, I should perhaps mention that the Hansard for today may be somewhat delayed. There has been a breakdown in the computer system, which we hope to have remedied by tomorrow. The cause of the breakdown has not been diagnosed, but I understand that some hon. members have their suspicions. We expect that it will have been remedied by tomorrow morning and that we may be caught up by tomorrow evening or the next day.

It may or may not be relevant, but I must express some doubt as to whether this method of challenging the determination of the Chairman as the result of a vote is workable. I would not know how it might proceed, if the Chairman's determination were to be reversed in the House.

[Three minutes having elapsed, the House divided as follows:

In favour of the Chairman's ruling: Messrs.

Adair	Dowling	Jamison	Peacock
Ashton	Farran	King	Purdy
Backus, Dr.	Fluker	Koziaik	Russell
Batiuk	Foster	Lee	Schmit
Benoit	Getty	Leitch	Stromberg
Bouvier, Dr.	Ghitter	Lougheed	Topolnisky
Chambers	Gruenwald	McCrimmon, Dr.	Trynchy
Chichak, Mrs.	Hansen	Miller, J.	Warrack, Dr.
Cockson	Harle	Miniely	Werry
Copithorne	Hohol, Dr.	Moore	Young
Crawford	Horner, Dr.	Notley	Yurko
Dickie	Hunley, Miss	Paproski, Dr.	Zander
Doan	Hyndman		

Against the Chairman's ruling: Messrs.

Anderson	Cooper	Ho Lem	Strom
Barton	Dixon	Ludwig	Taylor
Buck, Dr.	Drain	Miller, D.	Wilson
Buckwell	French	Ruste	Wyse
Clark	Henderson	Sorenson	

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Totals: In favour, 50 Against, 19]

MR. SPEAKER:

I declare the ruling of the Chairman to have been upheld.

MR. HYNDMAN:

Mr. Speaker, I move you do now leave the Chair and the assembly again resolve itself into Committee of the Whole for further consideration of Bill No. 120 on the Order Paper.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader, do you all agree?

[The motion was carried without debate]

MR. SPEAKER:

I take it the House understands that the purpose of going into committee is to deal with the bill mentioned by the hon. House Leader.

[Mr. Speaker left the Chair]

* * * * *

[Mr. Diachuk resumed the Chair]

Title and Preamble

MR. HENDERSON:

Mr. Chairman, may I make one more request, and this may be more reasonable than the last one? I mentioned on Friday the question of the House being provided with the cost or economic data on which the government based its decision of \$10 million. I say quite sincerely that we have no way of knowing whether the figure is relevant or not relevant, in the absence of supporting data. I indicated at that time that I had prepared a question that would be on the Order Paper, and it is on the Order Paper for tomorrow, Question No. 223. I would certainly ask the government to give due consideration to a request at this time to simply report progress on the bill with a view of allowing the question to come up tomorrow on the Order Paper, or a commitment from the government that the information is going to be made available to the House relative to the costs of the investment that AGT now has in the area in question. As I say, it is simply impossible to really intelligently judge the figure of \$10 million, whether it is good or bad, without some sort of supporting data. I presume that such supporting data is available.

I would certainly beg the indulgence of the government in holding the bill in committee until we have an opportunity to look at the arithmetic involved. I have no idea at this time whether personally I am going to agree or disagree on whether the figure is too low or too high, or what the position of our party will be, but in the absence of some factual data it is impossible to arrive at a position on that.

MR. WERRY:

The information that the hon. member has requested relates to Question 223 on the Votes and Proceedings of Friday. When the hon. member moves the question tomorrow it will be accepted.

MR. HENDERSON:

Will the hon. minister hold the bill in committee until we get the information?

MR. HYNDMAN:

Insofar as we are entitled in preamble, with the information forthcoming as a commitment being made by the hon. Minister of Telephones, on third reading there would be ample opportunity for the hon. Member for Wetaskiwin-Leduc to debate the figures which he receives and suggest that they are right, wrong or otherwise. Accordingly I believe we should move ahead and report the bill.

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MR. HENDERSON:

In view of the commitment, I would certainly retract the request, Mr. Chairman.

MR. TAYLOR:

Mr. Chairman, in the second reading I discussed certain items concerning AGT personnel, and the hon. minister in his reply did not deal with those items. Possibly it slipped his mind. I wonder if he could make a statement on the personnel with particular emphasis on the four points that I mentioned in respect to dealing with AGT personnel who may be transferring to the City of Edmonton.

MR. WERRY:

Mr. Chairman, the employees affected by the transfer of equipment are less than 50. We have given assurances to the employees that they may either go with Edmonton Telephones or, if they wish, stay with Alberta Government Telephones and retain the full seniority, rights, and privileges that they have had up to this time. As the hon. members will appreciate, Alberta Government Telephones has some 7,300 employees, and there is no problem with relocating those employees who are affected within the system. And further to that I met with the legal council of IBEW on one occasion, and on the one point that was raised by the hon. member, and at his request I delayed for 15 days the transfer or the binding part of the agreement that IBEW was asking for. So I can assure all hon. members that I will attempt to deal with, in a most adequate, helpful manner, any reasonable request, coming up as a result of transfers from those employees who have rendered valuable service. And I hope most of them will continue to render valuable service for Alberta Government Telephones.

MR. TAYLOR:

One other point, Mr. Chairman. Will the seniority and the benefits accruing to those workmen in AGT now be honoured by Edmonton Telephones? And if not, will they be readmitted back into AGT?

MR. WERRY:

I am not able to speak on this for Edmonton Telephones, of course. If they do not retain their seniority, and wish to come back to Alberta Government Telephones, they would be welcome.

MR. CHAIRMAN:

It has been moved that the committee report Bill No. 120. Is it agreed?

MR. WERRY:

Mr. Chairman, I move that Bill No. 120 be reported as amended.

[The motion was carried without debate.]

BILL No. 77: The Legal Professions Amendment Act, 1972 (No. 2)

Section 106

MR. LEITCH:

Mr. Chairman, when we were last discussing this bill there were two questions that were raised, one by the hon. Member for Wetaskiwin-Leduc regarding Section 106(6) and the reference there to the Canadian and British Insurance Companies Act. That subsection provides the type of investments that the foundations can invest in by reference to that act. The hon. member asked if they could invest in investments outside of Canada. I had some difficulty answering that because the provisions governing this are several pages long and there are some that permit them to invest outside of Canada. The difficulty was whether they had to be doing business in the country in which they invested. During the adjournment I have checked and I find that that act does permit the foundation to invest in certain bonds and things of that nature that are guaranteed by other governments. So they could invest outside of Canada. It also allows them to invest in municipal corporations, school board bonds and all that kind of thing.

The reason for picking that act was this simple. It was the view that the foundation should have a wider latitude for investment that is provided, for example, under our Trustee Act. This does provide a wider latitude. I agree

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that rather than select a federal statute to tie the investment authority to, it would be better to select an Alberta statute. One of the reasons a federal statute was selected was that it has been used in a number of other provincial acts, such as the retirement fund legislation; their authority to invest is tied to the same act, Canadian and British Insurance Companies Act. But I think it is better to tie it to an Alberta statute rather than a federal statute, and for that reason, Mr. Chairman, I propose, seconded by the hon. Minister of Manpower and Labour, to amend Section 106(6) by striking out all of the words after "companies" and inserting in their place "incorporated under The Alberta Insurance Act are permitted to invest." That would tie their investment authority to an Alberta statute.

I may say that The Alberta Insurance Act provides authority for investment in very much the same way as the Canadian and British Insurance Companies Act. Again under the Alberta act they could invest in securities guaranteed by other countries, as well as securities guaranteed by the provincial, federal, and municipal governments in Canada and school boards and so on. So the change is really one of tying it to an Alberta statute as opposed to a federal one; it really doesn't significantly change the scope of the investment authority.

[Section 106(6) was agreed to as amended.]

MR. LEITCH:

Mr. Chairman, I have a further amendment arising out of the question raised by the hon. Member for Drumheller with respect to the foundation reporting. I move that Section 106 be amended by adding Section 106.1, and again seconded by the hon. Minister of Manpower and Labour. The amendment would provide that

(1) After the end of each year the foundation shall prepare and submit to the Attorney General's Department a report consisting of:

- (a) a general summary of its transactions and affairs during that year, its revenues and the application of its expenditures during that year.
- (b) an audited balance sheet of its accounts and financial transactions during that year, and
- (c) such other information as the Attorney General may require.

- (2) Upon receiving the report under subsection (1) the Attorney General shall lay a copy of it before the Legislative Assembly, if it is then in session, and if not, within 15 days after the commencement of the next ensuing session.

[Section 106 as amended, the title and preamble were agreed to.]

MR. LEITCH:

Mr. Chairman, I move that the bill be reported as amended.

HON. MEMBERS:

Agreed.

Bill No. 114: The Brand Amendment Act, 1972

[Section 8(1) was agreed to.]

Section 8(2)

MR. RUSTE:

On subsection (2) which deals with the using of a standing arrow brand: I would just like to bring to the attention of the hon. members my concern here, in the business of an individual. This is asking that it be brought practically to public attention in that anybody who borrows money for this will have this registered on his animal. Over a period of years, I know, it has been used in the feeder associations. But here again, you are in a different situation where they are bought and fed for a matter of days or months and sold again. But I submit that in this there is a bit of difference in that these animals may be bought, breeding stock, and so on. They can be held for a matter probably of ten years or so and have changed hands in the interval, and in the interval as well the loan may well have been paid off. I just raise this point because I think that in doing business for the public, the privacy of the individual's business should be upheld too. I think the Bills 1 and 2 and some of the older legislation that is on the books carries that forward. I think your

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agricultural committees, as well, that the hon. Minister of Agriculture has set up -- I don't think they go around divulging details of what I do as a farmer when I go to the committee to borrow money. A banker certainly doesn't do it when I borrow money from him, and I don't think that the people of Alberta, say when a doctor or a lawyer goes through university, and they spend a considerable sum of money towards his education -- I don't think that is held up as a debt against him or anything.

So I submit, Mr. Chairman, that this is something that we should look at pretty seriously because it is certainly violating the principle of privacy of business of the individual. I realize some of the reasons for it being here, but I think that in this case, where you get into a particular breeding stock, they may be around for 10 or 12 years -- and this is not uncommon -- where you get the transfer from one farmer to another, and the one that ends up with them may not have had anything to do with the loan in the first place.

MR. FRENCH:

Mr. Chairman, under this section, we are going to eliminate the present Section 8 and the note that is given that it is no longer necessary for the purpose of brucellosis and TB control. Mr. Chairman, I well remember some years ago when brucellosis came into Alberta. It came in more or less with a rush from the States. At that time we knew very little about it. It was really an epidemic and many of the animals were blood-tested when they were sold on the market. I am just wondering if we shouldn't maybe leave this Section 8 in the act with respect to the "B" brand and the "T" brand, so if reoccurrence comes with respect to brucellosis, that we will then be able to use the brand "B" and designate infected beef animals, because we certainly went through a very severe epidemic some years ago. I know at the present time we are advised that it has abated and that it isn't necessary, but at the present time they are not doing the vaccinations. We hope that we won't have an outbreak of brucellosis, but I would suggest that we should leave it in the act. I don't see any harm in leaving it in the act because, if necessary, it is there to be used without calling a special session of the legislature to get it back in the act again.

MR. J. MILLER:

Mr. Chairman, in reply to the hon. Member for Wainwright, the Standing Arrow Brand, if he would read under 3(b), would only be done at the request of the lending institution. I can see where this might be: a farmer already has some cattle, he borrows money under the livestock guaranteed loan program, and when the banker says, "Which are mine and which are yours?" At that time the brand is put on. In reply to the hon. Member for Hanna-Oyen, we have a brucellosis-free province now. The cattle are tested when they come in for slaughter, and if a positive reactor is found the herd is tested right on the farm.

MR. BUCKWELL:

Mr. Chairman, under Section 2 here it says the Standing Arrow Brand is reserved for use on all cattle purchased by the owner of a recorded brand. In the regulations for borrowing money must the borrower have a recorded brand? Is this part of the --

MR. CHAIRMAN:

Any further question? Mr. Benoit.

MR. BENOIT:

Mr. Chairman, I want to ascertain for certain, is it compulsory for someone who borrows money and purchases cattle to put the Standing Arrow Brand on the cattle? Even if the one who is loaning the money requests it, the one who is borrowing it doesn't have to. [Interjections] If the people who are borrowing it are aware of that I have no objection, but if it's compulsory then I would say I am opposed to it.

MR. CLARK:

Mr. Chairman, now that we are dealing with this particular section I'd like to get a statement from the member with regard to dairy cattle that would be registered and in most cases not branded. My question is, what kind of direction is going to be given to either the Agriculture Development Corporation or officials of the Department of Agriculture, in light of the fact that the minister just said that they don't get their money unless the lending institution is prepared -- [Interjections]. Well, something happened to what

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you said when I heard it, then. What kind of direction will be given to the corporation, and also, what kind of instructions to lending institutions as far as registered dairy cattle are concerned?

MR. J. MILLER:

In reply to the hon. member, Mr. Clark, purebred cattle and dairy cattle are exempt because they are identified: purebred cattle by their tattoo, and, as I understand it and I believe you told me, dairy cattle by their colour.

MR. STROMBERG:

Mr. Chairman, I would like to point out to you that last year when the act came into force some of the farmers in the country west of us had problems when cows were being brought in from B.C. and from Lloydminster. These cows had supposedly been tested by a vet for pregnancy. When these cows were tested some were not in calf, and they were sold two and three times over to another man that was buying them under the act. Now if they had had that brand on, the man would have the right to question why they were being sold. Another protection that also gives, is that when a farmer does sell cows he never sells his best ones. He always sells his poorest.

MR. RUSTE:

Mr. Chairman, just getting back to Section 2, it refers to Standing Arrow Brand as reserved for use on all cattle purchased by the owner of a recorded brand and then it goes on to spell out the loans. So I take it, then, that they are all covered by that. But then there is another one. The lending institution would be the one that would ask. Where is that covered in (b) (i), (ii) or (iii)? Is that one of the offices designated by the minister? Is it one of the departments that gives the directions? That's what I'm getting at.

MR. J. MILLER:

I think under (3) (b) where it says 'may be placed' would answer that.

MR. RUSTE:

Do I understand, then, that all cattle purchased under the various loans do not necessarily need to be branded with the Standing Arrow Brand? Only under certain specified cases to be decided by a certain somebody within the Development Corporation?

MR. J. MILLER:

Only if the lending institution wants this brand put on.

MR. BENOIT:

Then he must put in on, whether he wants it or not, if the lending institution says so?

MR. J. MILLER:

This program has been very successful, Mr. Chairman. We have lent out \$12 million and \$11 million of this went up to the grey-wooded areas of northern Alberta. The timing of this loan was tremendous because at this time the calves from these cows are selling for over \$200 a piece. It has made these farms very viable and it has proven to be a very good workable program.

MR. BARTON:

How far back does this \$12 million go in years?

MR. J. MILLER:

September 10th, 1971.

DR. BUCK:

On that note I think that really this standing arrow brand should have an 'H-H' on each side so that we can always bow down and remember who the benevolent minister was.

[Section 8, Title and Preamble were agreed to without further debate]

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MR. J. MILLER:

I move that Bill No. 114 be reported.

[The motion was carried without dissent]

MR. HYNDMAN:

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

[The motion was carried without dissent]

* * * * *

[Mr. Speaker in the Chair]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill No. 114, The Brand Amendment Act, and begs to report same. The Committee of the Whole Assembly has also had under consideration Bill No. 120, and Bill No. 77, and begs to report same with some amendments.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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

[The motion was carried.]

MR. HYNDMAN:

Mr. Speaker, I move that the House do now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

Having heard the motion by the hon. Government House Leader that the House do now adjourn until tomorrow afternoon at 2:30 o'clock, do you all agree?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:50 p.m.]

