LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday Evening, November 21, 1972

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

POINT OF INFORMATION

Canadian Football League

MR. GETTY:

Mr. Speaker, I wonder if we might revert to Orders of the Day so I could advise the House of some interesting information.

MR. SPEAKER:

Does the House agree that we may revert to Orders of the Day?

HON. MEMBERS:

Agreed.

MR. GETTY:

Mr. Speaker, I thought the House would be interested in the matter that has been raised in this legislative session, and it is on the CP wire today. "A Toronto Argonaut motion to the Canadian Football League meeting in Winnipeg last week recommending expansion into the United States will be withdrawn when the owners meet next week in Hamilton, John Bassett of the Toronto Argonauts said Tuesday." I thought it would be interesting to this legislature, Mr. Speaker, inasmuch as the Government of Alberta has led the fight against this expansion.

GOVERNMENT MOTIONS

Privileges and Elections Committee Report

4. Hon. Mr. Hyndman proposed to this assembly, seconded by Mr. Chambers:

Be $% \left(1\right) =0$ it resolved that the Report of the Standing Committee on Privileges and Elections be received and concurred in.

Mr. Henderson proposed, seconded by Mr. Clark, that the motion be amended by the deletion of the words "and concurred in."

[Debate adjourned by Mr. Hyndman.]

MR. HYNDMAN:

Mr. Speaker, having considered the amendment which was proposed by the hon. Member for Wetaskiwin-Leduc over the supper hour, the government is of the opinion that it is not unreasonable and that most of the rule changes recommended in the report could be debated under Government Motions No. 5 and 6. It should be noted, however, that there are some recommendations not for rule changes but for further consideration in the report which would now not be concurred in but probably should well be debated under Government Motion No. 4 and after the amendment is dealt with; and those would relate to such matters as proposed changes in the fall sittings, transportation arrangements, and introduction of visitors. Any changes to those by way of rule changes though could be dealt with in the two separate motions.

MR. SPEAKER:

Are you ready for the question on the amendment? The amendment is moved by the hon. Member for Wetaskiwin-Leduc, seconded by the hon. Member for Olds-Didsbury, that Motion No. 4 be amended by striking out the last three words "and concurred in" where they appear at the end of the motion.

[The amendment and motion were carried without further debate.]

Sessional Rules

5. Hon. Mr. Hyndman proposed the following motion to this Assembly, seconded by the hon. Dr. Backus:

Be it resolved that the Assembly order as follows:

- This Order applies only to the Second Session of the 17th Legislature.
- Rule 46 of the Rules of the Assembly is suspended and shall be deemed to be replaced by the following Rule:
 - (1) The Committee of Supply shall be a Select Standing Committee and shall be appointed pursuant to Rule 50 as though it were a committee enumerated in that Rule.
 - The Committee may establish subcommittees consisting of members of the Assembly and, with respect to each subcommittee so established, shall designate its name and appoint its members.
 - One third of the members of a subcommittee appointed under this Rule constitutes a quorum at any meeting of that subcommittee.
 - Upon the submission of the Estimates to the Assembly and their referral to the Committee of Supply, the Committee of Supply may refer any portion thereof to one of its subcommittees for that subcommittee's report and recommendations thereon.
 - (5) At any meeting of a subcommittee established under this Rule, a member of the Assembly who is not a member of that subcommittee is entitled to attend at and participate in the meeting but is not entitled to vote on any matter before that meeting.
 - receiving the reports and recommendations of all subcommittees to which portions of the Estimates were referred, the Committee of Supply shall submit its own report on the Estimates to the Assembly, and upon the tabling of the report, the Chairman of the Committee shall present a motion that the Assembly receive and concur in the report.
- Rule 49 of the Rules of the Assembly is suspended and shall be deemed to be replaced by the following Rule:
 - (1) The Assembly shall not adopt or pass any vote, resolution, address or bill for the appropriation $% \left\{ 1,2,\ldots ,n\right\} =0$

 - (a) of any part of the public revenue, or
 (b) of any tax or impost,
 to any purpose that has not been first recommended to the Assembly by
 Message of the Lieutenant Governor in the Session in which such vote, resolution, address or bill is proposed.
 - A vote, resolution, address or bill to which sub-rule (1) applies shall be introduced in the same manner as any other vote, resolution, address or bill except that
 - (a) the recommendation of the Lieutenant Governor shall be attached to the copy to be introduced by the member, and (b) the member proposing to introduce it shall, at the time he begs leave of the Assembly to introduce it, inform the Assembly of the Lieutenant Governor's message of recommendation.
- Rule 62 of the Rules of the Assembly is suspended and shall be deemed to be replaced by the following:
 - In proceedings in the Committee of the Whole Assembly for the consideration of a bill, the title and preamble are the last matters to be considered with respect to the bill.
 - (2) The Chairman shall, before a bill is considered in the commutation of the Whole Assembly, ask whether any comments, questions or amendments are to be offered with respect to the bill.
 - Where the Chairman is satisfied that none of the members propose to offer any comments, questions or amendments with respect to

bill, he shall proceed to call for consideration of the bill's title and preamble.

(4) Where the Chairman receives an indication that comments, questions or amendments will be offered with respect to the bill, the Committee shall proceed with the consideration of the Bill in such manner as the Chairman considers appropriate in the circumstances.

MR. HYNDMAN:

Mr. Speaker, I don't believe that much needs to be said with regard to the recommendations and specific rule changes which have been conveyed to the House in respect of this Motion No. 5. It deals essentially with three matters. The first one is the procedure whereby estimates would be considered by subcommittees of the Committee of Supply, and in that regard hon. members had, as of 2:30 p.m. today, an amendment to be proposed by Mr. King, which was delivered to all members in order that they might give consideration to it, bearing in mind the fact that there is some detail. The amendment does not change in any substantial way, I submit, the proposed rule change to 46, as suggested by the committee, but rather clears it up in a neater way. I don't believe any hon. member would seriously disagree with the proposed change in Rule 49 relating to the handling of money bills. It would essentially get rid of the resolution stage, which is a difficult one for the House to debate insofar as a resolution is not known when it is considered by the House. That reform would simply result in a member, when proposing a bill, saying at the time of introduction that it is a money bill and that the Lieutenant Governor's message has been received.

Rule 62, which is the third change proposed by this motion, would simply provide flexibility to the chairman of the Committee of the Whole in dealing with and having the House deal with clauses, sections, and sub-sections of bills.

MR. KING:

Mr. Speaker, I would like to move an amendment to the resolution. As the hon. minister has already indicated, copies of the amendment were made available to you and to members of the House this afternoon. I think at the commencement of the sitting, or at least during the afternoon sitting of the House. I think the amendment is straightforward and I don't intend to speak on it at any length. It is simply the result of some further consideration as to the specific method by which we might implement the recommendation of the Committee on Privileges and Elections. The proposed amendment is seconded by the hon. Member for Drayton Valley, and unless there are questions, I think that is sufficient.

MR. SPEAKER:

Might there be a copy of the amendment for the Chair?

AN. HON. MEMBER:

Agreed.

[The amendment as proposed by Mr. King read as follows:

That paragraph 2 of the Motion be amended as to the proposed Rule 46:

- (a) by striking out subrule (1) and by substituting the following:
- 46. (1) The Committee of Supply shall be a committee of the whole Assembly.
- (b) as to subrule (2) by striking out the words "and appoint its members" and by substituting the words, "appoint its members and designate its chairman,"
- (c) as to subrule (4) by striking out the words "and recommendations",
- (d) by striking out subrule (6) and by substituting the following:
 - (6) When a subcommittee has completed its consideration of any portion of the Estimates referred to it, the chairman of the subcommittee shall so report to the Committee of Supply and shall thereupon present to the Committee a supply resolution relating to that portion of the Estimates.

- (7) When any portion of the Estimates is considered by the Committee of Supply itself (and not by a subcommittee), then, upon completion of its consideration, a Minister of the Crown shall present to the Committee a supply resolution relating to that portion of the Estimates.
- When a supply resolution has been passed by the Committee of Supply, the chairman shall report the resolution to the Assembly.
- When the consideration cf all the Estimates has been completed, the chairman of the Committee of Supply shall submit to the Assembly a report summarizing the supply resolutions passed by the Committee.]

MR. BENOTT:

Mr. Speaker, if I may, I would like to raise a question or two with regard to those four points. Do I understand that there is a possibility then that certain sections of the estimates could be adopted by the House before the entire estimates were brought forth so that they could be acted upon, or do we wait in Committee of the whole for all of the subcommittees to report, and then bring it all down at one time?

MR. KING:

Mr. Speaker, to answer the question which has been asked, the result would be that the sub-committees would report different appropriations to the Committee of Supply. The Committee of Supply could, at its discretion, report them one at a time to the House, and the House could, one at a time, receive those reports. But if you were to go further than that, and effect them in law, then, of course, you would have a whole series of appropriation acts. That is certainly not the intent, and I doubt that that is the way the House would proceed. The House would probably hold them and give them all effect with one appropriation act. They might vary that to the extent that they do in the House of Commons in Ottawa where they may have two or three appropriation acts, but that would be a question of procedure, and not one of the rules.

MR. TAYLOR:

Mr. Speaker, I would like to say a word or two on the matter of the estimates. We, on this side of the House, I think are all prepared to give this a trial. We are a little concerned in that the same a little concerned in the trial. a trial. We are a little concerned in that the consideration of the estimates a trial. We are a little concerned in that the consideration or the estimates is one of the most important functions of the members of the legislature, and under this procedure there will be no study of the estimates in the Committee of the Whole. The Committee of Supply will report back to the House, and consequently debate will be limited to some degree as the rules of the House will then apply, and the hon. members will able to speak once only on each motion that is brought in by the Supply Committee. This is a little disadvantage compared to the method of looking at it clause by clause or item by item in the Committee of the Whole where a member normally doesn't give a long item in the Committee of the Whole where a member normally doesn't give a long speech, but where a member may speak as many times as he wishes, and pursue the matter to exhaustion. We think that is an important item but in the Committee we are prepared to take a look at how it will work in the subcommittees and in the Committee of Supply itself. If we are able to pursue the various items to exhaustion to the satisfaction of all of the members, then it would be a satisfactory substitute. But if the matter is going to be pursued to exhaustion by only a few members and the rest of the members not knowing what has happened there, except through the overall report of the Committee of Supply, then it leaves a little bit to be desired.

I think from the standpoint of every hon, member knowing what's going on in every department, the former procedure was a very excellent one where every estimate is called and every estimate may be debated if the hon. members wish to do so. Certainly it is time-consuming and I would like to suggest that we look at this from a viewpoint of whether or not it limits debate on the estimates to any appreciable extent. If it does, then I would hope we would revert back to the other method or some other method even though it takes more time. When we are considering expenditures of money voted to Her Majesty, I think we should be prepared to spend whatever time is necessary to make sure that the people get full value out of every dollar spent. Certainly the Committee of Supply and Committee of the Whole represent one way of doing that, even though it is timeconsuming, as I said before.

However, I think we're living in a changing world, and we're guite prepared to see what will happen in the subcommittees and what happens in the committee. There again I'm a little bit concerned. A subcommittee may have some very

exhaustive debates, and then when it comes to the committee I'm wondering if the discussions are then going to be rehashed, and then when it comes back to the House in a formal motion, is the debate then going to be rehashed again? I think these are the things we're going to have to watch because if it does, it could well mean that we're going to use up more time in this method than we were in the other.

The other thing that bothers me a little bit is that I think one of the functions of the Legislature and one of the strong points of the Committee of the Whole was that the discussions were held completely in the open, not behind closed doors, anybody that wanted to sit in the galleries could sit there and listen. I'm sure the hon. members have noticed over the years that those interested in agriculture were normally here the times when agriculture was being discussed. Those interested in water were generally here when water resources was being discussed. I would like the hon. Government House Leader to give us some indication of the attendance of visitors, interested people, and the press at the subcommittee meetings. I think we should know whether this is going to take place there or if there are going to be closed meetings to the members of the committee and other members of the legislature.

I believe those are the only points I wanted to mention. I think the amendment substantially improves the resolution. In speaking on them both at this time I am personally in favour of this trial run to see whether or not we can modernize the rules and expedite the proceedings.

MR. KOZTAK

Perhaps I misunderstood the hon. Member for Drumheller, but my understanding of the workings of the new rules - and this, of course, is only for the next session - is that the subcommittees will act as fact-finding committees, so that you can go to those subcommittees and obtain the facts that you would otherwise obtain from the minister during the estimates as we now have them. Then, when the subcommittees meet as the Committee of the Whole, the matter of the principle will be discussed again in the form of the Committee of the Whole. So you are not restricted, as you are in the House, to speaking only once on a motion, but you are given the same latitude as you are in the Committee of the Whole in discussing principles. However, the tedious aspect of fact-finding is behind you. You have all that information so that you are then able, in a well debated effort, to discuss principles. I don't think that the fears, at least the way I read them, of the hon. Member for Drumheller are really that large.

MR. BUCKWELL:

Mr. Speaker, I just wanted to ask the hon. House Leader about the subcommittees. Just how many subcommittees did you have in mind? Three, four, or how many? And how many members in each?

MR. YOUNG:

There are a couple of matters that have been brought up by the hon. Member for Drumheller which do concern me. I have not been overly impressed by this particular session that we have completed in terms of the estimates, in any event, in the ability of the public to be aware and advised of the time at which a particular department's estimates would be dealt with. It seems that the distribution of our time and consideration as a Committee of Supply was in somewhat uneven terms in relation to the magnitude of the estimates for a particular department. I recommend to the Committee of Supply that next year when it is organizing itself in subcommittees perhaps, with the subcommittees, it will be able to advise in advance with a better degree of accuracy than it had been able to as a larger Committee of Supply. It could advise when the particular subcommittees will be meeting, and what they will be dealing with. And I would hope that there will be provisions for the members of the public, if they wish to attend the subcommittee, to observe what does go on. It seems to me that it is public business, and should be open to the public. We should do whatever we can to facilitate the public's attendance upon these particular committee meetings.

MR. RUSTE:

Mr. Speaker, my concern in this whole matter is the fact that as a member of this Legislative Assembly there is no way that I can attend all the committee meetings. I don't know if there is any way that I can even attend the ones that I would like to, because they are going to be broken down into various groups. Certainly I am going to be at a disadvantage when I get back to my constituency to answer for the expenditure of public money.

Also, another factor that I see we are going to lose in this is the fact that there will be no Hansard record of what goes on during the consideration of the budget expenditures. And certainly, as I have notized over the years, during the questioning of the minister on the departmental estimates one question may often lead to another. This is pretty important. And these are some of the things that are going to be missed under this new setup. Certainly, if we are going to take this as an attempt to save time, I think that is a pretty poor excuse for us as legislators in view of the fact that we are here to see that the money is properly spent and that the proper legislation is formulated.

This also leads, I think, to the fact that if we go into four committees it becomes more or less a closed operation rather than an open government affair. But as was mentioned by the hon. Member for Drumheller, am prepared to go along with it on a trial basis. We should see if it can be made to work. But I have these concerns and I wish to express them at this time.

MR. APPLEBY:

I wanted to make a few comments during the discussion of these resolutions, and I'd like to make them now on the amendment, I think, in case I have some more information I'd like to give later on one of the other resolutions.

Firstly, as Chairman of this committee, I would like to thank the hon, members for the way that they contributed to the discussions. As the hon. House Leader for the government indicated earlier this afternoon, we couldn't reach agreement on some of the things, but I think that, in general, the contributions were very valuable.

However, I do think that all members of the committee kept in mind the matter of responsibility and, of course, we have to keep in mind also the matter of traditions and the matter of dignity within the House. We have to remember at the same time though that over the years the membership of this assembly has increased, and the amount of money within the budget has also increased considerably. This has added to the work of the assembly and we have, therefore, had our committee take these things into consideration in trying to come up with some suggestions for changes in the rules of the House in order to meet these contingencies that have arisen. We know we have responsibilities. We have them to the province, we have them to our constituents, we have them to each other within this assembly, Mr. Speaker, and certainly we have to keep these in mind.

But rule changes have not been suddenly introduced to the legislature in Alberta as something new and something different. These changes are being considered in other legislatures across the land. In fact, the province of Quebec at the present time has probably more up-to-date rules and proceedings than any legislature in the country. I am sorry that we weren't able to get a translation of these rules. We are hoping to get one before long, and we hope to make these available for the members for consideration of future rule changes that we may be able to bring into this assembly.

The province of Ontario in 1970 brought about some rule changes that at that time might have been considered extreme, but they were also considered to be of an experimental nature. And I think this is one thing we have to keep in mind when discussing this particular amendment and this particular rule because it applies to the 1973 session and it is for a sessional change only. I realize that everybody within this House may have some of the apprehensions expressed by the hon. Member for Wainwright. However, I think I would like to emphasize more than anything else that this is something we are going to be trying on a one-time basis. We will be able to assess it afterwards, see whether it was worthwhile, and then, if not, we certainly have the power here within our assembly to change it in any way we see fit. This is why, I think, I am in favour of the amendments.

You will note, in the change to Rule 3, that it doesn't change the fact that the Committee of Supply may refer anything to the subcommittee. And I think this is important. If at any time the House decided that some particular estimate should be considered by the complete Committee of Supply, this could be done, but it may be referred to subcommittees. These, I think, are things we have to take into consideration at this time.

DR. BUCK:

I would just like to make about two comments. Number one, this seems to be an age of specialization and I think we, as members, can possibly zero in a little more closely on an area we are quite concerned with or an area that we

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know a little more about, say from personal experience. I think there may be a problem here in that you can possibly over-specialize. Let's say for example, in the year 1974 when we anticipate there may be a general election. There may be 65 Social Crediters over there, and only 5 P.C.'s over here, and so when you start specializing, as an opposition, you are going to spread yourself a little thin. But I --

AN HON. MEMBER:

Is that a forecast, or are you dreaming?

DR. BUCK:

I feel personally that it is time to look at some streamlining of the rules, and I certainly am in favour of giving it a one year trial.

MR. DIXON:

Mr. Speaker, I would like to take a moment or two to say that I am opposed to rule changes in general, because rules really are placed there for the benefit of the opposition rather than the government. The reason I say that is that the government has the majority for its protection and the opposition has the rules for its protection. So if there is any changing or watering down of the rules, the opposition is the one that suffers the most from the action of the House.

The committee system is not working satisfactorily at the present time in the House of Commons. I think the hon. Speaker will have heard this during Commonwealth Parliamentary Association Speakers Meetings, and we have talked about it on a number of occasions. Some of the federal candidates in the last election ran into problems when some of the constituents told them, "You weren't in the House. Your attendance was very bad." And the poor chap who was running, and was the former member, would be trying to defend his position by saying, "Oh well, I was in the committee meetings during that particular time and I wasn't in the House."

Let's put it this way. It is very easy to make rule changes, but the parliamentary system is over 700 years old and, as the late Mr. Churchill said, "It has stood the test of time." And a lot of those rules that were brought forward by tradition and use were there not only for the protection of the opposition but also to get the work of the House done with what we call the 'talk shop'. The 'talk shop' or speaking is a lot better than any other form of government because it talks of going out and getting the facts and going forward after a full and forthright discussion. If we are going to carry on wanting to change rules holus-bolus, then we should look at another system other than the parliamentary system. We should maybe look at a Republican form of system. Somebody mentioned Quebec tonight, and it has been mentioned on more than one occasion, even by the hon. John Diefenbaker himself. If the changes that they are advocating in Quebec continue, maybe they will be closer to a Republican form of government than a parliamentary form of government.

So I think the House, and the members in the House, have to decide which form of government they will eventually prefer. If they do prefer the Republican form of government, this is fine. Then they should make rule changes to streamline it. It is very, very easy to say, "Let's change the rules because it will be a lot quicker and easier to get things over with," but that is not really what we are after. I think, if you look at this thing in a realistic way, that there is nothing wrong with the 75 members of this House - 74, Mr. Speaker, not counting yourself - sitting down and going through the estimates, because what we are going to find is that we are going to go into these committees, and we'll go on for hours, the attendance will start dropping off, issues will be brought back to the House and debated all over again. So I don't think we will save time in the long run.

I am not going to oppose this motion, because it is only for a trial period. I only got on my feet to say that I am not happy when rule changes come about, because we should give them more consideration than just one day -- that is, as far as the whole House is concerned. I realize that the committee has done a good job with its small membership. But I think that when you are going to make rule changes, you should take a considerably longer length of time than we are taking here in the dying stages of this fall session to rush through rule changes, even if the rules say, "Well, we are only going to try it for a year." It is always more difficult to get back on the track, because you get the argument: "Oh well, part of it works, so let's go for the whole thing, and let's leave it alone." So, Mr. Speaker, I am concerned that rule changes do affect the opposition more than they do the government.

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Mr. Speaker, before I sit down I would just like to quote -- I am not going to quote the whole thing -- the hon. John G. Diefenbaker just wrote a book: "These Things We Treasure." I could read the whole page but I am not going to. I am just pointing out that we need an effective opposition and we should be very, very careful that we do what we can to make the opposition a forceful part of the legislature. By that I mean we don't make it a strong or forceful part of the legislature by weakening the rules which are their protection. I will just read what Mr. Diefenbaker had to say:

Without an effective opposition the administration in office could and would carry on the task of running the government under circumstances would carry on the task of running the government under circumstances identical to a totalitarian, one party state. To some this may seem an efficient way of running the country, but the first victim under such a regime is freedom itself.

I think this is a wonderful session to bring up the subject of freedom, because we spent many hours talking about the individual's rights and freedom within Alberta.

Without an opposition it is not too much to say the parliamentary system of government would fail in its primary task of protecting the rights of individuals and minorities and of ensuring freedom and democracy. In the parliamentary system an opposition is as necessary as the cabinet itself.

And he goes on, but, Mr. Speaker, I do say we should be very, very serious when we change rules in the House. I, for one, will be watching with a great deal of interest the experience that we hope to carry out in the coming year. I can assure you that if it isn't a better system, if it hasn't improved, I will be one of the first on my feet, Mr. Speaker, to advocate that we go back, and in particular to the study of estimates within the whole House, because I think it creates a greater interest by members on both sides of the House. I think it makes the cabinet more alert when it comes to their own departments. As I think makes the cabinet more alert when it comes to their own departments. As I think one of the hon, members mentioned here a few moments ago, the advantage is that it gives all the members an opportunity to -- if they wish to, and I think that as we have increased our indemnity for the coming year no one can argue that he can't spare the time because it is costing him money. So I think we should be in the position where we want to do the best job and I think the best job that any government can do is when they are working together as a group inside this legislature, under public scrutiny. This is where we do the best job. Of course, what the hon, the Premier is most interested in is open government, and this is one of the reasons why I don't want to put any readblocks in going this is one of the reasons why I don't want to put any roadblocks in going forward to try this experiment, but what I would like to say is that we should be very, very careful. I hope that all hon. members will take a serious view of the position, give the committee system an honest try which is advocated in this motion. But I do say that if it is not an improvement, and if the democratic system suffers at all we should waste no time in bringing forth a resolution in the coming session stressing that we wish to go back -- away from the committee system -- into the parliamentary system in the legislative chambers under public scrutiny where it belongs. Thank you, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, I must confess that I am rather dubious about the advantages. I suppose both the hon. Member for Lac La Biche-McMurray and I share one problem inasmuch as it is going to be rather difficult for us to specialize adequately enough to sit on all the committees.

First of all, I concur with many of the points that the hon. Member for First of all, I concur with many of the points that the non nember low Calgary Millican raised. It seems to me that the approach that we've taken traditionally in the legislature has been one of a great advantage. The ministers are kept on their toes, all the members take part in the questioning, it is possible to pursue the questioning (and I think that that is important), and there is a great deal of educational value for the members as well. The hon. Member for Wainwright pointed out that when you go back to your constituency you are going to get a broad range of guestions dealing with all the departments; and when we take the time to assess the estimates, department by department, it seems to me that all of us are just going to have that much greater a knowledge and a command of the operations of government. I don't account the argument that the need to streamline is so necessary because of the time factor. Again, the point was made that with the increase in indemnities it is certainly not too much to ask that we take whatever time is necessary to study them properly. When you consider the vast operations of the Alberta government today, I frankly don't think that it is out of line at all for us to spend more time in legislative session rather than less, and I just don't follow the argument for the need to reduce the time.

One point that was raised during the debate so far is the need for us to have these discussions, these committee meetings, in the open so that the public can observe. That, of course, is fundamental: if we are going to talk about open government, that is fundamental to our whole democratic legislative process. It occurs to me that if we have got four or five committees meeting, it is going to be even more difficult to make the public aware of when the estimates will take place than it was during the last session. The hon. Member for Jasper Place guite rightly pointed out that perhaps one of our problems is that we weren't able to set our time sequence out in such a way that the public could be aware ahead of time as to what particular day we were going to be dealing with the estimates of a certain department. My guess is that when we go into this committee system it is just going to be that much more difficult, and that for all practical intents and purposes the public scrutiny of people sitting in the gallery and watching what we are doing will just fade away.

One final observation I would make about this is that I don't imagine that, if we go ahead with it on the basis of one year's trial, the thing is going to turn out to be a complete and total disaster. I just can't imagine that happening, and so my fear is that we will end up staying with it, not because some of the more salient points that have been raised on this side of the House are not heeded, but because the thing works in sort of a way, because it will no doubt save some time. I fear that we are going to stick with an approach in the future which, as I say, some of us have some pretty serious reservations about.

I felt, just in conclusion, Mr. Speaker, that the estimates last spring were extremely useful to all of the members of the legislature. I think most of us who were first-time members of the legislature felt that this really was a tremendous educational experience, but I could appreciate that even those members who have been in the House for a number of years gain as a result of the estimates being gone over, department by department. You could appreciate that as you listened to the questions that were presented. As the hon. Member for Calgary Millican pointed out, the approach of all the members, the 74 members in this House studying the estimates, department by department, in the open is certainly consistent with our traditions, an approach which is consistent with the principle of open government, one which, I think, would encourage the public to observe and one which makes it possible for the media to cover what is going on and adequately report it.

Mr. Speaker, when I consider the balance sheet I question whether the reforms, while I can see that they would save some time, are a proper course of action for us to take. I submit that the responsibilities that we have as legislators in this province are such that we should take whatever time is required. If that means we have to sit an extra two or three weeks or a month next spring, so be it. Let us do that rather than attempt to save time and in the process possibly limit debate, possibly limit the full discussion of the departmental estimates.

MR. GHITTER:

If I might, I would interject a few thoughts in the debate tonight from two points of view, first, from the point of view of one who experienced the estimates for the first time at the last session, and also from one who had the opportunity of sitting in on the committee dealing with privileges and elections. I listened to the debate between the members which was probably, as it often is at committee stages, of a much more frank and open nature than it sometimes is within this legislature. Personally I found the estimates last spring to be very frustrating. I did not really regard them as open, or that they were conducted in a manner which was conducive to the public good. I found them frequently to be very dull and slow from the point of view of members who also, I know, felt the same way as we moved in and out of something that did not really strike our fancy or interest, and we were more mobile than we were normally. I also found, speaking of our public communication, that our friends of the news media probably found it the very same way from the point of view of striking points of interest, in a public communication sense.

We rely considerably upon the media to communicate what we are doing here. The points of interest where we are all deeply involved, and the points of interest from the point of view of our communication to the public, were the times when we assembled in the debate to discuss the department in a general way, and talked in terms of the approaches and directions of that department. That debate was most interesting, that debate was stimulating, and that debate, to me, was really what we are here to do as general policy makers.

I found it very frustrating, sitting like a puppet, bumping my head up and down in voting for the number of pencils, the number of this, and the number of that, saying "Agreed, agreed, agreed," interminably for some six to eight weeks,

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when I found that really the guts of what we were doing was the discussion when we really got down to the philosophy. For after all, we are policy makers here, we are not so much administrators. It is up to us, of course, to scrutinize the expenditures of the public purse. But I would suggest that when you really analyze the procedures that are being suggested here on this trial basis, we are accepting the fact that our responsibilities are becoming very, very complex. If we are to deal with them in a meaningful, contemporary way, then we must streamline it not so much from our concern to save time, but streamline it so that we can communicate our problems, communicate our policies, communicate our concerns.

As I envisage the resolutions and the changes in procedures that are being suggested by the Committee on Privileges and Elections, I envisage them on the basis that we will be able to pick our areas, it is true. I say to the hon. Member for Spirit River-Fairview that we are only one as well, and we will have to move around a little ourselves to get the information to communicate to our constituents. But I think it is also the responsibility of the opposition to communicate amongst themselves as to what is happening from committee to committee, because we are only one as well, from the point of view of our constituent communication. And we must communicate amongst ourselves as you must as well, so that the information will become available. There are many other ways to obtain information when you so require it. But as I envisage this procedure, I can see the committee hearings becoming very meaningful from the point of view of the protection of the public purse and the scrutiny of these expenditures that may be of concern. But I can also see the debate on the estimates rising to much higher levels from the point of view of public communication, from the point of view that when you come back to report to this legislature as a whole assembly, you will have the information at your disposal. As a result you will then be able to stand up well prepared and deal with the debate on a policy basis in a very meaningful way and communicate it to the public through the media, who I know will be more inclined to be here and listen to that form of debate as they always have in the past. We all seem to lose interest at times in particular departments when we get down to the nitty-gritty of the individual approvals and "Agreed," and "Agreed."

So I, as one member, Mr. Speaker, am looking forward to this innovative change and hope that it will make the debate within this legislature more meaningful and hope that it will make the ministers really more receptive. Really, I think the ministers will have to be on their toes even more, because they will be sitting in smaller groups, and I hope there will be public hearings, where the public can be in attendance, where the press if they wish can be in attendance and where the ministers will be under more careful scrutiny as is often the case in a smaller assembly, than when 74 people are endeavouring to engage in debate. I think that we can very hopefully say that this procedure will not only heighten the level of debate but will also increase the scrutiny of each of the departments. And hopefully we will conduct our jobs, not from the point of view of saving time, because that is not why we're here and I certainly agree with that, but from the point of view of being more knowledgeable and from the point of view of discussing in public the policy directions that the opposition feels should occur, and that the government feels it would like to embark upon in its hopefully progressive policies. I would just like you to consider this point of view.

MR. LUDWIG:

Mr. Speaker, I certainly appreciate the remarks that have been made, particularly by the hon. Member for Calgary Millican and the hon. Member for Spirit River-Fairview. I don't think that there's anything to show that these proposed changes that will be any kind of saving or any improvement on what has been done previously. I have a quotation the here from Beauchesne that I think is very much on point. It says here, "Full discussion of the country's expenditures is that paramount function of the House of Commons and nothing, not even the desire to save time, shall be allowed to impair it. No session is too long when no time is wasted." I believe that the only advantage I can see to these changes is that it might be a convenience to the ministers. But the back benchers on both sides of the House have a responsibility to make sure that none of their duty, interest, and responsibility is eroded. Not only on this side of the House, but a back bencher on the other side has some responsibility to justify his presence here other than of voting unanimously for government bills.

I look upon the budget as at least equally important as legislation as far as the responsibility of the back benchers is concerned. I'm sure that some ministers, if they feel that they're not able to field the many questions that will be thrown at them, or don't understand their own department as well as they should, might perhaps look at allowing the bringing in of their deputies and staff to help them out. It's a complex department, many statistics, many

figures, and some ministers are not able to digest all that stuff. I wouldn't object to that. If they need the help, let them get it. We need all the information we can get. But, I think that when you look at a possible budget of \$1,650,000,000 in the next session then I don't think that saving three, four or five days, or even a week, if we are going to save anything, is in the public interest.

I'd like to have somebody from the other side get up and tell us how the change is necessarily an improvement. It's a change, it may be innovative, but it doesn't mean that it's an improvement. And I think that unless we're reasonably sure, that we have some responsibility to defend our position. We have something that has worked and worked well, and has served the public interest. I'm not against change, but I want to be satisfied pretty conclusively that it's a change for the better. The convenience of the government doesn't matter as much, it doesn't matter at all when it's in conflict with the public interest and the public well-being. The test isn't that the government wants to expedite things. Expediency is also not a factor. We want to get our job done, and maybe some of us will debate matters over and over again, but it's better that these matters be overdone than underdone. So unless we can be convinced that this is definitely a step in the public interest, then we should resist it, and not only the members on this side. Because some of the back benchers will find out after they have been in the session one or two years and go back to their constituents, that it is pretty hard to justify their existence as to what they really have done. So I believe this is their most serious responsibility and that they should not let it go until they have absolutely satisfied themselves that it is a step in the right direction.

I'm concerned about the comparison made with Ottawa. Was this committee approach in dealing with the budget in fact an improvement? It may have been. I hear all kinds of reports and rumours that it isn't all it's cracked up to be. I understand that in Britain, up to recently, that they do take a long time to handle their budget in the House, with the exception of one or two major ones which are so involved, so complex and so detailed that perhaps nobody but the experts could comprehend them anyway. But with the exception of the very involved departments, in a province where all the back-benchers and all the M.L.A.s are fairly close not only to their constituents but also to all the people, it behooves a member to have a general knowledge of every department. He has to be able to know at least what has happened by way of spending. So for those reasons, Mr. Speaker, I am not satisfied that we have proof before us that the innovation is necessarily an improvement.

[The amendment being proposed, the Speaker declared it carried. was carried.]

MR. SPEAKER:

Is there any debate on the motion as amended?

MR. HENDERSON:

Mr. Speaker, I would like to address myself briefly to a few aspects of the motion. In the general question of rules, let me say at the outset that I think the exercise in which we are indulging is probably a timely one. There is nothing particularly sacred about rules in themselves so far as I am concerned. I think the main thing is that they are conducive to looking after the public's affairs. That is what we were sent here for. I think that, with the proviso that the rules don't lead to the erosion of our democratic freedoms (because if we start eroding them here then the public is even worse off), there is nothing magical, in my view, about the rules themselves. As I say, rather, that they should get the job done, be recognized by a substantial majority of the House, preferably 100 per cent of them, and make the system work. In my view it is certainly a compromise between dealing with the question of public affairs and problems, and preservation of democratic freedom.

The rules appear to me to be something that have evolved over a long period of time, and have been drawn up such that they are able to deal with a wide variety of conditions. I am personally of the opinion that if it's a choice between something being lively and expeditious, and dull and slow when it comes to the democratic process I opt for the latter -- the dull and slow process. For the benefit of the members that think it may have been rather quiet here, I am sure sometime within the next two or three years it will start heating up, you know. At least it seems to me that just close to an election it livens up considerably.

- I suggest when it comes to examining the rules, they have to fit the circumstances to some extent that exist in the House at a particular time. The rules, I think, that are proposed now as amendments are in keeping with the present circumstances of the House. I appreciate the reservations of the hon. Member for Spirit River-Fairview and the hon. Member for Lac La Biche-McMurray. They may find themselves in a more difficult position. But I think for the rest of us the rules and changes that are proposed are probably timely.
- I would like to suggest to the members that when it comes to changing, change should be slow. I just go back in the brief time that I have been in the House. When I came in there were only three or four members in the Opposition, and obviously to have made any suggestion of rule changes of this type at that time would have been, in my view, highly contrary to the democratic process. It just wouldn't have worked, and it would have been irresponsible for the other side of the legislature to have entertained it, but particularly the government side. It's possible that Alberta has a bad history, a long history, of having pretty lop-sided governments. This is about the best balanced legislature that this province has seen, I think, from my recollection of the history of the Alberta legislature. It has had big majorities on the government side, and in most cases comparatively few on the Opposition side. I think one of the exceptions was in the mid-fifties, I think 1953 to 1957. But other than that this is probably about the best balance that the House has seen.
- I would also point out that there are other circumstances where changes at that time would not have been in the best interest of the democratic process because of a small opposition. There are very clearly other circumstances where these changes wouldn't be in the best interest of the government. I can envision that where a government has a small majority -- one or two members, a very narrow majority -- they would think twice about just how much these types of rule changes would expedite the affairs of the House. So I for one believe that when the rules change, they should change slowly. I nonetheless think that under the present circumstances, the propositions we have before us are not unreasonable. I would hope that all members would be prepared to assess it in that light. Very clearly, what may be relevant now may not be relevant four years from now and certainly would not have been relevant in the past.
- I recall in the first four years I was in this House when there were only three or four people on this side, that we practically threw the rule book away, and quite frankly, I think we probably got into a lot of bad habits as far as the democratic process was concerned. The Leader of the Opposition could speak for unlimited time almost on any issue. The hon. Liberal member on the other side who sits in the Conservative front row would remember the circumstances at that time. He and I exchanged a lot of views just as we are doing now. That's where he got all his experience -- with minority opposition. But, I think that the proposition, as I said, is not unreasonable at this present time. I do think it is a good idea that we try it for a year. I come back to the the business of the system changing slowly. There is something to be said for something that is rather dull and slow because in cases like this year it has given the government itself the opportunity to withdraw two bills that it has concluded rather belatedly. There must be something that they have changed their minds about on them. And there have been two private bills withdrawn. This is one reason why we have three readings of all the bills -- to provide every opportunity for ample discussion.
- I would like to read into the record some comments that I am sure a number of members of the House have read. But I think them quite relevant to the discussion at the time. They are words of that Rt. Hon. gentleman, John Diefenbaker, who has been quoted previously, and I am sure that a number of members on both sides of the House are familiar with them. He is speaking on the true function of Parliament. I think it is an extract from one of his speeches. And he says:

To summarize, it is my opinion that the heralded Committee System has not been effective and will not be effective. It has to a large extent removed from the House of Commons the examination of legislation and expenditures and placed it in the hands of committees, which are powerless to act because of the shackles of party discipline. The net result has been, that instead of the new committee system providing more freedom for members in expression of their views, it has actually had the reverse result.

And another paragraph I think is relevant:

The argument is made that Parliament under the new rules is turning out more legislation than it used to produce. This is arguable [as the hon. Member for Barrhead, I think, would probably agree], but Parliament has to measure by the quality, not the quantity, of the laws that it turns out.

I can go along with the changes in the budget procedure far more readily than I could with changes that we might adopt in haste relative to legislation, because legislation, in my view, is far more fundamental. While everybody is retty well attached to money, I would like to think in my own mind that the legislation really is something that is far more fundamental and that the rule changes in that regard should be examined even more critically. I, therefore, Mr. Speaker, have some reservations about the motion that is before us relative to the change in the procedure by which bills are handled in Committee, and I am referring to Section 4 of the bill.

I have no quarrel with the parts (1), (2) and (3) of the proposed change to Rule 62, but I'd like to suggest maybe we should consider rule change 62(4) a little further. It now reads, "Where the Chairman receives an indication that comments, questions, or amendments will be offered with respect to the bill, the Committee shall proceed with the consideration of the bill in such manner as the Chairman considers appropriate in the circumstances."

I think, Mr. Speaker, that maybe there should be a little more specific instruction to the Chair rather than leaving it to his wisdom as to how it should proceed. I am sure the Speaker in particular and all the members of the House realize that the Speaker doesn't set the rules of the House. The House sets its own rules, and the Speaker interprets them. And any ruling he makes is based on tradition and precedents. If the Speaker makes a ruling in the absence of a precedent and it is not challenged, it then becomes a precedent and it is acknowledged thereafter. But the Chair does not set its own rules.

There are many matters that really don't come out and I think they are missed on both sides of the House until it is examined in a clause-by-clause fashion. I don't suggest that we should continue the examination of every bill in a clause-by-clause manner where all members on both sides of the House are in favour of it. But I do suggest, Mr. Speaker, that maybe there is need for a little more explicit direction to the Chair in cases where there are reservations expressed by members of the House. And I would like to suggest for the consideration of the House an amendment in Clause 4. Instead of reading where it reads now "The Committee shall proceed with consideration of the bill in such manner as the Chairman considers appropriate in the circumstances," to consider making it read that "The committee shall consider every section in the bill in its proper order, with the title and preamble to be considered last." Now I would point out that there is a difference in this. It says "section in the bill". I doesn't say "every clause of the bill." It would still be an improvement over -- if you want to consider expediting it -- the long, tedious process, I agree at times, of calling clauses and sections without any debate on them, but it would require the Chair to go through the bill section by section where even a single member of the House has concerns about it and wants to examine it.

I think this would accomplish partly what the House is looking for. It would also put a requirement on the Chair as for the procedure that should be followed where there is a difference of opinion on the procedure. I feel this is in keeping with the preservation of the democratic process. I also think, Mr. Speaker, that in the absence of some such direction, I can foresee the Chair man finding himself in some pretty difficult positions sometimes over procedure on a bill. Since we are trying it for a year, and we are going to reexamine it after that, I would like to suggest maybe we only go as far as the amendment outlines it during the first year. Let's see how that works before we dispense entirely with the process of calling the bill section by section as has been the custom in the past. Over the years I have been here, when we get to examining legislation, things come out to me from discussion by other members that haven't occurred to me previously. When we get into debating them, they assume considerable importance. And I will just use a small example. When I read through The Mental Health Act that we had this year, the amendments in The Marriage Act, about giving the mental defectives the right to enter into contractual agreements in the normal manner, really didn't register with me too much. It wasn't until we got into the bill, and started discussing it, that my convictions became quite strong that it would not be the thing to do at this time. It needs more examination and I think the government concurs. I think all members are inclined to do this.

So if the House were to accept the amendment, Mr. Speaker, it doesn't preclude our going ahead with the business. Where a bill is before the House, the Chair calls the bill, asks for any comments or discussion on it. If there is none, he can follow the procedure outlined in the Clauses (1), (2) and (3). But if there is a single member in the House that wants to examine the bill in some detail, I suggest he should have the prerogative of doing it. We should move very cautiously when we come to expediting the procedures just in the interest of saving a bit of time. I think that it would be a mistake in the

long run. But the proposed amendment, I suggest, would be a reasonable compromise. I therefore move, Mr. Speaker, seconded by Mr. Taylor, that Clause (4) under Rule 62 as proposed be struck out and replaced with the words "Where the Chairman receives an indication that comments, questions or amendments will be offered with respect to the bill, the committee shall consider every section in the bill in its proper order, with the title and preamble to be considered last."

MR. SPEAKER:

Are you ready for the question on the amendment moved by the hon. Member for Wetaskiwin-Leduc, seconded by the hon. Opposition House Leader?

[The amendment being proposed, the Speaker declared it carried.]

MR. SPEAKER:

Are you ready for the question on Government Motion No. ${\bf 5}$ as amended by the two amendments or is there further debate?

MR. HYNDMAN:

Mr. Speaker, I would just like to make a few remarks in closing the debate, if no other member wishes to, because a number of questions were posed.

First, the question was raised as to the degree of publicity to be given the various meetings of the sub-committee, and whether or not there would be any restriction on the attendance and coverage of the proceedings by the news media. I would think that as all committee meetings of the Committee of Supply are, and always have been, open meetings which anyone can attend, the subcommittee meetings should be considered in exactly the same light. I would think that there might, in fact, be greater public attendance at the subcommittee meetings because of the somewhat larger degree of informality, because a person from the public, knowing that there was going to be agriculture or health estimates up in a particular committee room, would go into that room and listen very closely to the debate that was going on among the various members. It might even be useful not only to publicize where these meetings are occurring and the subject matter of them in the House, but perhaps some of the media might like to publish or broadcast the fact that on a certain evenings of the week the legislature will be studying, in detail, estimates of certain departments. This might bring even greater public involvement.

A question was asked regarding how these sub-committees would be organized. It would be up to the Committee of the Whole House to decide this -- the Committee of Supply -- and I suppose anywhere from three to seven committees could be involved handling the various 20 estimates. One suggestion might be to have, say, four subcommittees of approximately -- in that case -- 18 members, each divided as the division is roughly in the House. This would then total 72 which would mean that the Speaker, the Premier, and the Leader of the Opposition would be excluded. All members, of course, would be free to move around to the other three committees in addition to being a member of one committee. The number could be varied, but for example one committee might be charged with the responsibility for reviewing the estimates for Health and Social Development, health commissions, Advanced Education, Education, Labour and Manpower. There is sort of a people-service delivery theme or common denominator in those. Another committee might look into Agriculture, Highways, Environment, Lands and Porests, and Tourism, which could be another group of departments within which a number of members might like to get some specialized knowledge. That would be asuggestion of how four committees might be broken down, but it would be after considering what the full Committee of Supply said before that was done.

Mention was made of the parliamentary system in the United Kingdom. I think it should be mentioned that it was there in the United Kingdom that the changes have been made, especially in the last 10 years, in an evolutionary way bringing up-to-date the rules and terms of reference that parliament has worked under for 700 years. In fact I would suggest that it has been in the UK that many of the changes which are occuring in other Commonwealth jurisdictions and other provinces have started, and they have been almost the first to realize that the system of parliamentary government must constantly and continually evolve and grow in an organic way, like a tree. Society changes, and if you are suddenly to become like petrified wood, society will pass you by and the entire parliamentary operation will be, to the public outside, like something that should be in a museum. I don't think any of us want the system to go into that kind of situation.

Mention has also been made of the fact that Ottawa committees are not working. It should be realized there is a major distinction between the suggestion here regarding subcommittees and what happens in Ottawa. In Ottawa, the committees meet at the same time as the sittings of parliament. This is a suggestion for committees to meet instead of the sittings of the legislature in the evenings on, say, Monday, Tuesday, and Thursday. Now because in Ottawa members are attending so many various committee meetings in addition to parliament, many members there are finding it difficult to get into anything and to present their full and undivided attention to it. Here we are saying in effect that committee work is such a vital part of the legislative experience effect that committee work is such a vital part of the legislative experience that it should be carried on in the evenings instead of the legislature itself sitting. I think that the basic distinction must be remembered, and that is that the legislature of 75 surely should be dealing with matters of program, of principle, of policy, of substantial political differences; and that its subcommittees should be dealing with matters of detailed information-seeking on specific matters which, when the information is found, will then enable the whole House to debate more usefully, more thoroughly, more intelligently and to the better comprehension of the public, those major issues of legislation and finance which it is really designed to do. I would commend the motion to the assembly and suggest that it represents a contemporary but measured step forward. forward.

I would like to clarify a point for the hon. House Leader. The reason that they do not hold the committee meetings in the House of Commons in England is that there are not enough seats in the main chamber to accommodate all the members. That is one of the reasons why they had to split up into smaller groups. Their voting is carried on outside the chamber as well. I just thought we could clarify the point.

[The motion, as amended, was carried.]

Changes to the Rules of the House

MR. HYNDMAN:

Mr. Speaker, I move, seconded by the hon. Dr. Backus, Motion No. 6, standing in my name on the Order Paper. I believe the suggestions here are self-explanatory and that no elucidation or elaboration of them by me is necessary.

6. Hon. Mr. Hyndman proposed the following motion to this Assembly, seconded by the hon. Dr. Backus:

Be it resolved that the Rules, Orders and Forms of Proceedings of the Legislative Assembly of Alberta be amended as follows:

- Rule 23, subrule (3) is amended by striking out the words "if more than fifteen members rise" and by substituting the words "if fifteen or more members rise."
- Rule 36 is struck out and the following is substituted therefor:
 - 36. (1) One clear day's notice shall be given
 - (a) of a motion for leave to present a resolution or address, or(b) for the appointment of any committee, or

 - (c) for placing a question on the Order Paper, or (d) of the introduction of a bill.

 - (2) A notice under this Rule shall be laid on the Table before 5:30 p.m. and shall be printed in the Votes and Proceedings of that day.
 - This Rule does not apply to motions respecting times of meeting of the Assembly or to motions for adjournment of the Assembly.
- The following Rule is added after Rule 56:
 - A public bill to be introduced by a member other than a Minister of the Crown shall first be submitted for perusal by Mr. Speaker and the Clerk of the Assembly before notice of the bill is placed on the Votes and Proceedings.
 - Mr. Speaker shall decide (a) whether the bill, if enacted, would infringe the prerogative of the Crown, or (2)

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> (b) whether the bill is of a local nature requiring it to be dealt with as a private bill.

(3) Mr. Speaker shall rule out of order any bill falling in either category described in subrule (2) at the time leave is asked to introduce the bill or at any time after the bill has been given first reading but before the bill is given second reading.

And be it further resolved that the Resolution pertaining to Rule 36 and Public Bills passed by the Assembly on February 6, 1970, and appearing at page 35 of the Journals of the Assembly for the 1970 Session, be revoked.

[The motion was carried without debate.]

GOVERNMENT BILLS AND ORDERS (Committee of the Whole)

MR. HYNDMAN:

Mr. Speaker, I move that 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 debate.]

[Mr. Speaker left the Chair at 9:12 p.m.]

COMMITTEE OF THE WHOLE

[Mr. Diachuk in the Chair.]

Bill No. 126, The Election Statutes Amendment Act, 1972

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

MR. HYNDMAN:

Mr. Chairman, I move the bill be reported.

MR. CHAIRMAN:

It has been moved by the hon. House Leader that the bill be reported. Is it agreed?

HON. MEMBERS:

Agreed.

Bill No. 125. The Alberta Alcoholism and Drug Abuse Foundation Act

[Sections 1 and 2 were agreed to without debate.]

Section 3

MR. LEE:

want to make one comment with regard to Section 3(a). In second just reading of this bill I recollect that a number of points were made about the importance of this type of research and consequently the importance of this kind of a body. The hon Member for Calgary Buffalo also made the point that it is very important that research of this kind be somehow co-ordinated with efforts by other commissions and other foundations throughout the world, so that there would not be duplication.

But as a counsellor in high schools I remember that one of the big concerns in the schools was drug abuse. This was a number of years ago, and of course it is a real problem right now. One of the greatest problems was that we all knew as counsellors, as teachers, and I am sure I can include the students too, that there was research that was available. Research findings had been undertaken in the area of drug and alcoholism abuse. And every once in a while we would receive pamphlets, films, and so on in the schools relating to this type of research. The thing that was always disconcerting to us as counsellors and laughable to the students to say the least, was the way in which this research or this information was disseminated to the populations which were going to receive it. I can remember some of the inane films and pamphlets which were distributed to us. And I would hope that this foundation would take into real consideration the way in which they will disseminate this kind of research. Being a university body, there is always the danger of that research being filed in the library and never being seen again, or not being disseminated in a manner by which those who can best benefit will be able to translate it to their own needs. I would just make these comments on this.

[Sections 3 to Section 8 were agreed to without further debate.]

Title and Preamble

MR. HENDERSON:

Under title and preamble I just want to ask the minister a question. Did they consider putting the word "research" in there? I suppose if you go into research you have to put in "education." Would the hon. Member for Barrhead please speak up? I can't quite hear. He is usually not quite that quiet.

DR. HORNER:

There are number of other research foundations.

MR. HENDERSON:

I realize that, but I was thinking of the similarity in the wording. When I looked at the bill originally, I thought, "Well, what are we doing? We now have an Alberta alcoholism and drug abuse commission." The wording is very close to that, and I just wondered if you would consider putting the wording in there, "research", to make it a little more definitive.

MR, CRAWFORD:

Mr. Chairman, unless I am mistaken, that really is looked after in Sections 1 and 2. The corporate name will not be the same as the title of the act, and so, although the title of the act may be confusing, the corporate name which is the one that would be used by the foundation will not be confusing. I'll just make this confession: I rather fancied the shorter name which is on the title, but the Legislative Counsel prevailed upon me to put in the longer name in order to get rid of the confusion. And that was successful, I feel now.

Mr. Chairman, I just wanted to say also to the hon. Member for Calgary McKnight that the points that he has made are ones that will be of concern both to the Alcoholism Foundation, which will be represented on the board of trustees of the foundation, and of course the trustees themselves. And I feel very strongly that they will give full attention to the avoidance of duplication and the manner in which information is disseminated. I really expect that that will be what takes place.

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

[The motion was carried.]

Bill 122: The Health Insurance Statistics Amendment Act, 1972

MR. CHAIRMAN:

We have some amendments. Do you all have copies?

[Sections 1 to 14, amended where required, the title and preamble were agreed to without debate.]

MISS HUNLEY:

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

[The motion was carried.]

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Bill No. 124: The Mineral Taxation Amendment Act, 1972

Section 1

MR. DICKIE:

Mr. Chairman, might I say here that after the bill was introduced a number of suggestions were made by way of amendments. I can appreciate that the hon. members, in going through those amendments, may have some difficulty in following them. I would like to assure them that basically those amendments cover changes in dates to extend the time. I will work with you and see that they fit in the proper place.

I think that at this time I would also like to mention, Mr. Chairman, that I will be making a further recommendation. Hon, members will recall that when we outlined the procedure in the bill which basically dealt with the right to tax crude oil, the assessment was carried out by a chief assessor. The procedure set forth then contained a provision for an appeal to the Energy Resources Conservation Board. There was also set out a procedure whereby there would be a further appeal to a Committee of Cabinet. After the second reading of the bill, Mr. Chairman, I reviewed my notes and took into consideration some of the arguments that had been advanced by hon, members on this side and also reviewed the arguments that had been advanced by the members of the opposition on the second reading of the bill, particularly the forceful argument put forthy the hon. Leader of the Opposition. Considering those arguments and looking back over my notes, I think there are basically three alternatives to consider in the question of the further appeal. That is, they could leave the appeal the way it is now, the final appeal to the Committee of Cabinet. There could an appeal to a court, and that might be to the Court of Appeal, or there could be no appeal whatsoever.

Mr. Chairman, my recommendation to the hon. members tonight would be that we delete the section dealing with the appeal to the Cabinet so that the final appeal will be the appeal to the Energy Resources Conservation Board.

I draw that to the hon. members' attention now, because there will be some provisions prior to that that might have an affect on that, but that will deal with Section 15 when we come to it.

MR. HENDERSON:

Maybe I might just comment on it at the present time since the honminister has brought it up.

I certainly suggest that the government has acted very wisely in withdrawing this section. Probably the most critical role that the Energy Resources Conservation Board performs is that of estimating reserves -- oil in place in the ground, how much is there, how much they are going to get out, and how fast it is going to come out of the ground. That probably has been the primary function of the Oil and Gas Conservation Board over the years. It has got a lot of other peripheral activities, but fundamentally they all relate to that one exercise. And that's the crux of the mineral taxation bill. I missed the second reading on it but it was very much a concern to me.

There is a tendency for politicians, you know, when they get elected to public office, to become experts in everything overnight. It's got a lot of pitfalls, particularly for cabinet ministers.

On the question of estimating how much oil is in the ground -- well, there are millions and millions and tens of millions of dollars spent on research and calculations and so on for determining it, and I know one of my engineering colleagues across the way would agree with this. It's at best a pseudo-science because you never know till the last barrel of oil is out of the ground really how much you are going to get out of it. Some of the original calculation work that is done in calculating reserves in new fields can be in error by 200 or 300% without stretching your imagination. It relates to the fact that, of course, you take a three-inch rock cross section out of the oil reservoir with a core, maybe when you are drilling the well. If it is 160-acre spacing, you assume that that one three-inch plug of rock which goes down through the cross-section is representative of the entire reservoir section which on a quarter-section spacing means that you are saying that you have got a ratio of sampling to reservoir that is one to 140 million. Then to get up into one well per section for gas wells, you have got to multiply that fourfold. Of course, there is a lot of other input but it's at best a pseudo-science, it's still a 'seat of your pants' proposition and I am convinced that if the government want to see their proposed mineral taxation scheme go down the drain, the best way to assure

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doing it is to talk about leaving it to appeals to the Cabinet; because I have to say, without any criticism, I wouldn't presume to say that I would be competent in the area, even though I have a fair background in the business. I am not competent in that field of expertise.

There isn't a hope, Mr. Chairman, that the cabinet could provide any expertise to review the decision of the board, which automatically leads to the conclusion the only input that is going to come from the cabinet is political. No, I say this in all sincerity, Mr. Minister, because I don't know what other input you will get, because that is what the whole argument would be about. It is over the recoverable oil that is in the ground and I just can't see the board themselves -- their decisions are all compromises between propositions that are produced from a wide variety of sectors within the industry. I arrived at the conclusion that the only input that is going come out of it is in real danger of being political and I am not being critical in this. Quite frankly it might be the smartest thing to sit down and shut up about it and let the government get into this pickle, because I am convinced it would be a real pickle. They would regret that they ever suggested it in the final analysis and I think they have acted very wisely in withdrawing it.

I am not concerned about the welfare of the government in the matter, but I am concerned about the implications of the political input going to the board, that by making appeal to Cabinet one could have his taxes revised. If we start that, that is fundamental to the board's role and function, and in my view if there has to be an appeal it should be to the courts. But I quite frankly concur with the position that the government has taken, because if they start opening up this question on appeal to the courts then everything that the Energy Resources Conservation Board does fundamentally becomes subject to appeal in courts. There is no way you can avoid it. It is just fundamental to their function and purpose. I personally concur with the conclusion that the hon. minister has arrived at. I think it is a wise one. I think it is in the best interests of the government. I think it is in the best interests of the board and while there may be some dissension within industry I also suggest that it is in the best interests of the industry as well. So I think it has been a very wise move to withdraw it, and I heartly support it.

[Section 1 to 2(c) were agreed to]

Section 2(d)

MR. GHITTER:

Mr. Chairman, might I ask the hon. minister dealing with the amendment referring to "right to petroleum" or "petroleum right", I believe that is in (k1) right at the bottom of the first page -- I notice that we have defined 'mineral' in the act and yet I see no definition of 'petroleum'. I am just wondering if 'petroleum' as well should be defined within the act; or maybe I am missing something, Mr. Minister.

MR. DICKIE:

Mr. Chairman, that is a good question because we did raise that. There are other acts that define petroleum and we have that to rely on, so we didn't define it in this act.

MR. GHITTER:

That is this the point. As there are other acts and as we have defined 'mineral' -- mineral means 'mineral' as defined in The Mines and Minerals Act -- what act are we referring to, in the definition of 'petroleum'?

MR. DICKIE:

Mr. Chairman, I would have to check the exact section of that act, but I can recall we considered it with the Legislative Counsel, who did not consider it desirable at this stage to put it in this act.

MR. CHAIRMAN:

Very well.

[Sections 2(d) to 6(b)(ii) were agreed to]

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MR. GHITTER:

Because of the significance of the dates on these most recent amendments, Mr. Minister, I am wondering if you could advise us as to what the actual date planned for the assessment will be from the point of view of the date of the assessment and the time it will be going out? I think it relates to the other dates that have come in by your amendments this evening. I'm dealing with Section 6; where you amend Section 7 you talk in terms of completion of the assessment roll relating to petroleum rights. I wondering what date you are talking in terms of from that point of view.

MR. DICKIE:

These amendments originally set the date back one month, from March to April, and then under 14 (c), the 15-day period is to give them additional time. There is a series of events -- from the first of April then to goes to the end of April, and in certain cases there is another 15 day period to the 15th of May.

MR. GHITTER:

That would mean that if that assessment would be going out by April 15th, on the basis of your subsequent dates, Mr. Minister, they have until April 30th to appeal?

MR. DICKIE:

My understanding would be that they make the assessment. The chief assessor assesses the roll on or before the 1st of April, and then completes it by the 30th of April, and it goes out by the 15th of May.

[Section 6 was agreed to.]

Section 7

MR. FARRAN:

I would like to ask the hon. minister a question. Inasmuch as these corporations, when they do pay tax, which is not all that frequent, pay on the basis of a calendar year, why isn't the assessment roll based on a calendar year?

MR. DICKIE:

Mr. Chairman, I would say that it would be based on a calendar year. But they would be looking at the period of time starting December 31st in 1971, and then working out the adjustments that relate to increased production and increased cost of oil and taking that period of time to work their assessment out for the 1st of April.

MR. FARRAN:

All I am really pointing out is that we used to have the same problem in the property assessment roll, and in order to make it conform we changed the shut-off date to December 31st (it used to be October 31st) because of the parts of the year that were involved, to try and make it a calendar year.

MR. DICKIE:

Mr. Chairman, I think that was what I was trying to indicate: that December 31st would be that period of time.

MR. DIXON:

Mr. Chairman, I wonder if I could clarify a point here? I know I am stretching the rules by asking the question, but it has to do with the hon. the Premier's statement on the gas policy. Was there any thought given to working out a form of rebate other than a price rebate? Was there any thought that eventually in the future we may be looking at a rebate on assessment taxes as an incentive? I can see the day when some companies may say, well, rather than be bothered with all the tax rebate, say what percentage of the gas you want left in Alberta for home consumption and we want to be free -- well, let's choose a figure -- say out of 100 per cent, the first call on 20 per cent of the gas is to be for local or Alberta consumption, and the other 80 per cent you can export for whatever price you want. I was wondering: in the assessment have we given any thought to putting something in the act that if you decide to go the other

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route they could have a rebate by way of tax assessment on gas used locally? This is what I was thinking about. A lot of companies are concerned about the government trying to control them after they leave the province. But if we said, 10 per cent of the gas is used for local consumption, if that is what is needed, and it can go into a general pool, and 90 per cent you can do what ever you want with, get any price you want; as far as we are concerned that is your own business --?

MR. DICKIE:

Mr. Chairman, I would answer that by saying we are still working out the details of the rebate system. We have considered various ways of doing it. Many involve constitutional problems, and I would think that my initial observation on the one that was suggested by the hon. member could come within that difficult situation.

[Sections 7 to 9 were agreed to.]

[Section 10 adds Sections to the Act following Section 15]

Section 15.1(2)

MR. GHITTER:

Might I ask the hon. minister about some inquiries that have been made to me with respect to the freehold interest? I am wondering what the position of the lessee is, Mr. Minister, from the point of view of the freehold situation. If the lessee wishes to appeal, even though he may not be an owner, does he have the right to appeal on a freehold situation and proceed even though he may not get the notice? For that matter, how will he find out?

MR. DICKIE:

Mr. Chairman, just the freehold owner will appeal. There is provision for the person getting notice. So I think that, even if it is not spelled out now, the lessee will get the notice. We have had discussions to make sure that the lessee does get notice of the appeal so that he will have knowledge of the actual assessment.

[The balance of Section 15.1, and Section 15.2 were agreed to.]

Section 15.3

MR. DICKIE:

Mr. Chairman, that is the one that we recommend be deleted. I move that Section 15.3 be deleted, and that covers Subsections (1), (2), and (3).

[The motion was carried.]

Section 11

MR. KOZIAK:

The amendment would have reference to Section 15.3, which no longer exists.

MR. DICKIE:

Mr. Chairman, I move that that sub-part be deleted, being "Subject to section 15.3, the assessment roll revised under subsection (1) or (1.1)".

[The motion was carried without debate.]

MR. GHITTER:

Mr. Chairman, might I speak to a typographical or grammatical error in 1.1 of that section where it says, "When the Conservation Board has disposed of the appeals mentioned in section 15.2 have been disposed of." I think it is a repetition of the "been disposed of," and that section should really read, "When the Conservation Board has disposed of the appeals mentioned in section 15.2, the Conservation Board", then (a) and (b).

MR. DIACHUK:

This has been corrected by the Legislative Counsel. I did not mention it. "Have been disposed of," has been crossed out. Is it agreed?

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HON. MEMBERS:

Agreed.

[Sections 11 to 14 were agreed to.]

Section 15

MR. GHITTER:

Might I ask the hon. minister for some clarification with respect to this particular section? I'm not guite sure I understand the operation of it. It seems that where there are two parties involved in an interest in a tract of land, they are taken as a whole, or as one in the point of view of assessment. That's all right if, for instance, they are fifty-fifty interest holders, but I'm concerned about the situation where the assessment relates to, say, an eighty-twenty interest. The parties are the same, but the interest has changed. I'm not quite sure I understand the working of that section from the point of view of taking into consideration the same parties but different interests in different tracts of land. I would just like the hon. minister to clarify that for my understanding of the section.

MR. DICKIE:

Mr. Chairman, what they are attempting to do here is not to take the tracts of land; they're endeavouring to take how it goes according to title. And there will be assessment on the title, not according to the tracts. The tracts do not necessarily correspond to the titles, and that of course has been the difficulty.

MR. GHITTER:

Will you use, then, a different assessment for each title, and the interest will not matter even though the parties are the same?

MR. DICKIE:

That has been one of the difficulties of carrying out this assessment. They will have to go according to the titles and who the owner on the title is, and not according to what may be the interest that each may hold in the tract.

[Sections 15 to Section 21 were agreed to.]

Section 22

MRS. CHICHAK:

Was Section 22(g) amended?

MR. CHAIRMAN:

My understanding is that it was not amended, am I not right Mr. --

MRS. CHICHAK:

It should be removed because it refers to the Executive Council for appeals and to Section 15.3.

MR. DICKIE:

I'll move that.

MR. CHAIRMAN:

Is everybody aware that Mrs. Chichak has called attention to Section 22(g) and that the hon. Minister has moved that clause (g) be deleted. Is that agreed?

HON. MEMBERS:

Agreed.

[Sections 22 to Section 24 were agreed to.]

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Title and Preamble

MR. DICKIE:

Mr. Chairman, I would like to ask that that be held. I have some consequential amendments that the Legislative Counsel suggested be put, and in the meantime we will also check some of these amendments that were put through.

MR. CHAIRMAN:

Very well.

MR. HENDERSON:

I would like to make a comment or two because you may wish to entertain some more consequential amendments before we finish. I would like firstly to ask the hon. minister a question or two that he might respond to, and just make one or two general remarks.

Firstly I would like to ask the hon. minister if he can clarify or tell the House as to when the option date will be. He has indicated that they have considered extending it, and in the comments during debate on second reading he makes mention of the fact that by extending the date to July 1st it is retroactive, and I presume he means retroactive to January 1st, 1973. But I would like to know whether that presumption is correct.

I would also like to know what the implications are so far as a new company coming into the province and setting up shop is concerned. How is the question of options dealt with in that regard? Following the hon. minister's comments, I would like to make one or two comments on the bill in general.

MR. DICKIE:

Yes, Mr. Chairman, I believe the hon. member raises the question of the option. The intention of the submission by industry to have the additional time would be to set the time for July 1st, but if they did elect to go under the new royalties schedule, they would pay the royalty back to January 1, 1973.

Now, the hon. member also asks about a new company coming in. It would depend on the leases that were taken. All the new leases that will be issued will be under the new royalty schedule.

MR. HENDERSON:

Is it January 1, 1972 or 1973 as far as the date the new tax goes into effect? I thought you said 1972. Which is it?

MR. DICKIE:

Well, Mr. Chairman, it starts next year. It doesn't start this year.

MR. HENDERSON:

Mr. Chairman, certainly we on this side of the House are reluctant to support the bill, not because of the principle of increasing the revenue from resources, but primarily because of the manner in which the government chose to go about doing it. I quite frankly say that my own belief is that the government chose this method, of course, as a manner of applying leverage to the individual companies, assuming they would opt for the royalty instead of the tax business. I think it is quite apparent from the way we are still fumbling around with the bill and from the minister's still 'preparing consequential amendments' that the government really never expected to have to get into the mineral taxation business. If it did, it really didn't do a very good job of preparing for it. Be that as it may, we are at that particular crossroads, and the whole exercise has left a lot to be desired in my own view; but that is water under the bridge.

There is one thing that still does concern me, however, particularly if many companies opt for the Mineral Taxation Act. There is no question in my mind that, if many existing companies do it or new companies coming in opt for one reason or another for the Mineral Taxation Act, it's going to be in the long-term detrimental to the citizens of the province of Alberta. Unless the minister has figured out some way of dealing with the problem, and I rather assume that since we haven't got the bill figured out that he hasn't got around to the technicalities of it yet, the Mineral Taxation Act, which places a tax on oil in place, is going to prove significantly detrimental to incentives to

companies to implement secondary recovery or enhanced recovery schemes, to increase the recovery of oil from the reservoir. Because in the process of doing it, they double their tax, whatever it is going to be -- if they double the reserves, they double their tax, and they immediately say that this becomes an additional operating cost, and that it is nothing in their pocket, and subsequently they appear before the conservation board asking for exemptions from requirements to institute secondary recovery and so forth. The premier can shake his head and say it won't happen, but it happens. It happened with the net royalty deals in the same way. Outfits would get into the business and bid up royalties and get the lease, and after they found out they couldn't make a nickel out of it they would be back wanting the government to change the net royalty on it. And so it is only a matter of where and when it happens. Companies are going to be pressing back onto the government's doorstep, wanting it to review the option and let them go back to the royalty deal. It brings up the question of a once in a lifetime proposition.

But maybe the government has figured out how it is going to guarantee the citizens of Alberta that the company opting for the tax is not going to evade general public policy relating to the requirement to implement enhanced recovery schemes and increase the recovery of oil from the ground. This is significant when you bear in mind that by using what they call 'primary,' that is, 'ordinary' methods of producing oil, only 20 to 30 per cent of the oil that is in the ground in all the fields in Alberta initially is going to come out. There are fields like Pembina where they get far less than 20% initially and it is only by secondary recovery schemes that they increase the recoverable oil. And the tax policy is based on taxing the oil that is recoverable, not the oil in place. In the average field in the province of Alberta, I would guess that 70 per cent of the oil stays underground and all you get is the 30 per cent.

In the past, the policy of the government through the conservation board has been to require industry to implement enhanced recovery schemes that would improve the recovery of oil from the reservoir. Maybe they raise it from 20 to 40 per cent. Maybe they raise it from 30 per cent to 50 per cent. I know of one or two cases where they have raised it from 80 to 95 per cent. But on the average it is low. It stands as a fact, and anybody can to acquaint himself with the statistics, the calculations for the province as a whole suggest that the recovery of oil from the existing reservoirs by present technology would leave somewhere around 60 to 70 percent of the oil still in the ground.

When 80 per cent of the mineral rights are owned by the people of the province there have to be some incentives and pressures to get oil producers to implement new techniques, and apply technology with a view to increasing the recovery from the well. You are not taxing them on the oil that is in the ground. You are taxing the amount that you think you can get out of the ground. And as a consequence when you put the tax on the reserves of oil in the ground as opposed to taxing it when it comes out of the ground and is produced, a company doubles its reserves, theoretically. They stand the chance of doubling the tax that they have to pay on that particular lease, regardless of the time factor related to production. Maybe government has set a certain figure above which it is not going to tax reserves. I don't know. Maybe they are going to apply discounts to it so that reserves that are not going to be produced for five years or so are worth nothing. I don't know that either. But in the absence of regulations to spell it out I am skeptical and remain skeptical that this is not going to prove detrimental in the long run to secondary recovery schemes in the province of Alberta. I don't see how it can be, because sooner or later the company, when it runs into such circumstances, will come back and then say, "Well, you take the well and operate it, because we can't make anything of it if we have to do that." It does happen. It has happened in the past and it will happen again the future. And if there are many companies offered the mineral tax, I think it will happen more often.

The minister gave some broad, general statement on the matter that they were looking at it and they thought they would deal with it. I would like to know how. I think the government has had more than sufficient time, if they really knew what they were doing in this area when they chose this course of action to deal with the question of increased revenue from resources, and that the regulations should be before the House. I have to say that to come at this point after this go around last spring and bring in the bill -- we have three bills on the mineral taxation act in this House this year -- at the eleventh hour and say, "We have to wait and hold the bill and have more amendments," leaves an awful lot to be desired. The regulations aren't available at this point in time and they are talking about holding off until the middle of July next year before the company opts as to which one it is going to choose. Maybe they have.

But I would like something more than faith to go on. I think in total the whole performance has been highly unsatisfactory. We witnessed the exercise of the Chairman trying to figure what on earth the amendments are all about tonight. In all the time that has been available to settle this matter, to come in at this point and find that we don't even have the regulations available — either that or the government isn't making them available — on an issue that I think has a lot of importance in the long run to the people of the province, I think, is most unsatisfactory. If we are lucky, maybe none of them will choose it and they will all pay the royalties and everything I said will be somewhat academic. I hope they are successful in that regard, but I can only presume that there must be a number of companies concerned opting for The Mineral Taxation Act. I would like to ask the minister: "Why aren't there regulations available?" I guess it's obvious — because the act isn't available yet. He still has it in the back of his head.

So, Mr. Chairman, I suggest once again that the whole exercise leaves a lot to be desired, and the thing that really concerns me in the final analysis — the companies can look after themselves as to how they can take best advantage of the two options — but the question of whether The Mineral Taxation Act is going to be detrimental to the encouragement of industry to implement secondary recovery schemes, I think, is one that should not be dismissed lightly. If the government knows how it is going to avoid this, as the hon, the Premier has indicated, I would like to suggest that the hon, the Premier or the minister who is responsible stand in his place and tell us now, because if he can it will alleviate my fears, but a general statement — Sitting there shaking your head saying, "No, this isn't going to happen," I suggest is nothing but contemptuous toward the importance of the issue to the people of the Province of Alberta. I think it is incumbent on the minister or the hon, the Premier, if they can do it, to tell us how we are going to do it. If we had the regulations, I presume this factor would be dealt with in the regulations, but we don't have the regulations and I don't have a clue when they are going to be available, and I kind of assume that the minister doesn't either.

MR. DICKIE:

Mr. Chairman, I would like to say that after the excellent public hearing we had we did have a number of suggestions. Certainly one of the suggestions was made dealing with the secondary recovery. We assessed and evaluated that and I think if the hon. member will refer to our position paper that we issued on July 29th he will find it satisfactorily answered. We did at that time and during the debate and the course of those hearings deal extensively with that; and we did spend a great deal of time, and we did get the technical information on it, and we did deal with it adequately on July 29th.

As to the question of the timing: I think the hon. member raises some good points. We were concerned with this after the public hearings in June and we wanted to be in a position -- we didn't like to be in the situation as the federal government was on their tax reform -- we wanted to make sure that industry knew what the position of government was as quickly as possible and we worked to that end.

Following the public hearings we had many consultations with industry before we made our final decision on July 29th, and we made the policy position known at that time. After that time we immediately started to work on the question of the regulations for the implementation of the act, and we have been doing that ever since. I think I advised the members of the House that we have had a number of drafts that we have had on the regulations; we have been dealing with industry discussing the various ramifications of the regulations. I think tonight was the first request that we heard for consideration to examine the regulations, and we will certainly be glad to submit them to the hon. member so that he can review them extensively if he so desires. Our concern, of course, was to bring in the necessary amendments to implement The Mineral Taxation Act as of January 1st.

I would also like to correct the misunderstanding that the hon. member has on the act. First, I think it is clear under the act that we are taxing the fair actual value of the right to the minerals. Unless you accept that basic concept -- I think the hon. member seems to be deviating from that and doesn't want to accept it -- I think you get into trouble. So I would like to suggest that if you look at the act again, you look at the fair actual value of the right to recover those minerals and that is what we are assessing. Now in carrying out that procedure there is a provision in the act for regulations to set out the mechanics of how this will be calculated and worked out. As I mentioned, we have been working that out with industry.

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I would also like to suggest that the question the hon. member gets mixed up about is the question of whether you are acting under The Mineral Taxation Act or under the new royalty schedule. We would like to suggest that under The Mineral Taxation Act all the minerals are covered. The first mineral that we are taxing under this is crude oil, so all the rights to crude oil are covered under the act.

After we met with industry, some of the smaller independent companies expressed the desire of going under a new royalty schedule. We gave them the option and that is what we announced on July 29th: that they had the option to elect to go under the new royalty schedule. I have never indicated the government's preference one way or the other. Either they are under The Mineral Taxation Act or they elect to go under the new royalty schedule. We have given them that option. At no time have we suggested whether they should be under The Mineral Taxation Act or under the new royalty schedule. That was an election that they could make and I think the hon. member should appreciate that, because he continues to use the words, that they are trying to elect under The Mineral Taxation Act. I want to make it clear to all the members tonight that they are under The Mineral Taxation Act but they have the option to elect to go under the new royalty schedule.

This did present difficulties as to when we could give them that option and how that option could be granted to them. We initially set January 1st as the deadline to make that option. In further discussions with industry they presented the problems from their point of view in that they wouldn't know at that time what the tax would be. I think the hon. members would realize it wasn't possible to give information to the industry at that time, around January 1st, what the tax would be under The Mineral Taxation Act. We had said that we were raising the sum of \$70 million, exclusive of any price increase or exclusive of any production increase, and we set that figure of \$70 million; but we couldn't determine that on or before January 1st for the simple reason we had to go through the procedures of the assessment. The assessments would be made on each parcel of land, they would have the right to appeal, and after the assessment rolls were finalized then we would know the amount that would be set up on the assessment rolls. We could then strike a mill rate after taking into consideration the revenue that we were receiving in the area of \$70 million exclusive of the production increases or the price increases. Then we could set the mill rate and they would know that figure, but before that time there was no way that we could give them that information.

Industry then advanced the strong argument of suggesting to us that we give consideration to extending the time to give them the right to elect to go under the new royalty schedule. In making that submission they then said that they would agree to pay the royalty retroactively, because one of the arguments that the government suggested was that if they were going on the new royalty schedule the royalty schedule would have to start as of January 1st. Their suggestion the royalty schedule would have to start as of January 1st. Their suggestion was that if you make it retroactive, then you cover that. On or about July 1st they would have the opportunity then to know what they would pay under The Mineral Taxation Act. They would also know what the payment would be under the new royalty schedule and they would have the right to elect. I think that it is important for all hon. members to realize the difficulty that we experienced as a government trying to keep in mind the difficulty of administering this program and still giving the industry the right to make that election.

There is also one stipulation that the hon. members should realize. In our policy statement we mentioned that if they do elect to go under the new royalty schedule they would elect for all the leases under their control, so that the government could be in the position of carrying out the minimum administrative problems, which are difficult when you are carrying out two different types of programs.

Mr. Chairman, I think that again you come back to the same difficulties we found ourselves in with the maximum royalty provisions. These are ways and means that we would have to overcome and a great deal of work has gone into overcoming those problems.

There are also many legal ramifications of The Mineral Taxation Act in that we have been endeavouring to do that. I agree that some of the amendments that we submitted tonight were last-minute amendments, but again they were trying to accommodate some of the problems that we have foreseen when we were drafting the regulations, working with industry, trying to accommodate the difficult task of the Energy Resources Conservation Board in carrying out these actual assessments, and in doing these kinds of things. I would suggest that the hon. members that it has required a close co-operation between industry and government to make this work, to get the act done in such a form that we can carry it out and at the same time get the regulations.

We are in the position of finalizing the regulations. We are in the position of finalizing the act. There may be further amendments to the act and regulations as we develop the program and see how it is progressing. I think that the hon. members have to appreciate, when you look at a municipal taxation, the difficulties of working out all the problems of mineral taxation. When we are starting something new in The Mineral Taxation Act here, we expect to experience some of these difficulties and we just ask the hon. members for their suggestions. If they have suggestions to the amendments, they are certainly welcome. We have made this point clear to the industry.

But I would like to emphasize again the difficult task of getting the act in the form that we desire it, keeping in mind the legal aspects of it, and also at the same time trying to accommodate some of the wishes of industry to make sure that we can work well and give industry the opportunity to have an act that they can work well with in their administrative problems.

We recognize, Mr. Chairman, the administrative difficulties from the government's point of view; we have tried to recognize the administrative problems from the industry's point of view; and we hope that we have welded them together. I can assure the hon, members that working closely with industry, in making sure that we do give them as much information as we can, we have assured them that we would like to do that to make sure that when they do make the election, they have as much information as possible. Again I would like to emphasize to all hon, members that in our discussions with industry certainly we have not indicated a preference one way or the other. The companies themselves have the right to elect to go under the new royalty schedule.

[Applause]

MR. HENDERSON:

I presume the last half of that applause was for me, Mr. Chairman.

Mr. Chairman, Chairman, let me say there is no doubt in my mind about the companies choosing their own options. It is like choosing your own poison; it is not much of a choice, but democratically they are choosing their own option. I have to say I am not the least bit sympathetic to the problems the minister is having because they are self-inflicted, because of the manner they chose to go about doing this. This legislature has the authority to change the royalty agreements. Industry is expecting it. The government decided to go through this big, long political manoeuvre to blame it on the people on this side of the House because they could not change the royalty agreements. That is absolute nonsense. It is in the purview of this House to change the royalty agreements at any time. The present administration simply lacked the intestinal fortitude to do it. They chose all this political hogwash. Then to hear the minister stand up and expect a little bit of sympathy for the government because of the foul-up they have inflicted upon themselves, I have to suggest, is beyond being comical.

The question of policy, Mr. Chairman, is not what I am talking about. Government policy is not good enough. Governments all around the country have been talking about eliminating poverty for years, as a matter of policy. They went out at election time, dozens of policies. They are sweeping a lot of them under the rug and forgetting about them. As for the question of policy, we are beyond that. We are down to legislation and regulations. I am asking the minister and the government to never mind the polital propaganda and policy papers, but to come out with some hard factual information as to how they are going to do it. The policy days are past. We are talking about implementing it, and the minister is still talking about policy. Now it is about time we got the information out here and some hard facts so that we can judge it intelligently. The statement of the minister that they announced it in a policy paper on July 29th or some other date, real, imaginary, or otherwise, is irrelevant at this time. We are dealing with the hard facts of the matter. We are looking for the detail in the bill, or we are looking for the details in the regulations. And for the government to sit there and say that, "Oh, well, we announced it in our policy, we are going to deal with the question of being sure that the oil that belongs to the people of this province isn't being left underground because of the way the government chose to implement taxation policy," simply is not acceptable. I suggest it is incumbent upon the government to make the information known, because policies don't mean a darn thing until they are implemented, something the hon. gentlemen seated opposite are just finding out the hard way.

So we are past the policy stage, we are at the action stage. Legislation is here. We are talking about giving companies the option date of something like 30, 40 days away, and you are talking about giving them a few more days

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grace. You haven't got the regulations out, maybe industry has them, I don't know. I haven't seen hide nor hair of them. We certainly have not seen them. The question of policy is irrelevant, because the decisions are being taken now. Steps are being taken now, and we get on to these legal semantics about "fair actual value." I would like the minister to stand up and say what he means. Because when I understand "fair actual value" as it applies to this, it has to bear some relationship to oil in place in the ground. If it isn't, all we're talking about is the old acreage tax. So fair actual value has to have some relationship to oil in place that's recoverable, otherwise I don't know what the words "fair actual value" mean. So I say again, Mr. Chairman, that simply coming up with some nonsensical statements about a policy paper on July 29, and then standing up and begging the issue at this time and expecting the House to go along in good faith, is just asking for a bit too much to swallow. haven't demonstrated thus far that they really do know what they're doing.

I come back, and there are three bills before the House this year on this matter. Now we're talking about more amendments. The hon, minister had difficulty tonight figuring out what his bills were about. But I'd like some hard factual data. And I'd like to have the hon, minister stand up and explain, in straightforward simple language, what the phrase "fair actual value" means insofar as regulations and taxation are concerned. Because in the act, it doesn't mean anything.

MR. DICKIE:

Mr. Chairman, I'd like to emphasize one or two points. I guess I wasn't really clear the first time when I said that we came out with a policy statement on July 29. Subsequent to that we started working on the regulations. We had, I think, two or three drafts of the regulations when we were meeting with industry. I'm surprised that at this time, tonight, the hon. member comes up and says: "Where are the regulations?" If he had asked me yesterday, I could have gone up to my office for a copy. If he had asked me a week ago, he could have come up and asked for the regulations. No one has suggested that I --

AN HON. MEMBER:

Mr. Strom did. two days ago.

MR. DICKIE:

No, I think Mr. Strom's question to me was, "What about the regulations?" And I mentioned that we had met with industry, we had given them copies of the regulations for their comments, they've come back on them, and I think they're trying to suggest to him that we're in a position to finalize the regulations. [Interjections] So let me be absolutely clear on this, Mr. Chairman: if the hon. member wanted a copy of the regulations, he could have had a draft last September.

SOME HON. MEMBERS:

Table them.

MR. DICKTE:

And if he would like a copy, I'd be glad to submit one to the hon. member.

Mr. Chairman, I'd like to again emphasize that I can give him the regulations. He's confused about the act, and I'm not so sure that the regulations might not confuse him a little more. If he's thinking they're going to solve all the problems that he is experiencing at the present time, I suggest perhaps that they're not going to. Perhaps he will be of some assistance, when he does get the regulations, in clarifying some of the questions, and we'll certainly be glad to accommodate the hon. member on that. But we'd like to assure him that we are working with industry on this, and that they have the regulations. They have been working on some of the difficult problems of the regulations, and I'm sure the hon. member will appreciate that. We had the regulations in the final stages of preparation before proclaiming them as well as the act, so that industry will know. We are recognizing this question, and it's a difficult question of giving them the option, and the retroactive aspect, and we are moving on that. We should have a decision very quickly on that. I think that is the proper way to handle it.

There has been consultation with industry, there has been a fair hearing in this legislature, and many of the questions the hon. member has raised now, he raised before, and we've had that debate. That debate has passed. We're now November 21, 1972

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working out the details of the plan and the proposals in the $\ policy \ statements$ that we enunciated.

MR. HENDERSON:

I can only state in all seriousness that the rather facetious attitude of the hon. minister on what I consider a very important subject is rather ill-placed. It's completely out of place. Now if the hon. minister has the regulations, there's no reason in the world why he can't stand up in the House and tell the hon. members how they're going to assure us that this taxation is not going to prove detrimental to the implemention of enhanced recovery schemes. If they're there, why on earth can't we get an answer out of them? To stand up and say the regulations are there, industry's got them, you could have had them if you had -- the minister's facetious attitude is completely out of place. I say that it's incumbent upon him, if he has the regulations, to stand up and produce a specific answer as to how they are going to deal with the problem of encouraging industry to implement enhanced recovery schemes. And I think we are entitled to an answer on it, because it's a major weakness in the basic approach that they take with the legislation. I would be the first to say that if not a company opts for the mineral tax, the argument has been academic, and the hon. minister can tell me so the next time we get together. Until we see that, I am assuming that somebody -- a company or companies -is going to take that approach. The hon. minister has the regulations. The regulations presumably deal with the matter, and if they don't, they should. I don't think the bill should be proceeded with until we have some specific evidence that goes far beyond a policy paper that the government put out on July 29, 1972. So let's hear the answer on the subject. I think it's critical. It's the major criticism of the bill, the politics of dealing with the question of increasing government revenues aside.

MR. DICKIE:

Mr. Chairman, I must really answer a number of questions. Pirst, on the secondary recovery, I don't believe the regulations will satisfy the hon. member. As I say, we took into consideration his arguments at that time. We have assessed and evaluated them. We answered that in the policy statement. I am sure from what he said tonight that he really has overlooked part of it, and we again suggest that he might go back and read over that.

Again, when he is talking about the regulations, I think you have to appreciate the regulations which we are considering. We have regulations covering the drilling incentive system. Those have been reviewed. Industries know exactly what the position is on those regulations. We have regulations dealing with the new oil royalty schedule. That was clearly spelled out in the policy statement. The regulations deal with the statements that were made in that policy statement. We have regulations under The Mineral Taxation Act, and we are in the position of finalizing those. Now if there is any information that he would like, with respect to any of those, I can give him that information. We have given that information to industry. I take it tonight that maybe he is defending industry, and I would like to assure him that industry has that information. And the one that remains outstanding seems to be this question of the election.

MR. HENDERSON:

Industry doesn't concern me a bit. They are big enough to look after themselves.

SOME HON. MEMBERS:

Oh, oh!

MR. HENDERSON:

Oh, yes, sure. Listen to all the heroes on the other side of the House, hey? They can look after themselves, including the people I worked for. The fact of the matter is that I know from experience that if there isn't some pressure on industry, where it isn't economically attractive they don't implement enhanced recovery schemes without public pressure. That has been the policy in the past. This legislation detracts from it, and the hon. minister in fact has said that they don't have any regulations to deal with the matter.

Now with regard to the hon. minister and his facetious remarks on the subject, I would like to refer to the statements by the hon. Leader of the Opposition here in the House on Monday during the second reading of the bill. Mr. Strom says, "I would like to request that the government consider giving us

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the regulations as soon as possible because I suggest that there is an area of vagueness as to what the final procedure will be." And that's in Hansard Monday. Then the hon, minister stands up in his place tonight and comes up with this smiling, generous offer that if we want the regulations he will be big enough to make them available to us; industry has got them, you know. I suggest, Mr. Chairman, it's completely irresponsible.

MR. DICKIE:

Mr. Chairman, I am absolutely clear on this -- As I mentioned, the different types of regulations we are working on, if the hon. member would like to spell out the different types his interests, we would be glad to sit down with him and go over those.

MR. CHAIRMAN:

I think this would --

MR. HENDERSON:

The minister is the man who says he has the answers. I don't have them. That's why I am asking him what they are. He says they have the regulations, and they can deal with it. They announced a policy, and all I am saying is that they should produce the evidence in the House to be sure that the policy they are pursuing is a reasonable one in the best interest of the public. And all we've got is a great big runaround and a complete nothing.

MR. CHAIRMAN:

Well, Mr. Henderson, I would suggest --

DR. HORNER:

The hon. member has been spouting off pretty liberally because he doesn't really know what he is talking about.

Mr. Chairman, the one thing I know a little more about than the hon. member opposite is the oil business.

DR. HORNER:

I've got the floor, Mr.Chairman, and I intend to have a couple of words to say to the hon. gentleman because his education is sadly lacking in the legislative process.

The normal process is for an act to be passed and for the regulations then to be drawn up to implement the act. If my hon, friend will just cool off and think a while, he will realize that there were some acts passed by the former government that never were implemented because they never drew up any regulations. And as a matter of fact --

SOME HON. MEMBERS:

Aw, come on!

DR. HORNER:

I can name a couple of them if they want them. The Farm Implement ${\tt Act}$ could never be implemented because they never bothered to draw any regulations up, and it was a year after it was passed when we took over the operation of this government.

The normal procedure in relation to legislation is for the act to be passed for the policy that my hon. friend flits away. That's what the act is all about. It's implementing the policy, and the implementation of the act is then done by regulations which are then -- and they are not generally available. My hon. colleague has been really open in trying to get the co-operation of industry in working with him in these regulations, but the regulations, as my friend obviously knows, cannot be finalized until they are passed by Order in Council in the normal legislative process. And for him to stand up here and shout and rage about "seeing the regulations" is nonsense, and he knows it.

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MR. HENDERSON:

That has got to be the biggest red herring this House has ever seen.

MR. CHAIRMAN:

I wonder if I could have --

MR. HENDERSON:

It leads me to believe that the House has no intention of proceeding with this legislation.

MR. CHATRMAN:

Let's have some order here please. I appreciate, Mr. Henderson, that on several occasions you indicated that we are proceeding with this bill. My understanding, as Chairman, is that Bill No. 124 is not being proceeded with until the final amendments are brought in by the minister. Now, I trust that there are a few areas that you have raised in Committee that should be brought to the assembly.

[Interjections]

Excuse me, gentlemen please; order! I appreciate the areas of concern you raise, Mr. Henderson, and I would suggest that these be brought to the assembly with the Speaker in the Chair. I am not questioning the areas you have asked for, but if there have been some areas that the hon. minister has not fulfilled - you have referred to Hansard - I don't believe they should be remedied here in committee. They should be remedied in the assembly.

MR. HENDERSON:

Mr. Chairman, you may be absolutely right, but when the Minister of Agriculture stands up here with his nonsensical statement about regulations after the minister said industries had various copies of them, and had been looking at them, and he makes a facetious statement about making them available -- we asked for them on second reading of the bill -- I suggest this is absolute hogwash, absolute nonsense. He can stand up here with his "holier-than-thou" speeches that he likes to make from the other side of the House periodically. I still am asking the minister to tell us exactly how they are going to do this. It's critical to what this bill is all about.

MR. CHAIRMAN:

Mr. Henderson, I would suggest that here we deal with these bills as we have in committee, and the area of your concern be brought to the assembly at the next opportunity with the Speaker in the Chair.

MR. TAYLOR:

Mr. Chairman, the regulations are an integral part of the bill.

SOME HON. MEMBERS:

No! Nonsense!

MR. TAYLOR:

Well, you know, if you haven't got any sense, you make a lot of noise.

DR. HORNER:

If the hon. member would --

MR. TAYLOR:

Mr. Chairman, I've got the floor this time, and I am going to keep it.

MR. CHAIRMAN:

Mr. Taylor --

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MR. TAYLOR:

Mr. Chairman, if the minister -- [Interjections] -- I can holler just as loud as you can, and it's a lot more sensible too. If the minister has the regulations in his office, why isn't he tabling them? I would like the minister to answer me. The minister, not the Deputy Premier.

MR. CHAIRMAN:

May I have order? Again, Mr.Taylor, you have raised the same concern that Mr. Henderson has raised, and again I beg you to take it up with the Speaker. We are in committee here.

MR. HENDERSON:

That's the problem. It is trying to get the information out of the government. Now if we will get a commitment and they will make it available, we are quite prepared to drop it at this time. But we hear the hon. minister making facetious statements about them being available, we can have them if we want them and we have the Deputy Premier standing up and saying its absolute nonsense to even think that we should ask for the regulations. What we want is a commitment from the government to let us see these regulations, to let us see how they deal with this matter, before we proceed with third reading of the bill. And if we can get a commitment out of the hon. minister, we are quite prepared to let the matter rest at that point.

MR. CHAIRMAN:

Again, you have come about the same understanding.

MR. HENDERSON:

I want a commitment out of the hon. minister. Not the Chair, the minister.

MR. CHAIRMAN:

Again, I say this is a matter that should be raised in the assembly, not in Committee. I -- [Interjections] -- Excuse me, gentlemen. I am of the understanding that what you are asking for, the regulations, are no part of the bill that we are studying here in committee. Therefore we are not proceeding with Bill 124, and the debate has carried on, and the question and concern that you have for regulations, you must bring forward to the Speaker.

MR. HENDERSON:

I brought them to the minister. The minister has made some facetious statements about getting them from his office and now you stand there, sir, and say we should refer it to the Chair. That is absolute nonsense. Is the hon. minister going to make it available, or isn't he?

MR. DICKIE:

I would like to say this first. The bill itself hasn't been proclaimed, and of course I think the hon. members will appreciate that normally, when the regulations are passed by the Cabinet, then they would be tabled at any time. If the members would like, now, a draft copy of the regulations which we are in the position of finalizing — and again I would like them to spell out which regulations they are looking for, is it the drilling incentive regulations? is it the new royalty schedule regulations? is it regulations under the Mineral Taxation Act? I see no problem there if this is what they would like. Again, the hon. member suggested that these could be critical to the Mineral Taxation Act; I would like to suggest that that just isn't the case. If you look at the act and you really appreciate the act, then I think that you can't come up with statements like that. I think they would be of assistance — certainly all regulations are — but to say that they are critical may be another question. I would be glad to accommodate the hon. members with the draft regulations if this satisfies the hon. member.

MR. HENDERSON:

Mr. Chairman, we are getting another one of these legal run-arounds out of the minister. And there is no guestion that the mineral taxation regulations aren't critical to taxation under the Mineral Taxation Act. That is not what I am talking about. I am talking about what steps the government is going to take and how they are going to assure that we don't lose recovery of oil under public

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leases as a result of the application of this method of taxation. The $\,$ minister has -- $\,$

MR. FARRAN:

On a point of order, Mr. Chairman. You pointed out to the hon, member of the opposition that he had no part in the regulations. They are no longer the government. Regulations are a function of the government. They have a say in the act; they have a say in the bill, but unfortunately they are no longer the government and they must recognize that. They have no say in the regulations.

MR. HENDERSON:

This has nothing to do with a point of order. That is not a point of order. That is absolute nonsense. It has nothing to do with order. The honminister has said that he has made a draft of the regulations available to industry. He came up and very facetiously said, "Oh, you can have them if you want them. Why didn't you ask for them?" We pointed out that the hon. minister has been asked for them and now to stand up and hear this legal run-around and this type of semantics, particularly the contribution from the Member for Calgary North Hill, is just going a little bit too far. And all I want to know is, will the hon. minister make available a draft of the regulations relating to the implementation of this taxation policy?

MR. HYNDMAN:

Mr. Chairman, I move that we rise and report and beg leave to sit again.

[The motion was carried.]

[Mr. Speaker resumed the Chair.]

MR. DIACHUK:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill No. 126, and begs leave to report the same; Bill No. 125, and begs leave to report the same with some amendments; and Bill No. 124, reports progress, and begs leave to sit again.

MR. SPEAKER:

Having heard the report, are you all agreed?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

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

[The motion was carried.]

GOVERNMENT BILLS AND ORDERS (Third Reading)

Bill No. 49: The Meat Inspection Act

MR. FLUKER:

Mr. Speaker, I move, seconded by the hon. Member for Stettler that Bill No. 49, The Meat Inspection Act, be now read a third time.

MR. RUSTE:

Mr. Speaker, I would just like to say on The Meat Inspection Act that certainly I would ask that the government consider carefully that the optimum of facilities would not necessarily be required in some of these smaller areas because of the limited use of them. I would hate to see some of these small operations in remote areas cancelled out because of this.

[The $\,$ motion was carried without further debate, and Bill No. 49 was read a third time.]

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Bill No. 114. The Brand Amendment Act. 1972

MR. MOORE:

Mr. Speaker, on behalf of the hon. Member for Lloydminster, Mr. J. Miller, I move, seconded by the hon, Member for Lacombe, third reading of Bill No. 114, being The Brand Amendment Act, 1972.

MR. BENOTT.

I would just like to raise a question on this before we go through this third reading because of a confusion that arose out of the report in Hansard, At one point in our discussion in the committee I raised the question of whether this brand would be compulsory, and two members shook their heads in the negative; and then further along I raised the question again and it was pointed out that under some circumstances it would be compulsory and under other circumstances it wouldn't be. Neither reply came out in Hansard because the gentlemen shook their heads. Now I would like an explanation if I might.

DR. HORNER:

Mr. Speaker, as I tried to make very clear to the hon. member, it is not compulsory and will only be used when the lenders demand.

I would like to raise this on third reading as I did earlier, the matter of confidentiality. Certainly we have discussed, during this session in Bills No. 1 and 2, the confidentiality of documents in many cases. While I realize that in feeder associations over the years we have used this, I submit, Mr. Speaker, that this is entirely different in that it is a short term -- it could be four, five, or six months and they are gone. But in this sphere it is something that will be on the farms and can be in transaction from one farmer to another, and it will certainly go on for many years. When you get into breeding stock they are going to be around for several years. I submit, Mr. Speaker, that in this case, and the hon. minister has indicated that there will be a decision by someone, I submit that the decision of whatever financial officer it might be is going to reveal some confidentiality here that I would question very seriously.

DR. HORNER:

Speaker, if I could just speak to that and answer the hon. member. am sure that he appreciates that this was one of the major reasons for the improved income situation in farms, particularly in northern Alberta. We were able to put out in the past year some \$12 million, primarily into the gray wooded soils areas of Alberta but throughout Alberta now, a substantial amount of money at the right time when we required a build-up in our cattle herds. Anybody who took advantage of this loan last fall was in particularly good shape this fall when mediocre calves were selling at an average of well over \$200 apiece. The amount of income that we have been able to add to the average small family farm's income with this program has been pretty substantial.

The regulations, and we have just gone through that, have been changed substantially from what they were when the program was initiated by the former overnment, in which the farmer couldn't keep his own cattle, couldn't keep his own heifers, couldn't do a number of things under the regulations that they can do now. We think that this is a pretty impressive program. We think that it was a major help in providing extra income to farmers in northern Alberta, particularly this year. They go around trying to criticize these kinds of things.

In my view, Mr. Speaker, it may well be that the standing arrow will be the brand that will be remembered for the kind of programs that this government brought out to really help the small farmers in Alberta.

Mr. Speaker, just a question though. The question to the minister is that he mentions \$12 million. I am not arguing with him on that. But this standing arrow brand has not been used on any of those and is not intended to be used on any of them. And my question then is, is that the turning point now where you are not trusting them, and where you are going to have this extra protection? November 21, 1972

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DR. HORNER:

Not at all, Mr. Speaker; the standing arrow brand is an attempt to improve the system, to make sure by this time next year, if the cattle markets continue to improve and the general situation in beef is as it is, that Alberta maintains its position as the leading beef producer in Canada and as a major beef factor in North America.

MR. BUCKWELL:

Mr. Speaker, surely the minister jests when he talks like that. Let's have a few straight facts. The standing arrow brand is not being used and yet is going to be the symbol? He might as well talk about the 4-H.

DR. HORNER:

Well, Mr. Speaker, I can talk about the 4-H and make it easy, as I said. The standing arrow brand may well become the symbol of the enlightened policies of this government to maintain and preserve the family farm.

MR. BUCKWELL:

Mr. Speaker, in fairness to the hon. Member for Wainwright, he was not questioning the \$12 million. The hon. minister has done a great job for the people of Alberta. What he is questioning is the confidentiality of the standing arrow brand on breeding stock that people are going to know that whoever has these stock, got it on borrowed money, is the problem.

AN. HON. MEMBER:

Are you ashamed of that?

[The motion was carried without further debate and Bill No. 114 was read a third time.]

Bill No. 118: The Legislative Assembly Amendment Act, 1972 (No. 2)

DR. HORNER:

Mr. Speaker, I move, seconded by the hon. Minister of Education, third reading of Bill No. 118, The Legislative Assembly Amendment Act, 1972 (No. 2).

MR. RUSTE:

I would just like to point out there is an advantage in having some of this legislation before the House as legislators. Certainly we get reactions. I can say that the bill was referred to in the press as having been brought in and dealt with pretty expeditiously up to this point. But I noted an article that I think is well worth reading at this time. It is addressed to all M.L.A.s and goes something like this. "Before you get the impression that our silence means consent to your selfish greed in voting yourselves near double salaries, let me tell you that there are thousands of people just like myself who are just too depressed to put up a fight; we will take what you get anyway."

MR. SPEAKER:

Order, please. The hon. member's reading of debate from outside the House reflecting on debate within the House is strictly speaking not within the rules. But if under the circumstances the House feels that the hon. member should proceed then the Chair will not apply the rules.

HON. MEMBERS:

Agreed.

MR. RUSTE:

Thank you, Mr. Speaker, there's just another paragraph anyway. It says, "Go ahead, have your unjust raise in pay and enjoy it; we just don't give a damn or a vote." And it is signed by an individual.

AN HON. MEMBER:

Who?

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MR. RUSTE.

Well, if you'd like to know, it was in the Edmonton Journal, and it's by A. Hosak, of 136 A Street. It's in the paper so it is public information.

Now I just want to go to relate a bit that there has been a double raise to ministers without portfolio, when you get this final one here. I would submit, Mr. Speaker, that many of those in the cabinet have what I suppose, and many people say, are rather soft-touch portfolios. On top of that, we have, in the Province of Alberta one of the largest cabinets in Canada. And on top of this we have the task force payments that are involved and paid outside of it.

I've done a little arithmetic, Mr. Speaker, and it shows that under the previous government there was a total of some \$731,400 for the year, and that covers the sessional indemnities, Speaker's allowances, and so on. Under the new set-up it's \$1,534,500, and as I mentioned earlier, you've got your task force payments and other things. This is to say nothing of the additional staff, the additional space, the additional automobiles, that are involved in a larger cabinet. larger cabinet.

So, Mr. Speaker, in closing I would just like to say, can we take it from this that substantial increases will be forthcoming to those who are the responsibility of government? To me it says plainly to those who are negotiating for increases in their salaries that they are entitled to substantial increases because their legislators feel a substantial increase is in order. Thank you.

MR. SORENSON:

Mr. Speaker, this is a very important piece of legislation brought in by the Conservatives. But it isn't just the type of legislation that my constituency is expecting. They are expecting legislation concerning rural gas policy, and extended area service. I notice that the Highway 36 Association is holding their annual meeting in Viking, to draw attention to a stretch of road that I consider to be dangerous. And then of course I have the road in the eastern portion of the constituency, Highway 41, where there was no construction this year. The Premier had mentioned that he had been across the province, but I doubt if he's been in my constituency. I could tell though, if I looked under his car, because no car could drive over those bumps and hog vallows without it showing up on the vehicle. I don't know how we're going to get the eye of the Premier; perhaps we'll have to get the eye of all Canada on our road problems

The hon. Member for Jasper Place, two or three weeks ago, mentioned that he the non. Nember for Jasper Place, two of three weeks ago, mentioned that he had been in a home where there was a packed dirt floor and I'm sure that this is the case. He mentioned that there were 20 or 25 per cent of the people of Alberta living under the poverty level. I'd like to see a committee on the aged perhaps next summer, and a review of the nutrition needs of our aged. I'd like to see an in-depth study on rural development. Two or three years ago Hubert Humphrey headed a senate committee on rural development and I believe that this has to take place in Alberta.

think there's real drama involved here in this O'Byrne Report and in the I think there's real grama involved here in this O'syrhe keport and in the legislation before us. We are coming to the province and we are saying, "We want you to give us a raise. We want you to raise our wages," and the province says, "Well, we're raising your wages every month," and so they are. It's the little widow, the little farmer, the little businessman -- and we have plenty of them in my constituency -- who are raising the wages. I think that the suggested raise for the Premier and the Opposition Leader and the Cabinet Ministers are simply out of this world, and jumping from \$7,200 to \$13,500 for the M.L.A.s is simply out of this universe. I don't know how lucky a person can get unless he wins a sweepstake or something.

Back in 1932 a young American by the name of Franklin Roosevelt made the following statement: "For three long years I have been going up and down this country preaching that government costs too much. I shall not stop that preaching." I would like to challenge members on both sides of the House that's what we should do in the next three years. The government costs too much, and I would like to suggest that the Premier shuffle his cabinet, maybe bring one or two down, and send four or five back. It wouldn't hurt a thing. It would take a little fat out of the Cabinet and put a little meat in.

The day after the O'Byrne Report appeared in the Edmonton Journal, I took a load of grain to my elevator, and there were two or three of my farmer friends there. We have known each other all our lives, and we call each other by our first names, but not on this occasion. The one fellow said, "Well, Mr. M.L.A.,

going to Acapulco on my raise.

you are sure feathering your nest." I didn't strike out at him, but I did strike out at the O'Byrne Report.

A Calgary newspaper reported at the second reading of this bill that only seven spoke against it. There were only seven "noes." Well, don't they realize that seven is the perfect number? Maybe our preacher friends would say that seven is the heavenly number. All I can say is that it looks like heavenly days for the M.L.A.s. But I am going to say to my constituents that I do not plan on

After all is said and done, Mr. Speaker, as we review the last year and a half, and the legislation -- after all is said and done, there has been an awful lot more said than done in this legislature.

MR. NOTLEY:

Mr. Speaker, while there are certain aspects of the bill and certain aspects of the O'Byrne Report that I agree with, as I mentioned during the second reading, there are at least two major features of the bill that I think are basically incorrect.

The first is the tax-free expense allowance provision. I won't belabour the point, Mr. Speaker, but it seems to me that it's an incorrect approach to take in looking after expenses for members of the legislature. I repeat what I said on second reading, that notwithstanding the difficulties of filing expense accounts, it seems to me that that's the proper approach to take. We can ask members of the civil service when they encounter expenses to do this, we do this in the case of legislative committees, and in my judgment there is no real reason why we can't do this in looking after the normal expenses of a member of the legislature. I think it's extremely important that members of the legislature be accountable, and the tax-free allowance of \$4,500, in my view, is just an unsound principle. I say that, and I repeat what I said on second reading, notwithstanding the fact that our neighbours to the east have gone even further. They have a \$6,000 tax free-provision. It seems to me that that's wrong. I don't think that in this sense we should be borrowing incorrect ideas from the east. Perhaps we can borrow other ideas from the east but not this one.

The second point that I would like to make, Mr. Speaker, is that nowhere in the O'Byrne Report have we really come to grips with the question of what the function of the members should be. I've maintained for some time we should have full-time members of the legislature. I think we have just got to the point today when the responsibility of being a member of the legislature in a province that spends almost a billion and a half a year is such that it just can't be done with part time people who are very busy in their other pursuits. So I was disappointed when reading through the O'Byrne report that what we have is just more money for a part time job rather than a more clear cut definition of what the responsibilities of a member should be.

I think it was the hon. Member for Calgary Bow who, in his discussion on second reading, raised this point of just what the responsibilities of a member of the legislature should be, and what the government's views of these responsibilities are. As I read the O'Byrne Report, I didn't see in that report any implicit idea that the role should be expanded to the point where we have full time members. And so as a consequence, Mr. Speaker, of these two aspects, I find that I must oppose the bill on third reading, notwithstanding the fact that there are certain features of the bill that are desirable. Because of these two points, I must vote against it.

MR. HENDERSON:

Mr. Speaker, it hadn't been my intention to participate in the debate, and while I reserve the right to give the government some fairly blunt advice which they may not want, I also reserve the right to stand up and say what I think on the subject that they brought into the House. And I think I expressed my views briefly last time on this subject.

Relative to the comments about the function of a member, I can only say, God forbid that we've reached the point in this assembly where we have to have a committee from outside the House telling us what our responsibilities are.

The responsibility of a member of this House is what the member himself chooses to make it. He can do as little or as much as he wants. I know members that have done nothing and got re-elected many times year after year. As far as I can see, they did nothing here and nothing at home, but they got re-elected. And the man chose to make that his function. I reject categorically the

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suggestion that somebody outside this assembly should be telling the members of this House what they should be doing.

I also have to say, Mr. Speaker, that my views on this and those of every member are personal. I can't go along with the arguments that the level of remuneration to the Executive Council is unreasonable. I can accept some of the arguments -- maybe there's a few too many of them, but I am not going to belabour that at the present time. I think I said before, once you decide to have so many cabinet ministers, there is no way you can distinguish between them when it comes to remuneration other than between Portfolio and Without Portfolio.

I would like to say to the House, and I have no regrets in doing it, that when I left my job in private industry to come into the cabinet, I lost \$4,000 a year in income. It didn't hurt me and I didn't regret it. But I am saying, it just doesn't make sense if you expect to have people that are going to take an interest in public life, that they have to make a significant sacrifice to be a member of the assembly. Let's face it, there are a lot of people in the House that have made money in excess of what they are even getting now as a member of the front benches or a member of the back benches.

I also have to reiterate, so far as the remuneration of the Executive Council is concerned, that in my view in one of the heavy portfolios a year on the job is worth two years just about anyplace else in society. I don't think the public has a clue as to the demands that are placed upon senior elected public officials, either at the provincial, municipal, or the federal level. I think they are completely uncomprehending of the factors of it. I would not be true to my own convictions if I did not stand up and say, Mr. Speaker, that I think, as I have said before, that the recommendations are not unreasonable in light of what is going on in other jurisdictions and in the light of what a significant member or individual in this assembly can make in private life. The substantial majority of them make a considerable sacrifice to come in here and I, quite frankly, find it difficult to accept the argument that, because I have some constituents who are living in poverty, I have to opt to do the same or any member has to opt to do the same to be a member of this assembly. Now it would be an exaggeration to talk about poverty. I think in view of some of the expressions of opinion on it, I am obliged to at least stand up; and at least while I feel inclined to criticize the government freely in many areas, and will do so, I do not believe that, all things taken into account, the compensations that are contained in the bill are unreasonable, in the light of circumstances which prevail in society and in other legislatures across the country.

DR. BUCK:

I would like to just make one or two brief points. It is awfully easy to make political hay of this. I think that some members will vote by conscience and some members will tend to use it to their political advantage. I would like to look at it the same way I did on second reading and this is based on why we tried to set up an independent commission. I am sure that we all know that this is the most difficult bill we ever have to deal with every four years, or whenever it is brought up. But in trying to take it out of the field of politics -- and this is exactly what I said to the only letter that I got in regard to this bill; I said, "I am not going to enter into the debate, 'Is it too high? is it too low?'". I am supporting the bill because the government set up an independent commission to try to look at all aspects of the problem and bring in a report." And I said to my constitutent: "I would have supported the commission if they had said we got a \$500.00 reduction, because it was as close to an independent commission as we can get." Now the one point that this gentleman made to me, and I have tried to analyze it, was, "We should know as electors what you people are going to pay yourselves after you get elected." And there's possibly a valid argument here but when I tried to analyze this --if we, before the next general election, passed a bill saying that, "You will be getting X number of dollars," and a new government comes in and the government decides that you are going to sit four times a year, about 10 months of the year, \$13,000 or \$7,000 or \$35,000 may not be adequate under those conditions. So I think we would tie the hands of the incoming government if you did this. I still have my pet beef with the Premier and I think that the Ministers Without Portfolio, if they are doing a full time job -- and I think about my poor, suffering pharmacist friend from Edson, I think he is doing a full time job and I think he should be a full time Minister with full time pay. I thank you.

MR. TAYLOR:

Mr. Chairman, I am not going to delay the debate very long but there one or two comments I would like to make. First of all, I have every respect for the men who were appointed to the commission. But I think that every hon. member

has to recognize that they were all from the higher income group. None were from the middle income or the low income group and I think this is a point that should be recognized. And this is why I did recommend to the hon. Premier that a committee of a farmer's wife, a labourer, and a clerk be set up, those in the low or middle income group, to see what they would recommend and then take the difference between the two reports. Then I think we would have had something close to what the rank and file of the people could support.

However the government didn't see fit to do that and consequently I can't accept the recommendations of the O'Byrne report as all-inclusive. I have to remember that, first, not one of those members was ever a member of the legislature. All very able men - but none of them was ever a member of the legislature, and consequently they don't really know, first hand, what the duties of an M.L.A. really are. Secondly it is talking about full time work, closer and closer to full time work. Well, this is just simply fooling the people. The M.L.A.s who worked full time on this at the lower pay will work full time at the higher pay, and those who didn't work at the lower pay will most likely not work any more than they are doing now at the higher pay. When the wages in the House of Commons increased, it didn't increase the attendance in the House of Commons, and I am very doubtful if it will increase the attendance of the members here. The consciencious ones will be here and those who aren't guite as consciencious, who have other things to do, will be out of the House. So I think we are simply trying to fool the people when we tell them we are spending full time at this. A number of members are - but quite a few members aren't. They have other income. They have other work. They have other jobs and, I think, properly so. They work in well with the work of an M.L.A. and sometimes I think a man who is doing other work is better fitted because he knows what is going on in the business world, or the farming world, or the teaching world, or the legal world, whatever one he happens to be in.

The next point I would like to make is that the recommendations are so vast compared to what other people are getting. This is what concerns the man on the street; this is what concerned the homes that I have been in where they raised the subject, not I. We say we shouldn't compare ourselves to those who are in poverty; well, I can't follow that argument very well because we set up the schedule for people who are unfortunate enough to be on welfare; we expect one man to live on less than \$40 a month or less than \$10 a week. I'm not suggesting that we do anything like that, not at all, but those people are not suggesting that either. But we ask our teachers and we ask our business men to stop inflation by keeping the increases modest, and we expect them to try to follow that out. Then when we come to talking about wages for ourselves we increase them 50 per cent up to 87 per cent. As a matter of fact in the case of ministers without portfolio, I think they were doubled when the government first came in, they secured another additional increase after that in the O'Byrne Report. I want to say that ministers without portfolio who are carrying out definite responsibilities should be paid more than ministers without portfolio who are simply ministers without name and without any responsibility other than to simply attend cabinet meetings.

The increases have been so extensive that this is what is worrying the rank and file of the people. I think this is the thing that we have to think about too. There is even a little difference with industry, and M.L.A.s and civil servants. We are paid by the people out of taxation; we tax the people, we set out the taxation basis and we try to set out the basis for the negotiators of the civil servants, and then we give ourselves a vast increase that just has no comparison at all to the civil increases that other people are getting. I think this is the reason why there has been considerable concern at the rank and file level of our people.

We suggested that the government bring in something less in the Committee of the Whole and the government saw fit not to do so. I think all we can say is that this legislature is showing a trait that has been shown by the railways of this country for many years: we are going to take all the market will bear while we are here.

MR. CLARK:

Mr. Speaker, there is just one point that I would like to raise and I ask that you give me a bit of latitude in raising this particular matter on Bill No. 118.

It deals in some regard with the salary of the members of the legislature, and it also deals with the question of legislative committee, a number of which have been established in the last year and now some have reported to the assembly. I would like to hope that the government would follow the approach they used this afternoon on the legislative committee on crop insurance where,

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in fact, a motion was put on by the Minister of Agriculture and $% \left(1\right) =\left(1\right) +\left(1\right) +\left($

There have been two other committees which have reported to this particular session, especially the committee on censorship. To date that report has not had an opportunity to be discussed, and we have some discussion already on the question of the committee on communal properties.

The reason I raise this at this particular time is that if we are involved in legislative committees and at the new renumeration that members of the legislature are going to receive, it seems to me that this would an appropriate time for the government to indicate that when the legislative committee report is presented to the assembly that a motion does go on the Order Paper and at least an opportunity is provided for members of the legislature to discuss that report. I appreciate that some members feel there was ample opportunity as far as the communal property question was concerned under that particular legislation.

Certainly as far as the censorship report is concerned, there has been no opportunity in this session; I believe there should be an opportunity next session. I think the responsibility rests with the government to put the motion on the Order Paper. I think it is important to consider this at this time in the light of the very substantial increase and use of legislative committees and in the light of the substantial increase that there is going to be as far as the salary of members of the legislature is concerned.

MR. SPEAKER:

May the hon. Deputy Premier close the debate?

HON. MEMBERS:

Agreed.

DR. HORNER:

Mr. Speaker, it has been another interesting contribution. I haven't heard anything different or new in this debate on third reading than I heard on the debate on the second reading, except some leopards change their spots.

Mr. Speaker, I want to say very clearly that this is a difficult thing when legislators have to decide upon their own remuneration. One of the things that we tried to do was to establish a committee of independent people who were decision makers in the community to assess the status of our pay and allowances in this legislature as it relates to the kind of work that we are doing now and as it relates to the total budget of the province and as our province relates to the situation within Canada. As I said on second reading, I think the committee did a very good job, a reasonable job, on a very difficult subject. Anybody who has written to me and I have given a copy of the O'Byrne Report to hasn't been able to come back with any arguments in relation to the kind of job that they did. It is very easy for hon. members to stand up in a question like this and make all kinds of pious statements, but I suggest that they should have the intestinal fortitude to defend their position, to defend the honour of the occupation of politician, and to be able to do their job and then look their constituents in the eye. I think that this was a reasonable report, Mr. Speaker. The government is putting it forward before the various M.L.A.'s for their consideration and I would hope that third reading of this bill will now be given.

[The motion was carried, and Bill No. 118 was read a third time.]

Bill No. 119, The Communal Property Repeal Act

MR. LETTCH:

Mr. Speaker, on behalf of the hon. Member for Calgary Elbow, I would like to move, seconded by hon. Minister of Manpower and Labour, third reading of Bill No. 119.

MR. TAYLOR:

Mr. Speaker, I want to make just one or two comments. I think the honmembers who have not been acquainted with a colony should know exactly what a colony is. A communal colony is a mild form of communism. It is a benevolent, modern system of slavery. The people in the colony are required to work hard for their room and board, clothes, and shelter. They are forbidden to have any

contact outside the colony except for business or monetary reasons. There is no freedom of speech, freedom of assembly, or indeed freedom of religion. Although the sect is composed of religious people, there is no freedom of religion as we understand it, that is, to be religious or not to be religious. They must accept the religion of the sect. This is the form of organization that we praise to high heaven in this legislature.

I respect the right of people who live in communes if they wish to do so. I abhor the strict policy followed by the Hutterian Brethren that denies their members anything except the clothes on their backs, if they dare to think contrary to the wishes of the boss or the wishes of the spiritual leader of the colony. I respect the rights of the members of this assembly to vote as they see fit. I abhor the way that the report favoured the Hutterian Brethren as opposed to others who made representation. I also do not respect the report because it recommended contrary to what the great bulk of the representations to it happened to be. I am hoping that, while the legislature has now agreed to throw this matter wide open, every hon. member and every community will now endeavour to make the thing work, and I am hoping also that the Hutterian brethren will not take advantage of the situation and head for the municipalities that have the best land and where they already have colonies, because if they do, there are going to be some terrible days ahead. I think the Hutterian Brethren should use good common judgment now and place their new colonies in areas where they are not already located in order that at least the spirit of the amendment that I moved in the Committee of the Whole will be upheld and that the amount of area within any municipality will not be more than four per cent dedicated to communes.

[The motion was carried without further debate, and Bill No. 119 was read a third time.]

[Motions for the third reading of the following bills, moved and seconded by the members indicated, were, during the course of this sitting, carried without debate:

No:	Name	Moved by Messrs.	Seconded by Messis
20	The Perpetuities Act	Leitch	Ghitter
77	The Legal Profession Amendment Act, 1972, (No.2)	Leitch	Miniely
89	The Builders Lien Amendment Act, 1972	Leitch	Hohol
108	The Workmen's Compensation Amendment Act, 1972, (No.2)	Hohol	Leitch
109	The Land Titles Amendment Act, 1972	Leitch	Koziak
110	The Defamation Amendment Act, 1972	Leitch	Lee
111	The Alberta Income Tax Amendment Act, 1972, (No.2)	Miniely	Leitch
112	The Department of Public Works Amendment Act, 1972	Backus	Doan
115	The Pinancial Administration Amendment Act, 1972 (No.2)	Miniely	Trynchy
116	Alberta Hospitals Amendment Act, 1972	Crawford	Hunley
117	Municipal Government Amendment Act	Purd y	Jamison
121	Improvement Districts Act, 1972	Purd y	Jamison
123	Alberta Lord's Day Amendment Act, 1972	Leitch	Farran
127	The Credit and Loan Agreements Amendment Act, 1972 (No.2)	Koziak	Hansen

MR. HYNDMAN:

Mr. Speaker, I move the House be now adjourned until tomorrow afternoon at $2:30\ \text{o'clock}$.

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MR. TAYLOR:

Mr. Speaker, I wonder if the hon. Government House Leader would give us some indication of what the government plans for tomorrow afternoon's session?

MR. HYNDMAN:

 $\mbox{\rm Mr.}$ Speaker, essentially dealing with those matters remaining on the Order Paper.

MR. SPEAKER:

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

[The House rose at 11:40 p.m.]