

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, March 22, 1973

[The House met at 2:30 o'clock.]

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill No. 17

The Department of Advanced Education Amendment Act, 1973

MR. FOSTER:

Mr. Speaker, I beg leave to introduce a bill, being The Department of Advanced Education Amendment Act, 1973. The purpose of this bill is to transfer to the Department of Advanced Education from the Department of Education the responsibility for funding adult education within the public school system, and secondly to provide for the coordination of services and programs between all post-secondary institutions.

[Leave being granted, Bill No. 17 was introduced and read a first time.]

Bill No. 18 The Colleges Amendment Act, 1973

MR. FOSTER:

Mr. Speaker, I beg leave to introduce a bill, being The Colleges Amendment Act, 1973. The purpose of this bill, as stated previously, is to provide for the dissolution of the Alberta Colleges Commission and to transfer the functions of that commission to the Department of Advanced Education, specifically the minister.

[Leave being granted, Bill No. 18 was introduced and read a first time.]

Bill No. 23 The Universities Amendment Act, 1973

MR. FOSTER:

Mr. Speaker, I beg leave to introduce a bill, being The Universities Amendment Act, 1973. The purpose of this bill, as indicated previously as well, is to provide for the dissolution of the Universities Commission and to transfer the functions of that commission to the Department of Advanced Education, specifically the minister.

[Leave being granted, Bill No. 23 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. FLUKER:

Mr. Speaker, I am honoured today to introduce to you and on your behalf to the members of this Assembly some 50 Grade 6 students from Sherwood School in your constituency of Edmonton Meadowlark. They are accompanied by their teachers, Mr. Jack Repka and Mr. R. Dahlstet. They are seated in the public gallery and I would ask them to rise and be recognized by this Assembly.

MR. LEE:

Mr. Speaker, it's my pleasure today to introduce to you and to the members of this Assembly 35 students from Senator Patrick Burns Junior High School in Calgary in the Foothills riding. They are accompanied by their teacher, Mrs. Szulczyk, and by parents, Mrs. Philps and Mrs. Matheson. They are seated in the public gallery and I would ask them to rise now and be recognized by the Assembly.

MR. KOZIAK:

Mr. Speaker, I beg leave to introduce to you and through you to the members of this Assembly 60 intelligent students from the constituency of Edmonton Strathcona. Mr. Speaker, they attend one of the oldest schools in the City of Edmonton, one that is named after the first premier of this province, Dr. A. C. Rutherford. They are accompanied on this occasion by their teachers, Mrs. Polly Bishop and Mrs. Diane Rehill, who, I might add with a touch of pride, is the president of the Edmonton Strathcona constituency organization. Progressive Conservative.

[Applause]

I imagine that applause, Mr. Speaker, was for the president of the constituency. And perhaps we can now have the members of the class rise and be recognized by the Assembly.

PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

MR. STROMBERG:

Mr. Speaker, with permission of the House may I revert to Presenting Reports by Standing and Select Committees?

[Agreed]

Mr. Speaker, I beg leave to file a final report of the Select Committee on Crop Insurance and Weather Modification.

FILING RETURNS AND TABLING REPORTS

MR. LEITCH:

Mr. Speaker, I am pleased to file a Return to the Motion for Return No.144.

MR. LOUGHEED:

Mr. Speaker, I would like to table in the House the copy of the remarks I made on land use to the delegation from southern Alberta from the steps of the Legislature on February 23, 1973.

ORAL QUESTION PERIOD

MR. SPEAKER:

The hon. Member for Spirit River-Fairview.

Alberta Opportunity Fund Director

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister for Industry and Commerce. Can the minister advise the House whether it is true that Mr. Ed Clark of the Ontario Development Corporation has been engaged either by the government or by the Alberta Opportunity Company?

MR. PEACOCK:

Mr. Speaker, we are going to make an announcement on the appointment of the managing director of the Alberta Opportunity Fund Company and its directors, next Tuesday.

MR. NOTLEY:

Supplementary question, Mr. Speaker. Can the minister advise the Legislature whether or not any advertisements were made in papers throughout the province for the director for the Alberta Opportunity Company?

MR. PEACOCK:

Mr. Speaker, they were; right across Canada.

MR. NOTLEY:

One supplementary question, Mr. Speaker. Can the hon. minister advise the Assembly at this time, in what capacity Mr. Clark is going to be employed? Will he, in fact, be the director of the Alberta Opportunity Company?

MR. PEACOCK:

Mr. Speaker, as I mentioned, we would be making these announcements on Tuesday.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation.

Highways Annual Meetings

MR. SORENSON:

Mr. Speaker, my question is to the Minister for Highways. Has the minister received invitations from Highways 36 and 41 Associations, to attend their annual meetings, since he became minister?

MR. COPITHORNE:

Mr. Speaker, I have received various invitations at different times, from groups on Highway 36 and Highway 41, to attend meetings. As a matter of fact, Mr. Speaker, I had a meeting very recently, in my office with the Highway 41 group.

MR. SORENSON:

Supplementary. Why has the minister not seen fit to attend these annual meetings in the area where the annual meetings are being held?

MR. SPEAKER:

The question is of very doubtful propriety -- if the minister wishes to answer it --

MR. COPITHORNE:

Mr. Speaker, I think that the group of Highway 41 people I met with the other day, were absolutely delighted with the progress that is happening on Highway 41 this year. It was better than having me out there to tell them that they are only going to get three or four miles, which was the case in the previous operation.

MR. SORENSON:

Have tenders been called on the portion of 13 miles from Consort to Legal?

MR. COPITHORNE:

Mr. Speaker, I'm not positive on that, but if they are not, they will be called shortly.

MR. NOTLEY:

Supplementary question to the hon. minister. Is it the policy of your department, in calling tenders, to advertise that call in the local papers that service the area where the road work is going to be done?

MR. COPITHORNE:

Mr. Speaker, as a rule we advertise only in the major papers throughout the province, so consequently, it is not necessarily advertised in the local paper. But the contractors know of the procedure and they watch the other papers throughout the province, such as the major papers in Lethbridge, Calgary, Edmonton and so forth.

MR. NOTLEY:

Supplementary question, Mr. Speaker. Given your government's concern about decentralization of industry and economic opportunity, will your department be reconsidering its rule in advertising tenders, and will they be considering the advertising of tenders in the local papers concerned?

MR. COPITHORNE:

Well, Mr. Speaker, our government is concerned about decentralization, but we are also concerned with advertising and in useless spending of monies that would not give the province and the citizens of the province the largest amount of benefit.

MR. SPEAKER:

The hon. Member for Stony Plain.

Parkland School Facilities

MR. PURDY:

Mr. Speaker, I have a question for the Minister of Education. Has the County of Parkland made formal application to the School Building Grants in regard to school facilities in the towns of Stony Plain and Spruce Grove?

MR. HYNDMAN:

Yes, Mr. Speaker, it was the end of November last year when the county first made application and since that time, and prior to that time, the hon. Member for Stony Plain has been keeping me advised on the situation. At the end of January of this year they were requested by the School Buildings Board to meet with them to discuss all their building plans. Arrangements haven't yet been made to do that. They haven't yet asked for a specific meeting but I imagine this will be happening shortly.

MR. PURDY:

Supplementary, Mr. Speaker, to the hon. minister. Has the County of Parkland made a commitment for high school construction in the town of Spruce Grove?

MR. HYNDMAN:

Mr. Speaker, we have no record of any formal plans or requests for any high school facility in Spruce Grove.

MR. PURDY:

Supplementary, Mr. Speaker. Are the present school facilities in the east end of the County of Parkland at the maximum rated pupil capacity?

MR. HYNDMAN:

Relating to the east end, Mr. Speaker, there is a new school there, the Brookwood School, and we are no longer designating schools as elementary, junior high or high school. But the new Brookwood School has 480, as I recall, additional spaces. It will be opened in September of 1973 so it should provide flexibility in both the Stony Plain and the Spruce Grove areas.

MR. PURDY:

A further supplementary, Mr. Speaker. Has the County of Parkland submitted to your department firm data which will show that the pupil enrolment will be above the 90 per cent as set forth by your department?

MR. SPEAKER:

The hon. member is actually making a statement, but perhaps the minister might wish to comment on this statement.

MR. HYNDMAN:

My recollection is, Mr. Speaker, that the percentage is below 90 per cent, somewhere in the area of 85 per cent equalization.

ORDERS OF THE DAY

WRITTEN QUESTIONS

213. Mr. Cooper asked the government the following question:

- (1) In what stage of completion are the affairs of the now defunct Security Trust Company?
- (2) Have all the depositors of Security Trust been fully reimbursed?
- (3) In regard to Security Trust mortgagors who have mortgages amortized over 25 years, but written for a five-year term, can they renew additional five-year term or will they be liquidated?

HON. MEMBERS:

Agreed.

214. Mr. Taylor asked the government the following question:

- (1) (a) What studies were undertaken under vote 1612 during the fiscal year 1972-73?
(b) What is the cost of each study?
- (2) (a) Which of the studies were carried out by consultants?
(b) Where is the head office of each of the consultants?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The sound isn't quite audible. Is it correct that the government has agreed to Questions 213 and 214?

MR. LEITCH:

Agreed to Question 213, Mr. Speaker.

MR. PEACOCK:

Agreed to Question 214 also.

MOTIONS FOR A RETURN

215. Mr. Dixon proposed the following motion to the Assembly, seconded by Mr. Holm:

That an Order of the Assembly do issue for a Return showing:

Copies of five proposals submitted to the Minister of Lands and Forests covering the Whitecourt-Fox Creek forest supply blocks by Fox Creek Lumber Ltd., Levesque Lumber Company, North Canadian Forest Industries Limited, Simpson Timber Company Ltd., and Weyerhaeuser Canada Ltd.

DR. WARRACK:

Mr. Speaker, I wish to speak very seriously about this Motion for a Return. A bit of background might be useful and I will be as brief as I can. In the

Whitecourt area, generally encompassing Whitecourt, Fox Creek, Mayerthorpe and other such important centres in that area of Alberta, there is some history to the forest supply disposition matter which dates back nearly 15 years now, including the possibility at some time, a considerable period ago, of whether there would be a pulp mill in the area or not. It eventually was the decision of the people who held that opportunity in their hands that they would not go forward with the pulp mill construction. When we came to responsibility in this province in September of 1971 the matter of the forest supply disposition in the Whitecourt, Mayerthorpe, Fox Creek area was before us. It was our view, after thorough analysis, Mr. Speaker, that the forest supply available in that area would be better taken into consideration for an integrated saw mill operation, that is an integrated lumber operation in contrast to a pulp mill operation. There were a number of very significant parameters that led to that decision.

As a result of that decision then, requests for proposals were widely advertised, Mr. Speaker, for proposals to be submitted by companies from the private sector to the Government of Alberta, as proposals for developing the forest supply that was available in this area. These advertisements were put forward on two blocks, one block being a block of timber supply availability in the Fox Creek area, and the second block being in the Whitecourt area. We requested proposals for either, or both, or an integrated proposal with respect to the one block and/or the other block of forest supply for consideration by the government for disposition.

On February 28, the deadline came for the submission of these proposals and there were some five formal proposals for forest supply developments submitted to the government.

I am sure all members of the Legislature will recognize that we are now in the decision process, Mr. Speaker. We are now considering the advantages, disadvantages and relative merits of each of the proposals we have on hand. And particularly appreciating that they will be in separate blocks or combinations, this is a very involved, technical and time-consuming process.

But that point I want to make, Mr. Speaker, is that the decision process by the government is before us at this time. As a matter of fact, we are at a very early point in that decision process. And I would make the point, Mr. Speaker, that when this information and analysis is before us and when the government is within its decision process in making the best possible selection in the public interest of Alberta, then it would not be in the public interest to disclose the details of each of the proposals before us.

But in addition to that, Mr. Speaker, and perhaps even more serious, it seems to me very, very clear that the contents within each of the proposals which we have received represents the work, the expenditure, and the private confidential planning, including financial planning by private individual companies that are putting their proposals forward to the government. And if we were to put these people and these companies in the position that upon their submissions to government, their proposals on this information and the expensive data analysis which they have developed -- if that were to be made immediately public, Mr. Speaker, it is very clear that such proposals from the private sector to the government would soon dry up.

And that is a drying up of proposals with respect, not only to the forest industry, but also, certainly, to the petroleum industry, and certainly also to the recreational development possibilities which are extensive and part of our great future in Alberta. These proposals by private people and private companies would very soon dry up and it is very clear to me, that if we were to make public these kinds of proposals put to government, we would in fact, be inadvertently opting for a state control kind of government rather than a free enterprise kind of government that nearly all of us in this Legislature surely favour the recognition and value of.

So that is the choice before us, whether we would want to have this kind of contribution from the private sector in our society or whether we don't. That is my second point.

The third point, and also why it is very clear to my mind that these proposals should not be tabled as public information, is the concern expressed by some of the proposers at the time of submitting the proposals to government -- and since this Motion for a Return has been placed on the Order Paper -- their concern with the possibility that their proposals be put forward as public information and their expression of viewpoint would not be something they would favour with respect to information that is theirs and represents their own expenditure and aspiration. They themselves do not favour it.

So for the three reasons, Mr. Speaker: the fact that we are in the decision process at this time; secondly, to look to the future of ways the private sector can be involved in the further development and improvement of this economy in this society, and the recognition that this would dry up if the proposals that are submitted to the government do not have their confidence respected; and thirdly, the fact the companies themselves are concerned and express a desire that their proposals not be made public. Therefore, it seems so very clear to me, Mr. Speaker, that the Motion for a Return should not be accepted.

MR. HENDERSON:

Mr. Speaker, speaking to the motion I fail to find any logic whatever in the argument of the minister. Nor, Mr. Speaker, can I arrive at the conclusion that the proposition put forth by the minister is in the public interest. We are dealing with a public resource wherein a number of companies have made propositions to the minister as to which is the best way to utilize this resource.

Surely the propositions, and decision of the government as to which of these propositions to pursue must be subject to public examination. It has long been the custom, for example Mr. Speaker, before the Oil and Gas Conservation Board and now Energy Board in holding hearings, companies would come forth and present reams of data and so forth providing the most efficient and effective way, in their view, of developing those particular resources.

The companies in the oil industry, at one time years back, used the same arguments that it was information that was secret, their competitors would get an advantage on them, and so on and so forth. Then the board would come out with a decision and find itself in a position based on secret evidence. How on earth can the credibility of a government agency be established under circumstances where it is determining what is best for the public interest so far as the utilization of a publicly owned resource.

The failure to conduct the business in that manner, Mr. Speaker, in the long run leads to exercises such as we witness now in the Province of Manitoba where the people of Manitoba, as a result of an exercise on the part of the previous government there -- Conservative government I would add -- find the public has financed a resource industry which private enterprise owns, presumably some bank account in Switzerland or some place.

Mr. Speaker, I can find no logic or justification in this position. In fact the entire suggestion that there should be a cloak of secrecy surrounding the manner and method of determining what is the best method of utilizing these resources, and establishing clearly that the resources are being utilized to the best degree and in the best public interest, could only be done by a public examination of all of the propositions that have been put forth to the government.

The suggestion that the government should accept a proposition from industry, that it has made representations in secrecy and the government then will make a decision on basis of evidence which they are unable to make public, is simply not tenable so far as the public is concerned.

The only way the matter can be properly dealt with is in the light of complete public exposure from start to finish. When the government starts making their decisions relating to the utilization by private interest of public resources based on secret evidence that a company may not wish to make public, I suggest, Mr. Speaker, that experience will prove it is not in the best interests of the public. It has already proven that in this province relative to the oil and gas industry. Propositions that have developed elsewhere in this country -- the one in Manitoba -- clearly establish some of the problems that can develop when such propositions are developed in secrecy.

On principle, Mr. Speaker, we have to suggest that the propositions put forward for not providing the information as suggested by the minister are completely not tenable. They are not in the public interest. The information should be available so that everyone who has an interest in this matter, and that is every citizen in the Province of Alberta, has a clear opportunity to examine the proposals on their merits.

DR. HORNER:

Mr. Speaker, we have now seen an exercise in futility by the hon. Leader of the Opposition. If the hon. Leader would read some of the things that go across his desk he would know there is going to be a public hearing in relation to --

MR. HENDERSON:

[Inaudible]

DR. HORNER:

Just a minute now. You have had your little 'yak' and I intend to have mine. Mr. Speaker, you know my hon. friend tries to distort and to make a big hubbub about secrecy. You know I admire his attempts at political sagacity, but the question is still this, Mr. Speaker: the government doesn't feel, in fairness to the companies who have made the propositions, with the companies' money and not government money, that these should be made public ahead of the recognized schedule indicating when they will be made public and when the public hearing is held. No decision on the disposition of the resource in the Whitecourt area will be made until such time as those public hearings are held.

MR. HENDERSON:

Why didn't he say so?

DR. HORNER:

He said so in a news release of several days ago if the hon. member would read his mail.

MR. ZANDER:

Mr. Speaker, this is quite a turn about from that time for the minister of the Crown, but I can recall May 1970 when a delegation of municipal people -- and I may add they represented that area and also my area --

MR. LUDWIG:

How are the remarks of the hon. member relevant to whether we pass this motion or not?

[Interjections]

MR. ZANDER:

I'll tell you about it.

MR. SPEAKER:

The hon. member is purporting to point out a certain inconsistency in the preceding debate, and that is quite a proper subject for comment.

MR. ZANDER:

The hon. member for Calgary is certainly on his feet more times than he should be. But I recall very clearly at that time the hon. Minister of Lands and Forests, in 1970, which is just about three years ago, said it was not in the public interest nor in the municipal interest that they should divulge the McMillan Bloedel holdings in that area. He said, "You will have to wait until the end of June before we can give you the details." Now if it were fair at that time to use that approach then I think the hon. Leader of the Opposition must admit that it must be fair at this time.

MR. LUDWIG:

Mr. Speaker, just because the Deputy Premier thought that he wanted to do a little 'yakking', Zander didn't have to follow.

One of the surprises in this debate, Mr. Speaker, is the rather flimsy reasoning of the Minister of Lands and Forests who says that if we give this information it would lead to government by state control. I have never heard anything more ridiculous. An open government now says that if we open things up a little bit it could lead to state control. A man ought to take a bow and walk out after a statement like that, Mr. Speaker, because it certainly is a very adverse reflection on the government that preaches open government.

Now they are pleading the fifth amendment. Every time we come up they say, "We can't let you know because we might incriminate ourselves." They have been repeating this too often and it is becoming ridiculous. They are afraid to tell us what is going on, so I am saying that if they want to get up and say, instead of making a half hour speech and beating around the bush, "I'm sorry, hon.

members, it's confidential, and if I let it out it might --. They should say, "It might incriminate us -- we don't want to be exposed." But when they do that it is a signal to the opposition to go after them. That is what has happened over and over again.

DR. HORNER:

Mr. Speaker, on a point of order.

MR. SPEAKER:

Would the hon. Member for Calgary Mountain View resume his seat while we deal with the point of order.

DR. HORNER:

My point of order is simply this, he is now imputing things to the hon. Minister of Lands and Forests which are completely out of order. The hon. minister has said in a public news release, and I've confirmed, that there are going to be public hearings and all these documents at that time will be made public.

Now for the hon. Member for Calgary Mountain View to continue to insinuate and to distort and to continue his program of politics by accusation is just so much nonsense.

MR. LUDWIG:

Mr. Speaker, I gather that exercise was an admission that I got to the Deputy Premier. He always does it. Whatever he doesn't like is out of order --

MR. SPEAKER:

Order please! The likes and dislikes of the Deputy Premier are not at the moment under debate. Would the hon. member wish to address himself to the debate?

MR. LUDWIG:

Mr. Speaker, the Deputy Premier made a statement that the Leader of the Opposition had his say. He wants his, he's got his, and he continues to keep interrupting. He should give him another chance.

Mr. Speaker, I still want to say that this statement by the hon. Minister of Lands and Forests was that 'if we admit this, this could lead to state control.' I would like to have him elaborate on this statement because I apparently missed something. If that will lead to state control, I'm saying that keeping everything quiet, refusing to answer questions, refusing to give us information, this is the place the information should be given. That could lead to a bit of skulduggery and suspicion and state control. I'm not saying it does, but the minute a minister stands up in the House and says, "I'm sorry I can't give you the information. I have my own reasons," that creates suspicion, not only in the minds of the hon. members here, but in the minds of the public.

If a minister has any gumption he'll stand up and dispel the suspicion that there is something wrong in admitting what is going on. When they continue to do that then we have to suspect and press the point home. So I believe the hon. minister ought to stand up and admit the stupidity of his remarks and give us the information.

DR. WARRACK:

Point of order, Mr. Speaker. Can I have your ruling as to terms like "stupidity" being parliamentary language?

AN HON. MEMBER:

It's not swearing.

MR. SPEAKER:

I don't recall the exact context in which the word was used. It isn't always unparliamentary. I think one can say properly that an argument is stupid. I would question whether it would be parliamentary to say that an hon. member was stupid. It would certainly be a sad reflection on his constituents.

DR. WARRACK:

Mr. Speaker, he said --

MR. SPEAKER:

Order please, possibly we might proceed with the debate.

Does the hon. minister wish to close the debate?

DR. WARRACK:

Yes, he said the stupidity of the minister, so he did refer specifically to a member of this House and that is what I ask your ruling on. In any case, Mr. Speaker, if the hon. member would read Hansard, and I am sure that --

SOME HON. MEMBERS:

Order, order.

MR. SPEAKER:

Order please. The Chair would like to hear what the hon. minister has to say about a point of order, a point of privilege.

I said that I could not make a ruling because I didn't recall the exact text or context in which the expression had been used. That does not necessarily close off the discussion.

DR. WARRACK:

Thank you, Mr. Speaker, I was really only going to add that if the hon. Member from 'Molehill View' would care to read Hansard, he'll only find his understanding precluding him from recognizing the argument.

MR. LUDWIG:

Mr. Speaker, in speaking to the point of order from the hon. Minister from 'Donkeyville', I suggest, Mr. Speaker, that using the words, 'the minister's remarks were stupid' is not the same as saying the minister was stupid. And even if I said the minister was stupid, if I can establish that to be a fact then it would be parliamentary. I don't think I have to establish that fact because the minister spent half an hour proving that himself.

MR. SPEAKER:

Order please. Possibly we might now leave the subject of stupidity and revert to the topic of the debate.

MR. HO LEM:

Mr. Speaker, in speaking in favour of the Motion for a Return I do appreciate the background information which the hon. minister has given and also a number of the points he gave for reasons for withholding this Return.

I can't see the real logic in the reasons which you have given and particularly the one where you have stated that one of the firms --

MR. HYNDMAN:

Mr. Speaker, on a point of order. I believe the hon. member who seconded the motion gave up his place so he can't speak at this time.

MR. SPEAKER:

The requirement for a seconder to speak immediately after the mover applies to amendments.

MR. HO LEM:

Thank you, Mr. Speaker and particularly --

[Interjections]

-- in the point which he had given stating that one of the firms or a number of the firms, I don't know which, had requested that their request for proposals be

withheld. Now, as I see it, if the proposal is reasonable and aboveboard I don't see any reason why this should be held, or this information should be withheld from the public. In fact, the very fact that they have made this request that the information not be made public, creates an area of suspicion in the minds of the public. In the light of past criticisms of the government regarding political patronage I think it would be in the public interest for the minister to present these proposals for public inspection.

[Interjections]

MR. TRYNCHY:

Mr. Speaker, I am very surprised at some of my hon. members across the way there. I would like to go back 10 or 12 years when they were the government and they promised -- the headlines in The Journal read "Pulp Mill for Whitecourt". So, of course, living in the Whitecourt area we asked for information regarding the proposals. The town of Whitecourt wrote in to the government, "What's the proposal?" They said, "Wait and see." And now they want it open. I would like to suggest to you --

MR. LUDWIG:

Mr. Speaker, on a point of order.

AN HON. MEMBER:

Sit down.

MR. LUDWIG:

In Beauchesne, on page 57, I believe at the bottom of the page, it strictly says the Speaker has no jurisdiction to entertain remarks which were made outside of the House. And that is what the hon. member is doing.

AN HON. MEMBER:

Come on.

MR. LUDWIG:

Read Beauchesne.

DR. HORNER:

What a nonsensical point of order we now have from the hon. member. I know that he doesn't -- caught in a little trap, Mr. Speaker, and again they are trying to play their politics by accusation.

MR. SPEAKER:

Order please. Order please. The hon. Member for Calgary Mountain View's point of order is not accepted by the Chair. Would the hon. Member for Whitecourt please proceed with the debate.

MR. TRYNCHY:

Thank you, Mr. Speaker, I hope he will sit down and listen until I am done. Maybe then he can get up and say something that is concrete. I don't think he can.

But speaking of confidential -- you know, Mr. Speaker, I've talked to these people who put in these proposals and I didn't talk to them all. But they all insisted that their proposals should be confidential until the public hearing.

Now if the hon. members across the way want to find out what's in the proposal I suggest to them that they come to Whitecourt the day the hearings are opened and they will find out at the same time as me. And so will the people of Alberta.

AN HON. MEMBER:

Hear, hear.

MR. TRYNCHY:

You know, Mr. Speaker, these proposals are something like a bid, and when you propose a bid it's open on that day and nobody is ahead of the other fellow as far as opening it up and finding out what is in it. Now the hon. member speaks of logic and public examination, public interest, but I say to you, Mr. Speaker, that it will be in the public interest when the date of the public hearings are announced and we have them in Whitecourt. So I say, Mr. Speaker, that we turn this down.

SOME HON. MEMBERS:

Hear. Hear.

MR. TAYLOR:

Mr. Speaker, I would just like to make two points in connection with the motion. The first one is that since there is going to be a public hearing and the contents of the five proposals will be made public at the public hearing, then how do the people of the province who are also concerned find out in order to make representations?

MR. TRYNCHY:

Read the paper.

MR. TAYLOR:

Is there going to be a 30 day period, or a lengthy period in which representations can be made? It isn't right to expect everybody to go to Whitecourt, as nice a place as it is, to hear this. It's not something that is only of interest to the people of the Whitecourt area. These are resources belonging to all of the people of the province, and consequently the information should be made available to all the people of the province.

I would like to suggest to the hon. minister that making this information available to the Legislature and to the public at this time would probably enhance the public meeting, where the people of the Whitecourt area could then make a much sounder representation than being asked to do it on the spur of the moment. Since they are going to be made public, I find it difficult to understand the reasons advanced by the hon. minister for not making them public to the Legislature and to the public at this time.

DR. HORNER:

I wonder if the hon. member would permit a question? As a former Minister for Highways, would he tell this House that all of the bids on a highway construction would be made public prior to the government awarding them?

MR. TAYLOR:

Yes, Mr. Speaker, as a matter of fact, we did that, we had public openings so that everybody knew...

[Interjections]

...everybody knew what the contents were before the government made a decision, exactly what was suggested.

MR. HENDERSON:

Mr. Speaker, if the hon. Deputy Premier can speak -- this is not a bid, it is a proposal. It is not a cash bid at all that he is talking about. Is he going to speak twice? I reserve the right to do the same.

MR. SPEAKER:

Order please. Are you ready for the question?

DR. BACKUS:

Mr. Speaker, in speaking against this motion as the MLA for an area in which one of these companies is now operating, and having discussed with them the interest they were showing in this development, I think it very reasonable and not a bit suspicious for them to wish to keep their proposal confidential until they have the opportunity of presenting it at the public hearing.

I don't know if any of the members of the opposition who are speaking so critically about this offered their speech to a newspaper before they made it, and then had the newspaper publish it before they had actually stood up and made it. But I think it should be obvious to anybody who is aware of what goes on at public hearings that where a company is going to present its proposal at a public hearing, it should not expect to make it public, not only to the public but to the opponents in the public hearing, prior to that time.

They are going to be faced with questioning at the public hearing, and the answers that the opposition could give if they were forewarned of the type of proposal being made, could be very different if they were forewarned by having it publicly made well in advance of the public hearing. I just cannot understand the attitude of those who are insisting to keep something like this confidential until such time as it is made public, as an unreasonable request.

I admit it is not exactly like public tenders, because it is a proposal rather than a specific figure. But because it is a proposal and, therefore, liable to variation and adjustment at the time of its presentation, that makes it even more imperative that their proposal not be made public, prior to the public hearing.

The purpose of the public hearing is to give these people the opportunity to present their proposal to the public, for examination by the public at that time, not to make it public for examination by their opposition a month or two ahead of the public hearing. Surely, in trying to sell something to a community, the community does not have to have a long period of examination beforehand to be able to decide whether they are in favour of one specific proposal or another specific proposal.

I think the matter of security for these companies is far more important, if we do have this regard for the private sector, than the mere desire of the Legislature -- or certain members of the Legislature -- to have a little peep show, which throws it wide open to the public ahead of time.

MR. RUSTE:

Mr. Speaker, I have listened with interest to the debate on this Motion for a Return, and I have noted with interest the press release that was made, jointly I believe, by the Member for Whitecourt and the minister as it related to the public hearings that were going to be held. Unfortunately I haven't got it here, but as I recall, it was an historic occasion in Alberta when a public hearing was going to be held on a public resource.

I would just like to remind the members of this Assembly of a meeting I chaired in the City of Grande Prairie at which hearings were held on submissions to government which resulted in the Procter and Gamble mill being built, and almost completed, in that part of the province. I was rather surprised the Member for Grande Prairie didn't refer to that hearing, because surely he was in that city at that time.

But I submit, Mr. Speaker, if the public are going to evaluate any proposal then I think it should be available to those who are going to be there so they can judge on the merits, not just on what they hear on that day or those days, but prior to the hearing.

DR. BACKUS:

Could I ask a question, Mr. Speaker? Could I ask if the proposals, the detailed proposals of the companies which were brought before the public hearing in Grande Prairie were released two or three months ahead of time? I don't believe so, in fact, I am quite certain they weren't.

[Interjections]

MR. DIXON:

Mr. Speaker, I am amazed at all the heat that was generated over on the other side by a simple request, and the reason --

MR. SPEAKER:

Order, please. May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. DIXON:

Thank you, Mr. Speaker. ...and digging in of the heels and not wanting to give the information because on March 9, it says p.m. I suppose at 9 p.m., the hon. member along with the hon. minister -- the hon. Member for that area, Mr. Trynchy and the hon. minister -- went to great lengths to explain all the great excitement that was going to happen; we were going to have \$30 million spent. Now I just got the idea that the hon. member, plus some of the other members on the back benches opposite, had received the information. Later on in the news release it points out that public hearings are going to be held immediately after the session.

Well, I am saying that as members of the Legislature we should have these proposals prior to the end of the Legislature in order that we can look them over and come to a decision of which one we would prefer, or which one we would support, or whether we would throw them all out. And I think any member on either side of the House is entitled to that information. If you go back into the oil and gas hearings, information on all submissions -- and as the hon. Minister of Public Works so ably pointed out -- these aren't bids like the hon. member tried to make out they are, these are requests for proposals which are an altogether different thing.

If they were bids, then I am sure the hon. the Provincial Treasurer would be most anxious to get his hands on the money that would be in there on a bid, because he has made a great song and dance about the fact that he would like to get his hands on money from outside sources as quickly as possible. So I don't know why we need all this secrecy because I am a great believer that if firms or individuals seeking to do business with the government can't stand the heat and the spotlight of scrutiny by the public and by this Legislature, then they should not be dealing with the government.

So all I am requesting is that we carry it out like they do with the oil and gas hearings, that 30 days prior to the public hearings the information is made available, so that if anyone goes there, he goes with information he can base a realistic decision on. We don't want a snow job as so often happens in these cases where they are held in confidentiality.

[Interjections]

Now just a minute, hon. member, I haven't finished with you yet. You see, I think when a government, and in particular an hon. member, when he wants to rush out to the public of Alberta and throw out a carrot and say it is a wonderful, exciting program, and then after his constituents say: "What is the program?" he answers, "Well, we can't tell you, it's confidential."

How ridiculous can we get? If the hon. member wants to polish his image, that's fine, but I don't think he should polish his image when confidentiality as he claims, is happening -- where he says the companies are embarrassed. In that case he should respect the companies and stop making press releases if he doesn't want us to ask for the information, because I feel I am as entitled to it as he is, because I am just as interested in protecting the taxpayers and getting the best deal possible for us as a Legislature.

[Interjections]

We are not talking about secret deals when we talk about Procter and Gamble.

[Interjections]

And I can always remember -- I am pleased the hon. Minister of Agriculture has so much to say on this issue because I can remember when every other day he was asking what is happening up at Whitecourt. Now, here we have had bids since October -- these proposals were advertised -- what is that -- five or six months? We still want to have them confidential.

AN HON. MEMBER:

Hear, hear.

MR. HENDERSON:

What is the secret about that?

AN HON. MEMBER:

About the ARR?

MR. HENDERSON:

We have no secrets.

MR. DIXON:

Are you all through over there? If they are all through over there, Mr. Speaker, I would just like to remind the hon. members there was nothing secret about the deals over there.

And so, if the hon. member wants to get into that we can debate that on another issue, but Mr. Speaker,

[Interjections]

. . . but before us today is a request for information where some major lumber companies are going to make proposals or have made proposals to this government which could result in a large industry for the area if the proposals meet scrutiny not only by the hon. members opposite but also by the public at large.

Mr. Speaker, I am very disappointed the hon. members are taking the attitude that they don't want to make any of this information available to the public because I don't see how they can expect the public to go to a hearing and make decisions with no information. I think you have got to base decisions on the information the people never had.

So, if this government is going to take all the responsibility, that they know all and the public knows nothing, well keep it confidential until the public hearings. But if you are going to do a service to the public in Alberta you should make this information available prior to the hearings so that a reasonable, fair decision can be made based on all the facts that are made available prior to the public hearings. Thank you, Mr. Speaker.

[The motion was defeated.]

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Young proposed the following motion to the Assembly, seconded by Mr. Appleby:

Be it resolved that the Government of Alberta reconsider the decision to enter into an agreement with the Canadian National Railways to repair the flood-damaged portion of the Alberta Resources Railroad until such time as a complete investigation:

(a) of the flood characteristics of the Smoky River,

(b) of the effect of the development of the coal industry on the Alberta Resources Railroad,

(c) of the estimates of the cost of repairs demonstrates that benefits outweigh costs.

[Adjourned debate: Mr. Peacock]

MR. PEACOCK:

Mr. Speaker, speaking on the motion before us, I have no choice but to relate to this House the awesome burden carried by the citizens of Alberta to finance and sustain a railroad whose economic potential, to say the least, is questionable. The immediate question would probably be, why fix it now and throw more good money after bad? Mr. Speaker, the answer is obvious. Whether we put the railroad back in place or abandon it completely, it will still cost the taxpayers of Alberta, the people of Alberta, an incredible \$7 million annually in interest charges alone.

Mr. Speaker, the total capital debt incurred in the construction of the ARR now stands at approximately \$133 million. On a per capita basis that amounts to \$83 of debt for each man, woman and child in this province. But to put that into perspective, it is identical to the sum, on a per capita basis of debt, of

the people of Canada in relation to the Canadian National Railway. Mr. Speaker, it took Alberta only six years to burrow itself into the enviable debt position the CNR accomplished in decades. That feat, Mr. Speaker, is nothing to be proud of. However, we cannot just feel sorry for ourselves, we must do and we will do everything possible to better our position.

Now that the magnitude and seriousness of the problem has been highlighted, it is incumbent upon me to advise the members of this House of the difficulties which we encountered in tracking down and analyzing the reasons why the railroad was built, the research which led to its conception, complete and concise agreements which bound this province to its existence and operation. The utter ambiguity of that agreement between the ARR and the CNR, the lack of proper audits, and the total absence of any cost benefit studies has made all understanding and analysis of this railroad almost futile.

Therefore, Mr. Speaker, for the record of this Legislature and for future reference I will attempt to give a short chronological history of the ARR culminating in an explanation of the amended agreement which was drafted with the help of professional engineers, accountants and legal counsel, and which will be tabled in this House within the next month.

To understand how we and the ARR came to the decision, whether it was litigation, negotiation or sale -- in order to better understand how that decision was arrived at may we just go through the history of the ARR.

In the years 1963 and 1964 there were discussions between Mr. Roger Graham, vice president of the CNR Mountain Region, and the hon. A. R. Patrick regarding the construction of a railway from Swan Landing to Grande Prairie. Subsequently, in 1964 discussions were held with Premier Manning.

Now it's interesting to note that in his letter of May 27, 1971 -- and I found this and will be glad to table it after I am completed -- Mr. Manning states that Mr. Roger Graham was, in fact, the chief instigator of the whole project. However, it is also interesting to note -- and I read from a letter dated January 25, 1965 to Mr. Manning from the hon. Donald Gordon which stated that, "You will recall my caution to you [Speaking to Mr. Manning] that the opportunity to obtain the traffic guarantee from the Company developing the coal deposits will disappear with any announcement of the building of this line."

Now the reason, Mr. Speaker, for belabouring this Assembly with these excerpts is so we will have a clear, concise understanding of what we are up against in the negotiations that have just recently taken place.

On January 25, 1965 a confidential letter and memorandum to the railroad was written by Mr. Donald Gordon to Premier Manning, and that letter contains a caution not to announce the building of the railway until traffic guarantees are obtained for coal haul. Now the memorandum estimated the cost of the 200 miles of railway from Swan Landing to Grande Prairie to be approximately \$33 million. It's important to note this caution not to announce the building of the railway until the traffic guarantees are out for the coal haul, because this is significant when we move back into the agreement and find that we move off the \$1.40 price that had a viability to the railroad into the 50 cent price from Grande Cache.

This then accounted for the rate reduction because the government saw fit to ignore this warning and as a result moved from the \$1.40 rate, as I stated, and were forced to settle on the Japanese contracts for a 50 cent rate. The reason for that is quite obvious. Before the contract was signed and they had negotiated or attempted to negotiate on the \$1.40 price in order to complete the contract and make sure that all things went ahead, they had to reduce their price from the \$1.40 to 50 cents.

Now in this same memorandum the revenue for the ARR was estimated at \$2,800,000 annually, stating that this should be adequate to cover costs of construction at simple interest of 6 per cent based on a \$33 million construction cost.

Now it is interesting to note that if the 200 miles of track was built for the \$33 million, and they had related the annual income at \$2,800,000 they were looking at approximately a 9 per cent return.

It is also interesting to note that at this time the placement of their money for the debentures on this railroad, as the hon. Treasurer will point out later, that they were taken on what we call medium term notes. So consequently they have to be revolved now at a much higher rate of interest.

On February 5, 1965, a letter from Mr. Donald Girden to Premier Manning set out new clauses in the agreement allowing a termination of the agreement. The letter stated that this was introduced to take care of Premier Manning's concern whereby the government could wind up the whole railway project should it not go as well as anticipated.

On February 5, 1965, now remember that, there was a clause in which he wanted an out, and that is based on the \$33 million capital cost which eventually mushroomed to \$95 million.

On February 23, 1965, in a speech to the Legislature, Premier Manning announced a proposal to construct the Alberta Resources Railway. This announcement dealt with building the railway from Swan Landing, or Solomon, to Grande Cache, and then Grande Cache to Grande Prairie in stages. This is not the way it was carried out.

This speech also referred to the grand plan which involved ultimately extending the railway from Grande Prairie across the Peace River to join the Great Slave Lake Railway. The speech states studies had been made by the government for this railway line.

Now, no one has been able to locate any studies carried out by the Government of Alberta or the CNR as to the viability of phase 1; that is from Solomon to Grande Cache; phase 2, that is from Grande Cache to Grande Prairie, or the plan of joining the ARR to the Great Slave Lake Railway.

I would suggest that Premier Manning's speech was, in fact, naive as the provincial government assumed all the risk, and borne out by the facts of the letter in which Premier Manning stated that the CNR would purchase the railway and all of the capital invested by the province and it would be returned. In other words, he suggested there would be no provincial subsidy for the line. And here is where the misunderstanding arose, I believe, in the minds of many, that the interest plus the capital costs would be capitalized and the CNR, when the viability of the railroad was proved to their satisfaction, would assume those interest charges as capital costs in purchasing the railroad.

But that was only on the option that it was agreeable to the CNR. When we found the completion of the railroad and the capital costs had escalated to the \$95 million and the interest charges were then accumulating at the rate of \$6 million and some odd hundred thousand per year, there was no way that the CNR was going to purchase that railroad.

Now the CNR was given without limitation, "administration, supervision and direction of all contracts." It was rather interesting to note the conversation here a little earlier on the other motion. The CNR was given, without limitation, administration, supervision and direction of all contracts, all surveys, all engineering and all other services necessary for the construction of the railway in every respect.

The government shall arrange -- imagine this, Mr. Speaker -- "irrevocable credit" with the Treasury Branch against which the CNR may draw cheques for expenditures in the construction of this railway.

The government apparently did not see fit -- the government of the day that is -- apparently did not see fit to have anyone protect the government's interest during the construction. The government extended to the CNR an open bank account for which monies could be drawn without full and adequate details in support of such withdrawals.

Now in Article III of the agreement it deals with the lease of the railway to the CNR. Tonnage rental rates are set out in this part of the agreement. They are based on the mileage haul on the CNR rather than on the mileage haul on the ARR.

No rates are specified for traffic using the ARR as an intermediate carrier which was anticipated in the grand plan, because the purpose in extending this railway up was that the ARR would have an intermediate flow of traffic. Nor are there rates for traffic between two points moving locally on the ARR. No provision is made in the agreement for future escalation of rates in regard to inflation pressures.

Now this Article also dealt with the payment by the government of future capital costs. This is a real bag of worms because you get into railroad accounting here and interpretations and this is what really set the ball up to roll, because it was difficult to identify and get definition between our interpretation of capital and the railroad's interpretation of capital, also in

this agreement the interpretation of an alteration or an improvement or an addition.

Now disputes are settled by reference to the uniform classification of accounts for a class 1 common carrier by railways. In all deference to our hon. Treasurer here, if you felt the Estimates this year were a little confusing, you should get into this railroad accounting. This is really something for the birds in my opinion. It goes back to the turn of the century and the beginning of rail systems and I don't think it has been changed since.

Now in the replacement of all ties, rail ties -- and in parts we ran into many difficulties here, too, because the retirements to conform with the accounting procedures which were read into the original contract; it said that in this replacement area, the retirements to conform with the accounting procedures of all other operating class 1 railways in Canada.

What they are saying really is that in the railroad accounting system they set up the same as we set up depreciations, and those depreciations over a period of time retire the capital cost of the replacement of whatever the tie might be. But since we own the railroad and we weren't making any profits, it was pretty difficult to set up any fund for the replacement of those ties.

In Article IV, this article has little significance since with the most optimistic projection of traffic and tonnage, rental rates on the present width of the railroad would not exceed \$37 million and with realistic projections the value would not be more than \$22 million. That's a cost revenue projection in budget.

What we're saying here really is that in analyzing whether we could sell the railroad, and I think it was necessary on behalf of the board to pursue this in the interests of the citizens of Alberta, and identify what price we could obtain for -- then some \$126 million of capital debt.

Interestingly enough, and I am sure you are all aware this railroad abuts onto a CNR mainline and abuts into the NAR in Grande Prairie. In Grande Prairie there is also the NAR, which is a joint venture between the CPR and CNR. So it would seem logical then, I am sure you would agree, if a sale was going to be effective, that sale must go to the CNR or the CPR. There really wasn't any other alternative.

I think, in a very light vein we had maybe \$3 million or \$4 million offered by the CPR-NAR to purchase it. We started off at a \$75 million figure with the CNR. They countered with \$8 million, we finally moved them to \$12 million and we abandoned the sale. So there were no further negotiations on sale.

We then looked at litigation as vis-a-vis negotiation. We then had many preliminary talks with the CNR of course, and the circumstances surrounding the railroad. We had moved from a position where we had identified the cost benefits of the railroad, projected them into short, medium and long-term, related them back to some viabilities as far as what costs were concerned as far as selling prices, and we could only identify in the most optimistic way, \$33 million, \$38 million as an outside price for the railroad.

And so, in getting into litigation or giving that some thought, we had done some extensive engineering studies and I think that I need not pursue it further here than to say, and I am sure the members of this House are all aware, how difficult it is, particularly my friends the engineers, to get into court and start battering back and forth against the decision an engineer made and whether he was competent, whether it was the right decision or the wrong one. And I am sure my legal friends in the House will also appreciate the difficulty of pursuing this way of attempting to solve this seemingly solvable problem.

We felt, because regardless of the engineering area or the latitude that might be afforded in this area of moving into litigation, that we would be far better off to attempt to negotiate a settlement and a more acceptable agreement than go to court. And also the option of going into litigation was always available anyway, if the negotiations didn't proceed as successfully as we anticipated.

And so I offer that to the members of the House in order to clear up many of the questions that have been asked outside the House on why we don't do these things, or didn't do these things, or move this way. So we came now into a position of, as we say, negotiation.

I would like to come back to make another reference to capital and maintenance because this is where this agreement was really fuzzy since disputes

as to whether charges are capital or maintenance, shall be determined by reference to the "uniform classification of accounts", that's the railroad accounting referred to earlier. This clause does not overcome the problem of clearly deciding some items as to whether they are capital or maintenance as far as this agreement is concerned. The uniform classification may clearly define capital and maintenance items but without an accounting system to provide data for retirement of capital and that's what I was referring to earlier on. The definitions in the uniform classification were not compatible with interpretation of what capital costs, relating to alterations, improvements, or additions are all about.

Now, it is interesting to note that in the early years of operation of the railroad -- that is in 1970-71, under the previous government -- charges were made by the CNR to the government, and accepted without audit, which are defined as capital in the uniform classification, for which no retirement of capital was credited to the government.

Most of these items might have been placed in the category of alterations or additions, but properly, with the intent of the agreement in mind, should have been paid by the CNR as maintenance costs, unless the government in 1970-71 set an accounting precedent that we have to overcome, by our negotiations in 1972-73.

It might also be noted that the lack of proper audit in 1970-71, charges that it should have been CNR's responsibility as maintenance, were charged to the government and accepted.

The total construction cost, not including interest, average for phase one, \$350,000 a mile; phase two, \$400,000 a mile; phase three, \$240,000 a mile. Those cost figures represent more than twice what the cost would be to build, in similar terrain, in isolated areas in northern Canada.

To move along -- a letter from Mr. G. R. Graham, to the hon. Mr. Aalborg, stating that coal developers could only reach an agreement with the Japanese -- this is where we get into the price arrangements -- to allow for a payment of 50 cents per ton for coal over the ARR, rather than the agreed rate of \$1.40. Mr. Graham advised, at that time, due to traffic, other than coal or grain, that the government's total rental would still produce a return on the government's investment.

I think that is important because, surely in fairness to the government of the day, here is the CNR, their vice president, Mountain Region, making a statement that 'everything's fine at home boys, and just leave it to us and we will select the contracts, do the engineering, negotiate the rates, reduce the rates. We will make everything work out somehow.' However, this does illustrate an error, the government's error in announcing construction of the railway prior to the traffic guarantees.

And so I refer now back to my opening comments in which I stated the letter from Donald Gordon to Mr. Manning, in which he suggested and cautioned him not to announce the road until the contract had been signed. This is the reason for it. It is quite obvious. In fact, at the time of negotiations with the Japanese, the government had already awarded 83 miles of railway construction.

Another comment is, that Mr. Graham led the government to believe that this time, even though the cost estimated had risen from \$33 million to \$97 million, the railroad was still a viable investment. There is no indication on the files that the government questioned such a major discrepancy in this logic.

It should be noted that this reduction in rates, and the knowledge of increased cost of construction was known to the government, prior to June 3, 1966, and decision to proceed with phases two and three of the construction at that time.

It appears that those looking after the government's interest -- there are those looking after the government's interest -- did not understand the implications of the cost factors. It is also apparent that satisfactory auditing procedures were not carried out by the government to protect the government's interest during the construction and operation of the railway. During the expenditure of nearly \$100 million in construction of the railway, no exceptions were taken to any items of expenditure in any way by the government. You must appreciate that the ARR were the ones that were building the railroad and responsible for letting under contract.

Now on April 9, 1968 a letter from Mr. Graham to Mr. MacMillan, President of the CNR at that time and still -- in this letter on page 3 paragraph 6 Mr.

Graham states a year earlier "The minutes of the Board of Directors meeting of June 3, 1966 makes no reference to the cost estimates presented by the CNR." However, in a letter dated July 28, 1966 from Mr. Graham to Mr. Aalborg (copy attached) Mr. Graham confirms the discussions and outlines the revised cost figures.

Now, we have been questioned many times outside the House of authorizing the route of the ARR, Grande Cache to Grande Prairie, phase two. That was done by Order-in-Council No. 137 dated January 24, 1967.

The railway was completed and certificate of completion by the CNR was issued. The CTC then authorized the CNR to carry traffic on the ARR by Board Order No. R7772 dated January 21, 1970 and the ARR was born.

On December 16, 1970 it is rather interesting to note in the correspondence that the government of the day was still really not aware of what problems they had encountered in regard to this railroad, at least in the interpretation of the letter of Mr. Aalborg to Mr. Spicer concurring with the 60 cent rate per ton coal on the second coal contract.

Mr. Aalborg also stated that Premier Strom would write to Mr. MacMillan re payment from CNR to ARR to cover the 1971 fiscal year deficiency which had reached \$18 million by October 31, 1970.

A letter from Mr. Aalborg to Mr. MacMillan -- in this letter he reviews the history of the agreement and the financing of the ARR and it indicates that the government entered into the construction of the ARR without adequate study or appreciation of the economics. Because when they were advised the cost would be nearly three times the original estimate, with no counter-balance of increase in revenues, they proceeded without question to build phase two. In fact, on June 3, 1966 they decided to proceed with the construction of phase two with the knowledge that costs had tripled while a few months previous they had accepted a reduction in the tonnage rental on coal from \$1.40 to 50 cents, so it's a little inconsistent.

Still, even at that time there was no request for an investigation or study of the economic viability of the railway.

Now on March 19 a letter from Mr. MacMillan to Mr. Aalborg deals with the apparent misunderstanding between the government and the CNR as to who built the railway and for whom. The government should have resolved this matter at the time of writing the agreements and it should have been so reflected in those agreements. Clearly, the government, by not negotiating traffic guarantees and tonnage rentals before announcing the construction of the line, resulted in a loss of all bargaining position with the Japanese on the coal supply.

I am sure that members of this House are all aware that one of the reasons we have been rather hesitant about discussing the ARR in all its ramifications and details, as we are doing here today -- because we are battered on all sides, both in and outside the House, on questions of this ARR -- has been the fact that we have been carrying on and coordinating with the coal producers in bettering our contracts with the Japanese and attempting to improve our price position.

I don't think in relation to -- and I take this opportunity, Mr. Speaker, to refer to what was being discussed earlier on in regard to exposure of proposals or negotiations that the government is attempting to carry on. I don't think in cases such as this that we are doing ourselves any good by airing them to all and sundry, and weakening our hands or exposing ourselves or keeping a soft side open. And we certainly are in the case of where we are having these kinds of problems in regard to our transportation.

And so, for that reason, if for no other, I have been reasonably sensitive about getting too involved in the discussion of this ARR. But, as I stated before, it came to such a situation that I thought full disclosure and full accounting must be made.

Now, who built the railroad for whom? You know, I suppose at this time and place to the members of this House, it sounds very surprising that this indeed would be a question of interpretation in the year 1971. I will, at the completion of this historical review, give you a little insight into a letter as to this very, very pertinent question.

Following that question of who built the railway for whom, I refer to a letter from Mr. Aalborg to Mr. E.C. Manning, President of M & M Systems Research Limited. This letter asked Mr. Manning to advise the board of the ARR on his

comments with respect to the origin of the ARR and the role of the CNR in launching and developing the project. This letter is also contained in this library here. Again this is a further indication that the construction of the railroad was approached by the government without studies, reports or documentations of logic.

Now, I would just like to take this opportunity of referring back to several letters, Mr. Speaker, if the House will bear with me. On March 2, 1966, a letter from Mr. Graham to the hon. Mr. Aalborg covers rental. And I would just read as follows:

Dear Mr. Aalborg:

This will confirm conversation in your office on Friday afternoon last with yourself and the Honourable A.R. Patrick, Minister, Department of Industry and Development, when we advised you that the developers of the proposed Smoky River coal deposit have informed the Railway that the freight rates quoted up to this time would not enable them to market the Smoky River coal in Japan in competition with other sources.

A rate quotation of \$4.45 per short ton with annual volume of 1.25 million tons was used in arriving at the rental figure of \$1.40 per short ton which is shown in our agreement payable to the Alberta Resources Railway on this coal traffic. During our discussion, we stated that although some economies can be effected by the Railways in unit train operation, these are insufficient to meet the request of the producer for rates of approximately \$2.90 to \$3.13 per short ton. The producers have, however, indicated an increased starting volume of 1.5 million tons, with the possibility of 2 million tons volume annually.

We told you that in these new circumstances now prevailing the most the Railway could pay in rental respecting this coal traffic would be 50 cents per short ton. However, with the indicated increase in coal tonnage from that previously contemplated, coupled with possibilities for some improvement in rental rates payable on other traffic than coal or grain, we hope it may be possible to adhere generally to the original schedule respecting total rental and period for recovery of your investment.

I would like to get a letter like that if I was in business.

In subsequent telephone conversation with me on Monday last, you indicated agreement of your colleagues in the Alberta Government to a rental payment of 50 cents per short ton on the coal traffic.

Now the reason I relate that letter is because we have no evidence that an 'OC' went through -- Order in Council -- authorizing this reduction in price. But because a minister of the government had agreed by this letter that he was going to accept the fifty cents I'm sure that you would concur with me that we accepted as if the 'OC' existed. Therefore we have not questioned that particular legal point. I think that's important.

I think the next letter, if you will bear with me, is a letter --

MR. HENDERSON:

I wonder if the minister would mind telling us what the date was of that last letter referred to?

MR. PEACOCK:

March 2, 1966.

[Interjections]

Well, Mr. Speaker, I was going to read you a line out of the letter and I don't recall it by heart, to repeat it, because it's blurred here. What it's referring to anyway -- it's a letter to Mr. Currie from Mr. Graham in which he states that: detailed studies of anticipated tonnage interrelated with ground location surveys indicate that the best route, the best gradient was chosen. And a question from Mr. Currie to Mr. Graham as to why they accepted this route. I'm referring to that. The date of that letter is February 2, 1968.

Then on February 7, 1971 -- I read this letter because I think it's interesting to bring into perspective the problems that were facing the government, and the recognition of the government of the day of the problems

they were facing regarding the railroad. This is to Mr. MacMillan from Mr. Aalborg.

With reference to our meeting in Montreal on the evening of February 7th, 1971 I wish to thank you for the opportunity to discuss with you, Mr. A. H. Hart, Vice-President, Canadian National Railways, and Mr. J. H. Spicer, Vice-President, Mountain Region, Canadian National Railways, a matter concerning the Alberta Resources Railway which is of deep concern to us. The courtesy which you extended Premier Strom, hon. A. R. Patrick and myself in arranging this meeting is very much appreciated.

At the close of our discussion on February 7th I presented a brief memorandum requesting on behalf of the Government of Alberta that you give careful consideration to the serious problem which has arisen in connection with the very substantial unforeseen increase in the deficits that are occurring with respect to repayment by [the] Canadian National of the advances made by the Province to finance the capital cost of constructing the Alberta Resources Railway. I also undertook to write to you for the purpose of enlarging on our submission with respect to this problem.

May I begin by reviewing briefly the events and circumstances which led to the building of this railway, the arrangements which were made to finance the project and subsequent developments which have created the problem that we now face.

On various occasions during the early years of the last decade Mr. Roger Graham, then Vice-President of the Mountain Region of Canadian National, discussed with a number of our Ministers the desirability of constructing a new railway line that would link the Great Slave Lake Railway and the Northern Alberta Railway to the main line of [the] Canadian National from Edmonton to Vancouver and Prince Rupert. The principal arguments advanced by Mr. Graham in support of this project were that it would keep rail traffic from the Northwest Territories and the Peace River region of Alberta inside our Province for a greater distance than to have such traffic diverted to the Pacific Great Eastern Railway in British Columbia; that it would provide the long awaited Peace to Pacific railway connection to shorten the haul from the far northwestern area of Alberta to seaports on the Pacific; and, that it would open for development the rich natural resources area in western Alberta south of the City of Grande Prairie.

Now I might just stop there, Mr. Speaker, because I think it is awfully important for us to get this into perspective too. When we talk in terms of opening up the Peace River, and we talk in terms of the ARR, Grande Prairie and Prince Rupert, then it seems logical that we should be talking in terms of the shortest distance into the tidewater. The shortest distance into the tidewater at that time was a natural link between the NAR, Grande Prairie and Prince George through the...[Inaudible]...pass. Why, other than the resources -- and which is very commendable of the previous government in opening the resources of Grande Cache, and I can certainly understand the 90 miles of road being pushed up from Solomon into Grande Cache. But pushing it from there on, if you are dreaming of a rail system -- then certainly there is just no case of a study or record that we could find in which they had even looked at this alternative. I go on, Mr. Speaker.

By late 1964 the Government of Alberta was convinced that the proposed project had great merit and many potential benefits which would enhance the future economic development of the Province. Before the end of that year our former Premier, the Honourable E. C. Manning, held meetings at Montreal with your predecessor, the late Mr. Donald Gordon, and Mr. Manning and Mr. Gordon also met jointly at Ottawa with the former Prime Minister of Canada, The Right Honourable L. B. Pearson, to discuss the proposal.

During the course of these initial top level policy discussions Canadian National advised Mr. Manning that based on the cost of building the Great Slave Lake Railway a railway line commencing at Solomon on the Canadian National main line and terminating at Grande Prairie could be constructed for about \$33,000,000, but it was established that because economic feasibility could not be demonstrated the Parliament and Government of Canada would not be prepared to allocate funds [to the CNR because that is in the Canadian National Act] to construct such a line.

In early 1965 Canadian National revised the total estimated cost upward to \$40,000,000. Following these discussions the Government of Alberta decided to ask the 1965 Session of the Legislature to enact legislation to establish a crown corporation which would have power to build and own a railway with the Province providing the capital and with Canadian National

operating and maintaining the line under a lease purchase agreement with the Corporation.

The Government's plans and intentions concerning this venture were outlined in a speech which Premier Manning delivered to the Legislative Assembly on February 23rd, 1965. A copy of a transcript of this speech is enclosed as Addendum One to this letter and pages 55 to 61 inclusive contain Mr. Manning's comments on the subject. The Assembly approved these plans and passed the Alberta Resources Railway Corporation Act which came into force on April 12th, 1965 and with a few amendments concerning the borrowing powers of the Corporation has remained on our statutes since that date. Acting under the authority of section 4 of the Act the government passed Orders in Council dated June 1st, 1965 and November 28th, 1966, regarding the appointment of a Board of Directors to administer the affairs of the Corporation. A copy of this Order is enclosed as Addendum Two to this letter. Since it was first established the membership and composition of the Board has remained unchanged.

During the summer and early fall of 1965 the Board of Directors of the Alberta Resources Railway Corporation and representatives of [the] Canadian National completed negotiations for the original Agreement dated October 1st, 1965, which covers construction and financing of Phase One of the railway to the site of the McIntyre Porcupine coal mining operations on the Smoky River. This Agreement together with [the] sequential Agreements dated January 25th, 1967 and June 9th, 1967, covering the construction and financing of Phases Two and Three of the railway, together with a supplementary Agreement dated March 25th, 1968 as well as an Order No. 2969 of the Railway Transport Committee of the Canadian Transport Commission dated July 31st, 1968, approving the interchange connection of the Alberta Resources Railway with the Northern Alberta Railway at Grande Prairie, are all on record with [the] Canadian National. Pursuant to these Agreements construction of the line with relatively very minor exceptions was completed by the end of 1969, and Canadian National began operating the line in January, 1970, under authority of Order No. R7772 of the Railway Transport Committee, dated January 21st, 1970.

I go on, Mr. Speaker, and I think it is worthy of you to bear with me because this is the history and the dilemma that the 'then' government found themselves in regarding the railroad.

The total amount advanced to Canadian National by the Alberta Resources Railway Corporation to December 31st, 1970, to meet the capital cost of construction stood at \$6,991,703.00. The Corporation obtained these funds by advances from the Provincial Treasurer and by borrowings. To date the Corporation has borrowed \$95,000,000 and the total interest charges on these borrowings for the current fiscal year ending on March 31st, 1971, will be \$6,290,500. Payment of the interest charges on these borrowings must be met from tonnage rentals paid by Canadian National and any deficit from year to year must be met by further advances from the Provincial Treasurer or by further borrowings by the Corporation. The estimated total amount of tonnage rentals from Canadian National during the current fiscal year is only \$712,500. During the next fiscal year ending March 31st, 1972, total interest charges payable by the Corporation are estimated at not less than \$7,137,500 while total tonnage rentals from Canadian National are estimated at only about \$1,600,000. These figures indicate an estimated deficit of more than \$12,000,000 in meeting only the interest charges payable by the Corporation during the two year period April 1, 1970 to March 31st, 1972, with no prospect of repaying any portion of the principal amount borrowed by the Corporation. This situation is most difficult for us to justify and we seek the full cooperation and the best efforts of Canadian National to assist us in reducing and eventually eliminating this estimated deficiency which is already far greater than either party had originally anticipated.

As you are aware, the rate of tonnage rentals payable by Canadian National, including a rate of \$1.40 per short ton on coal shipments, is covered by Section 3.3 of the original Agreement and the method of accounting to be followed with respect to deficiencies is set forth in Sections 3.10 to 3.14 inclusive of this Agreement.

In March, 1966, Mr. Roger Graham informed me that McIntyre Porcupine could complete a contract for the sale of coal to Japanese buyers only if the freight rate charged by Canadian National were reduced to a rate which would permit Canadian National to pay a tonnage rental rate of only 50 [cents] per short ton as compared with the rate of \$1.40 stated in the Agreement. Because the Government felt that it was urgent and highly

desirable to conclude negotiations for this contract without further delay, it was agreed to concur with this lower rate with the hope that before long it might be possible to realize the full rate of \$1.40. Copies of letters which I exchanged with Mr. Graham concerning this matter are enclosed as Addendum Three to this letter. When coal shipments by McIntyre Porcupine from the Smoky River to Japan commenced last April the situation had apparently not improved and payments of tonnage rentals by Canadian National with respect to these shipments have been made and are still being made at the rate of 50 cents per short ton.

Last December, Mr. J. H. Spicer, Vice-President, Mountain Region, discussed with me the negotiations then underway with McIntyre Porcupine for the second coal contract and advised that this contract could be concluded only at a rate based on a rental payment of 60 cents per short ton... Copies of letters which I exchanged with Mr. Spicer concerning this matter are enclosed as Addendum Four.

In view of the events and circumstances which I have endeavoured to recapitulate I would earnestly request that Canadian National give very serious consideration to taking action pursuant to Section 3.13(3) of the original Agreement and make payments to the Alberta Resources Railway Corporation from year to year --

I can understand this kind of letter is very difficult for anybody to sit down and read. But it is the reason for the real problem and the situation we find ourselves in today. Mr. Speaker, I carry on:

to cover accumulating deficiencies calculated in accordance with Section 3.11 of the Agreement. As at December 31st, 1969, the total accumulated deficiency was \$13,650,748.33. Between January 1st, 1970 and October 31st, 1970, this deficiency was increased by accrued interest in the amount of \$5,044,036.37 and was reduced by tonnage rentals in the amount of \$353,536.13 which resulted in an accumulated deficiency of \$18,340,248.57 as at October 31st, 1970. While it is not possible at this time to calculate precisely the further increase in this deficit during the next fiscal year of the Province from April 1st, 1971, to March 31st, 1972, we would ask that Canadian National commence payments to the Alberta Resources Railway Corporation for the purpose of reducing deficiencies with an initial payment or series of payments in 1971 which will offset any increase in the amount of the accumulated deficiency during the next fiscal year.

Now amongst all that jargon -- that's all he's saying here. He is coming to the point and saying that, "We would ask that Canadian National commence payments to the Alberta Resources Railway Corporation for the purpose of reducing deficiencies with an initial payment or series of payments in 1971 which will offset any increase in the amount of the accumulated deficiency during the next fiscal year."

Mr. Speaker, there was just total lack of understanding of what the agreement stated. You can take it to a lawyer or a layman and he would interpret that the responsibility of that deficiency was indeed the responsibility of the ARR.

There are several basic facts and cogent arguments which we think fully support and justify our request in this regard.

And this is how he supports what he is stating here that the CNR should pick up this deficiency, and I quote:

The proposal to build this railway link was originally conceived and promoted by Canadian National as a means to augment and improve its own system in Alberta.

Now this is the hang-up and this is the crux. I give you in the chronological history of this building of the ARR the fact that it was conceived by one, two or more members, of which the Government of Alberta of the day was part. And here he states that:

The proposal to build this railway link was originally conceived and promoted by Canadian National as a means to augment and improve its own system in Alberta.

I also quoted to you a caution on behalf of the then President of the Canadian National Railroad stating and cautioning the then Premier of this

province not to enter or move on the contract until he had a tonnage agreement signed.

Secondly, the "Canadian National has received advances of nearly \$97,000,000 from the Province to finance the capital cost of the line as compared with the original estimate of \$40,000,000 by the Company." They were informed, as I read to you previously, that the cost of the railroad was \$95 million and it was still recommended to push on.

"Instead of paying a tonnage rental of \$1.40 per short ton as called for by our Agreement, Canadian National is actually only paying 50 cents..." It was agreed upon, by the then government, that the reduction in that rate from \$1.40 to 50 cents would be acceptable and was discussed with his colleagues, as referred to in a previous correspondence.

"In our view," it goes on further, "Canadian National operates the Alberta Resources Railway line." It operates it under an agreement of lease, "as an integral part of the whole national railroad system..." nothing stated in any agreement, any word, any letter, any reference, any correspondence, any report of any kind, that the Canadian National had ever built this railroad, in any way, as part of their system.

It follows that the obligations of Canadian National to The Alberta Resources Railway Corporation should be regarded as a responsibility..."

da-di-da-da-da-da.

The only reason I read this, Mr. Speaker, to the House, is because I think this identifies where the problem rests. I'm not here to support and protect the interest of the Canadian National Railroad, but I think it should be fairly stated, that when people outside this House make a comment that the Canadian National should be made responsible, they had better understand the facts, and these are the facts.

Mr. Speaker, having moved and related, I think, to some degree the history of the road, I would like to take just a few moments and go through a brief review of the agreement and the legal implications relating to this agreement.

The railway was leased to the CNR for a term of 20 years, renewable from year to year at the end of the 20-year term. CNR had an option to buy once the government had recouped its money, but it was immediately apparent when the railway news being received by the government on the railroad was examined, that there was no possibility of the CNR ever exercising its option.

There were provisions in the agreement which allowed the government to terminate the lease, but these by terms of the document were inoperative until 1978. In any event, to exercise termination, it would have meant that the government would have been immediately saddled with an additional expense in rolling stock and costs of operation and maintenance, rather the bad situation would have been markedly worsened.

In 1971 a serious flood occurred on the railway line. Traffic was not interrupted on the railroad, but it was apparent that there was danger to the railroad. It then became apparent that north of Grande Cache, the route chosen for the railroad was a risky one, because it was constructed in the valley of the Smoky River. Investigation did not reveal that the former government had given consideration to this problem, nor would it appear that the CNR had given any great consideration to the problem. What did appear was that the CNR was relying on the terms of the agreement and planned to construct additional protective works which it intended to charge to the government for the purpose of maintaining the railroad in place in the Smoky River. And these expenditures were indeed large. Now this is where you get into really the tough negotiation area, because the railroad is in place. When they put one more piece of rickrack to strengthen that embankment, that was a capital charge. Mr. Speaker, this is where we, when we formed the government, refused to honour the payments of the CNR and this is where the problem started and where our negotiations began.

In addition to this original agreement between the parties provided that the government was required to maintain an account with the Treasury Branch on which the CNR was entitled to draw for capital expenditures on the constructed railway.

It is true that the government had the power to refuse to allow any particular capital expenditure; however the situation was such that refusal

would have put the physical works of the railroad in peril of damage or even complete destruction.

The government however, felt that interpretation which had been put on the agreement by the former government and the CNR should be examined from a legal point of view to ascertain whether this interpretation was a correct one. However, before this opinion could be obtained the CNR was found to be advancing a program of protective works which amounted to a large sum of money.

Now this claim was made in the year 1972. The government discussed with the CNR, with a view to getting the CNR to put the money up in the first instance, and the differences between the parties could then be settled by agreement or by obtaining legal interpretation of the contract.

MR. SPEAKER:

Is the hon. minister able to conclude shortly, or would he prefer to adjourn the debate?

MR. PEACOCK:

Mr. Speaker, I would prefer to adjourn the debate.

MR. SPEAKER:

May the hon. minister adjourn the debate?

HON. MEMBERS:

Agreed.

MR. STROM:

Would it be possible to ask a question at this time, and would the minister entertain a question?

MR. SPEAKER:

Would the House give the hon. Member for Cypress leave to ask the hon. minister a question?

HON. MEMBERS:

Agreed.

MR. STROM:

Mr. Speaker, the question I wanted to ask refers to a statement that I believe was made in the press quite some time ago, where it was stated that an agreement had been reached with the CNR for the repair of the washout. I would just wonder if the hon. minister would give confirmation that that is correct.

MR. PEACOCK:

Mr. Speaker, I stated in my opening remarks that in approximately one month I would be tabling that agreement in the House. We have interchanged letters of intent, there are one or two little details that have changed that --

Mr. Speaker, may I be permitted to -- in my references -- I have a colleague here that's all upset.

One of the reports that we made in regard to this railroad -- if I can get the House's tolerance in this, to take this opportunity of tabling this engineering report that was made on the Alberta Resources Railroad along with the Smoky Study by the Department of the Environment, thanks to the hon. Mr. Yurko. May I table this?

MR. STROM:

I'm not just clear, and again I am not interested in the details, but did the hon. minister say that there is an agreement signed for the repair of the washout, or is it still to be signed?

MR. PEACOCK:

Mr. Speaker, there are letters of intent of the agreement exchanged and we are just finalizing the agreement now.

MR. TAYLOR:

The hon. minister is going to table certain letters; will he be able to do that now?

MR. PEACOCK:

I would be delighted to.

[The debate was adjourned.]

MR. SPEAKER:

Might the hon. Member for Macleod revert to Introduction of Visitors?

HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS (CONT.)

MR. BUCKWELL:

Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you to the members of the House, four businessmen from Fort Macleod who are up discussing the RCMP Centennial celebrations. I would like to introduce them. Dr. Walker, Mr. Lemire, Mr. Reach, and Mr. King, if they would stand and be recognized.

MR. FOSTER:

Mr. Speaker, if I might take this opportunity as well. There are some political scientists in the members gallery from the Red Deer College, I think 10 or 12 in number, and I would like to introduce them at this time.

MR. CLARK:

Do they still talk to you?

PUBLIC BILLS AND ORDERS OTHER THAN GOVERNMENT ORDERS (Second Reading)

Bill No. 202 The Legislative Assembly Amendment Act, 1973

MR. APPLEBY:

Mr. Speaker, I move seconded by the hon. Member for St. Paul, second reading of Bill No. 202, The Legislative Assembly Amendment Act, 1973.

Mr. Speaker, I would like to speak very briefly regarding this particular Bill the purpose of which, as stated in the Bill, is to add the name of Westlock to Athabasca, to change the name of the Athabasca constituency or more properly, the Athabasca Electoral Division to be called the Athabasca-Westlock Electoral Division.

At the time of the last redistribution of the electoral divisions in the Province of Alberta, some territory was added to the Athabasca constituency on the east and that was taken from the Lac La Biche-McMurray constituency. Some territory was taken from the Athabasca constituency and added to the Redwater-Andrew constituency on the southeast and on the west, a part of the Pembina -- as it was known then -- constituency was added to the Athabasca constituency.

However, Mr. Speaker, through the heart and the centre of the Athabasca constituency still runs the mighty and the majestic Athabasca river and

centrally located in the Athabasca constituency of course, is the town of Athabasca. And because of these proud and traditional links with the past and the historical annals of the Province of Alberta, I certainly believe that the name of Athabasca should still be part of the title of this particular electoral division.

However, in the southeast corner of this electoral division of Athabasca, we have the very modern, progressive town of Westlock. Westlock is a centre with numerous small industries, shopping centres, medical services, excellent school facilities, and all the amenities that go to make good rural living in that part of Alberta. Not only that, Mr. Speaker, but the population of Westlock is larger than that of any other service centre in the electoral division of Athabasca.

I note that we have a number of constituencies with what we might call, dual names, 12 of them, I believe, at the present time. One more was added in the last redistribution. I am sure, Mr. Speaker, that these constituencies all bear such titles because of some very good and legitimate reason to give recognition where it is deserved and to identify the importance of the centres that are included in that title.

Of course, I am also aware, Mr. Speaker, that from time to time within the province we do have a redistribution of electoral boundaries and at that time, representations for name changes could be made.

However, I feel that when this redistribution was held last in Alberta, that because of the importance of the centre of Westlock it should have been added at that time, so that part of Alberta, when this constituency is referred to, will give recognition to this centre which is very important in that part of Alberta, not only to have recognition in this Assembly but outside as well.

Keeping these thoughts in mind, Mr. Speaker, I would respectfully request that the hon. members will support this bill.

MR. STROM:

Mr. Speaker, I don't have much to say on this. I have had a little experience with working on the committee dealing with the setting up of boundaries and I can certainly appreciate that job is a very difficult one and one that leads to a lot of emotional arguments.

I am a little disturbed in that we have a bill before us now, after the work has been completed, after we have had an opportunity to discuss it before it became a law on the statute books. One of the questions that really bothers me is, did the hon. member make representation to the committee when they sat, to try and get this change made or did he assist in any group that had to make representation at that time to have this matter considered?

It seems to me that if we get into the process of making amendments now we could be establishing a precedent that would bring several others upon us wanting a change.

The last point I want to make is that even though we are living with a situation that the hon. member may not like at the present time, one of the good things about setting these boundaries is that they do not stay very permanent. Changes are considered from time to time and I would suggest that we would be on much safer ground if we were to leave it as it is, and to give consideration to a change when it comes up for further consideration.

DR. BUCK:

Mr. Speaker, I would like to say a word or two on this matter. I think it's very, very untimely. I feel it would do nothing but open up the whole matter of 'let's change the whole 75 if we don't like the name.' I'm sure my hon. friend for Sherwood Park would like to have his called Sherwood Park Ottewell. My constituency is Clover Bar which, historically, is an old name. Sure I would like to have Fort Saskatchewan-Lamont-Tofield constituency. The hon. Minister of Agriculture is happy because it used to be Lac St. Anne and now Barrhead which tells everybody in the constituency who the member is and where he's from. So I mean it's beautiful in that case.

It really, to me, is nothing -- or I feel it is nothing -- but a political ploy on behalf of the member who is presenting the bill saying, "Well I am the MLA from this area and I am going to ask the Legislature to change it from a single name to include Westlock." I really don't think we can do this, because

if we set the precedent I feel that we will possibly have 60 representations asking for the name of the constituency to be changed.

So I certainly am against this, Mr. Speaker.

MR. BARTON:

Mr. Speaker, I would like to say a few words against this Bill, basically because we participated in getting our constituency changed from Slave Lake to Lesser Slave Lake. We advertised in papers for two weeks, we organized the area and drove some 300 miles to Grande Prairie to present our brief in 67-below weather.

I think this is an easy way out and I think of time, if a redistribution was called they had ample time to make their recommendations at that time. Thank you.

MR. BENOIT:

Mr. Speaker, I would just like to make a brief comment. First, it has been mentioned that it might be cut of place in time to make the change, but I was thinking in terms of the name itself, particularly the double name. When I first came into the Legislature and heard all the double names that were being bandied around for constituency names, I did my best to figure out how we could get away from double names by shortening them up. At the time the constituency I represented was Okotoks-High River and I suggested we might have it called Ok-High instead of Okotoks-High River and shorten it up a little bit.

Athabasca already has four syllables in it and we put on another two or three it will be quite a long name. So I suggest that instead of lengthening the names it would be more profitable to shorten them. But the one thing I think is to the advantage of having the name of Athabasca is the fact that it is the name of the river that goes through the constituency and doesn't necessarily have to refer to the name of the town.

I know that lots of constituencies would like to include the names of several towns in the name of the constituency because it would give better representation to each town. But if you have towns of equal size or even larger sizes named, then everybody wants his name in there.

I think it would be much better to leave it Athabasca and tell people it is the name of the river it is called after, not the name of the town. Then you would have something that was mutual instead of having it a town, because if you put in Athabasca-Westlock there may be others that want to get on the ship too.

I would suggest that there is an advantage to leave it the way it is rather than have the name of another town added.

MR. KOZIAK:

Mr. Speaker, I am not convinced by the argument that has been submitted by members from the other side with respect to -- I beg your pardon?

MR. BARTON:

Who pays the bills for this, the change of name?

MR. KOZIAK:

I can't understand --

MR. BARTON:

-- since the cheques paid the bills for the changing of the names.

MR. KOZIAK:

I can't understand, Mr. Speaker, the points that have been raised by members from the other side with respect to the suggestion that the hon. Member for Athabasca should have made his representations to a commission that existed prior to the last election, and having not done so, or having perhaps failed to change the minds of that commission that he now can't speak on the point.

Mr. Speaker, to my mind that suggestion is ludicrous. The hon. member is here today because he represents the majority of the people in that constituency. And when he puts forward a bill this afternoon in this House, that is exactly what he is doing, he is representing the wishes of the majority

of his constituents. To suggest that because a commission which was formed under the auspices of the previous government chose not to --

[Interjections]

MR. KOZIAK:

-- chose not to use 'Westlock' in the name of the constituency, to suggest that now precludes the hon. member from presenting a bill which would provide that name in the name of the constituency, to my mind, is without substance.

SOME HON. MEMBERS:

Agreed.

MR. WILSON:

I would just like to say a few words on this. Perhaps in closing the debate the hon. Member for Athabasca may advise if he has considered the cost to the taxpayer in changing all the existing provincial constituency maps and other paraphernalia that goes with a change of name between terms of redistribution.

Also in his concluding remarks, I would like his assurance that should he be successful with his bill, that he would not get carried away and want to change the name of my constituency -- the constituency I represent -- because we in Calgary Bow are quite happy with the name of our constituency and would like to leave it the way it is.

MR. PURDY:

Mr. Speaker, just a few words in support of the Bill put forward by the hon. Member for Athabasca. In looking over the names in the House at the present time, and hearing the hon. members from the opposite side, barring the constituencies within the cities of Edmonton and Calgary, there are approximately 12 multi-name constituencies for the members on the opposition. There is one on our side of the House, the hon. Minister of Highways, Clarence Copithorne who has had this.

I don't know if it was a political play last time, maybe they felt they were weak in these constituencies they now represent. Maybe they had better have the commission which was set up include these various names, so they would be included in the various edges of the constituencies. You could have Lesser Slave Lake, or Pincher Creek-Crowsnest, or Lac La Biche-McMurray. You could have various ones. Vermilion-Viking comes to my mind. There are none on this side. So I have to support this Bill, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, after that contribution to the well-being of the people of this province, I think about the only two constituencies we ought to leave alone are mine and that of the hon. Minister of Lands and Forests -- as I said earlier.

There is nothing wrong with accommodating a minister if he feels there is some advantage to the people of his constituency. I don't think he said that at all, but I am concerned about the fact that it is very difficult to choose names for constituencies which would please everybody.

If we support this Bill then certainly we are setting a precedent which would almost bind us to support everybody else. After all, it isn't the wishes of the people of this province or the wishes of the hon. members who would be condescending because the hon. member, Mr. Appleby, would feel better if the town in which he lives were represented in the name of a constituency.

I am not imputing any motive to him but he could explain the real reason for it. I think perhaps the people have accepted that. The river does go through the whole constituency, it is a famous river, and it is a famous name. But if he does want Athabasca-Westlock, I don't suppose -- or Westlock-Athabasca -- that it will adversely affect anybody.

I think the exercise is not really in the interests of the people. Maybe it costs money to make a few changes in the names. I don't think that is a factor, but certainly we've taken about an hour of the time here and that also is a factor. I think if we're going to do that let's set up a task force and review all the names in the province and pay them something so they can at least make sure that their MLA salary isn't all they are going to get. Set up a task

force and review all the names and all the constituents and bring in a report about a year from now. Let's do this thing right, and not on a piecemeal basis -- if it's worth doing at all it's worth doing a good job on it.

So I believe we ought to hold this motion for a while -- let the cabinet get together and determine whether this thing is an issue of public interest, and let's do the job right.

MR. ZANDER:

Mr. Speaker, I have to rise to support this bill because knowing the town of Westlock, the historical part that is probably forgotten by the members opposite here, it is a very, very old settlement dating back many years. It is a fertile farming area. I think the hon. member from there, although he comes from Athabasca, certainly wants to include that town to commemorate the memory of the pioneers who came to that area to settle about the turn of the century.

I think we certainly, or the committee at that time, perhaps did not know of the people who were involved and the settlement that came back in there just at the turn of the century.

I noticed in speaking, Mr. Speaker, that we have a constituency here of Stony Plain. Stony Plain came about at approximately the same time just before the turn of the century and here we have a town that has approximately 1,700 people. It is not the largest town in the area, but it has a history behind it. This is what the hon. Member for Athabasca wants to convey to this Assembly. There is definitely a history behind the town of Westlock, and I think it should be recognized. If it were an omission on the part of the committee at that time, I don't think we should close our minds as legislators in this Assembly here and not recognize the contribution that the people of Westlock made just before the turn of the century. Thank you, Mr. Speaker.

MR. DRAIN:

Mr. Speaker, I can't help but get into the debate and the reason is that I recall the circumstances when the amalgamation of these constituencies occurred. The real possibility that the fair name of Pincher Creek was being struck off Crowsnest was presented, and I objected vigorously at that time because certainly there is more to a name than might possibly meet the eye. There are the traditions of the past, the recognition that the MLA represents, in fact, all areas in the particular constituency.

A matter of cutting one particular name or adding one particular name may well have far more significance than is realized by some members. There are certain traditions that should be held dear. We have recognition of this particular thing through the agency we have set up, the Department of Culture, Youth and Recreation to maintain some of these heritages.

I suggest that Bill No. 202 should be approved by this Legislature because it does represent, in fact, the maintenance of tradition and the acknowledgment that although the population in rural Alberta has become somewhat smaller the people who live in all parts of these particular areas are all equally important and all should be recognized. I congratulate the hon. member for bringing this particular bill before the Legislature and I intend to vote for it, Mr. Speaker, with both hands. Thank you.

MR. SORENSON:

I may as well get in my two cents, Mr. Speaker. The hon. member doesn't want it all the way from A to Z, he just wants it from A to W.

My constituency was named Sedgewick-Coronation from the forming of two constituencies, Sedgewick and Coronation. That happened a number of years ago. And then after the last distribution we understood that it would just be called Coronation, and I know that there were areas there that became pretty concerned. We did lose a prime area after the last redistribution, Forestburg, Daysland, and Strome, and I hope they are happy where they are now. I know we'd sure like to have them back. But our loss was Camrose's gain, I guess. I really have no feelings one way or the other -- I know that Sedgewick-Coronation sounds good, and it is good.

MR. KOZIAK:

Would the hon. member permit a question?

MR. SORENSON:

Are you talking to me?

MR. KOZIAK:

Yes. You mentioned that the hon. member was suggesting a name that went from A to W. I wonder, what are the first two letters of the name of the hon. member's constituency?

MR. SORENSON:

The first two letters?

MR. KOZIAK:

In your constituency.

MR. SORENSON:

Well, SC. That's right.

MR. DIXON:

Mr. Speaker, in speaking just for a few moments on this bill. I feel something like the hon. Member for Pincher Creek. I can't get too excited. I don't think it's an unreasonable request that the hon. Member for Athabasca is asking for, but I wonder if he shouldn't consider what the hon. Member for Cypress pointed out -- maybe we should look at the whole thing. There are some changes -- I think some real changes need to be made in some of the boundaries of the constituencies. The particular one I am speaking of is in our own City of Calgary at the time.

The City of Calgary and some of the people there made representations to the committee and were turned down. But at least they did make their thoughts known at the time -- you can't fault them for that -- and they are very anxious that it be brought up again. And so maybe this bill, if it has done nothing else, has focused attention on the fact that there should be some changes, and as the hon. member suggested, he'd like to add Westlock so he could be Appleby from A and W constituency. But this is fine.

[Interjections]

Mr. Speaker, there seems to be some misunderstanding on the opposite side of the House. They seem to think it was just the Social Credit party that decided on the boundaries and names. I would like to remind the hon. members that it was an all-party legislative committee. And I believe the members on both sides, and in particular the hon. members on the government side, were very conscientious.

AN. HON. MEMBER:

The 'now' government.

MR. DIXON:

Somebody said the 'now' government and the other thing I would like to point out is that there was no representation made at that time for any changes by the party opposite because they felt the members at the time did a good job. And I underline that. I think they did, too.

I would like to say, Mr. Speaker, I am not opposed to the bill as such, but maybe we should do a complete house cleaning of the constituencies and some of the boundaries so that some of the --

DR. BUCK:

...[Inaudible]...Horner and Jerry ...[Inaudible]

MR. DIXON:

I understand there are certain members opposite that the hon. Member for Clover Bar would like to exclude from the committee. But outside of that, maybe we could go forward with another legislative committee at the time because there are some serious discrepancies in the constituencies. I can name one or two in

the City of Calgary, which I am not going to do at the present time unless we decide to go ahead with a committee.

But before I sit down, Mr. Speaker, I would like to say that the hon. member -- and I appreciate that it would be a good thing if it were known as the Athabasca-Westlock constituency, because not only the Athabasca River, but the town of Westlock is a very important part of it. And I believe that we as legislators should try to make the needs of the constituencies reflect the areas we are from so people can tell right away -- the hon. Member for Stettler for example -- that's the major area in there, and I don't think anybody objects to that name. And if Westlock is growing in population, as the hon. member has pointed out, I think he has a good point. I congratulate him for bringing his bill in. But, at the same time, Mr. Speaker, I urge that we as a Legislature, rather than piecemeal changes, give serious consideration -- that we listen to all members who feel they have something to contribute by way of name changes, and that we then consider maybe setting up a committee to deal with the thing and do a good and thorough job if there are any changes that need to be made alongside the hon. member's proposal to change the name in his particular constituency. Thank you, Mr. Speaker.

MR. STROMBERG:

Mr. Speaker, I was interested in the remarks made by the hon. Member for Sedgewick-Coronation, when he was talking of that great area on the east side of the Rose constituency from Strathcona to Forestburg, that was one time in the riding of Coronation. He would like to have them back, but I can assure him that the people in that area do not want to go back. They are quite happy under this administration. I wouldn't be surprised that after the next election, the majority of his constituency will want to be on our side.

I would like to point out, Mr. Speaker, that when redistribution did take place, I had no quarrel with the boundaries that were drawn up for the Rose constituency. Believe me, it was a relief to myself, because I live four miles from the boundary of Wetaskiwin. Now just what would have happened if they had taken Highway 21 and put me in the constituency of Wetaskiwin, I would have had no alternative but to give up farming and go to Quebec and start all over again.

MR. DIACHUK:

Mr. Speaker, I wish to make just a few comments and a compliment to the hon. Member for Athabasca with regard to Bill No. 202 and...

[Laughter]

with regard to a few of the comments from the opposite side, I would like to suggest, particularly the hue and cry about the cost the Alberta citizens would have to bear.

Just this afternoon, when the hon. Minister for Industry and Commerce was speaking, I overheard -- and I don't know if Hansard recorded it -- that the hon. Leader of the Opposition said, "Well what's that -- it's only money." So to the hon. members who felt that the change in the name of Athabasca-Westlock will be just a few dollars -- it's only money. Thank you very much.

MR. SPEAKER:

Will the hon. Member for Athabasca close the debate?

MR. APPLEBY:

Thank you, Mr. Speaker. Certainly, Mr. Speaker, I am quite surprised at the amount of debate generated here by this innocent-looking little bill. I am quite surprised at some of the comments. I appreciate, of course, the remarks of the hon. Member for Mountain View, trying to elevate me to the cabinet, but I want to assure him that was a gross exaggeration. And I could really not understand his concern that we were wasting time with this because it seemed to me that his was the only speech made on the bill that was completely feeble, futile and irrelevant.

Running back to the beginning though, the hon. Member for Cypress asked if we had made representation at the proper time regarding the constituency boundaries. I want to assure him that the original boundaries that came out had included Athabasca and Lac La Biche in one constituency and some other changes as well. We made some representations regarding that. We took them up with my very good friend, Mr. Tony Elosio, who was our MLA at that time. When the final

ones came out, and Westlock was included, it was too late to do anything more about it.

I think, actually, it was probably an oversight on the part of the people within the Legislature in not actually identifying the Town of Westlock as being that important. In fact, I am rather surprised that the Member for Pembina at that time did not notice this himself, and ask that this be done, because I would have thought it should have been done.

Regarding what the hon. Member for Calgary Bow said about the expense of drawing maps. There is no need for any new maps to be drawn. There are no changes whatsoever, except in the name. He need not have any qualms or worries about me trying to change his constituency from Calgary Bow, because I do not think he has very many strings left to his bow right now anyway.

I sympathize with the Member for Lesser Slave Lake talking about travelling in the bitter cold. It reminds me of Robert Service -- 67 below. Actually, we made our representations in the nice, warm, balmy, spring weather. I don't know why they were in such a rush to do theirs. They didn't achieve anymore than we did. Anyway, Mr. Speaker, I would like to make one correction in my original remarks. I may have stated that Westlock was in the southeast corner. It is in the southwest corner of the constituency and that is the part that is important. Now my good colleague from Stoney Plain said we have only one member on this side for the...constituency. We do have two, we have also the hon. Minister without Portfolio from Redwater-Andrew. I want to assure all the hon. members that because we have ten over there and two over here, I don't want my colleagues to be apprehensive about this because the people, the Progressive Conservative people in Athabasca can easily take care of this situation.

MR. LUDWIG:

Will the hon. member permit a question? Does the hon. member feel that the name of the constituency will be that important when his constituents find out what party he belongs to?

MR. APPLEBY:

I want to assure the hon. member that everybody in my constituency knows what party I belong to, that's why I'm here today.

[The motion was carried, Bill No. 202 was read a second time.]

Bill No. 200 -- An Act to Amend The Companies Act

MR. YOUNG:

Thank you for the ovation. I didn't realize I was supposed to talk the clock out on this one, and I really don't intend to either.

Mr. Speaker, this bill seems to be directed to the question of Canadian control of Canadian business, or businesses operating in Canada, and is attempting to achieve that by virtue of regulating that the majority of directors must be Canadian.

There were quite a few remarks made the other day, pro and con, and it isn't my intention to repeat those remarks, but simply to identify one area which I think was not brought out -- one positive effect that such a bill would have. It has been suggested from a number of quarters that one of the deterrents to Canadians participating more actively in the entrepreneurial capacity is the lack, if you will, of information and know-how in terms of manufacturing techniques and technology. Also, a number of people who explored the area of why so many companies are owned by non-Canadians, have brought to our attention the facts that we don't have sufficient market information and that markets are frequently tied by virtue of the ability to contract with wholesale outlets and distributorships in foreign countries.

I think one positive feature this bill would have is the provision to Canadian directors, sitting on the boards of directors, of information of that order. There is no reason why the directors should not become well informed both in management capacity in terms of the technical information the company is using to operate with -- and this information might very well point out to them possibilities for other companies to provide complementary items, items which could be used by the particular company in which they sit as a director.

This, in my estimation would be by far the most significant development of this particular piece of legislation. In that respect, I would like to draw to

the hon. members' attention the fact that there have been in recent years, some court cases and I believe as a matter of fact, about five years ago, CCH Canadian publications put out a little booklet authored by a lawyer by the name of Weinberg which analyzed the responsibilities of directors of companies. He analyzed these in terms of responsibility to shareholders. Now, it seems to me, from recollection, that analysis concluded that the courts were taking a much more emphatic -- if I can use that term -- view of the need for directors to be well versed in the operations of a company. The courts are apparently more inclined now than in some previous occasions, to hold that the directors share a very major responsibility for the proper operation of a company in terms of the interests of the shareholders.

Therefore, Mr. Speaker, I think this bill would provide additional sources of information to Canadians, information which might be used indirectly by other entrepreneurs to develop other types of complementary Canadian operations. It is for that reason, Mr. Speaker, that I intend to support the bill.

MR. SPEAKER:

May the hon. member close the debate?

SOME HON. MEMBERS:

Agreed.

MR. ASHTON:

Thank you, Mr. Speaker. I won't review all the arguments that have been made. I wish to thank the hon. members who did bring some valid points forward. I am very pleased so many members took an interest in this particular bill. Of course, foreign investment is a very important topic.

Now, I did get the impression, though, that some of the hon. members didn't like the bill. The hon. Member for Pincher Creek-Crowsnest indicated this was another tactic of the members on this side to raise a cloud of dust and obscure the situation. I might suggest the only clouds of dust I am aware of are from the thousands of miles of unciled and unpaved roads in Alberta. Thank heaven we now have a Minister of Highways who can solve that problem.

MR. HENDERSON:

You obviously don't live in the country.

MR. ASHTON:

I come from the country.

Now I got the impression on listening to some of the hon. members that this bill had really two basic defects. The first defect was that it didn't go too far. It went too far, I'm sorry. The second basic defect was that it didn't go far enough.

Now I rather admired the verbal agility of the hon. Leader of the Opposition. In growing up I have heard many stories about politicians who became rather famous for their ability to stand on the fence. But I admire the ability of the Leader of the Opposition to come down squarely on both sides of the fence. I am paying you a compliment, sir.

I wasn't surprised the state control advocates in the House, and I perhaps used the plural there, would be against this particular bill. Because, as I said in my remarks when I moved the bill originally, I didn't expect this would satisfy the state control advocates. And again I repeat, I disassociate myself from any implication that by introducing this bill I am joining them in their attempt to turn the foreign investment issue into a case which would promote state control.

Again, with regard to some comments made by hon. members, the hon. Leader of the Opposition referred to a magazine article which raised the spectre of the loss of foreign investment, the loss of jobs, the lowering of our standard of living and so on. I'm not surprised he would do that because the hon. members will recall that a year ago in this very House, the hon. Leader of the Opposition took that very same approach when we introduced our natural resource revenue plan for the province. There were predictions of doom and gloom and so on. Of course, this was coming from the same people who were part of the

government at the time the 16 2/3 per cent limitations were put on the oil leases.

As a matter of interest, one of my constituents has calculated if the government at this time had listened to the Leader of the Opposition when he was talking about the natural resource revenue plan it would have cost Albertans approximately \$80 million a year. So I would suggest we pay as much attention on this bill as we paid when we were discussing the revenue plan.

This, again -- foreign investment -- is a major issue in our economy. It's a very young economy and we need foreign investment. We must be careful that we don't scare off foreign investment and, of course, that is exactly the essence of this bill. It will give Canadians a greater influence and a greater control over their economic destiny, and yet it doesn't do it in such a manner that would scare off or in any way decrease the foreign investment. So because it does this -- I've suggested many times that this perhaps may only be the first step. But I would suggest that we should take this first step and on that basis I ask all hon. members to vote for this bill.

[The motion was carried, Bill No. 200 was read a second time.]

Bill No. 201 The Societies Amendment Act, 1973

MR. GHITTER:

Thank you, Mr. Speaker. I am happy to have the opportunity to make a few comments with respect to this amendment that was proposed by the hon. Member for Edmonton Strathcona.

I think it might be of some assistance to the members of the House to recollect just what the hon. Member for Edmonton Strathcona in a somewhat ambiguous way is trying to do in respect to this bill.

For those of you who were here to hear what the hon. member had to say, he was referring to his concern that the present Societies Act does not allow for proper parliamentary Rules of Order to be incorporated on incorporation of societies. The hon. member referred to Section 7 of The Societies Act which requires certain matters to be dealt with upon registration, including a form, which is form B to The Societies Act which was to be filed with the registrar. The Schedule B sets out 10 requirements upon an incorporation of a society and the hon. member wished to have an eleventh requirement which would enable a society or, in fact, require a society to incorporate Rules of Order within their application upon registration under The Societies Act.

The hon. Member for Edmonton Strathcona, in a fervent debate with great excitement, stated -- and I quote from the Hansard of March 8 -- he said:

I place before the members of this Assembly the following thought: where there is no law, that every man does what is right in his own eyes, there is the least of real liberty.

I want to remind the hon. member of another famous quotation which says:

When man is too encumbered by procedural laws his opportunity to express himself becomes diminished.

I'm sure many of you have heard that expression before. It was written on March 22, 1973 by the Member for Calgary Buffalo.

I think anyone who has had the opportunity to experience the problems of parliamentary procedure -- anyone who has gone to a toastmasters meeting, anyone who has gone to a meeting which tries to encourage the training of people and participants in parliamentary procedure -- will realize that this is a very difficult area. I think many of you -- I know the hon. Member for Calgary Bow has been to many toastmaster meetings where they spend the first half hour discussing parliamentary procedure and on many occasions you wonder if the parliamentary procedure there is really any better than the parliamentary procedure we see sometimes in this Assembly. But it is a training ground and it is a very important training ground -- oh, oh --

MR. HENDERSON:

On a point of order, Mr. Speaker, the competency of the Speaker I find is excellent, and I think the hon. member should reconsider those remarks.

MR. SPEAKER:

It was the Chair's understanding that the hon. member was using the procedure in this Legislature as the yardstick of excellence by which he was measuring the toastmasters.

[Laughter]

MR. GHITTER:

With the greatest respect to your approach, Mr. Speaker, that isn't quite what I had in mind.

Mr. Speaker, as the hon. Member for Edmonton Strathcona mentioned the other day, there are some 5,000 societies in the Province of Alberta, and many of the members of these societies are really, basically untrained individuals in the art of parliamentary procedure. Many of these societies are basically groups of people with common interests who get together to have a beer and talk about their problems and carry on through; in many of the areas of their common concerns. Many of these societies do very important work in their community and their efforts and contributions to the community in the province are indeed very important.

But the individuals who compose these societies are not technical people. They are not trained in parliamentary procedure. I am sure most of them do not understand parliamentary procedure. What worries me, Mr. Speaker, is that we might require these societies to place rules, and strict rules of parliamentary procedure within their bylaws which they must follow and they are not trained to do so.

Now the way this particular amendment to The Societies Act was brought forward -- I think it was brought forward in a very laudatory way. It seems that the Alberta Association of Parliamentarians who do excellent work, came forward to the hon. Member for Edmonton Strathcona and suggested they would like to see this incorporated within The Societies Act, which would assist them in their good work. But I suggest that the place really isn't within The Societies Act for their good work. I think the place is really for them to move along and assist societies and assist various groups in understanding normal parliamentary procedure.

Quite frankly, Mr. Speaker, as I have observed the problems of parliamentary procedure in this House, and matters of problems of rules of order, I think even trained people have a considerable amount of difficulty with parliamentary procedure, let alone the untrained people who are involved in societies. And the only -- yes? Well, if you want to discuss the hon. Member for Calgary Mountain View, just by coincidence I happened to look --

MR. LUDWIG:

Mr. Speaker, on a point of order, he could discuss a much less significant matter ...[Inaudible]

MR. GHITTER:

Mr. Speaker, I regard this as very important. After all we have the hon. member, a well respected lawyer in the City of Calgary, with many, many years of experience under this marvellous dome, one who is on his feet continually like a cat on a hot tin roof, and it came to my attention when this House opened on February 16 -- from February 16 to February 27, which is seven sitting days -- the hon. member who is an experienced parliamentarian, was overruled by the Speaker some nine times. On February 28, March 1, and --

MR. SPEAKER:

Order please.

[Laughter]

MR. GHITTER:

Quite frankly, Mr. Speaker, it concerns me. I mean even today -- well we will pass that remark. May I suggest, Mr. Speaker, that although the hon. Member for Edmonton Strathcona's intentions are well meaning, I think the result of the amendment he proposes to The Societies Act will put unfair, or very difficult restrictions, upon societies in their endeavour to follow the rules of order. I think this would be very difficult for them. I think it would

formalize their meetings to a point that might in fact hamper them in their activities. And I think as a result some individuals who feel they know more about parliamentary procedure than others would, in fact, just rule the meetings and control the meetings to the detriment of others who might wish to make a contribution.

As a result I see no necessity for this amendment to The Societies Act. I think it is a little difficult, and I would also suggest that the many untrained people who actually incorporate these societies -- they aren't always incorporated by lawyers -- they merely get a precedent and file the precedent in Edmonton. That is the usual approach. They will now find that if this amendment goes through as Point 11, they will then be required to list their actual rules of procedure because as I read the amendment to The Societies Act, it says that, "rules of order to govern the conduct of meetings of the society". Now this means to me the actual Rules of Order must be specifically laid out as to Schedule B, Point 11, which the hon. member proposes. This could go on for pages, and pages, and pages and I think it is just not necessary at all.

So, Mr. Speaker, if I may suggest for the consideration of this Assembly, if a society really wishes to incorporate Robert's Rules of Procedure, Beauchesne, Mr. Amerongen's Rules of Procedure, whatever it might be -- if that is the approach they wish to take, it's a simple matter. All they need do is place the rules of procedure within the bylaws and by placing them --

MR. SPEAKER:

The hon. member's score on points of order is deteriorating rapidly.

MR. GHITTER:

I apologize, Mr. Speaker. So may I suggest that any society that wishes to incorporate rules of procedure may do so in their bylaws without any difficulty whatsoever, and that this amendment really isn't required. I would suggest these thoughts for the members of this Assembly. Thank you, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, I was --

MR. SPEAKER:

Is the hon. member wishing to ask a question or to enter the debate?

MR. LUDWIG:

I was going to debate on the bill.

MR. SPEAKER:

The hon. member has the floor.

MR. LUDWIG:

Mr. Speaker, I believe I should make a few comments after that very eloquent address from the authority on the rules, the hon. Member for Calgary Buffalo. But I checked his remarks and I find he made a mistake. He was counting the Deputy Premier's misguided efforts at the rules rather than mine and he should be more careful than to attribute his shortcomings to me --

MR. GHITTER:

On a point of order, Mr. Speaker, I think that is truly a misleading statement. I have all of the --

MR. SPEAKER:

Order please. We can't raise points of order on matters of statistics.

MR. LUDWIG:

Mr. Speaker, there is an interesting ruling in Beauchesne which states the accuracy of rules is not as important sometimes as it is to achieve what you are trying to do. So sometimes when I must put a minister down on his seat, the finesse of rules isn't all that important. I must risk being out of order sometimes in order to achieve what I want to do and the hon. member doesn't appreciate that.

Also, Mr. Speaker, if there were any member in this House who has never violated a rule, I will say that he has also never said anything in this House. So when we talk about rules, sometimes there is a certain laxity and leniency on behalf of the Speaker in order to make the parliamentary procedure work and, Mr. Speaker, it is very much appreciated.

I want to comment on the hon. member's authority on the rules. He should read Rule 72 which states you cannot make any reflection on the Speaker's handling of the business of the House, so to that extent he should have been put properly down on his seat.

I must agree with the hon. member on the fact that the amendment is really of little consequence and we can continue to live with The Societies Act, as it is.

MR. DIXON:

Well, Mr. Speaker, I'm only going to take a moment or two. I realize the time is close to 5:30. I did appreciate the contribution by the hon. Member for Calgary Buffalo because last year I did receive a letter from the Canary Society complaining that their bylaws were for the birds. Now I know how to answer them -- by sending them the hon. member's speech.

But anyway, Mr. Speaker, I do think it is unnecessary to try to bring in this amendment because I don't believe we should be directing people on what to do.

AN HON. MEMBER:

Are you going to adjourn?

MR. DIXON:

No, Mr. Speaker, if they just give me a moment, I'm going to be through, I don't intend to speak.

Mr. Speaker, I just want to point out that I can see no reason for this amendment because I don't think we should be directing what people can do in their own meetings. They can go to the library and pick up Robert's Rules of Order or by anyone else. Let them do something for themselves instead of big government trying to direct them all the time.

MR. SPEAKER:

Are you ready for the question?

[The motion was carried.]

DR. BUCK:

What?

MR. BARTON:

What?

MR. SPEAKER:

The hon. members have a remedy if the Speaker has misjudged the volume.

[The Speaker declared the motion carried; a number of members rose, calling for a division. The division bell was rung.]

MR. DIXON:

I wonder if I could make a suggestion. Because we are so anxious to see a split in the ranks over there, I wonder if we can get the unanimous consent of the House to allow you to take the vote immediately rather than wait.

MR. SPEAKER:

There is some question as to whether we may in that manner dispose of the rights of the absent members.

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

For the motion:

Adair	Fluker	King	Trynchy
Ashton	Foster	Koziak	Yurko
Copithorne	Hansen	Lee	
Diachuk	Harle	Schmid	

Against the motion:

Anderson	Crawford	Hyndman	Purdy
Appleby	Dixon	Jamison	Russell
Backus	Doan	Leitch	Sorenson
Barton	Dowling	Ludwig	Speaker, R.
Batiuk	Drain	Mandeville	Strom
Benoit	French	McCrimmon	Stromberg
Buck	Ghitter	Miller, D.	Taylor
Buckwell	Gruenwald	Miller, J.	Topolnisky
Chambers	Henderson	Moore	Wilson
Chichak	Hinman	Notley	Wyse
Clark	Horner	Paproski	Young
Cookson	Hunley	Peacock	Zander
Coper			

Totals: Ayes - 14 Noes - 49

MR. SPEAKER:

The motion is defeated. Those who were originally in favour of the motion were in exceptionally fine voice.

MR. HYNDMAN:

Mr. Speaker, tomorrow afternoon the House will be moving into Committee of Supply to continue with consideration of the estimates of the Department of the Environment.

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

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[The House rose at 5:38 o'clock.]