

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, April 8, 1974

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF BILLS

Bill No. 215 The Alberta Academy Repeal Act, 1974

MR. WILSON:

Mr. Speaker, I would like to introduce a bill, being Bill No. 215, The Alberta Academy Repeal Act, 1974. The purpose of this bill is to encourage the government to clean up the provincial statutes by repealing redundant and outdated legislation, or alternatively, implementing desirable inactive legislation.

[Leave being granted, Bill No. 215 was introduced and read a first time.]

## INTRODUCTION OF VISITORS

MR. SPEAKER:

I have the honour to introduce to hon. members this afternoon the new Provincial Librarian, Mr. McDougall, who commenced his duties this morning. Mr. McDougall comes to us with an impressive background of both training and experience. I know he is looking forward to serving the members well in research and in other ways in the Provincial Library.

Mr. McDougall is in the Speaker's gallery and I would ask the House to recognize him.

MR. COPITHORNE:

Mr. Speaker, I would like to introduce to you and through you to the members of the Legislature, an old friend of this Legislature and a former MLA, Mike Maccagno. He is sitting in the members gallery.

MR. ASHTON:

Mr. Speaker, I wish to introduce some 30 Grade 6 students from Waverley School in my constituency. They are seated in the public gallery accompanied by their teacher and a parent. I would ask them to please stand and be recognized by the Assembly.

MR. SCHMID:

Mr. Speaker, I would like to introduce to you and through you to the members of this Assembly, 70 young ladies and gentlemen from the Hazeldean School. They are accompanied by their principal, Mr. Pedde and their teachers, Mrs. Watson and Mrs. Chaney; also by parents, Mrs. Robertson, Mrs. Ganton and Mrs. Egert. I would like them to rise and be recognized.

MR. HO LEM:

Mr. Speaker, it's a special pleasure for me today to introduce a visiting group of students from Colonel Walker Junior High School which is located in my constituency.

Mr. Speaker, to Calgarians and Albertans, the Colonel Walker School is a school of some historical significance. It was the first high school established in Calgary and district, and many of the Alberta pioneer families attended this school. It is therefore my pleasure and honour to introduce the students, along with their teachers, Mrs. Lan, Mrs. Swartz, Mrs. Eremenko and Mr. Schneider, to this Assembly. Will the group please rise and be recognized.

#### TABLING RETURNS AND REPORTS

MR. HYNDMAN:

Mr. Speaker, I wish to file, for the background information of members, a short document called, The Purposes of Education, which contains a summary of the questions and answers in Alberta of a Canadian survey done late last year by the Canadian Education Association on the subject of the goals and objectives of public education. Copies are available for the members and will be distributed shortly.

DR. HOHOL:

Mr. Speaker, I should like to table the answer to Question No. 112, required by the Legislature.

#### ORAL QUESTION PERIOD

#### Gasoline Tax Reduction

MR. CLARK:

Mr. Speaker, I'd like to direct the first question today to the Premier and ask if the government has arrived at a conclusion on the question of a further reduction of the gasoline tax. You recall I asked the question last Friday and you said it was under some consideration.

MR. LOUGHEED:

Mr. Speaker, perhaps I was not clear in my previous answer. It is the government's intention to await the final settling down of the price situation, both at the wholesale and retail distribution level before making any further conclusion as to whether or not any additional reduction in gasoline tax is warranted.

#### IPSCO

MR. CLARK:

A second question, Mr. Speaker, to the Premier. I would like to ask the Premier if the government has arrived at a conclusion regarding the proposition put to them by IPSCO on which the option runs out, I believe, on the fifteenth of this month?

MR. LOUGHEED:

Mr. Speaker, no, we haven't. The matter is before the Executive Council tomorrow morning.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Bow Valley.

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North Saskatchewan River Valley - Development

MR. COOPER:

Mr. Speaker, my question is directed to the Minister of Lands and Forests. Is it the minister's intention to immediately designate the entire North Saskatchewan River valley within the metropolitan Edmonton area as a restricted development area under the provisions of The Environment [Conservation] Act?

DR. WARRACK:

Mr. Speaker, the gentleman used the word "immediately" and also the concern of the restricted development area which falls, of course, under the Department of the Environment. In any case, the answer is no.

MR. COOPER:

A supplementary, Mr. Speaker. Does the minister plan the immediate acquisition and development of the area called North East Site, Phase I as Edmonton's first urban provincial park?

DR. WARRACK:

Mr. Speaker, as I have said in the House as it is part of the report which was tabled last week, that matter is under active consideration at this time.

MR. SPEAKER:

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

'Cow Camp' - Licence

MR. MANDEVILLE:

Thank you, Mr. Speaker. My question today is to the hon. Minister of Health and Social Development. It is in regard to a cow camp down on a big ranch in my area. I just wouldn't want to mislead the House, since a cow camp might relate to a rodeo and we just had a rodeo in Edmonton. It is not a veterinary college, it's a unique training centre down in this area. I guess you would call it an alternative educational, vocational, or even a reform program. My question is, Mr. Speaker, has there been an application made to his department for a licence?

MR. CRAWFORD:

Mr. Speaker, to my knowledge no formal application has been made.

MR. MANDEVILLE:

A supplementary question, Mr. Speaker. In the minister's view, do they need a licence to operate this camp down there?

MR. SPEAKER:

The hon. member is asking for a legal opinion which perhaps he might seek elsewhere.

MR. MANDEVILLE:

A supplementary question, Mr. Speaker. In light of the concern of the federal Department of Immigration, would the minister be prepared to give the camp a letter of authority to operate?

MR. CRAWFORD:

Mr. Speaker, there has been some publicity in regard to the cow camp lately. I would have to hasten to say that that particular proposed undertaking does have problems with the federal citizenship and immigration department. My feeling has been that in the event they clear themselves with the federal department in every respect, we would be, of course, willing to receive an application from them in the same way as from any other person who might submit one.

MR. CLARK:

Mr. Speaker, a supplementary question to the minister. Can we assume from the minister's answer that the government is not prepared to give a letter supporting the operations of the cow camp in the constituency of the hon. member?

MR. CRAWFORD:

Mr. Speaker, I think what the hon. member is asking is whether or not I would like to be a witness on behalf of the cow camp in proceedings, if that's what they might be, in which the federal government wants to make a decision on the matter. The answer up to the present time is that I see no reason why the federal department can't carry out its duties without the intervention of the provincial department.

MR. MANDEVILLE:

Just one final supplementary question then, Mr. Speaker. Does his department or the minister have any opposition to the program being offered at the cow camp?

MR. CRAWFORD:

Mr. Speaker, I'm not fully informed on the program. My understanding of it is that it's an informal rehabilitation program which is in no sense unique. Such programs are not uncommon in various parts of North America. I do not have enough information, or indeed any evaluation, on the results of the program as it is operated in a small way at the cow camp to know whether or not it's one that should be endorsed. I'll say to the hon. member that I do know that the operators of the camp claim a substantial degree of success in respect to one that they operate in New England.

MR. SPEAKER:

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

Crump Commission

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Premier and ask him whether or not the government has established any timetable as yet to implement the recommendations of the Crump Commission on Grande Cache and the Alberta Railroad to Resources?

MR. LOUGHZEED:

Mr. Speaker, there are a number of ministers involved in reviewing the various recommendations there. I'll pass the question to the Minister of Manpower and Labour for some further elaboration.

DR. HOHOL:

Mr. Speaker, the attention of the committee on the Grande Cache report will briefly be as follows: we have indicated to the Assembly certain things that have been done following a trip by the committee to the town of Grande Cache. We're studying other things that will be done, together with the community and others in an intermediate time frame, and finally, such other things that will have to be examined for implementation on a long-term basis. This is how we are proceeding.

MR. NOTLEY:

Mr. Speaker, a supplementary question to either the hon. minister or perhaps the Minister of Mines and Minerals. Can either minister advise the Assembly whether or not the government is prepared to commit itself to keep the mine open for ten years, as recommended by the Crump Commission?

DR. HOHOL:

Mr. Speaker, in the description of a three-phase approach to the study of the Crump Commission, and I might say other recommendations and proposals we'll be looking at, that would fall into a long-term kind of consideration.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. minister. Is the government giving any consideration at this time to the possibility of setting up a coal marketing board, which was one of the options considered in the Crump Commission report?

MR. DICKIE:

Mr. Speaker, perhaps I can answer that. I think hon. members will recall that when we set up the Alberta Petroleum Marketing Commission we felt at that time it might be enlarged to include natural gas, sulphur and coal, and certainly coal is one of the areas that is under consideration at the present time.

MR. NOTLEY:

One final supplementary question, Mr. Speaker. This one is to the Minister of Industry. Could the minister - oh, I see he's not here, so the acting minister in this case - could the government advise the Assembly what the position is at the present time with respect to the rebuilding of the ARR? Is it on schedule?

MR. DOWLING:

Mr. Speaker, I'll take that question as notice. I do know the rebuilding program is proceeding. I couldn't tell you exactly the time frame, whether it's exactly on schedule, but I get no indication from the hon. minister or any of his colleagues that it is behind time.

MR. SPEAKER:

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

Workers' Compensation - Summer Programs

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of Manpower and Labour. Are the students and workers employed in the various provincial government summer programs covered in all cases by workers' compensation?

DR. HOHOL:

To the best of my knowledge, Mr. Speaker, that would be the case.

MR. SPEAKER:

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

ALCB Strike

MR. WILSON:

Mr. Speaker, I'd like to direct this question to the hon. Solicitor General. Would the minister advise whether the government or its Crown corporation has agreed to talk to Alberta Liquor Control Board employees or their Civil Service Association representative?

MISS HUNLEY:

I don't clearly understand the hon. member's question, particularly the first part. I thought he said, has the government or the Crown corporation? Could the hon. member please clarify it?

MR. WILSON:

Yes, Mr. Speaker, I meant, has the government or the Crown corporation, being the Alberta Liquor Control Board, agreed to talk to the employees of the Alberta Liquor Control Board or their Civil Service Association representative?

MISS HUNLEY:

Mr. Speaker, to my knowledge the Alberta Liquor Control Board committee has never refused to speak with the members of the Civil Service Association. But, I perhaps could advise the House that the Alberta Liquor Control Board has advised me this morning that it

has made an application to seek a court injunction and the hearing will be held tomorrow morning. In view of this, I feel that no further statement should be made at this time.

MR. WILSON:

Supplementary, Mr. Speaker. Could the hon. minister advise if, in the current issue, the minister has instructed the Alberta Liquor Control Board management not to talk to the Civil Service Association representatives or the Public Service Commissioner?

MR. SPEAKER:

In view of the previous statement by the minister, and the minister's obvious concern for saying something which might be improper while the matter is before the courts, perhaps the hon. member might defer that question to a later day.

MR. WILSON:

A supplementary then, Mr. Speaker. Has the government or its Crown corporation ordered pictures taken of picketers and if so for what purpose?

MR. SPEAKER:

I would respectfully suggest to the hon. member that that question also might be deferred to a later day.

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Clover Bar.

#### Healers - Warning Ads

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Consumer Affairs. Is the hon. minister considering advertising in the media, warning people not to waste their money on expensive trips either to Mexico or the Phillipine Islands to visit healers who are in fact charlatans?

MR. SPEAKER:

The minister may wish to answer the question briefly, but it is a fundamental rule of the question period that a question to a minister must deal with his ministerial responsibilities.

The hon. Member for Clover Bar followed by the hon. Member for Hanna-Oyen.

AN HON. MEMBER:

Is he dead?

AN HON. MEMBER:

Wake up.

AN HON. MEMBER:

C'mon Bucky.

#### Ambulance Service

DR. BUCK:

Mr. Speaker, I'd like to address my question to the hon. Minister of Health and Social Development. I would like to know if the minister or his department has had the opportunity to study the brief of The Alberta Medical Association asking the government to take over ambulance service in the province?

MR. CRAWFORD:

No, Mr. Speaker, I haven't yet given personal attention to that brief. I think I might mention to the hon. member though, that it is a subject on which we have been collecting input from various sources through the Hospital Services Commission and through other governments, one of which has recently embarked on a provincial ambulance scheme.

We are very interested in it and expect it to be a subject that will continue to attract attention.

DR. BUCK:

Supplementary, Mr. Speaker. Has the minister considered the establishment of an emergency services commission, similar to the ones proposed in B.C. and Ontario, to study the question?

MR. CRAWFORD:

If I heard the last part of the hon. member's question correctly, he said, "to study the question". At the present time we have no specific commission for the purpose of studying that. It does fall under the general responsibility of my department to be informed upon it as well as the Hospital Services Commission. It could be that the new committee which was established under Dean MacKenzie, because of the fact it deals with accidental deaths, may also have representations to make in due course on emergency services which, if received, we would look upon as being very significant.

DR. BUCK:

A supplementary, Mr. Speaker. Has the minister considered setting up a government task force or a legislative committee to investigate the ambulance service problem?

DR. HORNER:

You're prejudging the resolution, aren't you?

MR. CRAWFORD:

Mr. Speaker, I didn't catch whether the subject was simply ambulance services again, was it? It wasn't with respect to the committee of Dean MacKenzie that I was speaking of.

Mr. Speaker, my view on it is that with the combination of resources, as I have outlined, from which to draw valuable information, we do have the necessary structure.

MR. SPEAKER:

The hon. Member for Hanna-Oyen followed by the hon. Member for Calgary McCall.

#### Wild Oats - Chemicals

MR. FRENCH:

Mr. Speaker, my question is to the Minister of Agriculture. Will there be sufficient chemicals available this year in Alberta for the treatment of wild oats?

DR. HORNER:

Mr. Speaker, I think I can only answer that question in a general way, as I have answered before in the House, that a number of the inputs into agriculture are going to be in short supply. One of those is going to depend on the inclination of farmers to treat for wild oats, the question of the supply of wild oat chemical.

MR. SPEAKER:

The hon. Member for Calgary McCall followed by the hon. Member for Medicine Hat-Redcliff.

#### Calgary Police - Municipal Politics

MR. HO LEM:

Thank you, Mr. Speaker. My question today is directed to the hon. Attorney General. Has the hon. minister received representation from the Calgary Police Association in regard to a directive from the Calgary Police Commission instructing police not to become involved in municipal politics by allowing their names to stand for election?

MR. LEITCH:

No, I haven't, Mr. Speaker.

MR. HO LEM:

A supplementary, Mr. Speaker. Has the hon. minister requested the Alberta Human Rights Commission to investigate whether the ruling is contrary to the Bill of Rights?

MR. LEITCH:

No, I haven't, Mr. Speaker.

MR. HO LEM:

A supplementary, Mr. Speaker. Has the hon. Attorney General requested the police commission to review its decision?

MR. LEITCH:

No, Mr. Speaker.

MR. HO LEM:

Mr. Speaker, my final supplementary. In view of the three previous answers, can the hon. minister advise what affirmative action the government is prepared to take in this regard?

SOME HON. MEMBERS:

Nothing.

MR. LEITCH:

Mr. Speaker, I should call to the hon. member's attention that the police commission under the recently enacted Police Act, has certain autonomy and certain functions. I would be delighted to review the matter should anyone who is affected by that decision request it or, alternatively, should the request come from some of the hon. members.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Little Bow.

#### Suffield Block

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Federal and Intergovernmental Affairs. Could the minister indicate to the House when the transfer of the Suffield assets to the Alberta Energy Corporation will take place?

MR. GETTY:

Mr. Speaker, I imagine the transfer would take place after the evaluation of the wells which have been drilled has been completed, and The Alberta Energy Company Act has been passed. We will then have a fully operative company which is able to accept the assets in Suffield.

MR. WYSE:

A supplementary question then, Mr. Speaker. What will be the cost of the shares in the AEC?

MR. GETTY:

Mr. Speaker, the price of the shares has not been determined. That price will have to reflect the market at the time the shares are offered to the people, and the assets which the company will hold when the shares are offered to the people.

MR. WYSE:

A supplementary question then to the hon. Minister of Mines and Minerals. Is the government in a position to indicate what percentage of the Suffield gas will be earmarked for development in south-eastern Alberta?



MR. DICKIE:

No, Mr. Speaker. That decision hasn't been reached yet, but it is under active consideration, and certainly the City of Medicine Hat has made active representation to us on its views and how it should be handled.

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Taber-Warner.

Rural Gas Co-ops

MR. R. SPEAKER:

Mr. Speaker, my question is to the Provincial Treasurer. Has the Provincial Treasurer made progress in determining whether the \$1,700 contribution of rural gas co-op members is tax-deductible in the year of payment?

MR. MINIELY:

Mr. Speaker, in reply to the hon. member, I have reviewed the history of events related to that question and I am in the process now of drafting a letter to the Director of Taxation in the offices of Edmonton and Calgary, outlining to him the history of the communications both from private consultants and from representatives of the Province of Alberta. I hope that this will probably be off in the next day or two.

MR. SPEAKER:

The hon. Member for Taber-Warner followed by the hon. Member for Calgary Bow.

Liquid Sugar

MR. D. MILLER:

Thank you Mr. Speaker. My question is to the Deputy Premier, the Minister of Agriculture. Has the minister planned any studies for the full use of liquid sugar by Canadian sugar factories now that it is being produced at Taber?

DR. HORNER:

I am not aware of any program in relation to liquid sugar as such, Mr. Speaker, but I am sure the hon. member would agree that the additional impact that we can have on our basic sugar industry in Alberta depends on processing more and more of our produce here in Alberta. That's a general policy of this government.

MR. SPEAKER:

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

Alberta Summer Games

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Culture, Youth and Recreation. Can the minister assure us that all organized Alberta sports will be represented at the 1974 Alberta Summer Games?

MR. SCHMID:

Mr. Speaker, all the sports selected for participation in the Alberta Summer Games would be the ones selected and agreed to by the sports organizations themselves and as arranged for by Sport Alberta.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. Would the minister advise why transportation and accommodation assistance has been withdrawn for approximately 100 youths from the Alberta Lacrosse Association who desired to participate and compete?

MR. SCHMID:

Mr. Speaker, whether or not transportation for that group has been withdrawn entirely, I'm not so sure. However, I think the guidelines for Sport Alberta were, for the information of the hon. member, that the particular sports group had to be represented by all of Alberta, in other words, by the different regions, not from just one or two places.

MR. WILSON:

A supplementary, Mr. Speaker, was this a unilateral decision of the executive committee of the summer sports games?

MR. SCHMID:

Mr. Speaker, it is the desire of the provincial government not to interfere with any decisions by an independent body, which Sport Alberta is.

MR. WILSON:

A supplementary, Mr. Speaker. How many sport associations have been eliminated by this unilateral decision and how much money does the government plan to save by eliminating them from the competition?

MR. SPEAKER:

The hon. member's question, in addition to containing innuendo, is eminently suited for the Order Paper.

The hon. Member for Spirit River-Fairview.

Rapeseed Plant - Sexsmith

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. In the light of Friday's announcement with respect to the rapeseed plant at Sexsmith, can the minister advise the Assembly what the position the Alberta government is with respect to the Peace River District Rapeseed Co-op proposal for an integrated gathering system, feedmill and rapeseed mill?

DR. HORNER:

Mr. Speaker, it's my opinion that, now we have the promotional and development people in Edmonton out of the picture, the two co-operatives in the Peace River country would join together in a joint development. I would hope that I could have the assistance of the hon. MLA of that area to put the Peace River area together on a major project which will have nothing but good for all the farmers in the area.

MR. NOTLEY:

Mr. Speaker, a supplementary question for clarification. Can the hon. minister advise the Assembly whether or not the government is prepared to back the shares in the Peace River District Rapeseed Co-op in the same way as the announcement was made on Friday with respect to the other one?

DR. HORNER:

Certainly, Mr. Speaker, if they will join with the N.A.R.P. Co-ops so that we can have one Peace River co-operative in the rapeseed processing industry.

MR. NOTLEY:

A supplementary question, Mr. Speaker. Can the minister advise the Assembly whether or not the agreement of the government to back the shares is contingent upon the joining of the two co-ops?

DR. HORNER:

The agreement to the government's support has already been announced with regard to the N.A.R.P. Co-op to form a substantial rapeseed crushing industry in the Peace River area. It is the considered opinion of government and industry indeed, that the area will only support one major project of that size. That is part of the reason, Mr. Speaker, that the government was sincerely involved in removing obstacles so that the Peace River

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Co-op could join with the Northern Alberta Rapeseed Producers Co-op in a major undertaking in the Peace River area.

MR. NOTLEY:

Mr. Speaker, one final supplementary question to the hon. minister. Can the minister advise whether there has been any application for DREE money to construct the mill at Sexsmith?

DR. HORNER:

There has been no application with regard to DREE money for the mill at Sexsmith.

In a general way, Mr. Speaker, it is my view that DREE money should be used for plants that do something different than any other plant that might be in operation in Alberta, or indeed in western Canada, and that we should be particularly careful about the use of DREE money in competitive situations. I think there is an area in rapeseed crushing in which DREE money can be used and should be used, and that is in the further processing of the meal, so we can get protein meal on an equivalent basis from rapeseed to soya bean meal.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Clover Bar.

Abusive Telephone Calls

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Telephones and Utilities. Could the minister advise if the AGT security department has advised the minister of the current rash of obscene telephone calls made to telephone numbers listed as children's numbers?

MR. FARRAN:

Mr. Speaker, the subject has been drawn to my attention and I am awaiting a report. I don't believe there is a "rash" of this sort of thing, but there have been some instances reported.

MR. WILSON:

A supplementary, Mr. Speaker. Could the hon. minister advise what precautionary measures parents might take in such instances?

MR. SPEAKER:

The hon. member's question would appear to be hypothetical in view of the hon. minister's previous answer.

SOME HON. MEMBERS:

Agreed.

MR. WILSON:

Well, then, Mr. Speaker, supplementary question to the hon. minister. Is it possible to have all children's telephones unlisted?

MR. FARRAN:

Well, Mr. Speaker, of course it's possible. I don't know whether it would serve the purpose, though, of the subscriber who is presumably trying to avoid the children's calls on his main number.

MR. WILSON:

A supplementary, Mr. Speaker. When might we have a report from the minister on the details of the investigation that he indicated is currently under way?

MR. FARRAN:

The details may not ever be made public, but as soon as I have something that I can give to the hon. member, I will.

[Interjections]

There is no need, Mr. Speaker, for cries of protest because if they involve individuals in a detrimental way and it's a confidential matter, I don't intend to make them public.

MR. SPEAKER:

The hon. Member for Clover Bar.

City of Edmonton - Grant Overpayment

DR. BUCK:

Mr. Speaker, I would like to address my question to the hon. Minister of Municipal Affairs. It's in relation to the \$400,000 overpayment to the City of Edmonton. I would like to know, Mr. Speaker, if the minister can indicate to the Legislature what stage negotiations are at between the minister's department and the City of Edmonton re the overpayment that the City of Edmonton received because of a census error?

MR. RUSSELL:

Mr. Speaker, that's an item I think I will be discussing in the near future with His Worship, the Mayor of Edmonton. He did give me that commitment some time ago that he would like to have time to assess an accurate result of the most recent census, and I believe he has nearly reached that position.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

3. Moved by hon. Mr. Hyndman, seconded by Mr. Clark:

Be it resolved that the Report of the Special Committee appointed October 30, 1973 for the purpose of recommending to the Assembly the person it considers most suitable for the position of Ombudsman for the Province of Alberta, be now received and concurred in.

[Adjourned debate: Mr. Clark.]

MR. CLARK:

Mr. Speaker, I am pleased to have the opportunity to rise in my place and to second Motion No. 3.

Mr. Speaker, at the outset, let me say to you that my colleagues and I on this side of the House plan to support this motion unanimously. I think it's fair to say, Mr. Speaker, that we feel that the select legislative committee, made up of representatives on both sides of the House, has in fact tackled its responsibilities seriously, and certainly it appears that it has made a very excellent selection in Dr. Ivany.

Dr. Ivany brings to the job a wide business experience. At the same time he has made a distinguished contribution in the field of his humanitarian endeavours.

I sure, Mr. Speaker, all members of the Assembly recognize that, in fact, Alberta was the first province on the North American continent to move in the direction of an ombudsman, and, in fact, by doing that a real bench mark was established.

I feel confident in the selection that the select committee has made in Dr. Ivany. In fact, Alberta will now have the opportunity to establish yet another bench mark, and that bench mark dealing with the real problems which Albertans have in dealing with governments. I say that in a non-partisan way. I say it certainly in as non-political a way as I can. When we have a population of something like 1.6 million people and a large civil service in the province, it's to be expected that on occasions individuals will feel aggrieved and, in fact, problems will develop.

I feel confident, Mr. Speaker, in reading the report that was presented by the committee last week, that Dr. Ivany will be equal to that challenge and will, in fact,

make a second very meaningful bench mark, not only in Alberta, but in Canada as far as an ombudsman attacking his responsibilities.

I would sincerely hope that one of the things Alberta's new Ombudsman will be able to do is to get out across the province, even a great deal more than his predecessor has done, so that, in fact, the office of Ombudsman, in addition to being well-known in Edmonton, somewhat lesser known in Calgary, but in the rural areas across the province, Albertans in those areas will have even a closer affinity with the operation of the Ombudsman.

I look forward to Dr. Ivany taking his position as Alberta's second Ombudsman, and we wish him every best luck in the course of his endeavours.

MR. NOTLEY:

Mr. Speaker, I'm very pleased to rise to add my support to this resolution. I think the committee is to be congratulated on the recommendation of Dr. Ivany.

In my view, the task of ombudsman is an extremely difficult one, but the qualifications of Dr. Ivany, I think, augur well for a very successful career as Ombudsman in the province of Alberta.

Mr. Speaker, there really is little doubt that the need for an ombudsman is becoming all too clear. The former government is to be congratulated on moving to establish the first ombudsman in Canada. I think we can all share a certain amount of pride, Mr. Speaker, that many other provinces have now followed suit. That is, I think, eloquent testimony to the correctness of the approach taken some years ago when Alberta pioneered in this particular area.

With the broad range of various agencies and the multitude of boards, it's very easy for the average citizen, Mr. Speaker, to get lost and it's easy for bureaucratic indifference, perhaps not premeditated, but the kind of indifference that causes injustice to go unchallenged, if you don't have an ombudsman to act as a citizens' defender.

So I'm very pleased to support the recommendation of the committee. I think we have an excellent choice and I trust that Dr. Ivany will have a very successful career as the Ombudsman for the Province of Alberta.

[The motion was carried.]

#### INTRODUCTION OF VISITORS (CONT.)

MR. APPLEBY:

Thank you very much, Mr. Speaker.

It is my pleasure this afternoon to introduce to you and the members of this Legislature, a man who served for many years as an MLA in this Assembly and also as Minister of Welfare in the previous government for many years. It is my pleasure to ask Mr. Bob Jorgenson of Westlock to rise and be recognized by this Assembly.

MR. SPEAKER:

If I might just take a moment, I would like to report to hon. members that tentative arrangements were made, pending the outcome of the hon. members' debate of the resolution concerning the report on the selection of an ombudsman, for an informal gathering this evening at which all hon. members might have a chance to meet and chat with both the Ombudsman and the Provincial Auditor, both of whom will be at the Royal Glenora Club this evening from half past five until half past six. All hon. members are asked if they would kindly attend, if it can be done.

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill No. 38 The Agricultural Pests Act, 1974

MR. BUCKWELL:

Mr. Speaker, in rising to take part in the debate on second reading of Bill No. 38, I don't know whether this agricultural pests act - just what a pest is. Whether it is just somebody who bothers the hon. Minister of Agriculture or whether they are going to eliminate them all. But maybe that's a little drastic.

In some respects, Mr. Speaker, I wondered why we changed from the old Act. There are certain questions - it is more a question than debating the principle of a bill. I think the hon. member has done a good job on it. This bill seems to throw the whole responsibility onto the municipal governments or councils, including the cities, and I am a little concerned with some of the pests that are included.

I read the other day where coyote control is under this - could be considered a pest. But I think the idea that the Department of Agriculture is supplying in many cases - total or cost anyway - supplies for the treatment of cattle, grasshoppers and the like and pests of this nature. They are to be commended. Pocket gophers can also be considered a pest, although their range is not large they can cause a great deal of anguish and anxiety among farmers.

Sections 12 and 13 of the old Act are going to be repealed - in this new one it is left out that the Lieutenant Governor in Council could pay part or all of the expenditures relating to the control of pests. I don't see this in the new act. But I would like again to ask the question, are the municipal councils, the city councils going to be totally responsible for the running of this program? And getting back again, if the honourable mover would nod his head if coyotes are included - the control of coyotes, are they included as a pest?

AN HON. MEMBER:

A nuisance.

MR. BUCKWELL:

A nuisance, but it all depends on whom they are bothering. We had sheep for quite a number of years and we were the only ones who seemed to be worried about the coyotes. Now they are getting to the point where they are bothering calves in the outlying districts. But if coyotes are included, then I think we - I am not a coyote fan, but it is very difficult to say that an individual farmer either has to poison them or shoot them, or something of this nature. Because there are kind-hearted people who no matter if they are killing the neighbour's lambs, have a love for the coyote. One of the ideas, if coyotes are included, is that they upset the balance of nature. We let in foxes and so and so forth. I think we should take a hard look if coyotes are included as a nuisance or a pest.

Some of the other things under this act - you have a better control, I think, of diseases, both of plant and animal, than we've had before, and particularly warble control. Warbles, I think, while they are not specifically mentioned in the act, should be covered. They are pests and this is one of the better things that the governments have done in the last few years particularly, the warble control in the marketing of our cattle, the upgrading of our beef. That's all I have to say, Mr. Speaker.

Thank you.

[The motion was carried. Bill No. 38 was read a second time.]

Bill No. 40  
The Alberta-British Columbia Boundary Act, 1974

MR. LEITCH:

Mr. Speaker, I move second reading of Bill No. 40.

Speaking to the principle of this bill, Mr. Speaker, it provides a mechanism whereby certain uncertainties that now exist about the exact location of the boundary between Alberta and British Columbia may be resolved. Essentially, Mr. Speaker, what is involved

is a concurrence by three governments, the government of the Province of British Columbia, the government of the Province of Alberta and the federal government, in establishing a commission which, in turn, will make recommendations to the Lieutenant Governor in Council and upon the concurrence of the Lieutenant Governors in Council of the respective provinces, what is now described as a sinuous boundary line may be then transferred to a conventional boundary line on the maps referred to in the bill.

[The motion was carried. Bill No. 40 was read a second time.]

Bill No. 45 The Coal Mines Safety Act

MR. DICKIE:

Mr. Speaker, I move second reading of Bill No. 45, The Coal Mines Safety Act.

Mr. Speaker, I know all hon. members will welcome this bill as it is a method and means of looking after the industry and the health and safety of those engaged in the coal mining industry of Alberta. There are some four highlights that I might draw to hon. members' attention.

The first one is that the act is to be administered by the board, that is, the Energy Resources Conservation Board. Hon. members will recall that some time ago steps were taken to bring coal under the Energy Resources Conservation Board rather than under the Department of Mines and Minerals.

The second is that the bill really sets the framework around which regulations can be drafted. It's intended that the regulations really deal with the specific details of operations of coal mines and the technicalities involved in those operations. So those details will be covered by regulations and the bill itself is just to set the framework for those regulations.

The third, Mr. Speaker, is that provisions regarding qualification and certification of officials and employees are retained in the act with some changes. It's a design in the act to bring up the names to a more sophisticated approach so we don't use some of the former names that really had an adverse effect upon workers in coal mines.

The fourth that I'd like to draw to the members' attention is that the new act will be more in line with present labour-management practice than the old one.

Mr. Speaker, as this is dealing with safety, I thought hon. members might like to know what the safety record is in Alberta compared with other provinces in Canada. With that, I asked a particular question and I'd like to read some of the comments that have been provided to me in respect to trying to work out some comparison. Although I think we all realize, Mr. Speaker, that statistics on mine accidents are meaningless, they do give us some indication if we did happen to be considerably out of line.

One of the difficulties, of course, is how we work out these categories for coal mine accidents. It is noted that in the province of Nova Scotia they categorize coal mine accidents in two categories - one, lost time; and two, minor injury. In British Columbia they also have two categories; serious and those that are compensatory. In Alberta we have three categories; fatal, serious and slight. Mr. Speaker, I have the record since 1963, that is for the last ten years, showing the accident rate in regard to those categories; fatal, serious and slight. It is interesting to note that in "fatal" during that period of time they vary from one to six; in "serious" from three to twenty-two - and 1971 was the highest with twenty-two - and in "slight" they vary from eight to thirty, which was in 1968.

They also categorize that by way of looking at it per millions of tons and per thousand men employed. And in that ten-year period, Mr. Speaker, I think it is interesting to note that 1972 was the record low with an average per million tons of 1.28 per cent, and per thousand men of 6.85 per cent. From that time on they increase substantially and 1973, which was the last year, I would say would be slightly below the ten-year average.

INTRODUCTION OF VISITORS (CONT.)

DR. BOUVIER:

Mr. Speaker, I beg leave of the House to revert to introduction of visitors.

Mr. Speaker, I would like to introduce to you and to members of the Assembly some 80 Grade 9 students from the Peter Pond School in the oil sands capital of Fort McMurray. They left very early this morning, about 5:00 o'clock. They could have been here on time, but they were originally scheduled to come in on Wednesday and since we won't be sitting on Wednesday they came in late this afternoon after the galleries were cleared. They are accompanied by their teachers, Mr. Crow, Mr. Breneman, Mrs. Brooks, Mr. Edlund and Mrs. Makowichuk. They are seated in the public gallery. I would ask them to rise and receive the applause of the House.

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill No. 45 The Coal Mines Safety Act (Cont.)

MR. TAYLOR:

Mr. Speaker, I would like to say a few words on Bill No. 45, The Coal Mines Safety Act. I support the safety features embodied in this act and as outlined by the hon. minister. Particularly, I like the responsibility that is placed on management. For many years management felt, at least in some coal mines, that the safety features had to apply to the workmen only. Then when the coal mine record of accidents and fatalities became so bad and their assessment got so high that it was almost driving the mines out of business, a switch was made and management was asked to take responsibility. Safety can't just start at the bottom or just start at the top. It has to go right from the top to the bottom, from the bottom to the top, right through the various segments of labour and management. But unless management takes a very definite interest in safety, there is certainly something lacking and the results will show in fatalities and in accidents.

When the Workers' Compensation Board and mine management began to take a more active interest in safety in our coal mines, from that time on the records started to get better, and now the record in many of our mines is very, very excellent, as pointed out by the hon. minister. In others, it certainly should be improved.

So, I welcome the responsibility that is now placed, in the act, on management. I don't think this should reduce the responsibility on the unions or individual workers, but certainly the lead should come from the top or should come from management. I'm sure this will pay dividends and increase safety in our mines.

In connection with the assessments which may or may not come under the purview of the board, I would again like to point out, as I did when the compensation act was before this Legislature, that in my view the present assessment is not correct, where the domestic coal mine - and there is only one in the province apparently at the present time - is classed in with the deep seam mines, the bituminous and the semi-anthracite, where the working conditions are entirely different. Just as different as they used to be between strip mining and lignite and semi-bituminous coal mining, which aren't the deep seams but certainly go underground. Today, the record of the one domestic coal mine in the province, located at East Coulee, is excellent. During the last two or three years there have been practically no accidents at all, and no fatalities. The record has been excellent. Yet the assessment is based on the overall coal mining industry of the province, taking in Grand Cache - a completely different type of mine. So I mention that again in case the board may have some influence in dealing with this.

In my view, in spite of all the arguments I've heard, I think there should be a different class set up for the domestic coal mines. That is for more than one reason: domestic coal mines are having a difficult time to get by. If this accident record of other mines increased their assessment, it may well force the domestic coal mine out of business entirely.

There are seven other comments I would like to make on factors other than safety. The first one is the one mentioned by the hon. minister that this is now under the board. As a matter of fact, I have searched through the act and I can't find the word minister anywhere. It is not defined. It is not in the act. I don't like this trend in government of getting these things away from the government - the elected representatives. The cabinet is responsible to the Legislature. A minister is responsible to the Premier and to the Legislature. When we put these things at arm's length under a board where the minister is not directly involved, I think we weaken our legislative process.



I have said this in connection with other pieces of legislation. It is something that is happening all over our Dominion and maybe all over the world where governments are trying to get out from under the direct responsibility. But I think it's a mistake. I think democratic government requires access to a minister on this type of thing. So I am sorry to see that the minister is just about moved out of the act - not just about - well, yes I could say, just about moved out of the act. There are some sections that still require the Lieutenant Governor in Council, such as Sections 51 and 52, regulations and so on.

I wanted to say a few words in connection with regulations a little later on. Under the old Act - just to show the difference between the two, and I am sorry this has been omitted from this act because I felt it was a safeguard that might never have had to be used but was something that was there as a solace to the men who worked in the bosoms of the earth, the bowels of the earth - whichever way you want to call it. Bosom sounds a little nicer, but sometimes I think it is more like bowels when you go down the actual mine. The men who worked there and their loved ones who stay on top always felt some consolation in the fact that the minister could, under the old Act, direct an investigation. He was the final word. He could direct an investigation if something wasn't just right in that mine. I think this was good. I think this kept management in line and I think, as I said before, this was of some comfort to those who work under these very, very difficult working conditions.

So I'm sorry to see the minister left out of this act. I would like to see, at least I would urge that the hon. minister reconsider at least one section, and that's Section 408 where the minister does have an overriding power to direct an investigation into any mine, in any aspect of a mine where there may be some danger to the life and limb of the worker, or perhaps for other reasons.

Sometimes an explosion occurs and the investigation is not satisfactory to the loved ones of those who were killed. The fact that the minister can direct an investigation in the manner in which he chooses, I think was a very strong point of the old Act and I would like to see it reinstated in the new act.

The second point I want to deal with is the Workers' Safety Committee. Under the new act three persons are involved - and this is on page 24 - who may inspect the mine or who may examine the mine, and they issue a report. However, there's no authority given to that committee and I think this is a weakness. There is no authority given to that committee to stop a process that might injure or take the life of a worker. Unless that Workers' Safety Committee has some teeth with which it can bite, then its effectiveness is lost to some degree - not entirely, but to some degree. In the old Act the miners were so involved in the Workers' Safety Committee that the miners paid the Workers' Safety Committee, not management. They reported to the workers, not to management. I always felt this was a worth-while thing. In my years living in coal mining areas I have never heard a miner complain about paying for the Workers' Safety Committee. I've heard them complain about almost everything else but certainly not about paying for the Workers' Safety Committee, because they felt that the Workers' Safety Committee was then responsible to them, not to management but to them. I think that's an important item.

Now under the new act the payment or the compensation for the workers' committee may be carried out as agreed to by employers and employees. It may work out the same way or it may not, but there has to be agreement by the employer in regard to the compensation and I rather think this is a weakness. I think this is a proper function for the workers to pay. This Workers' Safety Committee is not there to enhance the profits of management. The workers' committee is not there to make working more smooth for management. The workers' committee is there to endeavour to make sure that the life and limb of the worker are not going to be jeopardized, or men are not going to be killed and men are not going to be injured. Every one they can save saves not only the compensation and not only the country the thousands of dollars - if you can value life in thousands of dollars - but it does save all the agony of the loved ones and so on.

The Workers' Safety Committee is included again in the act, but again those two points worry me somewhat. Number one, there's no authority to really stop a practice at once if they find something going on, and by the time it goes through all the other channels of the report - I would like to see this committee given some teeth so that it can act on something serious, that may jeopardize the life and limb of the workers, so it can act on it, not the next day but immediately. If the workers' committee can have that kind of authority I think you will find that the workers' committee is a very responsible body that's not going to misuse that authority.

Secondly, I frankly think that the workers' committee should be paid for by the workers, not by management. If management is going to pay, management is going to have some say about what recommendations the workers' committee should or should not make or may well have some influence, and this isn't the idea of the Workers' Safety Committee. The idea of the Workers' Safety Committee is to have an objective view of working conditions down in the bowels of the earth, or on the top as the case might be.

The third point that I would like to make involves the mine rescue station. This worries me and I would ask the hon. minister to deal with this point, if he will, when he is closing the debate.

The act says that the management will establish a mine rescue station. At first I thought they were referring to a first aid station, but then I find that covered in another section. The mine management is asked to establish a mine rescue station. Now for years in this province, we have probably had one of the outstanding mine rescue works of any province in Canada operating under the Workers' Compensation Board with management and with the labour unions. It has been effective. Any time there has been an explosion, I haven't heard any complaint, even in the Nordegg explosion, about the speed with which these mine rescue people get to the place of the catastrophe, get down in there and really become effective.

Now, if we are going to ask mine management - I hope I am not misreading the act - if we are going to ask each mine's management to establish its own mine rescue station, we will weaken our position in regard to mine rescue work. The Workers' Compensation Board each year carries out a competition among the various mine rescue squads. It has been my pleasure to attend the competition many years, but last year in Drumheller they set up a model mine in the arena. They went through this mine after a catastrophe and everybody could watch and see every step they took; if they properly propped the roof; if they properly tested for poisonous gas. They had their canary along; they went through the exact procedure they would go through if they were trying to reach a catastrophe in a mine where the roof caved in, where poisonous gas had apparently killed several workers. This is good. The judges are there and they learn by doing this.

So I pay a very great tribute to the mine rescue work as carried out now, and I hope the hon. minister will say that this is not going to be done away with and replaced with each mine's management appointing its own mine rescue squad. Because if we do, then we are certainly weakening the position and reducing safety in our coal mining operations.

The fourth point I want to raise in connection with this is the employment age. Under the old Act, mine management could hire boys of 15, 16 for certain work outside, such as picking bones, doing work around the tippie that was not dangerous but which enabled boys who could no longer go to school, or found they were not adaptable to school, to get out and start on their careers as coal miners. Under the present act, this would be barred.

The old Act set out the ages at which a person could get a miner's certificate, a miner's permit, an electrician's certificate. This is carried into this act and that's good. But the bone-picker at the tippie could well be 16 or 15 years of age and do a perfectly good job in complete safety. Under this act, he is barred by legislation except for working in the office. Now there is very little office work around a coal mine that a 16 or 17 year old boy can do, maybe one or two jobs at the most in the large mines. But with these jobs of bone-picker and that type of work - on a tippie - a boy of 16 can very well carry out those duties.

I would like to see some exceptions made to this section of employment under Section 27, where persons under 17, say with the approval of the Department of Manpower and Labour, could be employed. I don't mind a safety feature in there to make sure that we're not going to capitalize or take advantage of youths, but at the same time I think they should have the opportunity to work because it is a good line of employment for some to follow.

The fifth point I want to deal with is the one that sets out that the legislation overrides any contract that conflicts with the act. This may be necessary. I don't know. I can't think of any particular circumstances where it is. But I would ask the hon. minister to deal with this point.

Again I think we are weakening contracts in this province if we are going to start changing them by legislation. If I make a contract with someone, surely the Legislature should not change the conditions of that contract. That should be done by negotiation. I don't like to see this type of legislation that can override contracts coming into our various pieces of legislation in this province. If there is some particular item that needs this type of legislation, then let's confine it to that, but let's not give this board authority to break any contract simply through the authority vested in it by this Legislature. I think that's going too far.

The sixth point is just a very small one connected with fatalities. I simply bring it to the attention of the minister, that under 48(1), the mine manager is required to notify the board at once in case somebody is killed in a mine. But it doesn't say what happens if the mine manager happens to be the one who is killed. I think there should be a regulation or some other feature showing who will act in case the mine manager - which many times is the case - is the one who is killed. Then, of course, the act is silent on who should then have the responsibility of notifying the board at once. It is important that that be done, otherwise the lives of others may be at stake.

The seventh and last point I want to deal with is that the bill is silent on many matters - completely silent on many matters that worry me. For instance, it is silent on the check weighman and the check measurer. Throughout the years the check weighman and the check measurer were hired by the employees. The check weighman is the man who weighs the coal and puts it on that man's bill. He gets paid for the amount of coal he has mined. The check measurer measures the coal for which a workman will be paid down in the face of the mine. Again, this is in the interest of the employees to pay those particular people. The act is silent on whether they are to be appointed and who is to pay them. I think this is an important matter to our coal miners.

The next matter is one that is important to people who aren't in coal mines, and that is the abandonment of mines. For many years our mine act was silent on the abandonment of mines, so we had mines closing up and leaving their underground workings in a deplorable state. So one year, two years, five years, seven years, sometimes as long as fifteen years afterwards, there are cave-ins. At least one boy I know lost his life in the Drumheller Valley because a mine did not properly close out its underground workings, a cave came and he fell in the cave, went down and, of course, was killed.

Then we got a section in the act that said a mine is responsible and it has to be inspected by the mine superintendent, who is then responsible to the minister, before clearance is given for abandoning a mine. This is serious. It's affecting property. Go to the Bankview district of Drumheller if you want to see what I mean. Even now, 20 and 30 years after the old Drumheller mine closed in that area, there are easements on the people's titles because when they buy their homes they have to know that there are underground workings underneath that may well cave in. And the responsibility is theirs. There is nothing they can do about it now. But there has been one place in the open area where you can see the cave-ins, where the workings of the mine were not properly looked after by the mine that went out of business and closed down. They took their profits and in some cases headed for Victoria where they continue to live in retirement. But the ill effects of abandoning a mine then had to be borne by the public treasurer.

In order to make things safe, eventually we got a section in The Coal Mines Regulation Act that made it possible for the Minister of Mines and Minerals to go in where the lives of innocent people were involved, to fill them up, to do the work that the coal operator should have done before he was ever permitted to leave the mine and abandon it. This act is silent on the abandonment of mines and I certainly hope there is some way of covering that.

I personally think it should be in the act. Maybe it's intended to do it by regulation, but important things like this, I think, should be in the act. These are not changing week by week. These are things that have to be pretty stable and things mine managers should know about before they are permitted to abandon a mine.

Another item that the bill is silent on is the plans of the mine. Every mine had to keep complete plans of the underground workings. I can't, for the life of me, feel that this is not going to continue to be done. Surely it will be done by regulation. But why shouldn't that be part of the act, where the mine operator is required to have plans and have them in his office and have them on display, so that if there is a fatality in any particular section of those underground workings that go for miles underground and in all directions underground, those plans should be in the office for immediate investigation. Should a mine superintendent or somebody from the department, or in this case the board, want to know exactly where certain things are happening, and should there be a catastrophe of some kind, then it becomes more important. The act is silent on that particular point.

One other point the act is silent on - I'm not too worried about this because I think probably building regulations will look after it - the old act required miners to have proper latrines, to have a proper wash house so the workers could wash. You know, it took the miners years and years of agitation before they were able to establish their point that they had to have a wash house, that no mine could operate without a wash house. So the miners when they came out could change their clothes, have a bath and put on their street clothes. This is now at every mine. You find the washroom and so on. I'm not too worried about that. If that is going to be covered by regulation, I'm not worried about it because really the only people involved are the workers and mine management, and mostly mine management.

Well, Mr. Speaker, there are those seven points I'd like to bring to the attention of the hon. minister. I certainly look forward to hearing the remarks he has to make on them during the closing of the debate.

MR. SPEAKER:

The hon. Member for Stony Plain followed by the hon. Member for Pincher Creek-Crowsnest.

MR. PURDY:

Thank you, Mr. Speaker. Just a few words on this Coal Mines Safety Act, as I come from a constituency which employs about 400 people in a strip mining operation. I think the features of the act are good and they cover a lot of the points that many of my constituents were wondering about. I've had the opportunity to discuss the act with a number of them.

I'd like to go into some of the points the hon. Member for Drumheller just elaborated on. One of them was, he was talking about the event of the death of a manager. If he'd refer back to The Coal Mines Safety Act, Section 19(3) covers that quite adequately where the assistant manager would then take over. It is right in the act.

He also elaborated on a couple of other points, the abandonment of mines. I think last year he was up in the House debating The Coal Conservation Act. If you refer back to The Coal Conservation Act, the abandonment of mines, the plans for these mine abandonments and the whole concept is under the particular Coal Conservation Act of 1973. So it's apparent to me the hon. member did not do all the homework he should have.

He did bring up one point which I questioned the minister on and that was the age of 17 in the mines. I believe that age 17 may be a good age to come up with for an underground operation, but in my constituency we employ about ten to fifteen young lads a year where their fathers do work in the mine on the strip mining operation. And if the age 17 is for the entire mine operation, I can see these lads not being employed during the summertime. Maybe the minister can elaborate on that when he closes debate on the bill - if it will hinder; if it is just for underground mining or just for strip mining or whatever it is. I would hope it is not for strip mining; that we could employ these young lads in the shops on maintenance and so on.

These are about the only points I wanted to [make] on this act, Mr. Speaker. I think it is good. It gets away from the old Act we had which was fairly large with about 300 and some sections in it. It gets away from a lot of the old terms that are not much good to the modern-day mining techniques and so on.

Thank you.

MR. DRAIN:

Well, Mr. Speaker, it gives me great pleasure to congratulate the minister on introducing Bill No. 45, The Coal Mines Safety Act. I have in front of me the former Act and it certainly was a very comprehensive document that covered just about everything you can encounter underground. The last time I read it I was 18 years of age - which was a couple of days ago now - maybe three, four, yeah.

I would say that certainly the details are not in the act as I see it here before me, and probably because coal mining has changed so much. Three-quarters of the sections in this particular Act, the original Act, are now obsolete. The methods of coal mining which are talked about here; main and tail haulage, pillaring rooms, cross-cuts, check weighing and all these things - the movement of air and the type of timbering - all of these have now changed because you now use the mechanical coal cutters. You don't use diesel locomotives underground. You don't use horses, so the provision about keeping the horses downwind from the men when they eat lunch is no longer relevant, which is an important thing.

[Laughter]

Although certainly I - riding up on a bus I ran into an old friend of mine today whom I worked with in Greenhill in 1937. He was a rope cutter. I don't suppose anybody would know or care to know what a rope cutter was. But he certainly was one of the best in the country.

AN HON. MEMBER:

I do. What's a rope cutter?

MR. DRAIN:

So we did a review and a rerun on everything that ever occurred, and every wreck where everyone was bumped off, and the gas and so on. I would say, probably no one has in reality acknowledged the efforts of the coal mining industry to make the operation safe. And this can go back a long time in mining. It can go back to the time when I worked underground. If there is any industry - and I have been around and in many - that was as dedicated to safety as the mining industry, I am not aware of it, Mr. Speaker. When you went underground - of course, these were big mines and employed several hundred people - it was equivalent to being in the army. The rules were there and if you offended, you suffered very grievously - in those days you could even punish people by

telling them to stay home for a day. Now the problem is to tell them to stay in for a day so they will do a day's work. So times change and the people get better.

From the standpoint of first aid, probably in the mining industry even today there are more people with first aid certificates than any other industry in the province of Alberta. And the reason is probably because you need them. The accident rate is not all that good, and it probably never will be. When you are working with the vagaries of nature - the gas pockets, different changes in strata where you will have a solid roof and you can move in a little further and find a completely different working condition - the supervision in the underground mines in relation to safety, I would say, is about as comprehensive as possible. The management personnel - that is what they called in the old Act the competent people who are holders of first, second or third class certificates under the meaning of the mines act - are required to have weekly safety sessions, required to assess the reasons for any accident that did occur and required to evaluate and recommend any means possible to overcome the hazard.

The problem today in the mining industry is that there is a constant influx and outgo of people. People generally reject the role of working in a coal mine. They go and come. The consequences are, of course, that you are constantly bringing new men in. The operation now does not require the muscle or the astuteness that was required of the old-time coal miners where you could do so many things with coal. For instance, you could short-circuit the air and let the gas accumulate in order to let the coal push out from the working face so you wouldn't have to dig it. Of course, all this was illegal. And then the days when they would smuggle in dynamite, 90 per cent, and load the holes with that. The fireboss would come in and load a few more behind that, and he'd comment, my, those were wonderful shots.

These things are not necessary any more because all of the coal is pretty well, in my area anyway, dug with mechanical cutters. Timber is no longer set, so there is no longer the lifting and heaving. You put roof bolts in and hope that you've hit a solid structure up above. You never know. The disadvantages, of course, are that there is no warning with the metal roof bolts, whereas with the old wooden timber you could watch them crush and creak before your eyes, and when they started to creak, creak, creak too often, you could always back up. But the steel roof bolts unfortunately have a habit of just taking the pressure and letting go.

Another difficulty, of course, with the mechanical mining is the holding of the high side ribs because there is just no way you can keep up with your timbering and still cut coal.

So as I see this, I see this particular Bill No. 45 as a foundation on which a new set of regulations [can be built] which will be compatible with the conditions of mining that we are faced with today - the new, sophisticated type of mining which makes nearly all of this old Act obsolete - making this the building block for the regulations to fit the circumstances we will have in the future.

I am pleased to see - as I understand this particular act - the necessity of even a mine manager having to spend two years or so at a working face before he becomes a manager. I am very happy to think this is going to be retained.

In relation to the age of 17 - when I started working around the mine at 16 it seemed a long, long time before 17 finally showed up. But even at that time, a trapper could go inside and trap. That was permitted. And so I think that is all to the good.

Inspection committees in our area have always been paid by the company. They were selected by the unions and have always been paid - at least in the Crowsnest Pass, they are picked by the unions.

In relation to the matter of enforcing inspection procedure - anyone who has had anything to do with the miners' union will find they are not gentle or bashful when it comes to the matter of reinforcing safety regulations.

I am pleased about the remarks in this particular legislation which indicate that the rehabilitation procedures will be carried out and that the energy board will be notified and they have to grant permission for the abandonment and rehabilitation of any mining property.

Thank you.

MR. SPEAKER:

May the hon. minister close the debate?

HON. MEMBERS:

Agreed.

MR. DICKIE:

Mr. Speaker, in closing the debate I just have one or two brief observations, first, from the hon. Member for Drumheller - and I welcome those observations on the seven points he has raised. I think many of them deal specifically with sections of the act. We have had extensive discussions with industry and with labour organizations on some of these various points, and I think it would be better if we dealt with them in committee so some of the points could be discussed back and forth and we could point out both points of view. Then the hon. member, I think, would be satisfied with some of the points raised.

Certainly the hon. Member for Stony Plain has done some homework and brought to my attention some of the concerns from his constituency dealing with this very important act.

I was pleased to listen to the hon. Member for Pincher Creek-Crowsnest summarize it, because he really hit the nail on the head when he said, really what we're doing is updating it, doing away with the question of horses and so forth. I just had to be reminded that one of the other points we didn't raise and hasn't been raised in the debate which I think members should be aware of, is to do away with any discrimination and conflict that might take place with the human rights legislation. I'm referring particularly to women in mines. Of course, this is where the new act is designed to overcome any discrimination of that nature.

I think hon. members will recall that most of the miners have a little superstition about women going down mines, and I recall an incident when the hon. Member for Edmonton Norwood, Catherine Chichak, joined us on a trip to examine some of the problems in Grande Cache and there was some reluctance about her going down the mine. The mine manager at that time had been in the business for some 34 years and had never had an occasion when a woman had gone down the mine, but after some discussion the hon. Member for Edmonton Norwood decided she'd like to go down, and went down. When we came up from the mine everyone was black, and of course there was only one set of washrooms. I think it should be known we suggested that she could join us in becoming a woman streaker - to get clean after visiting the coal mine. She unfortunately declined our offer but we were able to arrange some way she could take the coal dust off before she returned to the city of Edmonton. I mention that just as an illustration of what perhaps may happen as a result of this new updating of The Coal Mines Safety Act. More women might become interested or involved now in coal mine safety and the acts themselves. I see in Drumheller they are really advertising now to take people down mines, to give them some idea of what it looks like, and I notice there is no restriction on women.

So, Mr. Speaker, with those preliminary observations and with the thought that we will have some further discussion on it when we do come into committee stage, I will move second reading of Bill No. 45.

[The motion was carried. Bill No. 45 was read a second time.]

Bill No. 48 The Improvement Districts Amendment Act, 1974

MR. MOORE:

Mr. Speaker, I move second reading of Bill No. 48, being The Improvement Districts Amendment Act, 1974.

Mr. Speaker, as many hon. members would be aware, The Improvement Districts Act, which outlines those things which might be done by the Minister of Municipal Affairs in an improvement district, is considerably shorter and not as broad in scope as The Municipal Government Act. Traditionally over the years, Mr. Speaker, people who have been looking at The Improvement Districts Act and determining the powers which may accrue to the Minister of Municipal Affairs under that Act have taken the view that it's not possible for the minister to do anything within an improvement district in the way of services, unless it is specifically provided for in the Act. This amendment, Mr. Speaker, simply allows the Minister of Municipal Affairs to do anything in an improvement district which might be done by a council of a municipality by passing a by-law or resolution.

There are a number of examples, Mr. Speaker, which one might raise with respect to the reasons for this amendment. One that comes to my mind almost immediately is the provision of cooperation between various municipalities or authorities with regard to provision of preventive social service boards. Under the existing Act, it is a possibility that the minister may enter into agreements with other municipalities, but if the minister, in fact, wishes to enter into an agreement on behalf of the residents of an improvement district with an Indian band, it is not covered under the Act as it presently reads.

So in order to resolve the situation of having to come yearly, or more often than yearly, to the Legislature for requests and changes in The Improvement Districts Act which would allow the minister to do those things which are currently done in a municipality by

the passing of a by-law or resolution, this act proposes an amendment which will allow the minister to provide those kinds of services without having to revert to continual amendment of the Act.

MR. STROM:

Mr. Speaker, I'm pleased to be able to get up in my place today and just make a few comments on this bill. First, I would like to say I am not opposed to granting more powers to improvement districts or to the minister on behalf of improvement districts. Having said that, I would like to remind the House we have come a long way in providing autonomy for the improvement districts. As a matter of fact, I can recall when improvement districts were very much in the dark as to how the business was conducted in regard to municipal affairs within their own area. We have changed it to the extent that now they are able to have, for all intents and purposes, the equivalent of a council. They are very much in tune with what is happening within the area and are able to exercise a great deal of influence in the operation of the improvement district.

It seems to me that the government should give very serious consideration to where the demarcation line is, as far as an improvement district continuing to be an improvement district, and when they would be transferred to full municipal status. At this point I want to make it very clear, Mr. Speaker, that I'm not advocating they be forced into municipal status. All I'm saying is that I think each time we make a change, it becomes more important that there be some very clear understanding as to where the line is. So I would ask the mover of the bill, in his discussions with the minister, to have that as one of the points they would give very close consideration to, because I feel we are rapidly approaching the position where an improvement district is really nothing different from a municipal district, except in that they may be getting more help than the municipal district is. I suggest that the approach taken has clearly brought to them a great deal of autonomy and has given them an ability to have a voice in the operation. Now maybe we ought to be looking at where the next move that we want to make is and should we be giving consideration to giving them municipal status, rather than referring to them as improvement districts?

MR. SPEAKER:

Would all those in favour of the motion for second reading of Bill No. ...

MR. MOORE:

Mr. Speaker ...

MR. SPEAKER:

May the hon. member conclude the debate?

HON. MEMBERS:

Agreed.

MR. MOORE:

Mr. Speaker, I just wanted to close the debate by saying a word or two with regard to the points raised by the hon. member, Mr. Strom. First of all, I've been aware of and involved in the idea of improvement district advisory boards for a number of years and I certainly would commend the previous government for instituting that idea that there should be, within an improvement district, responsible people who are elected to serve in an advisory capacity to the Minister of Municipal Affairs.

During the course of the last several years, and certainly during the last two years, the stature and manner in which the improvement district advisory boards have been operating has been greatly increased. I think it is fair to say that they now have a certain amount of authority - not perhaps authority, but at least their views are taken into consideration much more than they were during the early years when they were first established with regard to levying mill rates, with regard to road construction and a variety of other services which are performed either by the Department of Highways or the Department of Municipal Affairs.

My own thought with regard to how, in fact, improvement districts might achieve municipal status is not by coming along some day and saying to them, we are going to have a vote and you are going to either vote for municipal status or against it and remain as an improvement district. Rather, I think we should follow on the course that we have been on for some time, and we should speed up that process whereby we give improvement district advisory boards a greater degree of responsibility as each year goes by, so that ultimately they are taking very close, if not the same, responsibility as a municipal council might take in regard to the tax funds that are being spent in that municipality.

The other thing I think we should do, and I believe we are moving on that course too, is look at the various improvement districts throughout this province and say to ourselves that we ought to have a plan, whether it be five years or ten years away, whereby we would upgrade the district roads and the other services that people have become accustomed to expect these days to a situation where they could, in five or ten or fifty years - whatever it takes - become a municipal district without any unduly upsetting problems within the community. By that, I mean if you ask people to vote for a municipal district when they know that the mill rate is going to be raised from 55 mills to 85 mills in one year, I don't think you can expect that they would accept that kind of thing.

Now in that regard, we took some very important steps in the past couple of years. Certainly the changes in the municipal grant structure wherein municipalities, including improvement districts, are awarded municipal grants on the basis of need rather than on basis of population or some other figure that really doesn't relate to their need, has been a step in providing improvement districts with the funds that would be required for them to become full-fledged municipal districts.

I think just in closing, Mr. Speaker, I could say that the present government is working in the direction of having all residents in this province, where possible, in a situation where they can have some say in their own local affairs and govern themselves locally. And I'm sure that in due course that will be a reality in many areas which are now governed by the Minister of Municipal Affairs.

[The motion was carried. Bill No. 48 was read a second time.]

Bill No. 49

The Electric Power and Pipe Line Assessment Amendment Act, 1974

MR. ZANDER:

Mr. Speaker, I move second reading of Bill No. 49, The Electric Power and Pipe Line Assessment Amendment Act, 1974.

This bill deals in two or three parts which in one part removes part of the assessment from The Municipal Assessment Act, and I believe, Mr. Speaker, it takes some explanation why this is being done.

In the past, the municipal assessor in some cases had to report the assessment of the wellhead structure, in the case of a well site, and the land, if it was situated on Crown land, and the municipal assessment branch assessors assessed the down hole pipe, the casing on an oil well or a gas well. Consequently to consolidate, in most cases two to three tax notices and assessment notices were issued to the same company.

Now under the structure of the new act, the assessor of the municipality will assess the structure above surface and the well site itself, report it to the assessment branch which will consolidate it and issue one assessment and only one tax notice will be required. This is why that part of the removal of the assessment act from the municipal act is now transferred to The Electric Power and Pipe Line Assessment Amendment Act. I think it is a wise move because it certainly consolidates the amount of paperwork that has to be done in obtaining a proper assessment.

The other parts, Mr. Speaker, dealing with cable TV, and probably that in some cases in a city building owned by an apartment block, the internal wiring is also owned by the cable company. In some cases it is not; the cable company owns the line only up to the building and, in other words, the owner of the building would, in some cases, also own the internal wiring. This will give us an assessment whereby the assessor will assess the cable if it is to be strictly owned by the company and not within the building, there will be two assessments. One will be assessed with the building and the other one will be assessed as far as the cable company is concerned.

Primarily, Mr. Speaker, this bill deals also with the removal of assessment of pollution control equipment. As we are all aware, the exemption was removed from gas plants a couple of years ago. There were other pollution control devices and other machinery which were exempt from taxation and I am thinking primarily of those in the other industries such as cement plants, et cetera. These will now be assessed on tax to make the assessment uniform with all other industries within the province.

And, of course, lastly, Mr. Speaker, in dealing with the exemption of co-op and rural gas lines in the province of Alberta, it has been found necessary that in the smaller hamlets that now have gas, or will be receiving gas, and in the smaller villages with a population figure to be established by regulation, these lines will be exempt. The utility company will be able to enter into an agreement with the village in this case on a special agreement whereby they pay a grant in lieu of taxes of what they would normally receive, and thereby remove the small amounts that are available. In most cases, Mr.



Speaker, it really didn't amount to much revenue, only about \$200 or \$300 to the village. This way I don't think the assessment is quite necessary. It will all come out whereby the utility company and the smaller villages, and I'm thinking primarily of those that have 200 or 300 people, are not able to hire an assessor and will enter into agreements with the utility company on a basis where they will receive a grant in lieu of taxes and will not have to go and assess it because actually, if they had to go out and assess it, the cost would be greater in assessing it than what they would receive.

I think, Mr. Speaker, this is about all it has to deal with, and I think probably we can deal with the balance of the act when it comes through in the clause-by-clause study of the bill.

MR. SPEAKER:

Are you ready for the question?

MR. FARRAN:

Mr. Speaker, I would just like to say a few words on the importance of this act to Alberta's rural gas plan, and to congratulate the hon. Member for Drayton Valley on his solution of what was a continuing problem with the rural gas co-ops. And I refer, in particular, to Section 3 which is aimed at exempting from assessment in their entirety the rural gas distribution systems.

Previously only the portions within a municipality that actually owned a pipeline system or works were exempt from taxation. Now the wording is "pipe lines and works and transmission lines owned or operated by a municipality;" will be exempt. This will allow such situations as the Town of Smoky Lake to supply natural gas to the surrounding county and still be exempt from assessment.

Under Section 3(b), all "pipe lines and works and transmission lines owned or operated by an association (as defined in The Co-operative Associations Act) ..." will be exempt.

Under Section 3(c) "any part of a gas distribution system ..." will be exempt insofar as its supplied customers reside in a county, municipal district, ID or special area, but it will exclude those parts located in an urban community, and the size of an urban community will be defined in the regulations.

The intent here is that there should be no loss of the old assessment exemption from utility-owned lines merely because they may primarily serve an urban area. However, the private utilities would still be taxable by the local authority in urban communities above the maximum population figure described in the regulations, which is sometimes referred to as a franchise tax, sometimes as an aspect of property tax. If the village, town or city actually owns or operates the system itself then it is exempt from taxation.

This is a very important improvement in the assessment picture for rural gas planning.

[The motion was carried. Bill No. 49 was read a second time.]

Bill No. 50  
The Municipal Statutes Amendment Act, 1974

MR. DOAN:

Mr. Speaker, I move second reading of Bill No. 50, The Municipal Statutes Amendment Act, 1974.

Mr. Speaker, this brings up-to-date all amendments that affect five different municipal acts. The first it deals with is The Municipal and Provincial Properties Valuation Act. Looking at Section 3, this section is amended in keeping with the removal from assessment exemption of pollution control equipment under The Municipal Taxation Act, similar consideration should be given to valuation prepared under this Act.

Mr. Speaker, the whole of Section 4 is rewritten to authorize the making of a valuation of property in respect of which the Provincial Treasurer may pay grants equivalent to the municipal portion of taxes that would otherwise be imposed on land and buildings used by the government for residential purposes in connection with its academic, trade, forestry or agricultural schools. This amendment will place provincially owned residential property in the same category as that of a similar nature owned by the university commissions or college boards, and will authorize the making of a valuation of real property in respect of which the Provincial Treasurer may pay grants in lieu of taxes on such property owned by the Crown while situated in a city, a town, a village or summer village, and will remove the present obligation on the Provincial Treasurer to pay grants in lieu of taxes in respect of unoccupied real property situated in rural municipalities.

Mr. Speaker, this amendment will remove an exemption for Crown-owned pollution control equipment under The Municipal Taxation Act.

Mr. Speaker, in Section 5(1) and (1)(a), this amendment will authorize the making of an assessment for business purposes of any premises occupied by the Alberta Housing Corporation, the same as the Alberta Liquor Control Board.

In Section 6(1), Mr. Speaker, the purpose of this amendment is first to bring the end of the valuation year into line with The Municipal Taxation Act. The change, of course, is from October 31 to December 31. Second, it is to ensure that all properties mentioned in this section, other than land and buildings owned by the Alberta Government Telephones Commission, are assessed, whether used in communication systems or otherwise.

In Section 7, Mr. Speaker, this section has been rewritten to clarify the procedure now being employed.

In Section 8(1), the purpose of this amendment is to provide that the valuation of exempt property shall be prepared on the date, the same as that on which the assessment of assessable property must be completed. This is similar, I presume, to that referred to in Section 6 - October 31 to December 31.

Mr. Speaker, Section 10 in this amendment provides for the inclusion of the Alberta Housing Act for the purpose of paying grants to municipalities.

Mr. Speaker, the next Act we will deal with is The Municipalities Assessment and Equalization Act. It is amended and will change Chapter 252 of the Revised Statutes.

In Section (2)(a) to remove reference to two specific regulations and to therefore allow new regulations to be made as necessary and in (b) to make it clear that supplementary assessments are to be included in the equalized assessment.

Section 14, Mr. Speaker, is to permit enlargement of equalization boards from three to five.

Section 16 is amended to validate the action of the person acting as the chairman.

In Section 18 appointment of a board secretary and other officers and use of the departmental employees by the board, in Section 18(1), Mr. Speaker, there is a small change in the latest printing of this act. [Clause] (a) now reads, to confer powers of inspection on [the] board to "enter upon and inspect any land or property during daylight hours and upon reasonable notice to the occupant thereof."

Section 21 is amended to require municipal assessors to provide information to the board.

Section 29, Mr. Speaker, on page 6 is to authorize the minister to establish standards and methods for the purpose of equalized assessment. We might add here, Mr. Speaker, there were no resolutions from the AUMA or the AAMD & C that affect The Municipalities Assessment and Equalization Act.

The next act is The Municipal Taxation Act. This will amend Chapter 250 of the Revised Statutes 1970. Section 4, Mr. Speaker, is amended to clarify the intent of the present section and to ensure the exemption, if granted, is in the general public interest, such as non-profit organizations, charitable [organizations] and churches of benefit or public interest.

Section 11, Mr. Speaker, clarifies the situation where the Lieutenant Governor in Council grants or refuses an exemption. It will not be necessary that an order in council be issued to refuse exemption. The absence of its issuance is deemed to be a refusal.

In Section 12 as amended, in (a) and (b) the words "and taxation" are deleted. They are superfluous as property cannot be taxed unless it is assessed, and (c) is to authorize partial exemption from taxation for a specific purpose.

Section 13, Mr. Speaker, is amended to prohibit the assessment of a property exempted from assessment by Section 25 of The Municipal Taxation Act by a municipality which passes by by-law pursuant to Section 13 of The Municipal Taxation Exemption Act. This latter section now permits a municipality to levy for "municipal" purposes only - notwithstanding general exemption of a property, for example a senior citizen's home where the municipality may if it so wishes, levy a municipal tax by by-law.

Mr. Speaker, we now deal with The Municipal Taxation Act and this will amend Chapter 251 of the Revised Statutes. In Section 2, Clauses 11 and 11.1 are amended to include within the definition of farm land and farm buildings the growing of trees and shrubs for transplanting.

In Section 17, Mr. Speaker, Subsection (5) is struck out and substituted by a new subsection which would restrain the municipal assessor from picking up the value of property exempt from assessment under The Electric Power and Pipe Line Assessment Act and including it in the assessment of the franchise.

Section 18, Mr. Speaker, is to ensure that the "leasehold interest" of a person in Crown land is assessable to the lessee as if he were the owner. We assume leasehold interests include licensees and permittee.

Section 24 is to broaden the definition of "grain" to ensure that cereal grain, forage seed or oil seed is included.

In Section 25, Mr. Speaker, (a) is to make it clear that water and sewer systems while owned by a municipality are exempt from assessment, and (b) is to restrict from assessment land and buildings owned by a school division or district unless they are used for non-school purposes. It puts school authorities on the same status of exemption as municipalities. This was agreed to in a resolution that came in from the AUMA in 1972.

Clause (c) restricts exemption of church land to one parcel on which the church sits. In other words, it does not include the residence.

Clause (d) provides that only places of worship owned by a religious body are exempt from assessment and taxation. The purpose is to prevent funeral homes from gaining exemption on their chapels which form part of their business building.

Mr. Speaker, in Section 25, Clause 26 is amended to exempt from assessment and taxation a waterworks system when owned and operated by persons or private corporations so long as the system is used primarily for domestic water supply. I should add here that the intention of this amendment is to make all waterworks systems whether owned by municipalities or private organizations exempt from assessment, and by doing this the consumers who are in a municipality would be receiving water services through a private organization and will now be treated in like manner.

Mr. Speaker, Section 25, Subsection (1) is amended by adding a new clause 29, and this is on page 13 of the act, to prevent the municipal assessor from assessing the metering and regulating system of a pipeline that is otherwise exempt under The Electric Power and Pipe Line Assessment Act.

Section 26 is self-explanatory.

Section 36 advances the date by which the assessment roll is to be prepared, complementary to the advancement from October 31 to December 31 of time by which the assessor prepares his assessment.

Section 41 is to change to January 15, the assessment roll.

Section 83, Mr. Speaker, is to allow for the separate assessment of each type of business in any case where more than one class of business is conducted on the same premises.

Section 93 is amended to clarify that where a residence is part only of a building, the assessment and tax of the residence shall consist of the residential portion plus the proportionate share of the land assessment. Note that this is important in application of The Alberta Property Tax Reduction Act.

Section 97, Mr. Speaker, where a parcel of land to be amended is of odd shape, to ensure equity in the application of special and maintenance taxes on a "frontage" tax basis, "assessable" frontages hence are established which may not be the actual "lineal" frontage, hence the term assessable should be used. What they are referring to here is a piece of land that possibly is of an odd shape - a triangular or heart-shaped piece on a corner - and so the lineal frontage isn't actually the measurement.

Section 99, Mr. Speaker, is a repetition of this as in Section 97.

The next one or two pages are mostly explanation in the act.

We come to Section 149. This amendment will permit construction of new storm sewer mains as well as sanitary sewer and water mains in an area where new development would overtax the existing storm sewer main capacity, and to provide for the levying of a charge against the new development for such construction.

Mr. Speaker, we now come to the last tax act to be amended and that is The Tax Recovery Act. Here we have only the one change. In Section 29 the amendment updates references to The Surface Rights Act that were omitted at the time of the enactment of that Act in 1972. Now, under the right of entry where an operator has the right to remove

minerals, this is amended by striking out the words "under The Right of Entry Arbitration Act", which has been repealed, and substituting the words "under the Surface Rights Act".

[The motion was carried. Bill No. 50 was read a second time.]

MR. HYNDMAN:

Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into Committee of the Whole to study certain bills on the Order Paper.

[The motion was carried.]

[Mr. Speaker left the Chair.]

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COMMITTEE OF THE WHOLE

[Mr. Appleby in the Chair]

MR. DEPUTY CHAIRMAN:

The Committee of the Whole will come to order.

Bill No. 4

The Agricultural Development Amendment Act, 1974

MR. STROM:

Mr. Chairman, I wonder if I might ask the hon. minister a question. Do the grants - I shouldn't call them grants - should the loans that are made available to young farmers to start farming, are they considered as 100 per cent of requirement or what are the criteria related to that loan?

DR. HORNER:

In the young farmer program or the developing farmer program, we can, under the present program which has been announced, finance up to 100 per cent. The guidelines or the criteria to get that kind of financing are experience and/or education, at least three years of either one or the other. We initially started out with a firm sort of age line and we always get into trouble with that so we have taken that off.

MR. STROM:

... [inaudible] ...

DR. HORNER:

Well, more or less, anyone over 30 can still qualify provided - and there's where we use the judgment of our field people and the board as to whether or not they should qualify under the beginning farmer program.

MR. STROM:

Mr. Chairman, could the minister tell us then whether or not, if it's over the age 30, does it apply to someone who has been in agriculture on a continuing basis? Then also, if he might reply to the matter of where there is a 100 per cent loan made, when would they start making repayments on that loan? Is there a period of time that is allowed for them to become established? Could we have some information on that?

DR. HORNER:

Yes, Mr. Chairman, if I could answer. We've removed the firm, rigid guideline of age 30 by such and such a date and said to our credit advisors in the field, ordinarily if they're under 30, go ahead with the application; if they're over 30, use your judgement in relation to whether or not they, in fact, should qualify as beginning farmers. That's just to give us some flexibility and to prevent somebody's birthday preventing him from taking advantage of the situation.

The question of the 100 per cent financing, the program provides that they accept the supervision and indeed perhaps additional courses as they go along. There are certain advantages for them to do so because we will postpone repayment for a period of up to two years, again, in a flexible program, to get them established. As I'm sure the hon. member is aware, this program is new; it's just coming in. But already we have had a tremendous response particularly from young people who want to start farming.

MR. BARTON:

Could I ask one question, how are the applications coming? Have you got a specific time period that you are aiming for to process these?

DR. HORNER:

No, they are on a continuing basis. I can say to the committee that the initial 10 under the beginning farm program were approved last week but it's on a continuing basis.

MR. NOTLEY:

Mr. Chairman, I just wondered if I could ask a question about the credit advisors to the minister. Is there an ongoing training program as far as the credit advisors are concerned? Because I had occasion to chat with one of them last summer. He was, without giving away too many secrets, a little concerned that he was put out without perhaps the backup knowledge that he needed. I wondered if there was any in-service training program?

DR. HORNER:

That's an ongoing thing all the time, Mr. Chairman. We have attempted not only insofar as credit advice is concerned, but to tie it in to the entire extension program of the department which I consider to be very important indeed. I think that the number of new and different programs that ADC has introduced sometimes leave some of my credit advisors a little bit behind but I am hoping they are catching up rather quickly.

MR. NOTLEY:

Mr. Chairman, if I could. There is an ongoing program for them.

The question I would add as a supplementary, I know that the DAs are extremely busy as a result of these various programs. It seems to me there is a danger that the other extension work of the DAs is going to be - not shuffled off to the side - but at least snowed under in the tremendous work involved in the processing of loans. Now I realize that that is a more acute problem in the northern part of the province this winter because of the snowed-under crop loan applications, and I know the DAs in the north have been extremely busy with them. I am just wondering what the government foresees in terms of the time the DAs should be spending on working with the ADC on loan applications?

DR. HORNER:

Well, Mr. Chairman, it has been my view for some time that the role of the DA should be changed somewhat and we've attempted to do this. We've made them more involved in all facets, not only in the credit facet but indeed in the sociological facets of their communities and I really don't make any apology for that. I think to be an effective working member of the community and to be effective in the extension area in agriculture, he has to have and be involved in the credit facilities that might be available. We appreciate that they've worked very hard in the past year, particularly in some areas. Quite frankly, I think that's part of their job and I would expect them to continue working hard.

MR. R. SPEAKER:

My question is on the DA ...

MR. DEPUTY CHAIRMAN:

Supplementary?

MR. R. SPEAKER:

Yes.

MR. DEPUTY CHAIRMAN:

Go ahead.

MR. R. SPEAKER:

How do you distinguish the responsibilities between the District Agriculturist and say, the Lethbridge regional office and then the central office at Camrose? For example, is there is an overlap of responsibilities and are judgments being made on the same thing? If so, I think we should look at possibly a delay in processing the application if it does happen that way.

DR. HORNER:

Well, one of the things we have been trying to get rid of, Mr. Chairman, is the delay in processing the applications. Quite frankly, the guidelines are that the initial contact is through the DA, the initial application forms are filled out and then the credit advisor is called in to assist. If it's a complicated one, and it might well be, then I think additional regional people might be involved in the application. Once it's down to where they think it is a reasonable application, it is sent on to Camrose. We're down now to once the application arrives in Camrose, it is dealt with in a matter of days, three weeks at the most.

MR. RUSTE:

Mr. Chairman, to the minister. Has any assessment been made, by the department, of the increase of land prices, I mean as we are going along. This is tied in, I think, to the availability of credit.

Secondly is the matter of forms that these people in the various types of programs use to make application. Can we have copies of those for our information?

DR. HORNER:

Well, of course copies of the forms are available. Call in at your DA or I'll get them for you.

In relation to the question - I'm sorry, it just slipped my mind. The first question ...

MR. RUSTE:

The increase in prices of land.

DR. HORNER:

Oh, yes, land prices. I've been meaning to make some comment about that for some time. In my view, land prices have to be related to two things, their productive capacity and their market value. Quite frankly, I think if we have a look at land prices in other areas of the world that have the productive capacity that we have in Alberta, you will find that our land, in fact, is perhaps undervalued.

The demand, of course, or the availability of credit has always had an effect on land prices. Certainly the combined effect of both ADC and the farm credit corporation on land prices, particularly in certain areas, has been to force them upward. Whether that is a good or a bad thing is a matter, I think, of opinion. My own view, as long as it's in a reasonable way, is that in fact it is not a bad thing for the agricultural industry.

MR. DRAIN:

Mr. Chairman, I assume that this 100 per cent financing is related to what the minister conceives of as a potential shortage of young people entering agriculture - and in order to overcome that, which is probably good.

Then a thought that crossed my mind was the part of Dr. Worth's report on education in which he referred to a heritage payment which said that, in fact, people should be treated on some sort of equal basis. So in reality, a person who has the benefit of a considerable amount of education at the taxpayer's expense is in reality subsidized, whereas you could say the case of the young farmers is a case of an indirect subsidy.

There are also many other interesting endeavours. If it was looked at from the basis of a heritage payment, you could probably develop quite a large entrepreneurial class of young people in the province of Alberta which might be slightly beyond the purview of this particular Bill No. 4. But nevertheless [it is] a thought that I want to expound, like someone casting seeds upon the wilderness and hoping that some of them will grow, because it gives a fundamental basis for a lot of young people to develop in a manner in which they should.

DR. HORNER:

Well, Mr. Chairman, I can say to the hon. member, we've caught the pea.

MR. R. SPEAKER:

Mr. Chairman, my question is with regard to - I understand that when a person makes application for funds to the Agricultural Development Corporation, the corporation requests the purchaser and the vendor to establish a 90-day minimum agreement. What is the responsibility of the Agricultural Development Corporation to act within that 90 days, and if they don't, what responsibilities are they prepared to take?

DR. HORNER:

Surely, Mr. Chairman, this is a business arrangement between a vendor and a purchaser. What we have said is, at least get a 90-day option if you like. The only ones that will take longer than that are those which are extremely complicated and either the vendor or the purchaser hasn't provided all the necessary information, within the required time.

We are, at the moment, doing a review of our legal procedures in the corporation to try to make sure that those are as smooth and up-to-date as possible. But quite frankly I don't see any commitment on the ADC if that 90-day agreement isn't long enough. I simply say then to the purchaser that he should have negotiated a longer option. It's a business agreement and quite frankly, insofar as the beginning farmer program is concerned, I would expect these young people to have some knowledge of business agreements and be willing and able to follow up their applications instead of just putting it in and sitting on it. Indeed sometimes we have had to wait for - I've gone back on complaints and found that additional information was requested of the applicant and it never came forward. Then they wondered why it was delayed.

Frankly I think we have been trying to treat everybody as fairly as possible, to give as good and efficient a service as possible and to do it with the general objectives of the Act in mind.

MR. R. SPEAKER:

I have an example that is in the courts at the present time, where the deadline date was July 10 and the loan came through on July 12. I was wondering, are you asking the corporation to give priority to that kind of application where there are deadline dates? For example, I have two or three in my constituency now that are May 1, and the purchase price from the vendor is at a much lower price than it would be at the present time because of inflation, et cetera. I've one that's been with the corporation since February, one that I've had to move through the secondary stage of the corporation is just at Camrose, and I'm very ...

DR. HORNER:

[Inaudible]

MR. R. SPEAKER:

... yes - I'm sure this one will, but I want to assure that other ones have some kind of priority consideration so that two-day or three-day miss doesn't occur again, because to the young fellows who have it in court at the present time, it's costing them hundreds of dollars. There is no assurance that they are even going to get the land and they've lost many dollars in last year's agreement.

DR. HORNER:

Well, I can appreciate that very much in an individual case and I'm extremely concerned about that individual case, whatever it may be. But I want to say again, I would hope that our people, once we've got the kinks out of this thing, would appreciate that this has to be a business arrangement. They have to carry their own ball and they have to respond when the corporation asks for additional information, because in a great many cases that additional information is as much benefit towards the applicant as it is to the corporation, in knowing where they are going in a farming enterprise.

I'm quite willing to have a look, because if it was, and can be shown it was, the fault of the corporation in relation to one of these cases, we'll have a look at it.

But I simply say, and would ask all members to advise their people that they can't just put in an application, they have to follow it through. They have to follow it through their credit adviser, and provide the information he requires right down the line. Our block now is not in the head office in Camrose, we're dealing with those effectively within a very short period of time; it's in the field where we are not getting all the information that we should, initially, and then it's taking time to get that information.

MR. R. SPEAKER:

Mr. Chairman, just as a comment - and I appreciate what the minister says, I certainly agree with the management aspect and certainly agree that there was a lot of difficulty last year.

In the case I am referring to, there was a reference from the corporation indicating that by July 10 all the arrangements would be finalized. The young fellows also hired a lawyer to make sure that their management ends were looked after and it was very unfortunate that this two-day miss has cost them many, many dollars.

DR. HORNER:

... [Inaudible] ... are looked after ...

MR. LUDWIG:

Mr. Chairman, I would like to ask the hon. minister if he could advise us what are the restrictions on assignments and transfers after the first person gets his loan? I'm not certain as to the mechanics of getting a loan, but I understand there are some qualifications required.

If, for instance, someone gets a \$50,000 loan to purchase land, and three months later wants to sell out and assign his agreement or mortgage, whatever he gets, are there any restrictions at all as to the person who may purchase, by way of transfer or assignment of the interest as to the agreement with the government under the loan.

DR. HORNER:

Perhaps the hon. member isn't aware that we've gone over to a system similar to FCC's in a straight mortgage arrangement rather than an agreement for sale. Those former agreements for sale have now been paid up, to again try to make it a more businesslike proposition down the road. Is that what you are enquiring about?

MR. LUDWIG:

Yes.

DR. HORNER:

It's a straight mortgage arrangement similar to FCC's.

MR. LUDWIG:

So that if the mortgager owes the fund \$50,000, there is no restriction whatsoever on him transferring his land and the new owner taking the mortgage.

DR. HORNER:

Well, the hon. member should appreciate that for instance, in the beginning farmer program there would be some restrictions because they wouldn't be able to take advantage of the benefits of the program if they were going to sell out almost immediately.

In addition to that, the applicants who come to us in ADC, I'd remind the hon. member, are those who can't get credit anywhere else. In other words, we're the lender of last resort - or in a special program such as the dairy industry or so on. So we don't find very much of that. I'm not saying that it can't happen, but I'm saying that by the time they reach us they've gone through the other things and are really interested in trying to get into a farming operation. I can find out, but I'd suspect there have been very few subsequent transfers of land.

MR. LUDWIG:

I appreciate that, Mr. Chairman, but I was wondering whether there was any - for instance, if the mortgager received a fairly preferred interest rate, not a fairly preferred, but a slight advantage - I understand that a lot of farm borrowers will usually end up borrowing from this fund because the banks are not too anxious to lend money to them. They have other places, especially if there should be a slightly tight money period. Most of these people who need funds will find a way of getting money from this fund. The only concern I have is if they get a slight advantage - and when I said a short time after, I don't mean three or four months after, but a year later - if a farmer wants to sell, is there any restriction at all?



DR. HORNER:

No, there is no restriction on it. But again I want to say that we make a great variety of loans and usually it ends up as a combination of the direct loan being for land and the guaranteed loan being for intermediate credit. The guaranteed loan would be through the banking institution. The treasury branches told us the other day that they are now involved under our guaranteed loan program in the amount of \$34 million. This is additional money that is part and parcel of our program.

We might put certain restrictions on certain loans, having regard to the amount of security that is there and this kind of thing. We try to be flexible to help out the people involved.

MR. BUCKWELL:

There is one question I would like to ask the minister. One of the requirements to get a loan was that you had to be turned down by Farm Credit. Now is this serious as far as - are they presenting the same story to Farm Credit as they present to you or are there cases where you will refer them back to Farm Credit and Farm Credit has made loans?

DR. HORNER:

Yes. The answer to both questions is yes. We have been trying to develop a working relationship in the field with Farm Credit because I think, as I said in second reading, we have had some difficulty in developing a working relationship at higher levels. And so we have taken the objective of having better working relationships in the field. One of the things that has helped is the agricultural development committees on which the farm representative sits, and indeed so does our DA, as secretary usually, and other people who are involved. So we are trying to get a - the ideal thing would be to have a joint operation, frankly, between FCC and ADC. We are doing it now on sort of a voluntary basis. We even go so far as sometimes we say to Farm Credit, well, you give him the long-term money and we'll try to provide him with some operating capital through guarantees.

So it is improving all the time in relation to Farm Credit. We do say to the initial borrower outside our special program that we would like you to contact FCC and see whether or not you would qualify under their program. And, quite frankly, you know, Farm Credit might lend. In Alberta last year - I haven't got the final figures, but I would think it is well over \$70 million.

MR. BUCKWELL:

One further supplementary in advice to young farmers, and these are the ones who have had some experience can borrow up to \$85,000. Some of them are saying, well, now I can get a farm any time for \$85,000. Should they contact your group first to find where they can borrow money and then go look at the farm? Because quite often they are tying somebody up thinking they are going to get the \$85,000, and they could be turned down.

DR. HORNER:

Well, I would say they should work closely, particularly the beginning farmer program should work closely with the DA and the credit adviser, and indeed, the regional people first, and then make the approach.

MR. CLARK:

Mr. Chairman, to the minister, two or three questions. One deals with the problem I have raised with the minister previously and that is, after the approval has been granted by the ag. development corporation for a loan from the corporation, there has been - at least in the last few months - a real lag between then and until the farmer is able to get the money - three, four, five months. Could the minister elaborate where the problem is? The reason I ask this is because I have done a bit of comparison with the VLA and also FCC and they are able to get the money in the farmer's hands much more quickly. So what's the problem really?

DR. HORNER:

The problem, as far as I have been able to ascertain, is mostly a legal one. That is why we are having a review at the moment of our entire legal procedures to see whether or not we can speed that up. There is a bottleneck there that I don't understand and I want to know why. I am being very frank with the Leader of the Opposition because it is an area I cannot understand. We have had some - the number of transactions within the province generally, including non-farm, have multiplied many times. So we do have some delay in the land titles office. But I think there is still too much delay there and I would agree. We have initiated a complete review of all the legal procedures to make sure we can shorten that down.

MR. CLARK:

Following the minister's comments along. I have been advised by people at the ag. development corporation office in Camrose that once they get all the documentation back there, it's still 60 days after that for the money to be made available by Treasury. Can the minister comment on that?

DR. HORNER:

I think as soon as Treasury gets concurrence that the legal things are done, they issue the money. And it's in the legal area, frankly. If my evaluation that is going on now shows up some other area, I'll be pleased to let the House know. But, at the moment, it would appear to be in that area. Our relationship with Treasury has been very smooth and once they have got the documentation it's no problem.

MR. CLARK:

I'm sure the minister and I would both be quite prepared to leave this at the feet of the lawyers. But regardless of where it is, I think it is likely one of the most difficult aspects of the thing now that the program is operating.

The second area, Mr. Chairman, I would ask the minister to comment on, goes back to this question of land prices. And I appreciate the minister's rather frank comments on the question of land price. We have a situation now where - well, VLA not to such a great extent, but certainly FCC and the ag. development corporation are involved in making money available. I relate these comments primarily, let's say, to the area between Calgary and Vulcan; that area - I am sorry, from Red Deer to Vulcan - that area around Calgary where I know in my own particular constituency land prices have virtually doubled in the last 6, 8, and 10 months. It's truly amazing. Talking to some people in the real estate business, they advise me that really the reason isn't solely FCC and ag. development corporation, but that in fact there is a tremendous influx of money from Europe. Now I recognize we have a land forum going but if my recollection is correct, it is going to be two to three years before we get any recommendations there. I am not advocating at this particular time that we freeze prices, but on the other hand, I wonder, has the minister, either through the land forum or some other agency, had a look at this kind of thing? Really, where is the control of land resting in that particular area?

DR. HORNER:

I'll just comment briefly on it. I have followed up three or four instances where people have told me about this, and in only one was there any real authenticity to it that somebody from outside the country was buying it up as a non-resident. The others - one was a landed immigrant and was establishing a reasonable size farm and had come from France to do just that and is a real asset to our agricultural community. In the other similar circumstances where - or in fact there was no buying at all. I do believe, from my information, that there is some money that has come in but in a very modest way, I would say, insofar as farm land is concerned. I think there is far more being invested probably in urban developments than there is in the farmland situation. We have a situation in the constituency of Smoky River in the Falher area where everybody said it was non-resident money. In fact it was Alberta money and the people involved were buying land as a base for a dehy plant. After discussions with them, they have agreed they don't need to own any further land and that they will get their additional alfalfa from contracts with farmers in the area.

I believe similar discussions [took place] with other developers, particularly in the irrigation areas, who wanted to come in and buy up practically all of it. They were discouraged when I suggested to them that, in fact, we would like to see them using the farmers in the area to provide the product for their particular plant. And some of them are going ahead on that basis. The others aren't coming. That is fine with me.

MR. CLARK:

Just one other area, Mr. Chairman, if I might, and this gets to the area of - from time to time I am sure many members get complaints about individuals, groups or organizations that have gotten money from the ag. development corporation. I recognize this is a ticklish area because you become involved in, did this particular organization, and the minister will recall I brought to his attention a feedlot in my own particular constituency that a number of complaints had been laid. Very frankly, and very straightforwardly to the minister, how does the minister see these kinds of legitimate complaints handled? Through your office?

DR. HORNER:

Yes, through my office because most times, sometimes, they can be clarified very quickly. Quite frankly, we are very cognizant of the fact that in an area where there might be a competitive factor we have to be fair to all sides.

MR. CLARK:

The last area, Mr. Chairman, deals with the question of the advisory committees. You recall during the study of the bill, not last year but the year previous, there was considerable discussion about advisory committees and how effective they were or were not. I know in my own particular area the advisory committee has met on relatively few occasions and their batting average would likely be less than 50 per cent with the corporation itself.

Is that a fair indicator of the response the advisory committees are having across the province? And could the minister also give me some indication, if he has a ballpark figure, as to what percentage of the cases go to the local advisory committees and then go back to the ag. development corporation?

DR. HORNER:

I don't have the percentages that go back. They are, of course, the ones that have been turned down. This is a method of appeal. I think that is the first factor one has to consider, that these are cases that have been turned down or are being appealed to the local committee. On appeal, if they're batting 50 per cent then I think they're doing pretty well.

Quite frankly, I'm impressed with my committees as they gained some experience involved in the area. They are doing, in my view, a much better job. Initially, particularly in those areas in which the development committees were not there previously, they weren't aware of what they were supposed to do in the true sense. Since that time they have become much more in tune with our objectives. I have had an opportunity to meet with most of the committees now and to get across to them that they're the voice of the local community in being able to allow an applicant to have an appeal by his peers.

MR. CLARK:

Following along, would it be difficult, Mr. Chairman to the minister, to get from the corporation some indication of the number of applications that have come back to them through these advisory committees?

DR. HORNER:

We could get some indication at least. It might take a few days but surely we can do that.

MR. BARTON:

I'm a little bit confused, probably basically ...

SOME HON. MEMBERS:

Agreed.

MR. BARTON:

Would the minister go through the whole procedure from application advisory committee to approval of the loan because I have some in my constituency, some in other constituencies, who ask for advice as to what stage do they inquire.

The problem is that the advisory committee keeps saying, well, it's okay, it's coming through, don't rock the boat. But in the meantime one application sat there since November and he still gets the [same] reply. He just has no place to go other than rocking the boat. I don't think that's right either. I think I would like to know where the advisory committees fits in, where the application goes through the DA - the full procedure.

DR. HORNER:

Mr. Chairman, I think it's relatively straightforward. I don't mind anybody trying to rock boats. I rock lots of them.

SOME HON. MEMBERS:

Agreed.

DR. HORNER:

The applicant goes to his District Agriculturist and deals with his DA as to what his objectives are. He gets some general counselling in relation to where he might be able to get the financing he requires for the particular project he has in mind. In many cases,

in a straightforward way he shouldn't be going to FCC. In many cases, if it isn't for longer term credit that is required, he should be going to his ordinary lending institution, perhaps through ADC with an ADC guarantee, perhaps directly with the guarantee without going through.

So he makes his application. If it's a larger one which is going to be requiring some credit counselling, then the credit counsellor will be involved, making sure that his application is filled out properly. The other complaint you'll get is the question of the forms and the difficulty of sitting down. Well, anybody who is going to sit down and get a substantial loan - if he can't sit down and fill out three or four pages of forms, then he really isn't very interested in getting the loan. While the projections are very difficult to make in agriculture today, they're as much use to him as they are to the corporation in assessing his ability to use that loan.

Once those two stages have gone through - the DA and the credit advisor - then it moves to the regional office, and from there it moves to the head office in Camrose and is dealt with by the board. The only time the loan application goes back to the local committee is when it's been turned down by the headquarters. Then he can appeal to his local committee for a review of his particular application on local grounds. Otherwise it would be impossible. We would have the local committees meeting all the time.

So that, in a general way, is the routine that goes through. I've never told anybody not to rock the boat. I've told them to keep following up their application and not let the DA or the credit counsellor or anybody else slow it down.

MR. BARTON:

So then actually the advisory committee only comes into effect if the loan is turned down?

DR. HORNER:

That's right.

MR. LUDWIG:

Mr. Chairman, I would like to ask the hon. minister who selects lawyers to do the mortgage work. I'm not criticizing what is being done but I'm concerned about the fact that with CMHC mortgages there is a certain tariff set out. With other mortgages there is a solicitor's tariff. But I'm of the opinion that the reason lawyers are so anxious to get this kind of work is that it is a very well paid kind of legal business. I would like to see something done. Maybe this is a good place to start. Perhaps the tariff ought to be reduced. The amount of the tariff on farm mortgages does not indicate how quickly that thing is processed.

I've had some experience where I'm acting for a vendor of property who is getting a loan - not necessarily through this loan but through some farm guaranteed loan. Four months and about 25 visits later we get the money. I've earned my money five times over with this man and he is always bitching at me to get him the money. I'm writing letters to some man who is handling a government mortgage. I would say this, somewhere, somebody ought to give them the message that the tariff is a high tariff. If a lawyer can get 8, 10 or 12 mortgages a month he is anxious to get them. He is pulling off a pretty good extra income that perhaps most, by and large, is earned by his secretary. I'm not saying that I don't handle mortgages but I'm criticizing the whole mortgage business. If they want the tariff to be pegged at a certain percentage - 1 or 1.5 per cent for a certain amount - then there should be some stipulation as to giving preference to having this work done. Because it is bad enough for the farmer to pay a high mortgage rate. It's tough when he has to go around complaining and begging and phoning and travelling to the city to get this thing done. Sometimes he goes to another lawyer to complain, why isn't this done.

I'm not necessarily blaming the legal firm but if they're designated as lawyers to handle these mortgages - they get lots of them. I think that's bad. Secondly, if somebody is going to set the rate a lawyer gets for handling the mortgage, then that outfit should pay it.

A farmer today has no choice at all in saying, I want my mortgage handled at less than \$250 or \$300 - he can't do it for less. He's pegged because of the tariff. He could do it otherwise but the lawyer who does the mortgage is not selected by the farmer. That's the big problem. The tariff has nothing to do with what a farmer pays for mortgages. If he wanted to have his local lawyer do it and said I'm going to pay you \$75 to do it or else, he'll get it done. But for instance, if this group or any other government lending agency selects the lawyers - like the Alberta Housing Corporation does - then they will charge that tariff. It's a pretty lousy and slow operation because I've had that experience in bugging lawyers who are handling Alberta Housing Corporation mortgages.

Finally, we sort of begged them to do something please, because we are moving in and the contractor hasn't got the money.

This is a legitimate beef. I feel that I should be the person who makes it because I'm not in any way receiving any government mortgages from the provincial government and I'm not complaining. But I'm certainly unhappy about the fact that if I were a farmer and I was borrowing \$50,000, I would want my lawyer to handle it if I'm paying him. If the government says no, you go to that lawyer, let the government pay him. But it isn't enough that the farmer pays. He has to wait. But he hasn't got his lawyer acting for him. I think this is an injustice and I'm putting up a request that somebody do something. I'm looking at the hon. Minister of Agriculture because he strikes me as being the kind of man who might just jar somebody.

Well, if he can't I'm not sure the hon. Minister of Municipal Affairs is the man to whom I would like to appeal to rock the boat as well as the hon. Minister of Agriculture.

DR. HORNER:

Well, Mr. Chairman, with regard to that, I would be quite willing to bring it to the attention of the Attorney General and then to the Bar Association. I have some sympathy with what the hon. members says. It is not often that I can have that sympathy with what he says.

In regard to the question of which lawyers do the work, quite frankly, Mr. Chairman, we have been scouting around to find lawyers who are willing to give us some kind of service and so we have made a number of changes in the past couple of years. We are going to make some more and unless they are willing to produce, they are not going to be doing them, that's all.

MR. LUDWIG:

Well I agree. There is just one point that I believe the hon. minister didn't quite comment on. That is, if the farmer is obliged to pay the fee, the farmer who is borrowing the money, then at least ask him if he has anyone whom he would prefer to handle the mortgage. Then he can tell his own lawyer that if you don't give me action you've had my business. When an independent lawyer is designated by a lending institution that all Alberta housing mortgages in Calgary will be done by this firm or three or four firms designated, then they have sort of a monopoly on it. I think you can start something because I believe that mostly country lawyers ought to handle this kind of work on agricultural loans. But if he were not sure he was getting the next one, or if he were not sure the farmer would go to him you would see a lot more action.

DR. HORNER:

Well on two counts, most of the lawyers working for ADC are rural lawyers in communities. In a lot of areas there is only one firm and they are doing the work.

The question of - I would say very frankly that the farmer indeed should be contacting his own lawyer in any case and should be using his advice and should be using him to make sure the thing goes through or that it follows up for him. We are quite willing to look at the thing as part of, as I said already, the total evaluation of the whole legal procedures within the corporation at the moment.

MR. LUDWIG:

Yes, I am not sure that I made my point too. I agree that the farmer should see his own lawyer but in most cases his own lawyer is not handling the mortgage. The farmer is also paying the lawyer who is handling the mortgage. The lawyer who is handling the mortgage is in fact protecting first the lender. So I'm saying that if in the event you lend money to a farmer, there should be some arrangement where the farmer should be given a preference to choose a lawyer who will do this, who will do the mortgage work, because after all he is paying the shot. If he is paying the shot at least he should be sure that somebody is really acting for him. That is the main concern I have.

DR. HORNER:

Mr. Chairman, all I can say is that we will take that into consideration in our total evaluation of the legal procedure.

MR. RUSTE:

Mr. Chairman, to the minister. Under the Alberta Farm Purchase Credit Act there was an insurance policy that covered the borrowers. What is happening now under the new set-up? Do you have any idea what percentage is covered and what it is costing to be covered?

DR. HORNER:

The direct loans are covered and they are covered as a part of the total cost. There is no additional cost to the farmer for that insurance.

MR. STROM:

Mr. Chairman, the hon. Member for Lesser Slave Lake was inquiring as to the procedures of the various steps. In reply to him you stated that the DA would advise them whether they should go through direct loaning and so on, but you did not say whether the DA would be giving them any advice on the practicability of the loan or the desirability of the loan that they were proposing. Do they enter into that area?

DR. HORNER:

Well I would hope they would, Mr. Chairman, that's part of what they are getting paid for.

MR. STROM:

Mr. Chairman, that's what I rather thought the answer would be. My next question then would be, what training has the department given them in this area of credit management?

DR. HORNER:

Well all the DAs, Mr. Chairman, who come to a full position as DA, are not only university graduates in agriculture but I would hope that at university in agricultural courses, they are getting some courses in farm management. I know they are. In addition to that the DAs have available, on a regional basis, farm management specialists and credit counsellors. If they have any problem in that area, then they should be contacting those people to help them assess the situation. I simply say that a DA, to be able to give proper extension to a farmer, has to know whether or not it is going to be a profitable operation and has to be knowledgeable in the credit and in the farm management field. If they are not, we will get them some more training.

MR. STROM:

Mr. Chairman, is there any intention on the part of the minister to direct the department to bring them in for seminars in the area of credit? Because I appreciate what he has said.

I am well aware of the fact that they do get some basic training, but I would also point out to the minister, Mr. Chairman, that the DAs are going to be under considerable pressure, particularly on those 100 per cent loans from maybe their friends out in the area. I say it advisedly. Nevertheless I am sure the hon. minister appreciates that it is not just a case of someone having some knowledge from an academic institution. I think there is a lot more to it and this is why I want to express my concern as strongly as I can.

I think there is more to it than just saying that they're trained from the university. I think they have adequate training and that they should be advising. That is what we expect them to do. I think, Mr. Chairman, there is more to it than that and I would be very disappointed if the minister just tells me that's all that is required.

DR. HORNER:

Of course it is, Mr. Chairman. We have a program ongoing, as I said to the hon. Member for Spirit River-Fairview, which not only applies to the credit counsellors but to our DAs. We try to bring our DAs in on a rotating basis to the board meetings in Camrose so they get some feel for how the board feels about the application. This is a continuing and ongoing process.

In regard to the beginning farmers' program, I wouldn't expect any DA to make the final decision as to who should go ahead, but rather a combination of his support staffs in the regional offices that would help him in that particular program.

MR. STROM:

... [Inaudible] ... help him make it?

DR. HORNER:

Yes.

MR. STROM:

Mr. Chairman, the other question that I wanted to raise earlier was this matter of coordination in the credit field. Does the minister arrange for meetings, for example, with the federal government? I'm sure you do. But I'm thinking then also of the other credit institutions that we have, the banks, and other credit institutions. What arrangements are made there?

DR. HORNER:

Mr. Chairman, we try to have a major meeting annually with all the financial institutions with regard to agricultural credit. We have almost quarterly meetings. We have an advisory committee set up from the banks and the trust companies and the lending institutions in relation to agricultural credit. We have a man in the policy and liaison secretariat who is charged with an overview of agricultural credit needs, bringing forward ideas and keeping an eye on what other people are doing in other provinces and in other places in the world in relation to agricultural credit. He is in constant touch with the other financial institutions in the province and, indeed, across the country.

MR. STROM:

Mr. Chairman, on this next one I may be raising the question with a bit of tongue in cheek, but I'm certainly serious about it. I notice that the minister, in reply to another question, stated that the two factors most important in establishing the price of land are the productive capacity and market value, and that this would establish price. I would like to point out to him that, in my view, we have another factor that certainly enters into it. That is the availability of credit. I think the hon. minister certainly appreciates that.

Now, my question to you is, in the matter of productive capacity I would dare say that in 1974 it may very well be related to \$5 wheat and if it is, we may well be in trouble in a year or two. Is the hon. minister suggesting that in a long-range forecast they are suggesting that the prices of agricultural commodities are going to remain relatively high for the next say, five or ten years?

I said I would ask it partly with tongue in cheek, but I would in all seriousness say to the hon. minister that having had some experience in it - and to those who have had - we recognize that there are tremendous ups and downs. And I am very fearful as to what is going to happen with some of our young people who are committing themselves to tremendous responsibilities in the way of paying loans back.

DR. HORNER:

Mr. Chairman, I think we have to look at it in the longer term and I am sure our young people looking at agriculture today are doing that. The long-term outlook for agriculture is good. We do have the ups and downs, but over the longer term I don't think there are any more than our forefathers who came out here, and instead of using credit used their backs and hard work to develop. If we can and should be using our land resource in a much more productive way than we have to date in Alberta, then I don't see any real problem in relation to the price of land, even at today's values.

MR. HYNDMAN:

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

[The motion was carried.]

[Mr. Appleby left the Chair.]

\* \* \* \* \*

[Mr. Deputy Speaker took the Chair.]

MR. APPLEBY:

Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill No. 4. It begs to report progress on same and asks leave to sit again.

MR. DEPUTY SPEAKER:

Having heard the report, do you all agree?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, I would ask leave of the House to move the motion which is under notice on page 6 of Votes and Proceedings today and that is relating to the adjournment tomorrow at 5:30. Tomorrow being a private members' afternoon, it would be appropriate for us to move this motion today, so with leave of the House I would move that when the House adjourns at 5:30 tomorrow, Tuesday, April 9, it stand adjourned until Wednesday, April 17 at 2:30 o'clock.

MR. DEPUTY SPEAKER:

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

[The motion was carried.]

MR. HYNDMAN:

Mr. Speaker, I move that the Assembly do now adjourn until tomorrow afternoon at 2:30 o'clock. The subcommittees will be sitting tonight, Mr. Speaker.

MR. DEPUTY SPEAKER:

Do you all agree to the motion as moved by the hon. House Leader?

HON. MEMBERS:

Agreed.

MR. DEPUTY SPEAKER:

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

[The House rose at 5:33 o'clock.]