

LEGISLATIVE ASSEMBLY OF ALBERTA

Friday, October 25, 1974

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

TABLING RETURNS AND REPORTS

MISS HUNLEY:

Mr. Speaker, I wish to table the Eleventh Annual Report of the Alberta Racing Commission for the period ending March 31, 1974 as required by statute.

MINISTERIAL STATEMENTS

Department of Lands and Forests

DR. WARRACK:

Mr. Speaker, today I have the opportunity to make a very important announcement.

AN HON. MEMBER:

Is there any other kind?

DR. WARRACK:

As all hon. members will know, the lumber market in Alberta and in Canada has experienced a very steep decline since late this summer, particularly related to the halving of United States housing starts, the reduction in Canadian housing starts and in addition to that, the build-up of inventories from the previous winters' high level of production. As a matter of fact, Mr. Speaker, the lumber market situation is an all too good example for Alberta of the vulnerability of an Alberta industry and Alberta jobs to external influences.

I have had the opportunity to hold and participate in a number of meetings with the industry, and we worked on this problem towards the possibility of finding a way for support and assistance arrangements that might be feasible during this difficult interval.

It is therefore my pleasure to announce today, effective October 1, 1974, a three-part assistance and support program.

The first part would be a revised method of calculation for lumber stumpage. Whereas in the past system the present month calculation would be based on a pooled average of three previous months, this creates a difficulty of price sensitivity in the stumpage calculation. We intend to change that and revise the method of calculation to make that calculation on a current basis, and to make that calculation therefore reflect the actual market conditions which, at the present, are very bad indeed. I would like to emphasize in this regard, Mr. Speaker, that this will make the calculation of the lumber stumpage much more sensitive in relation to actual market conditions and therefore be an improvement by making it much more fair.

In addition I would emphasize, Mr. Speaker, that the revised calculation we propose does not change the structure of the timber stumpage or royalties system.

The second of the three-part announcement that I have the opportunity to make today, Mr. Speaker, has to do with an interim cash flow relief that would be provided with a 50

per cent deferral to May 1, 1975 on an interest-free basis of payment of those stumpage dues that would be available; thus assisting greatly in the cash flow for lumber operators and at the same time emphasizing the likelihood of fewer employment cutbacks during the coming winter.

Thirdly, I announce that we will use a revised system for the harvest of fire-kill timber. As all hon. members know, we had substantial fires, more than 50,000 acres in the summer of 1974, and as many members will be aware it is necessary to utilize this timber very quickly or it is wasted. Taking account of the need to use this timber and also taking account of the additional cost involved in the production of this timber, we will reduce from 50 to 25 per cent of regular stumpage dues the dues that will be necessary to be paid on fire-kill timber. This should also help in the production of a number of other needed and diversified products such as fence posts.

All of this, Mr. Speaker, will apply as of October 1, 1974 and will apply on actual production and in that way emphasize employment.

Department of Telephones and Utilities

MR. FARRAN:

Mr. Speaker, I have an important announcement which is of special import to the people of Calgary.

AN HON. MEMBER:

Oh.

DR. BUCK:

Where are you from Roy?

MR. FARRAN:

Later today a similar announcement will be made in Montreal by the Northern Electric Company.

Alberta Government Telephones has led the world in adapting to the new technology of electronic switching equipment. It now has 14 Northern Electric SP-1 electronic switching systems in service or on order and Edmonton Telephones has another four, which is 18 per cent of those in North America. This has led to a decision by Northern Electric Ltd. to build a \$3 million plant on 8.4 acres in the Skyline Industrial Park in Calgary to manufacture such electronic switching equipment for telephone companies in Canada and abroad.

The plant will employ 200 people by the end of next year, including a high percentage of women. As a true secondary industry it will doubtless also have spinoff benefits in the field of manufacture of components in supply of raw materials and in service industries in Calgary.

This announcement is the result of lengthy negotiations between my department and Northern Electric Ltd. The choice of the Calgary site recognizes that city's need for an expanded secondary industry base.

Alberta Government Telephones values its long and close association with Northern Electric Co. Ltd. which has an international reputation for progressive design in telecommunications equipment.

ORAL QUESTION PERIOD

CTC - White Pass & Yukon Railway

MR. CLARK:

I would like to direct a question to the Attorney General and ask the Attorney General what procedure was used in determining Alberta's position as far as intervention was concerned on the White Pass & Yukon bid for PWA and the intervention that the Province of Alberta filed with the CTC.

MR. LEITCH:

Mr. Speaker, the hon. Leader of the Opposition will have to expand a bit on the question. I'm not sure what he means when he says, what procedure was used to determine the method of intervention.

MR. CLARK:

A supplementary question, Mr. Speaker, then. What procedure was used by the Government of Alberta in determining its position in filing the intervention?

MR. LEITCH:

I'm still having difficulty in knowing exactly what the hon. leader is endeavouring to get at. It may be, Mr. Speaker, that my colleague, the Minister of Industry and Commerce, could answer the question since the intervention was filed, as I recall it, pursuant to his instructions.

MR. CLARK:

Supplementary question then, Mr. Speaker, to the Minister of Industry and Commerce. What procedure was used by the Government of Alberta in determining that Alberta's position would be that, in fact, as far as this intervention was concerned Alberta would be interpreted as a "person" under the definition of the act?

MR. PEACOCK:

Well, Mr. Speaker, to answer the question, what procedure was used - why, the regular procedure in which notice has been given by CTC of those who would like to make an intervention. In regard to any takeover, there has to be regular notice given and it was given to all parties concerned. And we in Alberta, in the best interest of Alberta, thinking that the takeover by White Pass & Yukon wasn't in the best interest of Alberta - for reasons given in the Premier's speech, as well as we can repeat them here - intervened, and we intervened in the regular, normal method.

CTC - PWA

MR. CLARK:

Supplementary question, Mr. Speaker, to the minister. In getting a legal opinion on the acquisition of PWA by the Government of Alberta, were the same procedures and the same individuals used in the government determining that for the case of the PWA acquisition, that in fact for the sake of the act, Alberta was not a person nor a corporation?

MR. LEITCH:

Mr. Speaker, perhaps I can respond to that since the last question of the hon. Leader of the Opposition has given me some insight as to what he is trying to get at.

Mr. Speaker, as I understand it, and I think there were two different firms involved with respect to the intervention in the White Pass application before the CTC and with respect to the acquisition of the shares, as I understand it, there was not a detailed analysis of the scope of the meaning of the word "person" at the time the intervention was made by the government. There was a very comprehensive and detailed legal opinion reached at the time that question arose during the purchase of the PWA shares.

MR. CLARK:

Supplementary question, Mr. Speaker. What is the position of the Government of Alberta today as far as the intervention is concerned, as far as the PWA purchase is concerned? Does the Government of Alberta today, for the sake of the intervention and the acquisition of PWA, consider Alberta a person, a corporation or neither?

MR. LEITCH:

I thought the position was set out very clearly, that the position of the Alberta government, pursuant to the legal advice we've received, is that with respect to the acquisition of the PWA shares the Government of Alberta is not a person within the meaning of that word as used in those sections dealing with acquisitions in the CTC legislation.

Governance - Olds College, NAIT, SAIT

MR. CLARK:

Mr. Speaker, a second question to the Minister of Advanced Education. I would like to ask the Minister of Advanced Education what progress is being made toward a board of governors being appointed for the college at Olds?

MR. FOSTER:

Mr. Speaker, there has been no progress made with respect to the appointment of a board of governors at Olds other than to say that the governance of provincially-administered institutions is under review and study, but it isn't something we are actively considering at this time.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. What progress is being made on the appointment of boards of governors at NAIT and SAIT?

MR. FOSTER:

Mr. Speaker, shortly after I came to this office I invited both NAIT and SAIT to consider whether or not they would like to become independent institutions with a board of governors or some other authority. Following several months of discussion both

institutions decided that they would prefer to remain a part of the Department of Advanced Education rather than become independent institutions.

I indicated to both NAIT and SAIT that I am willing to discuss with them at any time the matter of the governance of those institutions. If the staff of NAIT or SAIT indicate to me that they would like to pursue this on a meaningful basis we would be happy to do so.

MR. CLARK:

Supplementary question to the minister, Mr. Speaker. What action has the government taken, or the minister taken, on the request from the staff association at Olds, that in fact the college at Olds get a board of governors?

MR. FOSTER:

Mr. Speaker, we have not taken any further action other than to be aware of the fact that they are interested in becoming a board of governors in a separate institution. I frankly haven't made any final decision on that. We are looking at it. We are concerned about the program mix of Olds College, whether it is to remain a fairly specialized agriculture and agrobusiness institution or whether it should be developed as a public college in the same way that the six other public colleges are.

My biases are that Olds [College] should remain a very specialized institution focusing primarily on agriculture-agrobusiness. I have not discussed it any further with the staff. Obviously because of the leader's interest in this matter and because of being MLA for that constituency, if he would like me to pursue it further with the staff, I would be happy to do so.

MR. SPEAKER:

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

Home-Owner Tax Rebates - Senior Citizens

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Municipal Affairs. Would the minister advise when the home-owner rebates will be mailed to the several thousand senior citizens still waiting for them?

MR. RUSSELL:

Mr. Speaker, those rebates are going out continually through the Department of Municipal Affairs and the data processing centre here which does the actual cheque writing by machine. I believe the hon. member is referring to a backlog which has accumulated as a result of the concentration of tax notices that came out during the late June-July period. We are working on that as rapidly as we can and they are going out constantly.

MR. WILSON:

Supplementary, Mr. Speaker, to the hon. minister. Is the Department of Municipal Affairs still requiring senior citizens to mail in their paid tax notice prior to having their rebate application processed?

MR. RUSSELL:

Mr. Speaker, I think all hon. members were given a copy of the application form that was enclosed with each tax notice and it is self-explanatory.

MR. WILSON:

Supplementary, Mr. Speaker. Is the minister aware of the fact that his department is requiring the paid tax notices be sent in, when it isn't stipulated on the application forms?

MR. RUSSELL:

Mr. Speaker, the municipalities of course are concerned - whether it's senior citizens or anybody else - that rebates which are given are given on accounts that are up-to-date insofar as municipal taxes are concerned. That's clearly spelled out in the legislation.

I should say that in simplifying the procedures this year whereby the tax was completely eliminated, we took the decision, in trying to assist the municipalities, that any supplementary application that would have to be done should be done between the applicant and the provincial government to try and ease the administrative burden on the municipal governments. This is in direct response to requests they have made. We are coping with that situation the best we can.

I agree that some backlog, because of staff difficulties, has occurred this summer. But I can also assure the member that the letters I'm getting from many Alberta senior citizens indicate their appreciation of this very substantial program.

MR. WILSON:

Supplementary, Mr. Speaker. Would the minister advise if the outstanding home-owner rebates are related to any particular geographic area of Alberta?

MR. RUSSELL:

Not as far as I know, Mr. Speaker, because they generally come to our department shortly following the issuance of municipal tax notices, and that varies throughout the province. I believe the only ones we have not received yet are from the improvement districts and special areas which have not yet mailed out their tax notices.

MR. WILSON:

Supplementary, Mr. Speaker. Would the minister advise when those senior citizens who have filled out their home-owner rebate applications and sent them in to the Department of Municipal Affairs without their paid tax notice will be advised that they must do so?

MR. RUSSELL:

Mr. Speaker, I don't know what further assurance I can give. Owing to the difficulties with staff that not only the department has had, but all business in Alberta, we are attempting to cope with the situation to the very best of our ability. Several thousand supplementary payments have been mailed back, the cheques have gone out, several thousand more are in the data centre for the cheque writing and there are several thousand more on hand. I can only assure senior citizens throughout the province that the supplementary payments will be mailed to them at the earliest possible opportunity.

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Calgary Millican.

Alberta Hospitals - Pay Scale

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of Health and Social Development. What steps has the government taken to ensure that the report of the Human Rights Commission recommending equal pay for equal rights, particularly in the field of certified nurses aides and orderlies, is implemented?

DR. HOHOL:

Mr. Speaker, I should like to respond to that question and give the Legislature the information that the Human Rights Commission and the hospital itself - its administration and management - and that of the local unions representing employees in the hospital, officials of the Board of Industrial Relations, and the Alberta Hospital Association are working jointly to try to work out a system whereby this might be resolved in a manner satisfactory to all concerned.

MR. R. SPEAKER:

Mr. Speaker, a supplementary to the Minister of Health and Social Development. Is the government prepared to provide more money to the Alberta Hospitals commission to assist hospitals to meet additional financial requirements to meet increased costs due to equalization of pay?

MR. CRAWFORD:

Mr. Speaker, that question is one that has implications, of course, to the government's budget. It would normally be dealt with at that time. It would certainly be appropriate then to discuss in detail how much, in the way of funds, should be appropriated to the [Alberta] Hospital Services Commission.

MR. CLARK:

A supplementary question to either the Minister of Manpower and Labour or the Minister of Health and Social Development. Has the government an estimate as to what this decision by the Human Rights Commission will cost in the health services field and, if so, what is the amount?

DR. HOHOL:

Mr. Speaker, one of the considerations before the parties examining the problem is the very matter that has been put to us. The judgment of the one man board of inquiry indicated that the resolution should be retroactive to the date on which the complaint was made. The calculations are being made. One of the problems, of course, is the matter of cost. I should indicate, if I may, Mr. Speaker, that the situation the hospital faces is the result of several years of collective bargaining. So the resolution of the costs, whether over one year or over a phased period, is one of several considerations before the parties.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. Is it true that if the recommendation is implemented it will cost the government between \$40 and \$60 million in the whole health services field?

DR. HOHOL:

This determination has not been made, Mr. Speaker.

MR. SPEAKER:

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

Time Air

MR. DIXON:

Mr. Speaker, I would like to direct my question today either to the hon. the Premier or the hon. Minister of Industry and Commerce. Has the Government of Alberta held any discussions regarding the possible purchase of Time Air of Lethbridge either by the provincial government or Pacific Western Airlines?

MR. PEACOCK:

Mr. Speaker, no, not to my knowledge has there been any either direct or indirect negotiations between the government, Time [Air] and Pacific Western.

MR. DIXON:

A supplementary question, Mr. Speaker. Have any discussions been held between the government or some government agency and Time Air regarding possible assistance to that airline in order that they can expand?

MR. PEACOCK:

Mr. Speaker, yes there has been some casual discussion with regard to the development and expansion of the facilities of Time in the way of equipment, and to what extent the government might or might not play a part in it.

MR. SPEAKER:

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

Municipal Financing

MR. HO LEM:

Mr. Speaker, my question is directed to the hon. Premier. Could the hon. Premier advise when the Alberta government intends to introduce a new program to strengthen municipal financing?

MR. LOUGHEED:

Mr. Speaker, in the past three years the government has brought in programs far in excess of anything seen in the past 30 years in that direction.

MR. HO LEM:

A supplementary, Mr. Speaker. Would the hon. Premier care to advise what the Premier was referring to at a very recent meeting held in Calgary McCall when stating that this government will be announcing a program to strengthen municipal financing?

MR. LOUGHEED:

Mr. Speaker, I was very pleased to bring that important matter to the attention of that very effective meeting and in due course the Minister of Municipal Affairs will be making an announcement on behalf of the government.

MR. HO LEM:

A supplementary, Mr. Speaker. Could the hon. Premier advise whether or not this new proposal has been discussed at any time with Mayor Sykes of the City of Calgary?

MR. LOUGHEED:

Mr. Speaker, there are ongoing discussions by the Minister of Municipal Affairs with city commissioners, city mayors and elected officers involving all matters in municipal finance and [they] will continue.

MR. HO LEM:

A supplementary to the ...

MR. SPEAKER:

Might this be the last supplementary on this topic.

MR. HO LEM:

Yes. Thank you, Mr. Speaker. A supplementary to the Minister of Municipal Affairs. In view of the recent unrest among the many labor groups in the city of Calgary, does the minister plan to offer financial assistance to the City of Calgary to cope with these problems immediately?

MR. RUSSELL:

Mr. Speaker, I am really surprised to hear that question because it's not very long ago that the other side was pressing the government to remove all budgetary controls from municipal financing, and we did that.

MR. LUDWIG:

A supplementary ...

MR. SPEAKER:

Perhaps we could come back to the topic.

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Vermilion-Viking.

Antifreeze Investigation

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Consumer Affairs. Could the hon. minister inform the Assembly the results of the RCMP investigation into antifreeze hoarding this past summer?

MR. DOWLING:

Mr. Speaker, the RCMP don't apprise me of any of their investigations. We have held our own. We have not looked into the business of hoarding; we have been more concerned that the antifreeze being offered on the market is, in fact, antifreeze of the permanent type. Some brands offered are inflammable and there were investigations regarding this. They are properly marked. Those that are of the permanent type are also properly marked.

MR. SORENSON:

A supplementary to the minister. Will there be a sufficient supply of antifreeze available at a fair price this coming winter?

MR. SPEAKER:

We are now getting into the realm of forecasting and market prognostications. Perhaps if the hon. minister has the information readily available we might view it.

MR. DOWLING:

Mr. Speaker, we have been in constant contact with those companies that do supply the bulk of the antifreeze for Alberta. They indicated early in the year that there might be a shortfall of some 10 per cent, but after the intervention of the Department of Agriculture and the minister and the nice weather we are having I think that shortfall might not be realized.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Camrose.

Vermilion River/Valley Study

MR. COOPER:

Mr. Speaker, my question is directed to the Minister of the Environment. Would the hon. minister inform the Assembly if the study of the Vermilion River and valley has been completed, and if so, is it available to MLAs and the public?

MR. YURKO:

Mr. Speaker, the study has basically been completed. We have set up a meeting with some of the communities in the area. I think the meeting has been scheduled for Two Hills in the next several weeks. At that time we will be releasing the report and making certain announcements in regard to proceeding with some of the implementation of the report.

MR. COOPER:

A supplementary, Mr. Speaker. Did you mention the date of the meeting at Two Hills?

MR. SPEAKER:

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

Calgary Power Expansion

MR. STROMBERG:

Thank you, Mr. Speaker. Due to the concern of farmers and businessmen in my constituency I would like to ask the Minister of Agriculture if he could inform this

Assembly if the proposed thermal plant at Dodds-Round Hill will be going ahead as proposed by Calgary Power?

DR. HORNER:

Mr. Speaker, I think to put the situation in perspective that, in fact, Calgary Power has not made any application for a thermal plant in that area to any of the government regulatory agencies. Calgary Power has just recently announced an expansion at Sundance. In addition to that, the government has already allocated money this summer for a feasibility study on hydro-electric sites on the Peace, and a complete review of all of the sources of electrical generation is being undertaken. Perhaps my colleague, the Minister of Telephones and Utilities, might add to that.

MR. FARRAN:

Mr. Speaker, as the hon. minister said, yesterday Calgary Power announced that they intended to apply to the ERCB for a sixth plant at Sundance. This arises from the discovery of the workability of much more coal than was previously anticipated, of two thick seams deep down, as the hon. Leader of the Opposition probably knows because he was out there inspecting those coal seams not so very long ago.

This plant will supply requirements in 1979 and 1980 and will cost in the neighborhood of \$100 million. For the ultimate future, going on into the '80s, Alberta must eventually determine which other sources of energy will be used.

There are four possible hydro-electric sites on the Peace-Athabasca system, including the one at Dunvegan which is presently the subject of a study by the Minister of the Environment and Calgary Power which is being commissioned to do some research. Then there is the question of the plains coal fields and three of them are extremely rich in coal. One is Sheerness near Hanna, another is the Dodds-Round Hill site which has been the subject of some premature controversy, and the other is the Ardley field in the Red Deer area. I would imagine that over the next year ...

MR. SPEAKER:

Certainly we're getting beyond the scope of the question period into a ministerial statement on power plants.

MR. CLARK:

Mr. Speaker, a supplementary question to the minister. What extra amount of supply will the additional facilities at Sundance give Calgary Power? One year, two years - how much lead time?

MR. FARRAN:

It will give approximately a year to a year and a half. It's a 375 megawatt plant.

DR. BUCK:

A supplementary to the minister. Can the minister indicate to the House if it was a misprint in the corridor study that there's an indication there would be an electrical generating station in the Dodds-Round Hill area? Was that a misprint?

MR. YURKO:

The corridor study was done by a number of consultants who had a vast advisory committee working for them. One of the members of the advisory committee was Calgary Power, as well as Alberta Power. In discussing and drawing up the maps - and I might say the consultants had quite a free hand in determining the overall growth of northeastern Alberta - in putting the information together, Calgary Power obviously suggested the possibility of a coal-fired base-load electrical generating station at Dodds-Round Hill. That information was therefore placed on the map submitted to us by the consultants. So the map itself is entirely a consultants' map and doesn't necessarily reflect the immediate direction of the government itself.

DR. BUCK:

A supplementary, Mr. Speaker. Then we can take it from the Deputy Premier and the Premier's statements that there will not be a generating plant in the Dodds-Round Hill area in the near future. We can have that in writing?

AN HON. MEMBER:

Well done.

MR. SPEAKER:

The hon. Member for Wainwright with a supplementary, followed by the hon. Member for Spirit River-Fairview.

MR. RUSTE:

Mr. Speaker, my supplementary question is, is the government considering use of nuclear energy for the production of electricity?

Nuclear Energy

MR. FARRAN:

Mr. Speaker, Calgary Power did make an application for one of the heavy water plants which the federal government has been promoting in various parts of Canada. It did not succeed although, of course, Alberta has many natural advantages for a heavy water plant, in clean air, water and so on.

There is no immediate need for a nuclear plant to generate electricity when we have a 1000-year supply of coal in Alberta. That is not to say that if there is a breakthrough in such an area as nuclear fusion as opposed to fission, and this becomes a cheap form of energy, that Alberta won't also be in the forefront of that.

Future Power Development

MR. NOTLEY:

Mr. Speaker, a supplementary question if I may to the hon. minister. Can the minister advise the Assembly whether the government has any time frame as yet to complete their comprehensive review of both Alberta power requirements, as well as the options for future power development vis-a-vis power or coal or nuclear fission or what have you?

MR. FARRAN:

Mr. Speaker, no, this is an ongoing study and it is not complete. There is more than just the cost benefits from the various forms of energy. There is the question of phasing in manpower requirements with other major projects going on in the province. There is the question of the impact on the economy of certain areas. It's a vast study and I would say that it will take at least another year to be certain where the next generating station should be and what type it should be.

MR. SPEAKER:

The hon. Member for Calgary Millican with a supplementary, followed by the hon. Member for Lacombe and then a question by the hon. Member for Spirit River-Fairview.

Power Failures

MR. DIXON:

Mr. Speaker, I would like to direct my supplementary question to the hon. Minister of Telephones and Utilities. I was wondering if the government or his department plans any investigation into the numerous power breaks which have been suffered by the citizens of the city of Edmonton in the last few months?

MR. FARRAN:

The break which took place the other day was an unfortunate one in a switch in the Clover Bar connection with Calgary Power. But there is no doubt that the delay in approval and construction of the Calgary Power right of way through the Mill Woods area has a dangerous possibility for the city of Edmonton in relation to fairly lengthy power breaks. I am just hoping, keeping my fingers crossed, that there won't be a really serious power break this winter because of the delay in constructing that line, which was partly caused by the actions of the City of Edmonton itself.

MR. SPEAKER:

The hon. Member for Lacombe with a supplementary.

Calgary Power Rates

MR. COOKSON:

Mr. Speaker, I would like to ask the minister whether Calgary Power has recently applied to the utilities board for rate increases and, if so, for what amount?

MR. FARRAN:

Mr. Speaker, Calgary Power has recently applied for another 17.6 per cent increase in the rate.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Pincher Creek-Crowsnest.

Indian Land Claims

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Premier and it concerns the claims of the Bighorn Stoneys. My question, Mr. Speaker, is: can the hon. Premier advise the Assembly what the reasons are for testing this particular claim in the courts, in view of the fact that the federal government appears to support the claims of the Stoneys?

MR. LOUGHEED:

Mr. Speaker, the circumstances there, if the hon. member had noted them are these: under the Natural Resource Transfers Act of 1930, the arrangements there were to bring new provinces coming into Confederation such as Alberta up into the same position as the original provinces in Confederation. The original provinces, of course, had natural resource rights and ownership and that's what was transferred under that agreement. It's an agreement which arises essentially out of the Constitution of Canada. Within the provisions of that agreement are that if at any time the federal government feels it has obligations it had not met, legal obligations it had not met under various treaties with the Indian people of Canada, then it would call upon the provincial government to transfer back to the federal government unoccupied land, and therefore such a transfer would occur.

However there are three or four difficulties involved here that have to be ascertained. One of them is that, as trustee, the government being trustee for the people of Alberta and the public lands, we feel that we should not transfer lands of this nature involving legal title back to the federal government to meet its legal obligations unless we are absolutely satisfied of our legal position.

The previous government, in 1947, set up provisional reserve in an order in council and that provisional reserve was set up on the basis of a preamble in the order in council which said that it did not believe there was any legal claim or validity to the Stoney request. That was confirmed by a federal document that is also a legal document. So previous documentation has questioned the legal validity of the Stoney claim. It was our judgment that for us to make any sort of transfer back to the federal government we would have to be absolutely clear of our legal obligations.

The Statutes in Alberta have a Constitutional Questions Act which provides for us to make a direct reference to the courts. We neither accept nor reject the claim of the Stoneys. If the courts direct that there is a legal obligation by the people of this province to make that transfer we will make it, and in the intervening period we will not in any way, within the area they are making their claims, move the status of the lands from unoccupied lands to occupied lands and hence thwart the position of the Stoneys. We would also be prepared to expedite the proceedings and provide whatever legal costs are involved. We think there are some important precedents involved here and the appropriate way in which I think the citizens would expect us to act is in terms of our legal obligations.

I am sorry about the length, Mr. Speaker. There's one additional aspect that's involved. The agreement, the Natural Resources Transfers Act, is also silent on the question of how you determine, assuming there is a legal obligation to the federal government, what particular lands should in fact be transferred. This is further complicated by the fact that in the case of the Stoney claim they are claiming under a particular treaty area and are requesting lands in a different area. But despite that, the difficulty of attempting to determine how a government determines what lands should in fact be transferred is something that the terms of reference we referred to the court will also set forth, and we'll ask for the advice and direction of the courts as to how we should do it.

I think essentially that covers all the points, although the member or other members may have some supplementaries.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the ...

MR. SPEAKER:

A supplementary, followed by the hon. Member for Calgary Mountain View.

MR. NOTLEY:

This is for clarification. Do I take it then, Mr. Speaker, from the hon. Premier's remarks, that there will be a moratorium on any kind of development in the disputed area while the matter is before the courts?

MR. LOUGHEED:

Mr. Speaker, we are attempting to work out by arrangement and discussion with the Stoney Band, to try to define a little bit better than perhaps is the case at the moment exactly the areas they are involved in looking at or that might come within the ambit of their claim if the claim is ultimately proved to be valid. We want to expedite the matter through the courts and we have given them the undertaking that we would not use the intervening period. So I presume the word "moratorium" that the hon. member uses is an appropriate word; that we would not move the lands from unoccupied to occupied status

until that decision is there. But I do want to correct an impression that has been unfortunately created, that the government's decision is to reject the Stoney Indian land claim. That's not so at all. What we've said is that under these circumstances, under The Constitutional Questions Act, if we are legally obliged to make the transfer, we'll do so.

MR. SPEAKER:

The hon. Member for Calgary Mountain View with a supplementary, followed by the hon. Member for Pincher Creek-Crowsnest.

MR. LUDWIG:

Yes, the hon. Premier anticipated my question somewhat. I would like to pose a question to him. Will he be supporting the Indian claim for the land or opposing it, or will he be taking a neutral stand on the issue?

MR. LOUGHEED:

Mr. Speaker, the way we look at the reference under The Constitutional Questions Act is that - and it may be difficult for the hon. member to appreciate that there can be a role for government to take a nonadversary position - the approach we will attempt will be to place all the facts before the courts so they can make a decision. We will try to do it in a way that doesn't create an adversary sense to the extent it's practical to do so. We would anticipate that there would be a counsel representing the Stoney band but also representing the federal government. We will make these representations.

I should go on to add that the comment made in the initial question, or the implicit position was that the federal government, Mr. Speaker, had taken the view that we were legally obliged to make this transfer.

What the federal government has done is set up, without any references to the provinces, a Commissioner of Indian Land Claims, Dr. Barber, whose background is not in the legal [field]; he is with, I believe, the commerce area in Saskatchewan. He has reviewed this claim and the Stoneys have worked very hard on the claim. He has reviewed the claim and come to a particular conclusion but the Stoneys are asking for a transfer of legal title.

I think all the federal government has said is that they see merit in the claim. We think that when a legal title is being requested we should have a legal obligation to make that transfer. If we have the legal obligation to transfer it back to the federal government we will do so.

MR. SPEAKER:

The hon. Member ...

MR. LUDWIG:

A supplementary ...

MR. SPEAKER:

We still have a number of members who haven't asked their first questions and we have gone into perhaps some subjects at greater length than we should.

The hon. Member for Pincher Creek-Crowsnest followed by the hon. Member for Medicine Hat-Redcliff.

Frank Slide Purchase

MR. DRAIN:

Mr. Speaker, this question is to the Minister of the Environment. I would ask if he could advise the Legislature as to the status of his proposed purchase or takeover of the Frank Slide.

AN HON. MEMBER:

Pounded rock by rock:

MR. GRUENWALD:

Come on, Billy.

MR. YURKO:

Mr. Speaker, the status is as follows: the department has made an offer to the owner for part of the property. As yet I don't recall receiving an answer to the offer the department has made.

MR. DRAIN:

A supplementary, Mr. Speaker. Would not a development control order adequately protect the area without a purchase?

MR. SPEAKER:

The hon. member is asking for legal advice. I don't know whether the hon. minister wishes to venture into the ...

MR. DRAIN:

Is the minister considering as an alternative the development control order in the area?

AN HON. MEMBER:

Good point there.

MR. YURKO:

Mr. Speaker, I don't believe that the area is in any imminent danger of being developed in any way so there is no real need for issuing a restricted-development order.

MR. SPEAKER:

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

Ambulance Service

MR. WYSE:

My question, Mr. Speaker, to the Minister of Health and Social Development. Is the provincial government presently carrying out any kind of study regarding ambulance service in the province of Alberta?

MR. CRAWFORD:

Yes, Mr. Speaker, if I'm not mistaken I remarked to the House earlier in the year when there was a resolution on the subject of ambulance service under debate that the Hospital Services Commission had been collecting data for the purposes of a report to the government. To be fair to the hon. member, at the present time that report is in draft form but hasn't been finally submitted.

MR. WYSE:

A supplementary question, Mr. Speaker. Is this government giving any kind of consideration whatsoever to making available emergency air service; services say from the major rural cities to Calgary or Edmonton - like from Medicine Hat or Lethbridge to Calgary - emergency air service?

MR. CRAWFORD:

Well, Mr. Speaker, the position of the government in regard to air service for ambulance purposes is that normally the needs are filled by the private sector if an aircraft is required to bring someone to a hospital that may have greater capability in a certain field. Normally the way that's done is by charter. That's the way it is done throughout the more remote parts of the province. I would think that if it were important and the regularly scheduled run from one of the major cities didn't fill the situation, charters would be considered in those emergent cases too. However the whole question of how the air service fits into ambulance service is one of the things that the report is looking at.

MR. WYSE:

Supplementary question then, Mr. Speaker. Does the government agree that this is a real need - air ambulance?

MR. SPEAKER:

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

Construction Industry - Female Employees

MR. RUSTE:

Mr. Speaker, my question is to the Minister of Manpower and Labor. I understand the appointments have been made to the Alberta Building Standards Council, and if so were any lady representatives appointments made?

DR. HOHOL:

To the best of my recollection, Mr. Speaker, there were not any ladies on the council.

[Interjections]

MR. RUSTE:

Will the minister consider correcting this oversight, and if so what organizations will he contact in doing that? I would just like to suggest the farm organizations and the ladies' consumer groups.

DR. HOHOL:

Mr. Speaker, for the record we had, in a pretty public way and certainly by letter to the main enterprise people in the construction industry. We'd written to them and asked for recommendations and then selected from those. So we did have representation from the major people in the construction industry.

MR. RUSTE:

Does not the minister feel that the women's interest in this is pretty important?

MR. SPEAKER:

Order please.

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

IBC Report

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Consumer Affairs. It relates to the Insurance Bureau of Canada's Variplan Report. Has the minister received a copy of the report?

MR. DOWLING:

Yes, Mr. Speaker, we have. Ongoing investigations are taking place regarding the proposal by IBC. We have had meetings with the principals of that organization and with those ministers and superintendents of insurance responsible for the insurance proposals in the various private enterprise provinces. The proposal is fairly comprehensive. The first part of the proposal indicated no amounts of money that would be required to fund this proposal. On the basis of that we went back to IBC asking for rates ...

MR. LUDWIG:

I didn't ask for the contents of the report. I just asked him if the report was available. I would like to ask the hon. minister a supplementary question.

MR. SPEAKER:

... [Inaudible] ... to ask a supplementary?

MR. LUDWIG:

I didn't ask for the contents of the report. I could read that report if I could get it. Mr. Speaker, did the hon. minister give any instructions to keep that report confidential?

MR. DOWLING:

Mr. Speaker, that report is not ours, it belongs to the IBC.

MR. LUDWIG:

Can the hon. minister make a copy of that report available to the members of the Legislative Assembly?

MR. DOWLING:

Mr. Speaker, I can provide for the hon. member the name and address of the president of the IBC.

MR. LUDWIG:

Mr. Speaker, I have got the name address ...

MR. SPEAKER:

Order please. Order please.

[Interjections]

MR. LUDWIG:

Mr. Speaker, I was advised to ask the minister ...

[Interjections]

MR. SPEAKER:

Order please. Order please.

Surely the hon. member knows that if he wishes to get a document he may propose a motion for a return.

The hon. Member for Highwood ...

Drivers' Insurance

MR. LUDWIG:

Question to the hon. minister, Mr. Speaker, to ask the minister if any studies are being conducted with a view to implementing a no-fault insurance policy in Alberta?

MR. DOWLING:

Mr. Speaker, he should rephrase that question. There is no study being conducted with a view to implementing no-fault insurance. There is a study being conducted by the Alberta Automobile Insurance Board relative to no-fault to give us some guidance regarding the whole proposal.

MR. LUDWIG:

Mr. Speaker, further ...

MR. SPEAKER:

Might this be the final supplementary on this question.

MR. LUDWIG:

Is the hon. minister contemplating any further steps in the insurance field to give drivers between 16 and 25 a more equal break in insurance rates?

MR. DOWLING:

Mr. Speaker, we are always concerned about all drivers and the rates they pay for insurance, particularly those in the lower age group. We have taken, as the hon. member knows, some considerable steps to reduce the rates for insurance in that part of the insurance that's compulsory for the lower age group.

[Interjections]

MR. SPEAKER:

Order please.

[Interjections]

MR. SPEAKER:

Order please. Order please.
The hon. Member for Highwood.

AN HON. MEMBER:

What an outfit.

Nursing Aides Act

MR. BENOIT:

Mr. Speaker, to the Minister of Health and Social Development. Is the government contemplating any changes in The Nursing Aides Act or the regulations thereto in the immediate future?

MR. CRAWFORD:

Mr. Speaker, I think the hon. member may be referring to the nursing orderlies and certified nursing aides. There are no changes in legislation planned in that respect in the immediate future that would refer to this present sitting of the House. As far as regulations are concerned, I would have to think that one over because I don't think so, but they are the sort of thing that can come up in a minor way almost any time.

MR. BENOIT:

One final supplementary. Is it within the purview of the government to make provision for those nursing aides who do not want to become members of CUPE to opt out and not have to pay dues to CUPE?

MR. CRAWFORD:

Mr. Speaker, I hadn't directed my mind to that question. Some people who are in that employment category are employed directly by the government it's true, but large numbers of them are employed by hospital boards throughout the province. Those who are employed by nursing homes are employed not only by boards and societies but also by private owners, so we wouldn't be able to speak on that.

MR. SPEAKER:

I regret that some members have not been reached. It may be necessary to apply the rules both with respect to questions and answers a little more closely to avoid some members not getting an opportunity to ask their questions.

ORDERS OF THE DAY

GOVERNMENT MOTIONS

4. Hon. Mr. Hyndman proposed the following motion to this Assembly:

Be it resolved that a special committee of this Assembly be established, consisting of: Mr. Appleby (Chairman), Mr. Cookson, Mr. Cooper, Mr. Hyndman, Mr. King and Mr. Speaker with instructions to review the Standing Orders and Forms of Proceedings of the Legislative Assembly of Alberta, and to make recommendations concerning their suitability, in a report to this Assembly prior to prorogation of the Third Session of the Seventeenth Alberta Legislature.

MR. HYNDMAN:

Mr. Speaker, I move Government Motion No. 4 on today's Order Paper. I believe this motion is essentially self-explanatory. The motion is introduced pursuant to the commitment made by the government this spring that a committee would be set up this fall to review the temporary rules under which we have been operating since the beginning of this third session.

Members will realize that the Standing Orders under which we are now operating will cease to have effect as of the prorogation of this, the Third Session of the 17th Legislature unless some other action is taken by the Assembly. Accordingly this motion is to set up a committee which would meet and report prior to prorogation. I believe the Members' Services Committee will have a number of useful and helpful suggestions to make and, of course, upon the report being received from this committee there would be full opportunity for the Assembly to debate on a motion for receipt and concurrence [in] such suggestions as the committee might have.

MR. LUDWIG:

Mr. Speaker, commenting on the motion. I would like the hon. minister to explain whether we will continue under the present rules until the new rules are promulgated. If they are not, in the next session we will continue as things are at the present time.

I would like to further comment that I was given the impression in the spring session that the rules would be dealt with in the fall portion of the session. We should amend them now so that we would know what the rules will be in the spring session, rather than go in with a question mark because we could end up with a hodge-podge. Somewhere halfway through the session we will be going through a change of rules which as far as I am concerned is not good business.

MR. HYNDMAN:

If I could just close debate, Mr. Speaker, in respect of the point made. Certainly it would be the hope of the government, when the report of this special committee is received, to make it effective on the last day of this third sitting on prorogation, so that immediately upon the commencement of the spring session of 1975 the new rules would be in effect.

MR. LUDWIG:

A question then, Mr. Speaker. Will we have opportunity to debate? We don't want a committee set up to determine what the rules are going to be. I think the rules ought to be determined by this House.

MR. HYNDMAN:

I believe, on a point of order, Mr. Speaker, I mentioned that I hope the committee would move with dispatch and come back to the Assembly with recommendations very soon, within perhaps 10 days. And then, the Assembly of course cannot adopt the report unless it has discussed and debated it in full and amended it, as it might wish to do.

[The motion was carried.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 63 The Land Titles Amendment Act, 1974.

MR. LEITCH:

Mr. Speaker, I move second reading of Bill No. 63, and in doing so, Mr. Speaker, I would like to speak to the two significant principles of that bill.

First of all, Mr. Speaker, the bill contains provisions requiring persons who are obtaining, either as transferees or otherwise, an interest in land to disclose their citizenship. This, Mr. Speaker, is really an information-gathering system. There are no provisions in the bill dealing with what happens as a result of obtaining that information. It merely is an information-gathering system. Mr. Speaker, it is of course in response to a concern which I think it fair to say now exists all across Canada, about the citizenship of persons acquiring land. In response to that concern, we developed this system which will give us the information to enable consideration to be given to what, if any, further action will have to be taken. The information will be contained in the form of affidavits attached to documents registered in the Land Titles Office protecting interests in land.

The second principle of the bill, Mr. Speaker, to which I wish to speak is those provisions dealing with a reduction in the Assurance Fund fees, to the extent of 75 per cent with respect to the fee payable upon registration transfers and to the extent of 50 per cent with respect to the fee payable upon registration of mortgages.

I want to call to the House's attention that this matter was debated at some appreciable length during the spring session as a result of a motion that was brought before the House by the Member for Camrose, Gordon Stromberg and, as I recall, supported by the Member for Calgary Foothills, Stu McCrae. I would just like to say, Mr. Speaker, that I congratulate those two members for bringing the matter before the House because they brought forward a view that I had held for some time, that the Assurance Fund was really operating as a tax rather than a true insurance fund because it was bringing to the government far greater revenue than was being paid out in claims.

Mr. Speaker, I'd merely close by making some comments on the size of the reduction; that it could conceivably be argued that it ought to have been greater than the 75 and 50 per cent proposed in the bill.

There are two reasons for not making it greater. The first is that during the past year we have instituted a new system of registration within the Land Titles Office. The purpose of the change in the system was to speed up the service to people using the Land Titles Office. That, Mr. Speaker, has been very successful in its early stages. We have reduced the waiting period from weeks, in some cases, to a matter of a day or days now between registration and getting a new title. But because it is a new system and because we are doing it much more quickly than in the past, we really haven't yet any experience as to what risks we may be running with respect to claims against the Assurance Fund.

The second reason, Mr. Speaker, is that we've asked the Institute of Law Research and Reform to do an exhaustive review and report on the land titles system. Until that report is available and we've decided on precisely what the future ought to be for the Assurance Fund system, it is my submission to the members that the reductions are going to be as far as we can safely go now, and are going to be of real benefit to the people of Alberta.

MR. LUDWIG:

Mr. Speaker, with reference to the reduction of the Assurance Fund, at one time I had my concerns whether the money should be transferred out of the Assurance Fund into the general revenue. But the province can cover the claims if any arose. I think it's commendable that the Assurance Fund is reduced. It will, in my opinion, be passed on to the owners or people dealing in land and to the consumer, as it were. So I think this is a step in the right direction. The government can't justify any kind of taxation. This is a form of levy which costs people who deal in land. Many home-owners and farm sales have to pay a fairly hefty assurance fund. The government doesn't need it. I think there is no fear that if some unusual claim were made against the Assurance Fund, the government could cover the claim.

With regard to the part dealing with control of land by foreign ownership, I think that is a commendable step but I think it has all sorts of ramifications and pitfalls. I once took the stand when I was asked, what is your position on foreign ownership - I qualified it by saying that I don't think we should permit the foreigners to take over our land. But by and large, in individual ownership nobody can remove the land from this province. If a German or a Japanese or a Chinese or anybody buys a section of land, they are subject to all the taxation and all the laws of the land. I don't think that one can stand up and say it's against the public interest. But I think that the intent of the bill is to prevent any large-scale takeover.

I think there are ways of getting around this problem. If a person wanted to register a caveat or a transfer, he could get a mortgage for the full value of the land and control it that way. Lending can be a fairly effective way of taking over land. There could be other arrangements, private arrangements, if someone wants to use land. Of course, they can't register under the Act now. But what would happen in the event of a foreigner owning land now and passing away. What happens to the land. Must it be sold now and the beneficiaries can't take. What happens with people who came here years and years ago and didn't qualify for citizenship for some reason or another if they own land now and they want more. There are a lot of problems. I think we could get into a situation of discrimination. There are landowners in very established - not legal citizens, but good people in this province who have been here for 40 or 50 years and own large portions of land. Would this farmer who farmed for 40 years now be told, we're sorry but your son is not a Canadian citizen, he can't take. There could be some hardships. How about trust arrangements. Maybe this act covers it. I didn't read it specifically. But I think that any restriction would have to be in the legislation very specifically.

I think there should be some provision made that if a person has made application for citizenship, there might be a delay, if someone comes here, wants to settle in Canada, has the right to, has been landed legally, wants to become a citizen and there's a delay. He wants to buy land or he wants to buy some other property and he can't. So he will be told, well, you're going to have to stay on welfare or do something else for three or four years or resort to some other ruse or circuitous way of getting controls, because we're just not going to let foreigners get a title.

I wonder whether this has been all thought out as carefully as it ought to be. I doubt whether anyone can produce an act that will satisfy all imagined or possible situations. But we should cover these areas because the legal profession, for one, will get to work and they'll find ways of getting around this. And I suppose we'll keep plugging loopholes until we have what we want. I can foresee that if someone from Europe or from some other country, an American, wanted to buy land he could get land, get control of land right now if he wanted to the way this legislation is set up. It would be a little harder, a little more expensive, but I doubt whether this is an effective prevention of acquisition of land by foreigners.

I am often amazed how we become so sensitive about foreign ownership of land when we encourage investment. We invite investment and invite participation in our economy that's a lot more extensive and a lot more influential as to our future than someone owning a section of land in the wilderness somewhere who holds it for 20 years hoping the price goes up and pays taxes on it or develops farmland. I think that if we don't want large land takeovers, we should look at opposing corporate land holdings which may be in foreign hands. I think there is a point there.

But I have no objection at all in standing up here and saying that it doesn't matter to me; if we need to produce more agricultural products and someone from across the border or from Europe comes in and says, I can develop 10 sections of land, I have the money, let me do it. Nobody else seems to want to. Nobody maybe wants to take a chance on some marginal land or land away from the more acceptable areas.

So this bill is, in my opinion, just an indication of intent. I'm not taking serious issue, but I don't think it solves the problem. I think that it may create a few.

I'd like the hon. Attorney General, since this is a debate of principle on the bill, to give us the real reasons, what the real fears are, how it will affect us adversely. Certainly the intent of the bill is not to impede anyone or to prevent anyone from owning land. It's to protect Albertans. The definition of a foreigner - I think that if we define someone from Saskatchewan as a foreigner, we'd go broke. Although I don't think we'd go that far, it's a Canadian citizen we're dealing with. But I think that up till now we certainly encouraged people to come here, settle and buy land. Although the right to apply for Canadian citizenship will now be reduced to three years, I think we should have a few exceptions, some arrangements made, families can come in from outside - a dozen, 15, 20, 30 families, I understand they have arrived in this country, up north somewhere. They should acquire land somehow instead of being forced to resort to leasehold and even then they should protect their rights by caveat. We ought to make exceptions. We don't want any hard and fast rules or we'll create hardships and do things which are not in the interests of the people.

So these are the points I raise. I think they're legitimate points in dealing with the principle of the bill. Perhaps the experts who did this study might have the answers, but I'm not satisfied that the bill is all that it purports to be.

Thank you, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, in rising to take part in the debate on Bill No. 63, I certainly intend to support the bill. So far as the second principle that the Attorney General discussed, the Assurance Fund, in my judgment that is a rather - I'm not suggesting an unimportant part of the bill; it is an important part, but perhaps not very controversial because I think members on both sides of the House would support it.

As to the first principle, I think we must make it quite clear, Mr. Speaker, that what is involved in Bill No. 63 is not a prohibition at this point, but simply a monitoring process. I think there is a very important distinction between a prohibition and a monitoring process. In my judgment, I'm convinced we're ultimately going to have to go beyond the monitoring process and accept some kind of prohibition.

But the reason I'm prepared to support this bill at this point, Mr. Speaker, is because I believe one of the wisest decisions this Legislature made was the decision to approve the resolution setting up the land forum. In my judgment Dr. Wood and the forum are doing just a first-class job. I can say that as an opposition member, and I am sure all the other opposition members would agree that the comprehensive investigation of the whole question of land use in this province undertaken by the forum is, I believe, a major contribution to this discussion of the issue right across Canada.

Now because of that, Mr. Speaker, I think we have to keep in mind that one of the issues we asked the Land Use Forum to investigate specifically was the whole question of alien ownership of land in Alberta. As I see it, it would probably be premature for the government to introduce legislation in the field of land ownership until we get the final recommendations of the Land Use Forum. And even though I have a predisposition, as I have said before, to controls in this area, at the same time I must stand in my place and register the comment that I have sufficient respect for the competence of the Land Use Forum that I would want to have their recommendations before me before I voted on major changes in the ownership regulations of land in this province.

I think we can all recognize, however, even saying that, that there is growing concern in the province and concern right across the country, as the hon. Attorney General mentioned when he introduced the bill, about ownership of our land by people who are not Canadians.

I was in P.E.I. not too long ago and I was surprised, Mr. Speaker, how strong the views in that little province are on alien ownership of land. Apparently much of the best beach property in P.E.I. has now been taken over by people south of the border. I would suspect, though, that beyond the question of growing corporate ownership in land, one of the areas we might have to watch rather than American ownership of Canadian land, with the vast sums of money the Arab states are now raking in, will be investment from the Middle East in Canadian land. That may be one of the things which the monitoring process will pick up.

The other point I would make, Mr. Speaker, before concluding my remarks on the general principle, is that I really think the major question of foreign ownership of land is not so much the problem of the wilderness or the very remote area of the province. The likelihood of foreign capital moving to homesteading regions is, I won't say remote, but certainly not too likely at this stage of the game. But the likelihood of foreign capital moving in and acquiring options on land around our major urban areas is a totally different situation.

During the hearings of our foreign investment committee - the public hearings on the land question - Mr. Speaker, we had representation by a gentleman from Calgary who ran for mayor three years ago, Mr. Johns I believe it was. Mr. Johns was making the point that a very large amount of the land around Calgary was already foreign-controlled. It would appear that in part that statement has been, if not verified, at least supported by some of the concern expressed in the recent Genstar report.

Mr. Speaker, the danger of foreign ownership of urban land, and perhaps even foreign ownership of land adjacent to developing areas in our new energy corridor, is one of the things we are going to have to watch very closely.

In general summary, Mr. Speaker, Bill 63 goes not a long way, but what it does is simply say we are going to monitor the process. As I have mentioned before, even though I believe ultimately we are going to have to go much farther than that, at this stage we do have a first-rate Land Use Forum investigating the problem and I would hope that before we make any further steps we await the recommendations of that forum.

MR. KOZIAK:

Mr. Speaker, I would just like to add my own few comments to those of the previous speaker and indicate my support for Bill 63 during second reading.

The monitoring system which is described in the first part of the amendments to The Land Titles Act are in fact a fulfilment of the recommendations of the Select Committee on Foreign Investment as contained in the interim report filed two years ago.

The matter of degree of non-Canadian ownership of Alberta lands is one that always creates stirring emotional feelings, and the information which will be gathered by virtue of this monitoring system will be of great assistance not only to the members of this Legislature but to all the people in the province as a whole.

A report prepared a year ago for the Resource Economics Branch of the Alberta Department of Agriculture in cooperation with the Department of Municipal Affairs studied not all the lands in the province of Alberta but one-third of the prime agricultural lands, and the study found that approximately 1 per cent of all lands studied was held by people with foreign addresses. Now this did not prove that those people were not Canadian citizens, because we can have Canadian citizens with foreign addresses. So I feel the provisions of the bill will go a long way towards dispelling rumors where rumors are unfounded and will go a long way towards permitting action where the rumors are founded.

One of the things which could be of interest to the Assembly is that people are more generally concerned about residency than they are about citizenship. So that if a non-Canadian buys lands in Alberta, resides on those lands and makes the same normal use of those lands an Albertan would, the problem really doesn't exist. The problem seems to flow from nonoccupancy or ownership for other purposes than what people in the area normally think the land should be used for. So land use and residency sometimes form more important questions in the total overall land picture than citizenship does. I just bring this up as a point which the Attorney General might want to consider when he drafts and creates the statement pursuant to Section 30.1 that will be required to be completed by those acquiring an interest in land. Perhaps the residency factor might also be of interest in making the necessary information compilations.

I am pleased with the reduction in the Assurance Fund for both transfers and mortgages and I am pleased from another point of view than those points raised in the speeches on the bill to date. I am pleased because I think that the reduction really bears testimony to the fine work which those members of the civil service employed in our land titles system have done. It bears testimony to their accuracy, to the care they take and to the manner in which they approach their work, because an assurance fund could have been bankrupt. We could now be in the process of raising these assurance fund fees if those members of the civil service had not taken care in preparing documentation, in endorsing registrations on existing titles. I feel that the fact we can today reduce by 75 per cent the fees which must be paid to the Assurance Fund on registration of a transfer and by 50 per cent the fees which must be paid on the registration of a mortgage, bears out the diligence with which our civil service is approaching its task and the fine manner in which it is discharging its duties.

DR. HORNER:

Mr. Speaker, I just want to say a few words briefly with regard to this matter, particularly that portion of the bill that has to do with the monitoring of land sales. After the remarks of the hon. Member for Calgary Mountain View last night, Mr. Speaker, I hate to start anything, but I would like to suggest to him that he would make a better contribution to the principle of the debate on the bill if he would read the bill beforehand, and might make a more useful contribution.

I want to take this opportunity initially to encourage the members of the Legislature on both sides of the House to take an interest in the proceedings of the Land Use Forum. I don't often agree with my honorable friend from Spirit River-Fairview but I do agree with what he had to say with regard to the people who are doing it and the kind of job they are doing. At the moment they are having background workshops throughout the province with the Rural Education Development Association and formal hearings will take place in the early spring throughout the province. They have set themselves a pretty hectic schedule and I would hope that all members would cooperate with Dr. Wood and his forum in allowing them to get the necessary information. Of course one of the first things they found in their background work was exactly what the interim report of the foreign investment committee of this Legislature recommended: that we didn't really have a good mechanism to monitor or to know really what the situation is in regard to foreign ownership or corporate ownership of land in this province.

My people in the Department of Agriculture have attempted over the years to try to estimate the situation by reviewing transactions that take place at the Land Titles Office. But of course, and I think it gives us a relative position and a relative idea, before we go making any very restrictive legislation in regard to land ownership and land use we should be fully knowledgeable about what the situation is.

Hon. members might appreciate that we continue to monitor at the moment as best we can just on the basis of residence. The substantial portion, as has been indicated, remains transactions between Albertans. The proportion - and this is for the first six months of 1974, Mr. Speaker - of title registration by individuals with non-Alberta addresses is 1.3 per cent. The proportion of titles registered by corporations is 6.9 per cent, and I would point out that includes family farm type corporations as well as any others. Not only is that relative percentage in the proportion of title registrations, but indeed in regard to the proportion of acreage involved as well. The percentages are almost the same thing.

In a review as best we could with regard to this small group, 1.3 per cent of whom gave non-Alberta addresses, one of the interesting things my honorable friend from Spirit River-Fairview might like to contemplate is the surprising increase of the number of people from British Columbia coming in to Alberta to buy land. In addition to that [is] the increase also in the number of people from the province of Ontario showing an interest in land in Alberta. And if you take that 1.3 per cent and break it down further you will find that indeed the proportion of people whom we can ascertain come from outside the country is very low indeed. It is one out of seven in relation to the 1.3 per cent, so any of the mathematicians can give me the percentage point but it's got to be pretty low. Of those one out of seven, they are fairly equally divided between American interests and European interests at the moment.

As I have said, the figures correlate fairly well with regard to the number of title transfers and the acreage that is involved.

I don't think I can add anything further, Mr. Speaker, except to say again that the Land Use Forum members themselves are very interested in having this amendment to The Land Titles Act passed. It will give them the basic information to put together with the other documents they have put out and, I am sure, have been made available to all members of the Legislature with regard to the background study that has to be done and has to be understood by all members, because down the road we are going to have to make some very important decisions in this Legislature with regard to the question of land use and land utilization and land ownership.

I would agree with my colleague from Edmonton Strathcona that in some people's views the question of residency becomes even more important than that question of citizenship and, of course, at no time was it ever contemplated that a landed immigrant would be treated in any other way than [as] a Canadian citizen no matter what the situation.

So, Mr. Speaker, I would hope the House would confirm the principle endorsed in the bill, particularly to give us that monitoring of land transactions so that we can effectively give that information to all Albertans and to members of the Legislature so they can make some wise decisions in the years ahead.

MR. DIXON:

Mr. Speaker, there are only one or two points of principle in this bill that I would like to enlarge upon. This idea of residency has been mentioned in the House earlier today by other members. In our city of Calgary I can think of one case where this family came from Holland, bought a piece of land east of Calgary and have put more improvements on that piece of land than any other farmer in that area, and are residing there. It strengthens my belief that if a person is occupying and working the particular farmland as any other Alberta farmer would be doing, he should be exempt from putting a report in of his nationality. If we are really interested in finding out whether they are non-Canadians - what difference does it make if they are Arabs or Chinese or German or anything else - I think all the form should say [is] that I am not a Canadian citizen, because there are people who are very proud. There are a lot

of people who don't want to disclose their age. I understand a lot of the ladies don't like to disclose their age. And there are a lot of people who don't wish to disclose their nationality.

Now when you look back at the persecution people have had - I could think of the Jewish people in Germany - are we going to say, because there are 10,000 German Jews who own land in Alberta we would discriminate against them but we'd allow some other nationality.

This is the thing we have got to look forward to. I think this is a very simple thing: saying oh well, we just want to monitor who owns the land. That sounds quite simple, Mr. Speaker, but there are a lot of ramifications. If we do come to the conclusion that there are far too many Chinese people owning land we'll say we're going to stop Chinese people from owning land - and we're only going to let other nationalities?

I don't see any necessity for putting down whether he's a Swiss, a German, a French person or any other type. All he needs to say is he's a non-Canadian. And wouldn't that give us the information we need. In other words, all these so-called research people who love to throw figures around can say 50 per cent of the land in Alberta is owned by nonresidents. Isn't this really what we're looking for. Or are we looking for how many Arabs are buying land in Alberta or how many German people are buying land in Alberta. It isn't going to solve the problem because you couldn't discriminate against a person buying the land unless you decided to stop any foreigner from buying land. So I don't think whether he's a German or whether he's Polish has anything to do with it. All I think the form needs to say [is] are you a Canadian citizen?

AN HON. MEMBER:

Agreed.

MR. DIXON:

The exclusion that I would like to see is, if the man or woman who owns the land is residing on that land and farming it, I don't think it is necessary for them to complete the rest of the form as required under the particular sections of the bill.

AN HON. MEMBER:

Agreed.

MR. DIXON:

This would take care of the people who have resided in our province for a number of years, have farmed land for a number of years and who wish to buy the next quarter section. And in order to buy the next quarter section he's going to have to disclose that he is a non-Canadian citizen. He's a Canadian but he hasn't bothered to take out his citizenship.

I understand from what the hon. Attorney General is saying, Mr. Speaker, that he is anxious to find out how many non-Canadian citizens own land. I say, Mr. Speaker, that the principle of this bill could be lived up to if all there needed to be on there is "I am a non-Canadian", rather than disclosing his nationality, because, Mr. Speaker, I know a lot of people who do not wish to disclose their nationality. This way they would not be affected by it at all and would still give the government the information it is seeking.

MR. RUSTE:

Mr. Speaker, just a few points. There was one raised by the Minister of Agriculture relating to the Land Use Forum meetings. I attended one of these and unfortunately it was at a busy time of the year. As a person involved in agriculture realizes, at harvest time there is nothing that really takes a person away from that if it's harvest weather.

I would like to indicate though that those who were at the meeting took an interested part in it. They were provided with the bulletins which are published for this purpose. Hopefully there will be more people involved at the later meetings when the finalization of any suggestions from those meetings comes out.

On the matter of reduction of fees, I would submit, Mr. Speaker, that there are certain inflationary proposals that have come in here. I have seen quarters of land that at one time were as low as \$100 which have gone up now to maybe \$25,000. So when you're getting into a percentage of fees, certainly that has an effect on the income and so on. Of course it has an effect on the outgo too if there is a call on that fund.

The other part deals with - as I think the hon. member, Mr. Dixon, mentioned - the matter of the rights of the individual and where this might fit in as far as The Alberta Bill of Rights goes in disclosure.

MR. DRAIN:

Mr. Speaker, I endorse the intent of the legislation in Bill 63 which is simply an identification process. There is no question that there is a considerable amount of concern about the direction we are going in Alberta in the matter of land and land purchases. Really, I think a lot of it can be attributed to emotion and the possibilities of major economic impact. Obviously one of the reasons there has been such an attraction for European capital in the matter of purchasing land is the simple devaluation of Canadian money in relation to, say, German. In other words, you're buying land under German valuation which is 40 per cent lower than the going rate. This is a significant thing and has had some impact on the land values in my particular area. I know one fellow who took up the business of farming on a rather - not a large scale relatively, but

after farming for two years he sold out to a German at a fantastic rate. After paying capital gains and paying off the mortgage his profit in a matter of 18 months was \$275,000. So it would be pretty difficult to argue with a man like that about the advantages of curtailing the buying and selling of land.

Nevertheless, his neighbors across the way - and there are quite a number of them - have that 'aboriginal rights' feeling and a genuine concern because they see the possibility of ever expanding being curtailed.

The directions that will be pointed out by the land-use committee in their final conclusions will have to be worthy of the wisdom of King Solomon, because certainly the baby will have to be chopped in many directions to satisfy all the needs.

I suppose from the standpoint of the average person the end use is the vital thing. If land were taken out of the use it is intended for and allowed to lie dormant it would be something that really merited legislative consideration.

However, it is difficult for me to rationalize - I'm getting slightly away from the intent of Bill 63 here - paying \$15,000 for a lot in an area such as Edmonton that is surrounded by miles and miles of flat land, and suddenly a piece of land 60 by 100 that someone has to build a house on goes up into stratospheric figures. So all these things will be left to the final report of the land-use studies. The difficulties in coming to a legislative package are certainly very, very hard to evaluate.

So it is very worth while that this is identified in Bill 63 and I certainly approve of the intent of the legislation.

SOME HON. MEMBERS:

Question, question.

MR. SPEAKER:

May the hon. minister conclude the debate.

HON. MEMBERS:

Agreed.

MR. LEITCH:

Mr. Speaker, I would like to thank all the hon. members who took part in the debate on this bill. I thought their contributions were very worth while. I think most of the points raised by members on the other side were fully dealt with by members on this side who spoke, with perhaps one or two exceptions.

First of all, Mr. Speaker, the Member for Calgary Mountain View made a reference to avoiding this information gathering system by taking interests in land in trust. I simply want to call to his attention that that is covered in the bill. Someone who holds as trustee must file information regarding the citizenship of the person on whose behalf he holds.

The same member, Mr. Speaker, made a reference to the landed immigrant status, and again there is a special provision in the bill to provide for the obtaining of that information.

Mr. Speaker, a point was also raised about the fact that this bill does not provide a mechanism for obtaining information about people who acquire interests in land by virtue of lending money on the security of the land such as persons who take mortgages. However, Mr. Speaker, in my view it's a very, very fundamental difference between the interest a person acquires in land by lending money on the security of that land and the interest a person acquires by way of ownership in the land. Certainly at this stage of our information gathering process, Mr. Speaker, it would seem to me to be quite unjustified to go beyond the gathering of information about ownership to the gathering of information about lending money on the security of land.

The last point, Mr. Speaker, to which I would like to refer is the one regarding a mere statement of non-Canadian citizenship rather than a requirement of particularizing that non-Canadian citizenship. That point, Mr. Speaker, to my mind, is one that merits further consideration and I suggest to the hon. members of the House that we approve the bill on second reading on the understanding that that question will be further considered when the bill is in committee, because should a change be made it will be, I'm sure, a very, very minor change in the wording of the bill.

[The motion was carried. Bill No. 63 was read a second time.]

Bill No. 66 The Alberta Opportunity Fund Amendment Act, 1974

MR. PEACOCK:

Mr. Speaker, before introducing that bill, might I ask for leave of the House to revert to the introduction of guests.

HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS (REVERSION)

MR. PEACOCK:

Mr. Speaker, I would like to introduce Mr. Ed Clarke who is Director of the Alberta Opportunity Company. Would he stand and be recognized. I would like to introduce Roy Parker, the new Deputy Director just recently arrived here, who is going to assist Mr. Clarke, and Mr. Norm Lawrence who is a director of the Alberta Opportunity Company and a resident of Edmonton for a number of years.

GOVERNMENT BILLS AND ORDERS (CONT.)
(Second Reading)

Bill No. 66 The Alberta Opportunity Fund Amendment Act, 1974 (Cont.)

MR. PEACOCK:

Mr. Speaker, I wish to move second reading of Bill 66, The Alberta Opportunity Fund Amendment Act, 1974. The purpose of this bill is to increase the Alberta Opportunity Fund by \$50 million to \$100 million.

We feel that the Alberta Opportunity Company, while it still has growing pains and some problems, has been responsive to the needs of Alberta business, including the small communities. For example, in the past two years there have been loans made to over 100 manufacturers, manufacturing establishments, almost all of which have been located in rural Alberta. Some examples that come to my mind regarding the smaller communities are the shopping centre at Standard, where the hon. Member for Drumheller is today, and a loan to a doctor to establish an office in the community of Carbon which is so desirous of having that kind of service.

Mr. Speaker, of the \$50 million allocated to the Alberta Opportunity Fund, some \$48 million has now been committed to Alberta borrowers. In the period between August and September of this year loan authorizations are up some 243 per cent above the same period of last year, from \$3.5 million to \$12.5 million for the six month period, so that the loans for the full year will be approximately some \$25 million. Therefore to further promote the development of resources and the general growth and diversification of the economy of Alberta, we now require this increase in the Alberta Opportunity Fund.

Just before we open the second reading for debate, I might just give this statistic that will be of interest to the House. The number of loans under \$50,000 from the period July 1 to September 30, '72-'73 was 49 per cent of the total loans, as compared to 62 per cent between September 30 and March 31, '74. Loans amounting to some \$50,000 to \$100,000 in the previous period were 17 per cent and are now 20. Loans over \$100,000 are from 34 per cent down to 18 per cent.

MR. BARTON:

Mr. Speaker, in speaking to this bill, I welcome the additional money. In my area it has been quite a relief. But there is an area that just isn't covered and that's an area of inventory financing. It isn't covered adequately through the opportunity fund, even though in some cases they have gone into it, but I mean for the small businessman who is having trouble today getting financing at 13.5 per cent, even though he may be applying through the banks. The moneys aren't there. They can't get the stock. They have to book in sometimes six to eight months ahead of time. Rural Alberta is having quite a time just supplying the product, attempting to get the product on their shelves. I was wondering if the hon. minister, in closing debate, would set aside maybe \$10 or \$12 million for rural Alberta merchants who are in this difficulty.

MR. DIXON:

Mr. Speaker, in speaking to the principle of this bill, which is to expand the money available under the Alberta Opportunity Fund, I would like to make one or two remarks and I'm sure the minister will be anxious to answer my queries.

In the field of trucking in Alberta, which is a vital part of the transportation system within our province and in the distribution of goods and services throughout the province, I'm wondering if the Alberta Opportunity Fund is doing all it can towards helping the trucker in the financing of his business. I say that for two reasons. That industry is faced with very high insurance costs. Number one, I shouldn't say number one [but] one feature, the main feature is that a lot of them have difficulty getting financing. It is a business that requires a lot of money these days. Equipment has gone up quite substantially and it is awfully hard to borrow that type of money from the ordinary banking system because they are not too fussy about the business.

I would like to see the opportunity fund do something like the Treasury Branch did in the situation as far as the difficulties that the mobile home-owners were encountering in financing their mobile homes. I congratulate the department for having special arrangements with the Treasury Branch in order to help those people.

I believe the truckers in Alberta, many of them, are in the same category, especially in the long-distance hauling and even in the local hauling, I noticed, and I'm sure all the rest of the hon. members will survey the same thing if they take the time. You can watch a lot of small operators, say in the moving business here in Edmonton; if you look at their equipment, a lot of it is not too safe or roadworthy. I'm talking about the smaller ones. It is those people I'm interested in because there is usually a family or two interested in that.

I suppose I have as many of the truckers in my particular constituency as anywhere else in the city of Calgary or, for that matter, in the province of Alberta. Many of them have come to me explaining the difficulties they are having in obtaining finance. And when they do obtain finance it is at a very, very high rate. I believe that is where the government could look into the matter, because if these people are being charged an extra finance over the regular type of loan, I think it's where the government can come in to help even up that load. Because the trucking industry is a very, very vital industry to our province.

I noticed in the takeover of Pacific Western Airlines that their trucking business is having difficulty making ends meet. They point out it is the high cost of financing equipment, so I'm just relating that to the ordinary truck operator within our province.

I'm sure the minister will look into this matter. Maybe he can enlighten the House, Mr. Speaker, with what they have done for the trucking industry in Alberta as far as loans are concerned. I say this for another reason. Many of the large trucking companies tell me that they would like to see more and more owner-operators, because they are having difficulty in finding drivers, that is good drivers. So you can see there is going to be a greater influx of smaller truck operators into the business providing that reasonable financing can be found.

Thank you, Mr. Speaker.

MR. RUSTE:

Mr. Speaker, just one of the concerns that has been expressed to me on this - and I concur with the increase in the amount - is when we get to the marginal operator who may not quite qualify for this loan. I'm thinking of one case where there is a father who intended to expand his business in conjunction with his sons, and he was told that his assets were too high, just over the line, to qualify for this loan. So he is forced to go into the open market which I understood at the time was about 13.5 per cent.

Certainly when you get into that kind of percentage for interest, based on a substantial loan, I think it is going to cause some difficulties. Not only that, but these people then are competing with others who were able to get in under the line and get a loan from the opportunity company as such. I would like the minister to consider whether or not there is some way that these interest rates could be reduced for these others.

DR. BUCK:

I'd like to make one or two comments. I would like to say that I'm encouraged by the minister's enthusiasm, but I'm discouraged when I see that the average loan came to a paltry \$131,000 which is supposed to be helping the little businessman. I voted on this when it first came in, in good faith, because I really thought it was going to help the small businessman. I'm not disagreeing with trying to get small manufacturing areas. I certainly support that. I'm glad to see that the percentage of small loans is increasing, hon. minister, because this is the real area where I think we need the most help, as was mentioned, for the small fellow who needs \$20,000.

There are many many of these businesses. If you look at a profit and loss statement and a projection the bank will say, no, there is no way we will touch it. These are the people whom I think the board in their wisdom, if they feel that this man has a better than average chance to make a go of his business, do give the loan. But I would like to see [them] enter into more and more of these \$20,000, \$30,000 and \$40,000 loans because this is my idea of helping the small businessman. When we help the small businessman like poor old Jim Pattison with Neonex half a million dollars and my old buddy, poor old Ron Southern, with a million dollars, my heart really bleeds for these fellows that we are helping them out with this type of loan.

But all kidding aside, I endorse the policy but I would like to see more and more emphasis placed on the small businessman who, I understood, is [the one] we are trying to help. At the same time, as you say, hon. minister, there are growing pains I am sure. I guess all government agencies have the problem of trying to move things along rapidly. It's no knock on your department or the people responsible, but if they can speed it up I am sure the small businessman would really appreciate it.

I would like to know if the hon. minister would be able to indicate to us just what percentage of loans are in default, or if any of them are. I hope the number is not too large and I don't think it will be, but this information would help.

Thank you, Mr. Speaker.

MR. YOUNG:

Mr. Speaker, I would like to address a couple of comments with respect to this bill; first of all, to express my satisfaction in terms of the reports which have been delivered to us in the minister's comments today about the distribution of the loans, the broader areas of industry and commerce that we are now serving through this corporation.

I have one very brief question to the minister which I would appreciate his comments on, either today or on the occasion of committee study. That has to do with the development or lack of development, but in any case his observations on the venture capital and merchant banking institutions, particularly in Alberta, which we might in some way relate to in a competitive manner. My understanding is, and has been, and is borne out by an observation or a conclusion of the Gray Report, that in Canada in general, and I would submit in Alberta in particular, there is a very great lack of venture capital institutions and, to some degree, a lack of merchant bank type facilities.

I know that the type of operation we are running does not, according to my understanding, meet exactly those needs and is not intended to. Accordingly, there could still be a gap there and I am wondering if in the last several years, from the observations of the Alberta Opportunity Company and the minister, there has been any change, any improvement in these situations?

MR. COOKSON:

Mr. Speaker, I would be remiss if I didn't say a few words about the good impact the Alberta Opportunity Company has had on rural Alberta in particular. I want to take this opportunity to congratulate the minister for bringing in the bill to increase the revolving fund.

I think it goes without saying that the Alberta Opportunity Company cannot possibly be totally successful unless the province and the government have a well-rounded plan for decentralization. It's not enough to financially support a small company in a small rural area if all the other areas and departments are not involved totally with the concept of decentralization.

In that respect I think the concept of the corridor from the McMurray tar sands and its direction to pass through areas of sparse population has got to be a tremendously positive move on the part of our government. It shows not only political courage but great foresight. I think in the years to come this is going to have a great positive impact, as has been said in the Assembly, in particular on those sparsely-populated areas which, over a large number of years, have had to give up their sons and daughters to other areas of the province which are growing.

I have said many times in my own constituency that if it were possible to employ all our young people in my constituency, I would have fulfilled part of my responsibility here in the Assembly. I can envision that this may very well be a possibility some time in the future.

I think that the opportunity company has to set a good example in the loans it makes. I have great respect for the manager, Mr. Clarke, that he will permit only at least a very minimum of political interference in the decisions he has to make in regard to loans. I think this is particularly important.

When I think of some of the catastrophes that have happened in the past - we may have some of them. I am thinking in particular of a loan through government that went to a feedlot in the Lac La Biche area which we, as a government, had to inherit. Now the thing was a totally dismal concept right from the beginning. The result was that we inherited, more or less, a kind of catastrophe. I don't know whether there was political interference or not. I hope there wasn't. But obviously the people who financed this were not aware of all the problems and restrictions placed upon such a loan in this particular area. I hope we can avoid as many of these mistakes as possible.

I would like to add further that in my constituency the town of Lacombe is involved in a downtown development. If you take note of many of the rural small towns and villages, most of them are made up of a large number of small poorly-constructed buildings. They had poor foundations, as many of them date back to the early nineteen hundreds. It takes a lot of financing to redevelop a downtown area. I am really impressed with the fact that our government is looking at this area for assistance because you have to make towns attractive to attract industry and business. I hope this kind of development may be a forerunner of other kinds of development throughout the balance of the province.

The move on the part of the minister to locate the Alberta Opportunity Company in one of our smaller towns in the province, the town of Ponoka, I think was a genuine organized plan to help these smaller centres. Of course we can't locate these particular developments in all our towns and villages, certainly not at the beginning, but I can assure my people that the spin-off benefits from these kinds of financing and development are bound to have a positive effect on the rest of the area surrounding the particular development. So I would just like to again commend the minister and support this bill.

MR. STROMBERG:

Mr. Speaker, as far as we are concerned in east-central Alberta the opportunity company has done a darn good job and we are appreciative of it. The mere fact that the minister is here today asking for another \$50 million is proof of this. We have had too many times in the past 36 years where the attitudes of maybe our government and financial institutions were such that if you needed money, Mr. Speaker, and you could prove to this financial institution that you didn't need the money, they would give you all the money you needed.

I don't think our loaning institutions have taken into consideration a man's youth or a man's ambition. I know that ADC will go as high as 80 per cent of funding. I know they will take into consideration two very important things: the man's ambition, and if he knows how he is going to pay this back.

I'm grateful to the minister for setting up Jeff Motherwell in Camrose to coordinate all aspects of the industrial development and industrial financing. I would like to inform the minister, Mr. Speaker, that Jeff is just doing one tremendous job in Camrose. He probably needs more help.

I would also like to ask the minister, Mr. Speaker, what percentage of the budget of the opportunity company is spent on advertising? My only regret was that instead of locating in Lacombe it was not placed in Camrose.

MR. LUDWIG:

Mr. Speaker, this bill does not appear to be too significant, but the fact that we started with \$50 million, which is a nice round figure, and several months later we want another \$50 million - and the way things are going I'm sure that next year the minister will say, well, this is such a terrific deal we'll try for \$100 million. The hon. member who just spoke said that is the measure of success. I think he touched on another point which is very important, that the day of reckoning comes on all of these. I think the Alberta Opportunity Company is easier credit for some people than they can get otherwise. Easy credit doesn't mean that our economy is necessarily more stable or that we develop better firms. Some people maybe will get into business who would not have otherwise. These are generalities. I'm sure the lending company watches carefully, but even the best and the hardest bitten lending companies will get caught, their security will mean nothing and they will lose their investment.

The fact that last year we had 839 bankruptcies in Alberta, when everybody tells me we never had it so good - I understand it's quite a bit worse this year - is an indication there is room for tremendous caution. I'm quite convinced that of the 833 declared bankruptcies there may easily have been another 2,000 who never applied or got around to it. People are reluctant to have themselves declared bankrupt, although more and more people feel it is a good way to get out of paying their obligations, even on a small number of bills.

I think we have to watch because lending has been easy in many other areas in this province to date. I believe money is harder to get, but that could be just a temporary matter. But telling us here that we are so much better off because we owe so much more money, we've loaned so much more, is not necessarily proof that things are going all that good. We are at the peak of prosperity and maybe we can maintain this forever, but somewhere down the line we might have a slight recession even in this province. It has happened under similar circumstances. And then there will be defaults, defalcations, failures and need for more money. I think now that we are used to getting credit quite a bit easier, when things get tough the demand will be greater.

I have people coming to me now blaming the bank because - he's going broke because his credit was cut off. As long as he kept getting in deeper and deeper and deeper things were fine. He had two cars, he had a house and he had a boat. Now the bank says, well, you're a bad risk now, you keeping owing more and things are prosperous so we're cutting you off, and the business is gone. I think we are going to find ourselves in that same position.

I'm quite convinced now that the minister must be able to tell us of instances where some MLA or someone comes up and says, will you loan a business in my constituency \$250,000 or \$500,000. And we are in trouble. Are we going to take our losses and fold up or are we going to get more money. What do you do. I think there is a need because certainly we can write an endorsement for a \$50 million or more guaranteed loan, but somebody has to be responsible to make sure that we are not pushing credit at one of the most serious inflation recycles that we have ever had. I think that by now even the hon. Provincial Treasurer will agree that credit is one of the causes of inflation; maybe not Alberta's granting of credit alone but we are adding to the causes of inflation in this province, first, by too much government spending, and secondly, by endorsing credit.

When I paid a compliment to the hon. Minister of Agriculture yesterday, the way things are going with agriculture, I wanted to tell him that if I had enough money to buy land I would quit being here and go into the land business because there is no way a guy can go broke. He might not make any money but he's good forever as far as the future is concerned because we'll keep him there. If he's worth a loan of \$50,000 today his land will be worth more, so two years from now he could get \$100,000. And there is a need for his product, so the repayment is not so important anymore. If things get tough you can always buy the neighbor out and borrow more money. At one time if they went broke they went to the city and looked for a job. Now they go to the government and they buy the neighbor out. The minister is smiling because I think this has happened sometimes.

I think the hon. Minister of Industry and Commerce ought to give us a complete rundown of how things have gone until now, because he wants to have \$50 million more by way of additional guaranteed loans. I'm not taking issue with that right now but I think you should give us the whole picture; that when we say the economy is good, it's good for some people and for some people it's very bad. Some people can't compete in businesses they started themselves with the sweat of their brow and conventional financing against some government financing. It's hard to compete when somebody got cheaper interest and maybe can do a little better. Maybe I'm wrong here but this is just a thought I would like explained.

I wonder whether there have been any defalcations to date. When we have the board of directors saying, we need \$50 million to lend money, I'm sure the shareholders want to know how come. Everything is going so good. We are getting repayments, and we need some

more. Maybe things are so good that this is the way to go. Maybe if they can get into the lending business they might make a good profit on the money they are getting.

Nevertheless, I think it's incumbent upon the hon. minister, Mr. Peacock, to tell us everything. Has he had any write-offs yet? I think maybe it's too soon to expect them. Have there been problems? Have people with meritorious claims been getting loans? Have we been providing as many jobs as might appear or is it just that the majority of these loans get into family businesses, which is good in my opinion. I think we ought to declare a policy that at the peak of prosperity we lend as quickly as we can get the money. Certainly somewhere there has to be some kind of consolidation and something getting down to a more solid base in business.

We want to know if there has been any kind of stabilization in the growth of the population of Calgary and Edmonton. I'm of the opinion that the more prosperous you make the communities around, even with the industrial corridor we are talking about, that that's just going to be an impetus for Edmonton to grow faster. The gateway always cashes in. Even if you develop Fort McMurray, Lac La Biche and all these areas very extensively, a lot of business in Edmonton will get the first and last dollar out of a lot of that expansion. I'm quite convinced that we are merely talking good politics when we say we are going to halt this.

I have been reading on this issue, and no city in any buoyant economy area has ever been retarded in growth, no matter what the government did. I'm not blaming them for trying. But I'm quite convinced that if you lend \$500 million to all the outskirts towns to get into all sorts of business and industry et cetera, Edmonton would cash in and Edmonton would grow and prosper because of that. I'm not buying the situation, well, we're growing too fast in Calgary and Edmonton because the surrounding area is depressed. In fact, I think that if Saskatchewan were more prosperous Calgary and Edmonton would grow faster. It's just the way it works. I'm not at all impressed with all these high-sounding phrases about we're going to reverse the trend of rapid urban expansion. They don't have any meaning at all. They sound good and a lot of people get fooled.

I'd like to see examples where this happened. I know of only one city in Canada that declined in population because the total economy of the province was bad. Regina declined one year. But even Regina and Saskatoon are growing rather quickly. I believe that Edmonton and Calgary will continue to expand, notwithstanding a statement by some well-intentioned minister, though be it somewhat uninformed, that we're going to change this. We're going to change nothing. Pumping money into the economy in any part of the province is boosting the whole province. Maybe that's what we need, but let's not try to fool people that we have the key to reversing the trend. I'm not taking issue with the effort. But let's not announce our success because I'm quite convinced that when we look at the whole picture two years from now in retrospect, Calgary and Edmonton will be tremendously larger and there's nothing we can do about that unless we become dictatorial and pass legislation stating that it must not be done and nobody will ever support that.

MR. GHITTER:

How about birth control?

MR. LUDWIG:

Pardon?

What do you know about it, Mr. Ghitter? Yes, you might practise all the birth control you like, but our efforts to discourage land ownership by foreigners has not discouraged immigration. If we don't raise our own, we'll import ...

MR. SPEAKER:

Order please. The debate is ranging far and wide from the general economic health of the province to gynecology. I would suggest that we try to confine it to the question as to whether or not the funds of the Alberta Opportunity Fund should be increased as indicated.

MR. LUDWIG:

Mr. Speaker, I appreciate your ruling, but I thought that expansion in cities and lending and birth rate had much in common.

[Interjections]

So, Mr. Speaker, I believe I have given the minister a few things to reply to. I don't think he's concerned about birth control in any way. And probably we're glad that his parents were not either.

But I think we'd like to have all those answers. They're proper answers. I think that before we approve this bill, we ought to know that things are all right, that the whole thing isn't just a sort of front, that the economy in these areas is not all that good and maybe we shouldn't be pushing credit. But perhaps the minister can fill us in and we'll see whether we should vote for this bill.

Thank you, Mr. Speaker.

MR. HINMAN:

Mr. Speaker, I'd like to use a few minutes to make a few comments about this act. I'd start by pointing out that ever since I can remember there has been a lack of capital for small businesses and that the success of many small businesses has been hampered because

they were not able to justify loans from those commercial lending institutions which are concerned only with getting their interest and, of course, with repayment. So over the years, governments have been petitioned and pled with and political pressures have been used to get governments to go into this field.

I have not objected necessarily to it although experience has shown that whenever governments have taken up the slack in what we call "necessary capital", governments have suffered some very severe losses. Now I don't know that that's always bad. We spend a lot of pretty foolish money in governments that doesn't benefit anybody so perhaps the losses are not to be taken too seriously.

However, I want to point up a few things here. The hon. Member for Lacombe said the mere fact that we need double the money shows that this has been successful. It reminds me of a local butcher who used to give the offal to the Indians and the dog owners. Pretty soon they were pressing him to kill more animals because they had more dogs. His business could have certainly grown.

MR. COOKSON:

On a point of order. I think it was the Member for Camrose. I just want to correct the member. It was the Member for Camrose who made that statement.

[Interjections]

MR. COOKSON:

... [Inaudible] ... for the member for Camrose.

MR. HINMAN:

Well, I was trying to keep the hon. member out of trouble with his constituents.

To continue, Mr. Speaker, once the Legislature confirmed that this was probably to the advantage of Alberta, we set up a plan which was bound to impose a very difficult situation on those whom we chose to manage it. My relationships with Mr. Clarke, Mr. Lawrence and the other officials have been excellent. I hope they never feel that I have exerted what might be termed "political pressures". I felt it my duty as a member to refer people to them to be sure their cases were presented. And they have in all cases been very courteous and receptive.

But I want to touch a few other things. Our objective, when we started this, was to assist small businesses, those which normally cannot be financed from the institutions in the financing business; second, to broaden the business aspects of Alberta, to make some employment, and third, certainly, to supplement the funds when we felt that there were not enough available through the ordinary sources. Now, all of those were good objectives. Experience, of course, has shown that people go first now to the opportunity company. They realize that if they haven't much chance anywhere else this is a good place.

It was interesting to use the copy of the Alberta Gazette to look at some of these loans and the little comments that go with them. I wish to refer to a few on Page 2213: "Rigaux Woodworking Ltd., Edmonton. Woodworking, cabinet making, furniture fabrication." The purpose: "Assist in purchase of equipment and provide working capital." Economic benefits: "Provide equipment enabling company to complete work now being farmed out. Working capital will facilitate the growth of the company."

Now, on the face of it, these are fine objectives. But what about the fellows to whom they farmed it out? They are now out of work. I'm not saying they shouldn't have got the loan. I'm simply pointing out that it is a very difficult task to know when the loans made are going to serve a better purpose than if they were not made.

Now I could look at another: Stork Laundry - this is Page 2214 - to "Assist in construction of a building and purchase of equipment." The economic benefit: a "New plant will enable company to expand commercial laundry service." But in expanding it, they will take away laundry service which is already being supplied. And in the end, we're not sure whether we benefitted the economy of Alberta or not.

I could go down the list. Here's one: Thomas L. Crossman & Timothy Robson, operating The Hippopottery ...

[Laughter]

I've heard of gods with feet of clay, but here's an animal with a whole clay body. Purpose: to "Assist in the establishment of a professional ceramic studio." Economic benefits: "Provide the province with a new professional industry."

Well, as I point out, this is not entirely a new professional industry. We're getting all those things. It's the old story: if we invade the markets of people outside the province, then there is retaliation. I'm only pointing out that we have a difficult task in deciding how far a government ought to go in making loans to people who have not been able to get financing in the usual form.

Now, to the size of the loans. Stork Laundry needed \$400,000. This is not by any means a small industry. As I point out, it isn't going to make any more work. It's going to eliminate workers because of the equipment which will be installed and which will replace workers. But at any rate, it is not a small business. I submit that perhaps we've got to draw in our objectives in the opportunity company and say that the limits have been too high, that the big loans do not justify themselves by providing new employment, new opportunities. I am sure that those who manage the company make real investigations.

But there is one thing which has bothered me considerably and that is that many loans are turned down because of lack of confidence in the management. I submit that is one of the very good reasons to reject a loan. Without management, without good management, certainly you haven't much hope of helping anybody. But I wonder if we could have done something else. My honorable friend from Calgary suggests that when we turn down such a loan we ought maybe to tell these fellows that if they will take one of the courses on management offered through our educational facilities we will reconsider it.

Another alternative is certainly to say to them, if you can show us that you will employ the services, at least in an advisory capacity, of people who are well-versed in this particular industry to guide your management, and that you will not make any major decisions without their concurrence, perhaps we could help you.

I only point out that we have a long way to go in making this particular act fill the objectives which we had.

I think there is another function and that is the liaison function. I think in due course the people in the Alberta Opportunity Company ought to have very close relations with lending institutions, not only in Alberta but otherwise. They ought to be able to keep other people informed of developments in Alberta which may be attractive. In many cases, in fact in almost all cases, they ought to refer these applications to some of these institutions and simply say to them, would you like to consider this, we'd rather you did. That approach would certainly get some of the money from other sources and relieve the government of some of its responsibilities.

What has been the experience? Well, the experience has been, as the hon. member pointed out, that there has been a flood of applications. The experience has been that politically perhaps this won't help the government; because if you have to turn down loans it's always the blanket-blank government at fault that didn't help you. I am not so worried about that, and I don't think the government is, but you do have to keep in mind that you sometimes do not serve the purposes you intend when you begin trying to help people.

There are many pressures. There was the pressure to increase the size of loans which we made. Perhaps we went overboard when we succumbed to that. There is the pressure, as you notice, in the applications and in the loans made to help people into new fields where nobody knows whether there will be success or failure and it is a matter of discretion.

What are our anticipations? I assure you we can anticipate in the years to come that the amount of money needed will double and treble and grow, partially because, of course, we cannot hope in the course of a very few years to have a turnover in the fund. Secondly, of course, as people become accustomed to this government service, they will need more and more and more, and he would be a poor politician indeed who couldn't find a good reason for the government to help more people. It's unfortunate that helping people doesn't always solve our political purposes.

What are the problems we have to face? One of the problems is certainly that we will have failures, some of which could have been anticipated, many which could not be anticipated. The fluctuations in our economy, and there is ample evidence that the fluctuations may go down, will impose on the government a considerable number of losses. As I say, I am not so concerned about that if it served a good purpose at the time. We have to anticipate that there will be demands for an extension of this into fields which we did not anticipate. You have to anticipate that the size of loans which we make will be urged on us to be higher and higher.

I simply point out that if this company is to serve its purpose, as legislators we have to be very careful in opening up the field and exposing those whom we have selected to run it to many pressures which we did not intend as our original objectives. I am going along with this. We have the Alberta Opportunity Company. I think it is doing a good job in the main. I have pointed out some of the frivolities of it, some of the dangers, only because I think that the government is as interested as anybody else in being sure that in the end this does not hurt our economy, being sure that it helps people rather than hurts them. But I point out particularly that you must be sure that in helping one small industry you have not hurt another. In such cases as I mentioned where business management has to be a factor, perhaps there are some alternatives to get these people who have hitherto been unsuccessful operating successfully.

As I pointed out, I intend to support the bill. I make these comments hoping they will provoke the kind of thought that can make this act work to the advantage of Alberta.

MR. DRAIN:

Very briefly, Mr. Speaker, as a matter of getting information. I am aware that the minister sees the Alberta Opportunity Company as a [catalyst] and I have some forebodings that in his efforts to regulate the gas burner he may warm the seat of the pants of the province of Alberta too greatly. So I urge that there should be careful consideration.

Briefly what I would like to have information on is this: as I understand the workings of the opportunity company, it is in the nature of a lender of last resort. In other words, the other lines of credit have been explored and ultimately it winds up in the hands of the opportunity company, and rightly so. Then the opportunity company, after due evaluation of the proposal, makes available assistance with due consideration, having regard to the outcome.

I would have forebodings that through the processes of empire building the opportunity company evolves, in fact, to a position where they are competing with other legitimate forms of credit or they are duplicating the role of the Industrial Development Bank or, in fact, of the banks and other lending institutions. So when the minister closes his

debate, I would be very happy to hear him elaborate on how he sees his views on this particular situation.

SOME HON. MEMBERS:

Question.

MR. SPEAKER:

May the hon. minister conclude the debate?

HON. MEMBERS:

Agreed.

MR. PEACOCK:

Mr. Speaker, I would like to thank the members on both sides of the House for participating in this passing of Bill No. 66.

I might start out by directing some of the comments into the questions which have arisen, possibly starting with the questions which were asked at the end in regard to the policy and objectives of the company.

The policy of the Alberta Opportunity Company was not to limit it to just rural Alberta, but to emphasize rural Alberta because in the conventional lending institutions discriminatory practices had taken place in rural Alberta which didn't afford to those who lived in rural Alberta the same opportunity in the capital market, the lending market, the money market as was afforded in the two urban areas we commonly call Calgary and Edmonton. For that reason the emphasis of the Alberta Opportunity Fund was directed not to de-emphasize Calgary or Edmonton, and I make that perfectly clear, but to emphasize the inequities in the capital fund market which existed in rural Alberta.

In order to overcome that problem we did several things. Take the prime rate of money as of today, 11.5 per cent, or the commercial rate which is 14.5 per cent, so that if you were going to borrow money, limited asset, you would possibly be paying in the range of 14 per cent.

In order to encourage the less attractive investment areas which persist because of limitations of market and many other factors which the hon. members in this House are all familiar with, particularly the ones who come from rural Alberta, to move from the prime rate in the proportion of the size of the community and the size of the company and reduce from the primary on the basis of 1 per cent for a small community of 2,500 and less, and 1 per cent off that primary for a small company that was needed in order to generate the services and amenities within that community.

The objective of the opportunity company has been to fairly treat, look at, identify and understand in the best of the human interpretation with the facts at hand what is in the public interests of Alberta as well as what is in the economic viabilities within the limitations of the Alberta Opportunity Fund. The basis on which the fault or default or losses is regulated is practically the same as what we would expect because we are entrusted with public funds of the citizens of Alberta that would normally be related to some kind of criteria that are established in the conventional lending institutions. And that would represent some 5 per cent for reserve for losses that might be accrued from the kinds of loans that the director and the staff of the opportunity company saw fit to extend.

I might point out that the losses to date in the default area amount to approximately 1 per cent; that we do reserve 5 per cent for losses and that the advertising expenditures on the development or promotion or, for that case the information of the opportunity fund are zero.

There is one very important part that all members of the House must remember in relation to a fund such as this: that the big reason basically for this House considering, passing and implementing the opportunity fund was a recognition that instead of the physical assets that were to be emphasized in the economic development of Alberta, it was time we directed our attention to the human assets.

When we start doing this we get into all variances and degrees of judgment; we're bound to make some errors, and nobody's denying that. But I think it's a very important identification that we have to understand, that when we go in to a conventional lender, whether we be in rural Alberta or urban Alberta, we have by necessity identified the ability for us to borrow money on the physical assets or the breakup or liquidity of what we have; and what we have up here, or what capabilities we have physically are not an asset that is identifiable in the conventional lending institutions. This is the big difference. For that reason I am sure that each and every member of this House - when we presented the opportunity company and had the opportunity to vote on it, we agreed that this was a shortfall, that we would have some problems and we would have some areas [in which] possibly each and every one of us could sit in criticism; but that the intent, providing the directors and the officers of the company were chosen and understood and there was full disclosure to the members of this House so they could follow and trace the history and progress of the company, that we were on the right track. And I, as minister responsible for the opportunity company, feel that that is precisely what we have done.

Now I'd like to direct some comments to the questions that arose, some very good ones, in relation to inventories. Somebody brought up, why we didn't set aside a certain amount of money for inventories. The privileges of the policies of the opportunity company of course direct themselves at the ability to loan on inventories in place.

I have covered the losses, and I would now like to just comment briefly on a certain particular industry that is very sensitive to economics, particularly in western Canada at this time and is identified in Alberta, the trucking industry. Basically the trucking industry has been reasonably well financed by institutions that have been in place. The problems that have accentuated the concern and viability of trucking industries are many and varied and I wouldn't take up the House's time to dwell on them other than in passing to state this: we have, I think, given evidence that we are very sensitive to our transportation, all modes of transportation. We have reviewed, in looking at this specific area, trucking; the Minister of Highways and Transport has moved on a GVW increase to economize or eliminate the problems that the truckers used to experience in offloading and onloading as far as moving across interprovincial travel. They have, through his efforts of standardizing on GVW in the west, in coordination with the other provinces, allowed a greater viability to creep into the industry by having standard equipment that could be now developed and ordered and utilized in the future. It might not have an immediate impact financially but it certainly will in the future. The reciprocity treaties that he has entered into with the surrounding states will give a prorated program, will allow an expansion and movement of Alberta-based trucks.

From a standpoint of local or individually-owned trucks, it's a good point and we will certainly direct the opportunity company to have a look at this particular area if we haven't been addressing ourselves to it in the past.

Mr. Speaker, I would like to suggest that before the capital requirements we have identified in the opportunity company have been made available to rural Alberta in an attempt to afford an equal opportunity, much had to be done in rural Alberta to allow the viability of these towns to take their places so that industry could be attracted to them. This has taken some time to bring about so we are now in a position, I think, to reflect some real activity in rural Alberta, in the smaller communities. And unlike our friend, the hon. Member for Calgary Mountain View, that we cannot play some part in effecting change in a trend, I don't think the facts support what he is saying.

We on this side of the House have, in the last three years, moved by my colleague, the Minister of the Environment, in his sewage and water program, brought sewage and water to a number of communities. The Minister of Municipal Affairs has changed The Alberta Housing Act so that mortgages could be permitted to go in to rural Alberta, and the Minister of Highways and Transport has changed the program so that the main street and gutters in those main streets can be now part of new vitality for rural Alberta.

The Member for Lacombe referred to an approach that this government has addressed itself to in changing the image and aesthetics in rural Alberta and affording what we call a 'new town look'. This is a really interesting program and all ties with what we and the Alberta Opportunity Company have been able to contribute to these overall programs in the last three years.

Before concluding my few comments, Mr. Speaker, I would like to refer to a particularly sensitive area I think we have not really addressed ourselves to and which is a real problem; that is in the merchant banking or the venture capital area.

I concur with the member who stated that this is an area we should be looking at. We have had some preliminary reviews with industry, with the needs of industry, with the institutions, the financial institutions in place and around in other areas covering the problem of bridge capital and short-term financing. I can only assure you, Mr. Speaker, that in this area of venture capital, in this area of merchant banking, we will be studying this and looking at it and hopefully by spring will have something to report to the House.

Thank you, Mr. Speaker.

[The motion was carried. Bill No. 66 was read a second time.]

Bill No. 68 The Highway Traffic Amendment Act, 1974 (No. 2)

MR. COOKSON:

Mr. Speaker, I beg leave to move second reading of Bill No. 68, The Highway Traffic Amendment Act, 1974 (No. 2).

I might just review briefly the amendments that are required. The principle of the bill is simply to tidy up the original Act, to possibly tighten some of the loopholes that our legal people are eventually able to find in legislation as was mentioned by the Member for Calgary Mountain View this morning.

Just briefly on the various sections: Section 16 is primarily designed to adjust to legislation by the federal government to permit certified mail. There is a section that has to deal with trying to locate and zero in on stolen vehicles, Section 3. There is subsection 4 which permits the withdrawal of the use of the year on licence plates, primarily because we are going into the 5-year situation. There is also Section 5 in an area where there has been some problem. People who are able to use dealers' licences have been accosted by the law for carrying personal belongings within their vehicles. So the definition of "freight" has been, in effect, broadened to exempt personal belongings from that definition.

Section 83 is, I think, particularly important to small detachment areas where they are limited in manpower. It makes provision for a civilian to take down a report in the case of an accident. It also, I suppose, improves the efficiency of all police forces.

Subsection (7) of Section 83 gives the police forces, both the municipal and the Royal Canadian Mounted Police, a little more authority to be able to identify and locate a specific number on a vehicle in the case of registration. There are a number of vehicles floating around the province that have had the identification marks lost. Up until recently these vehicles have been permitted to be registered. This gives an opportunity to the law enforcement officers to perhaps tighten up on this particular problem.

Section 187 permits a law officer to order an investigation of a vehicle that has been involved in an accident. Until this time, this wasn't permitted, only in the case of vehicles they could order their inspection for cause of accident, in this particular case it permits one that was involved in an accident.

Subsection (9) of Section 207 is particularly important, I think, because of the problem of incorporation of materials into the body other than alcohol. It makes it difficult for law officers to require a driver to forfeit his driver's licence for a 24-hour period. As you probably know, the breathalyzer test is only effective in the case of the uses of alcohol. This extends the power of a peace officer to withhold the licence for an interim period in cases where other than alcohol has been consumed.

Section 216 broadens the act in that it gives permission to the minister to delegate his powers to the Motor Transport Board. This is a board set up to administer the regulations, the parts of the Act. Subsection (11) and Section 8 is subsequential in that it's involved not only in The Highway Traffic Act, but also The Public Service Vehicles Act. So that simply clarifies that area and extends the right of the minister to delegate power to the Motor Transport Board.

MR. R. SPEAKER:

Mr. Speaker, in speaking to second reading of Bill No. 68, I would say that I certainly appreciate the intent of the bill.

I can enumerate one example where the taking of the blood sample was not done in a correct manner or with a correct procedure. The person who was driving the car could have caused a number of deaths. Early in 1974, as the school bus was leaving the town of Vulcan, it was being followed by a county councillor. As it stopped at one of the residences about a quarter of a mile out of the town of Vulcan, a driver came out of the town who had been sitting in the bar all day and there is evidence of this. The driver, instead of stopping behind the stopped school van and the truck of the county councillor, did not stop and proceeded to run into the truck, crashing the truck into the school bus. Following that certainly there was an officer at the scene. The officer had a blood sample taken by the doctor. Following that there were certainly the court room procedures. But the result of the case was that the driver was not charged. He was not charged because of the way the blood sample was taken and the way it was sent from the doctor to whoever the central examiner is in Edmonton.

I must say to the mover of this bill that not only should the officers have more power to have the blood sample taken, but there should also be some type of directives and procedures clearly established by which that blood sample is taken and then forwarded to whoever the officials are. I can say that this may be the first step in the right direction to try to remedy situations [such] as the one I have just described. But I would like to examine the bill further and have the mover comment on that example to see if the bill does take care of that type of situation.

[The motion was carried. Bill No. 68 was read a second time.]

MR. HYNDMAN:

I move we call it 1 o'clock.

MR. SPEAKER:

Assuming that the House agrees with the motion made by the hon. Government House Leader, the House stands adjourned until Monday afternoon at 2:30 o'clock.

[The House rose at 12:55 p.m.]

