

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, May 29, 1975

[The House met at 2:30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

PRESENTING REPORTS BY STANDING AND SELECT COMMITTEES

MR. TRYNCHY: Mr. Speaker, I beg leave to table the report of the standing committee outlining the members on the six select standing committees, as ordered by this Assembly.

INTRODUCTION OF BILLS

Bill 209 The Farm Land Ownership Act

DR. BUCK: Mr. Speaker, I would like to introduce Bill 209, The Farm Land Ownership Act. This will limit the agricultural landholdings of non-resident owners. The purpose is to ensure that Alberta agricultural land is preserved largely for Alberta residents. The main thrust, Mr. Speaker, is that non-residents will not be able to hold more than 640 acres of Alberta land.

[Leave being granted, Bill 209 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. McCRAE: Mr. Speaker, it's my pleasure today to introduce to you, and through you to the members of this Assembly, a group of some 40 students from the Collingwood school in my constituency. They are Grade 6 students. They have been on a one-week bus tour of the Banff-Jasper-Edson region and are heading back to Calgary at this time. They have been billeted with friends along the route. It was part of their social studies project.

Mr. Speaker, they are accompanied by their principal, Mr. David Bruce; their teachers, Mr. Bill Mahon and Mrs. Edna Inkster; and by parents, Mrs. Ramsey and Mrs. Eaton. They are in the members gallery, and I ask that they stand and be recognized by the Assembly.

DR. HOHOL: Mr. Speaker, I am pleased to introduce to you, and through you to this Assembly, 75 Grade 5 students from Kildare school in the constituency of Edmonton Belmont. They are accompanied by Mrs. Joan Budd and are sitting in both the public and members galleries. I should like to ask them to rise and be welcomed by this Assembly.

MR. GOGO: Mr. Speaker, I have the honor and privilege of introducing to you, and through you to the members of this Assembly, three honor students from the City of Lethbridge. I would ask that they stand: Linda Swanson, from the Lethbridge Collegiate Institute; Martha Kaplan, from the Catholic Central High School; Cindy Gaetz, from the Winston Churchill

High School; and their host and longtime friend of the Assembly, a member of the Agriculture Hall of Fame, Dr. Ace Palmer.

MR. ADAIR: Mr. Speaker, it gives me great pleasure this afternoon to introduce to you, and through you to the members of this Assembly, some very distinguished guests from Malaysia. They are members of the world youth organization and are visiting in our fair province. I would like to welcome at this time: Mr. Yap Yong Yih, the first youth affairs officer for the ministry of culture, youth and sports in Malaysia; Mr. Shaari Iebai Awang; Mr. Sofian Haji Tamat; Mr. Muhammed Tainu; and Mr. Zakaria Hamat. They are accompanied by Mr. Gerard Holdrinet and Mr. David Stott. I would ask that they rise and be recognized by this Assembly.

MR. BOGLE: Mr. Speaker, I would like to introduce to you, and to the members of the Assembly, two representatives of the Milk River town council. They are councillor Myron Verburg and administrator George Roberts.

MR. SHABEN: Mr. Speaker, I beg leave to introduce to you, and through you to the members of this Assembly, the Mayor of the Town of High Prairie, Mr. Fred J. Dumont. He's seated in the members gallery. I'd ask him to rise and be welcomed.

MR. TAYLOR: Mr. Speaker, I've great pleasure to introduce to you, and through you to the hon. members of the Legislature, Mr. Julian Fedcruk who is in your gallery. Mr. Fedoruk is a prominent merchant in the Town of Strathmore and a member of the town council. I would ask him now to stand and be recognized.

MR. NOTLEY: Mr. Speaker, I think it would be extremely unfortunate if we overlooked the presence in the House today, in your gallery, of Mr. Roy Wilson, the former member of the Legislature for Calgary Bow. I'm sure we'd all welcome Mr. Wilson back to the Legislative Assembly.

Mr. Speaker, while I'm on my feet, I'd like to introduce someone who hasn't been formally introduced to the Legislature before but is frequently with us in the galleries. That's the leader of the Liberal Party, Mr. Nick Taylor, also in your gallery.

TABLING RETURNS AND REPORTS

MR. MOORE: Mr. Speaker, with the presence today in the members gallery of the Farmers' Advocate of Alberta, Mr. Entrup, I take the privilege of filing copies of the 1974 annual report of the Farmers' Advocate of Alberta. Copies are available for all members.

MISS HUNLEY: Mr. Speaker, I'd like to table the annual report for the Department of Health and Social Development, as required by statute.

While I'm on my feet, Mr. Speaker, I also wish to table Sessional Paper No. 36, The Disabled Persons' Pension Act, a nil report; The Old Age Assistance Act, another nil report; and The Blind Persons Act, as required by statute.

MR. FARRAN: Mr. Speaker, I'd like to table the answer to Question 118.

MR. CRAWFORD: Mr. Speaker, I'd like to table the 57th annual report of the Workers' Compensation Board for the calendar year 1974. In doing so, Mr. Speaker, I might mention that the form in which these are being tabled is the typed form. In due course they will be printed, and at that point I'd be pleased to provide hon. members with copies. The printing is expected to take into the middle to late part of June, but it is hoped they will be ready by the time the spring session might end.

MR. SPEAKER: Although there may be some doubt about the appropriateness of our Standing Order 100 in a year in which we have two sessions, I would assume that hon. members would agree that a report for the Alberta Hansard having been tabled at the last session of the 17th Legislature, it won't be necessary to table another one now.

HON. MEMBERS: Agreed.

ORAL QUESTION PERIOD

Grants Procedures Review

MR. CLARK: Mr. Speaker, I'd like to direct my first question either to the Premier or to the Government House Leader.

[The Premier and Mr. Hyndman entered the House.]
The timing was beautiful.

In looking over the Auditor's report the Premier tabled in the House yesterday and having regard for the observations the Auditor made concerning the absence of regulations providing for grants, specifically in The Department of Agriculture Amendment Act, 1972, and having in mind that in new government bills coming in this session there is a provision that grants would not be made unless regulations have been approved beforehand by the Lieutenant Governor in Council, I would like to ask the Premier if it is the intention of the government to introduce legislation this spring session that would cover grants made in other government departments so that, in fact, grants would not be made unless there were regulations approved by the Lieutenant Governor in Council.

MR. LOUGHEED: Mr. Speaker, the answer to that question is that we have been evaluating it, and it would depend upon the timing in which we have a reply from the Auditor to the request we've made to him to review grant procedures of the various government departments, as referred to earlier in the House by the Provincial Treasurer. We would want to see the Auditor's report before we moved in terms of a wholesale amendment of legislation in the various bills. We felt that rather than making some amendments in the session now and then having to revise them in light of the Auditor's report -- because it's relatively imminent even though we might not receive it until July -- we would be better served by awaiting his reports.

In addition, as I mentioned in my statement yesterday, I've asked him to do a special assessment with regard to the concerns he raised on pages 7 and 8 of the report I tabled yesterday. On the other hand, we did not think it would be appropriate to bring in new legislation, with new departments, that did not include a grant procedure which established the premise the hon. leader refers to, that grants should not be made without being within the parameters or guidelines of established regulation.

Oil Industry

MR. CLARK: Mr. Speaker, the second question is to the Minister of Energy to ask if he has been contacted by representatives of small independent oil companies, primarily from Calgary, who are having extreme difficulty raising operating capital and in some cases, I am told, are having to consider letting their leases go.

MR. GETTY: Mr. Speaker, over the course of the rapidly changing conditions that have occurred in the energy field, there have been, I would say, many occasions when both large and small companies in the energy field have by mail and verbally expressed to me, and I'm sure to other members of the Executive Council and MLAs, problems they were encountering because of the rapid changes in the energy field.

I have a little difficulty recalling any that specifically deal with the matter of inability to raise operating expenses. However, perhaps a review of past correspondence might indicate that some did. I think the majority of concerns I encountered were from those who felt that a source of funds which they used to be able to rely on from the United States -- these were venture funds, for exploration and development drilling rather than operating of the company -- was to some extent drying up because of U.S. tax laws and greater incentives for drilling within the United States.

MR. CLARK: Further supplementary, Mr. Speaker, to the minister. Does the minister have, either in his department or perhaps through the Energy Resources Conservation Board, any type of monitoring going on which deals with this problem, especially for small companies with, let's say, from 1 to 10 people involved, which, I understand, have done something like 70 per cent of the wildcat drilling in the province over the past number of years? Is there any type of ongoing monitoring in that area?

MR. GETTY: Mr. Speaker, I wouldn't say there was a formalized monitoring system. There's certainly constant communication between members of the department, members of this Legislature, and people in the oil industry -- as well, I believe, through the Energy Resources Conservation Board. In that way we try to keep as fully aware as possible of the conditions in the industry.

MR. CLARK: A further supplementary, Mr. Speaker, to the minister. Does the minister, either in this informal monitoring or any other mechanism, have an indication as to the number of geologists in Calgary -- once again, who are engaged by these small independent companies -- who are, in fact, either out of work at this time or effectively leaving the province and going south? Do you have any kind of feel for that area?

MR. GETTY: Specifically in terms of geologists out of work, Mr. Speaker, I do not.

I would draw the attention of the hon. member and the House to the fact that there have been a lot of changes, some for the bad in the minds of industry and others, but some for the good -- a lot of changes more recently in terms of increasing incentives for exploration and development of oil and gas reserves within the province. We believe many of these will start to create a greater activity and therefore more opportunities for employment for those in the industry.

MR. CLARK: Further supplementary, Mr. Speaker, to the minister. Has the government under consideration any specific program or proposals that would deal with the plight of these small independent companies, either through the Opportunity Company or through some guaranteed loans, or any proposals in this area?

MR. GETTY: We have certain matters under consideration, Mr. Speaker. However, it's difficult to move in a firm way in this area because an assessment must be very detailed and thorough. As the hon. members know, we have had a substantial Alberta Petroleum Exploration Program in effect only since December of 1974. We have had a dramatic increase in natural gas prices at the border and in domestic prices as well which are flowing back to producers. We have negotiations under way for oil and gas price increases which, we trust, will also increase incentives for oil and gas exploration. We have a new federal budget coming down in June, for whatever effect that may have on the industry. And we have some potential decrease in the attractiveness in the United States.

So, Mr. Speaker, all these things are at work in the industry right now. Therefore, it's very difficult at this time to institute programs until we are certain they are necessary. We do not want to be in a position of filling a need that is really created, for instance, by inefficiency of some companies. Therefore, we will keep this matter under consideration and try to see if there's a legitimate role government can play.

MR. CLARK: Mr. Speaker, one last supplementary question, in light of the minister's answers. Would the minister be prepared to check with officials of his department and with the Energy Resources Conservation Board to see if there have been situations where small Alberta-based, independent companies have reported problems in raising operational capital to the department or to the board, and report back to the Assembly?

MR. GETTY: Mr. Speaker, I would want to do that as a matter of fulfilling my responsibilities in the Department of Energy and Natural Resources. I certainly will do it.

MR. GHITTER: Supplementary, Mr. Speaker. I wonder if the hon. minister at the same time would determine whether some of the small oil companies that have left the Province of Alberta are, in fact, now coming back, as I'm receiving some such indications.

MR. GETTY: There are some preliminary indications that both oil companies and drilling operators have found that the grass that perhaps looked greener on the other side of the fence has turned out to be not so attractive. Such matters as the U.S. tax change and the matter of depletion for oil companies within the United States have certainly softened some of the incentive within that country.

Therefore, there appears to be an early indication with both drilling operators and companies of some definite slowdown of the move to the United States, and perhaps even a return to Canada and Alberta.

Automobile Insurance

MR. NOTLEY: Mr. Speaker, I'd like to direct a question to the hon. Minister of Consumer and Corporate Affairs and ask if either he or his department has received reports of auto insurance companies refusing to renew policies unless the customer takes out a general package policy -- all the way from fire insurance on the home to what have you -- from the company providing the auto insurance?

MR. HARLE: Mr. Speaker, in order to answer that question I'd have to go into a fair amount of detail, if the House would permit me to do so.

MR. NOTLEY: Agreed.

MR. HARLE: The Superintendent of Insurance is aware of the problem. It must be noted, Mr. Speaker, that to the knowledge of the superintendent, only people placing new insurance business are affected. From the insurance companies' point of view, the companies have suffered a very serious loss on automobile business. They feel they're entitled to a better underwriting risk along with poorer risks, in order to balance their portfolios. Some insurance companies are under pressure from the federal Superintendent of Insurance to improve their capital position, that is, the reserves to offset the business that is written. So the insurance companies have had to seek ways of balancing their portfolios.

I might say that no Alberta driver, to the knowledge of the Superintendent of Insurance, has been unable to get minimum risks on the compulsory insurance. But in some cases, an Alberta driver has had to shop around and go to extra effort.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has he any indication from the report of the Superintendent of Insurance to him as to how widespread this practice is? Is it an isolated situation, or it is reasonably widespread throughout the province?

MR. HARLE: Mr. Speaker, to the knowledge of the Superintendent of Insurance, it only exists on new business. That is, there has been no problem with those who have had existing coverage with companies who are continuing to carry on an insurance business in Alberta. It has occurred where insurance companies have withdrawn from the province, and that is new business to those insurance companies which remain.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the minister received any reports at all from people who have had business with particular insurance companies and find, when they renew their auto insurance policies, that they are asked to take out a package policy or their auto insurance will not be renewed?

MR. HARLE: Not to my knowledge, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Is it the government's intention to undertake any steps or action which would stop this practice? Or is it the view of the government that this practice, as long as it applies to new insurance, is okay?

MR. HARLE: Mr. Speaker, the superintendent of insurance doesn't like the practice, and he is watching it. No doubt in due course he will make recommendations if it becomes widely used in the course of conduct of insurance companies.

MR. NOTLEY: Mr. Speaker, one final supplementary question. Would the government give any consideration to an amendment to The Unfair Trade Practices [Act] at this time to put a stop to this sort of thing, once and for all?

MR. HARLE: Mr. Speaker, that could be considered. At this time, though, I would think that whether it falls within what might be called an unfair trade practice would be debatable.

Truckers' Insurance

MR. TAYLOR: A supplementary to the hon. minister. A very short explanation is required first. With reference to insurance for truckers, some contractors in the province are requiring \$300,000 PL and PD. Those who are already insured have no difficulty getting this, but those who are under the age of 21 are having grave difficulty in securing \$300,000. They secure \$100,000 through the exchange.

Would the hon. minister look at this with a view to making sure that 19- and 20-year-old persons who have a good driving record are not discriminated against in this respect?

MR. HARLE: Mr. Speaker, with regard to the subject of exchange, it is, of course, a method whereby the insurance companies have met the requirement of compulsory insurance. Where a risk is received by an agent, it can be placed through exchange. Exchange does cost some 5 to 10 per cent more than a standard risk which might have been placed through ordinary channels. I will say this: it is my understanding that the insurance exchange is reviewing the necessity of an increase in premium on a standard risk.

I also understand that as far as truckers are concerned, to the knowledge of the Superintendent of Insurance they have been able to get the extra coverage. As far as is known, we've had nobody tell us they have been turned down flatly on the \$300,000 amount suggested by the member.

The result is that the Superintendent of Insurance is aware of the problem. Where a specific instance is brought to his attention, he has gone to every effort to make sure that such persons will get insurance.

MR. TAYLOR: A supplementary to the hon. minister. With regard to the Exchange, the maximum that can be secured is \$100,000.

In order to lead up to the question -- I phoned all over the province on behalf of a 19-year-old trucker who bought a truck and has an excellent driving record. Even the excess markets said they just couldn't place it. Finally, Lloyd's of London said they would place the \$200,000 for a . . .

MR. SPEAKER: Possibly the hon. member . . .

MR. TAYLOR: I'm coming to the question now.

MR. SPEAKER: . . . is exceeding the bounds of informality.

MR. TAYLOR: I'm sorry. Would the hon. minister recheck this matter? It is very unfair to young drivers who have good records.

MR. HARLE: Mr. Speaker, I would agree with the comment made. I would ask that the member present his situation to the Superintendent of Insurance to look at.

Automobile Insurance (continued)

MR. NOTLEY: Mr. Speaker, a final supplementary question to the hon. minister concerning the question I raised. With respect to the investigation now taking place by the Superintendent of Insurance and the monitoring, can the minister give us any indication as to what time frame he sees for a government decision on this matter as to whether the practice will be stopped or permitted to continue?

MR. HARLE: Mr. Speaker, the government has this under consideration at all times and is very conscious of this problem. It will depend on developments as we proceed through the year. The situation with truckers, of course, became a very pressing problem as a result of the spring break-up and the removal of road bans.

MR. NOTLEY: Mr. Speaker, just one final supplementary . . .

MR. SPEAKER: The hon. member indicated previously that that was his final supplementary. It's becoming a little difficult to understand what the hon. member means by the word "final".

MR. NOTLEY: Mr. Speaker, let me ask this question for clarification purposes. This is the . . .

MR. SPEAKER: It's very difficult to see how a question, even for clarification, can be tacked on as a postfinal supplementary.

The hon. Member for Drumheller . . . Is this a supplementary? Might this be the final supplementary on this topic.

DR. BUCK: In that case, Mr. Speaker, I shall make it a two-part question. I would like to ask the hon. minister if he can indicate to the Legislature in ballpark figures the number of insurance companies that have left Alberta, which were writing automobile insurance -- a ballpark figure in the amount of insurance they wrote?

MR. HARLE: Mr. Speaker, I would ask that the member place that on the Order Paper.

Oil Recovery Rate

MR. TAYLOR: My question is to the hon. Minister of Energy. What is the average recovery rate of oil now in the shallow and deep wells in Alberta?

MR. GETTY: Mr. Speaker, I'd have to take that as notice. Or if there are follow-ups on a particular basis, the hon. member might place it on the Order Paper.

Prisons

DR. BUCK: Mr. Speaker, I'd like to address this question to the hon. Solicitor General. This comes out of the report the deputy minister made relating to imprisonment. The report said the system of imprisonment would be modified so there would be more programs of halfway houses, working off debts to society, suspended sentences, day parole.

Mr. Speaker, my question is this. Can the hon. minister indicate to us in what position this places the Fort Saskatchewan Correctional Institution, the Peace River Correctional Institution, and Lethbridge and Spy Hill -- the provincial institutions? Does this change their status?

MR. FARRAN: Mr. Speaker, I presume the hon. member is referring to a speech made in Lethbridge by the deputy minister in which he said it was a policy to seek to open a wide range of alternatives to judges at the time of sentence, alternatives to the traditional fine/imprisonment route. To try to increase this range of options open to the judge is definitely a policy. One hopes the result will be fewer people in correctional institutions. But the way the world is going, probably in fact they'll still remain at a comparably full level, which they are at present.

DR. BUCK: Supplementary, Mr. Speaker. Can the hon. minister indicate to the House if any work is going to be undertaken this year to provide new facilities in the Fort Saskatchewan Correctional Institution?

MR. FARRAN: Mr. Speaker, there is work under way at the moment to improve the classification procedures. Remodelling is presently being done by the Department of Government Services.

Meat Sanitation

MR. ZANDER: Mr. Speaker, my question is directed to the hon. Minister of Agriculture. In view of the fact that the needs of tighter meat controls for inspection for human consumption are occurring in other parts of Canada, is the minister considering implementing tighter and more rigid controls and inspection of meat entering our province?

MR. MOORE: Mr. Speaker, the hon. member, I presume, is referring to the recent problem with respect to rendering plants in eastern Canada. Is this correct?

The legislation in this province, Mr. Speaker, provides that all dead animals should be burned, buried, or rendered. All the rendering plants in the Province of Alberta are under federal inspection. In addition, there is a monitoring by provincial government authorities of rendering plants in Alberta.

I'm confident, Mr. Speaker, after having reviewed that matter in the last few days, that none of the type of meat which is supposedly entering the market in eastern Canada is coming from Alberta, and confident as well that there is none of that type of meat entering the consumer market in Alberta.

Rural Gas Program

MR. JAMISON: Mr. Speaker, I would like to direct a question to the Minister of Utilities and Telephones. Are utility companies required to serve potential rural customers within their franchised area under The Rural Gas Act?

DR. WARRACK: Mr. Speaker, my understanding is that this is a sign-up matter and is the subject of agreement under the arrangements posed to have the opportunity to sign up and to be a part of the rural gas program. So that (a) it would depend upon the customer asking to be signed up, and (b) from there a question of feasibility, considering all the matters including cost.

DR. BUCK: Mr. Speaker, can the hon. minister indicate what is being done about the gas co-op in the M.D. of Sturgeon which has gone into receivership? Does the hon. minister know if anybody has bought that co-operative or if it is still under receivership?

DR. WARRACK: Mr. Speaker, that is a question of detail. I would have to check. I know the hon. member appreciates there are several dozen of the co-ops in Alberta.

MR. CLARK: A question, Mr. Speaker, to the minister. Did the minister imply there were several gas co-ops in the province under receivership?

DR. WARRACK: The hon. Leader of the Opposition might have thought that was an implication, but what I said was that there are several dozen co-ops in Alberta.

Prisons (continued)

MR. LITTLE: Mr. Speaker, I would direct this question to the hon. the Solicitor General. I note from his annual report that 75 per cent or more of the inmates of the Alberta correctional institutions are serving terms of six months or less at extremely high cost. Therefore, has consideration been given to placing such inmates in minimum security institutions at much lower cost?

MR. FARRAN: Yes, Mr. Speaker. The very nature of the thrust I was explaining to the hon. Member for Clover Bar is that we are trying to pursue what one would call diversionary programs. A pilot restitution program should be announced very shortly in Alberta. It's just awaiting confirmation of cost sharing funding from the federal government.

MR. LITTLE: A supplementary, Mr. Speaker. I didn't have in mind programs, but minimum security. That is, less staff, much less staff.

MR. FARRAN: Yes, Mr. Speaker, I did understand the question. In terms of halfway houses and community residences, we are endeavoring to develop these facilities. In fact, at the present time there are about 60 inmates in such minimum security environments. I'm hoping to expand the range of this type of institution. We have, in addition, a large work camp at Nordegg and four smaller work camps.

Summer Employment Program

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. Does the recent special warrant approving \$6 million for the STEP program account for the total 1975 expenditure, or is it in addition to the previous funding?

DR. HOHOL: Mr. Speaker, at the present time the STEP program is in the total of \$6 million.

MR. MANDEVILLE: Is there a set of guidelines for establishing the priorities on the applications sent in?

DR. HOHOL: Yes, there is, Mr. Speaker.

MR. MANDEVILLE: Would he be able to explain the guidelines to the House, or table them?

DR. HCHCL: I could do it either way, Mr. Speaker. The first way would take some considerable time to make certain the guidelines are understood and in context. I would prefer to table them.

DR. BUCK: Supplementary, Mr. Speaker. Will the assistance to farm helpers be included in this program, or is this a separate program?

DR. HOHOL: It's part of the total employment program for the summer, Mr. Speaker. It is a separate program, but if the House would find information with respect to that useful, and I'm certain it would, I'm prepared to table it.

If I recall rightly, Mr. Speaker, it was tabled by my colleague, the hon. Minister of Agriculture, about two weeks ago.

DR. BUCK: Supplementary, Mr. Speaker, to the hon. minister. Is the minister aware that last year, almost before it got under way, the program to help youths working on farms ran out of funds?

DR. HOHOL: Mr. Speaker, I was incredibly aware, made that way by my colleagues on this side of the House and on the other side of the House.

MR. MANDEVILLE: Supplementary, Mr. Speaker. Will the applications refused as a result of lack of funds be able to reapply now for this assistance?

DR. HOHOL: I should make it clear, Mr. Speaker, that we're speaking of two different things, or at least two different fiscal years. But in the sense in which the hon. member puts it, each new fiscal year opens the applications which may have been turned down in a previous year, or a new one. So technically, yes. But we're speaking of two different fiscal years, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. What portion of the \$6 million is allocated to the farm work program?

DR. HOHOL: Going by memory -- but as I see the sheet, I would recall \$2 million.

School Taxes -- Hutterites

MR. COOKSON: Mr. Speaker, I'd like to ask a question of the hon. Minister of Municipal Affairs. Could he advise the Assembly whether some Hutterite colonies are paying into the province foundation program and some may not? And, perhaps as a supplementary, where is the distinction?

MR. JOHNSTON: Mr. Speaker, the concept the hon. member is referring to deals with the reduction of the property education tax from farmlands. Some complexities have been introduced because of a restriction in that act which suggests that if the land is owned by a corporation and that corporation is not owned within a family, the reduction is not applicable. In this sense, several Hutterite colonies across the province have found themselves owning the land within the corporation, but the corporation ownership was not within a family. Therefore, they were not allowed the property tax reduction.

MR. COOKSON: Perhaps as a further supplementary, Mr. Speaker. Are there situations where they're not classified as a non-family corporation but are classified as a charitable organization, where they are being charged or exempted education tax?

MR. JOHNSTON: Well, of course, there are several ways of holding shares in a corporation, Mr. Speaker. As I understand it, there are some exemptions given to the Brethren, if the Brethren themselves own the shares, or if the shares are owned by relatives of that corporation. In some cases they are.

MR. COCKSON: Perhaps a final supplementary. I presume the different systems are designed to solve the problems of income tax at the federal level. I'm wondering if there is any kind of appeal by the colonies if they wish to apply for the refund?

MR. JOHNSTON: Mr. Speaker, I'm not altogether sure of the reference with respect to the tax act in the first part of that question. Yet there is provision for appeal, should the colonies find themselves prejudiced under this act.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Is the government giving any consideration to possible legislative changes which would rectify this problem as it relates to Hutterian Brethren colonies?

MR. JOHNSTON: There's no provision right now to make any changes to the legislation, Mr. Speaker. Yet it is my understanding there may be some changes within the Brethren themselves as to how they own shares in the corporation.

U.S. Oil Import Tariff

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Energy and ask whether the Petroleum Marketing Commission has been asked to review the impact of President Ford's decision to increase the import tariff on world oil by \$1 a barrel, and what the impact would be on the Alberta economy, if any?

MR. GETTY: Yes, Mr. Speaker, the Alberta Petroleum Marketing Commission is looking into the impact of the President's moves in energy matters, as are the department and, to some extent, the Alberta Energy Resources Conservation Board.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has there been a preliminary assessment made on the impact of the \$1 a barrel import charge announced last winter?

MR. GETTY: No, Mr. Speaker, not in any formal way. It's been taken into account on a continual monitoring basis. We have found the greatest controlling factor by far to the flow of exports of Alberta oil to the United States has been the federal export tax.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is it the view of the government that the now \$2 a barrel import tariff represents an inhibition in the export of Canadian oil to the United States market?

MR. GETTY: Mr. Speaker, the \$2 levy applies to all oil imported into the United States. So in that regard, it's all treated equally, and one wouldn't lose competitive advantage compared to another. Probably, though, when prices go up there is a threshold point at which consumers will stop using a product. In that regard, the President's increase will, in fact, cause some people to restrict their consumption of the fuel and will, therefore, have a depressing effect on the amount of oil used, then presumably on the amount of oil imported into the United States, and presumably on the amount of Canadian oil imported into the United States.

Countering that to some extent, however, is the proposal to decontrol domestic prices in the United States. If that decontrol continues, obviously there will be greater profit incentives to domestic producers and domestic explorers in the United States, which will allow them to get a greater and greater amount of reserves and, therefore, also satisfy some of their own needs.

MR. NOTLEY: Mr. Speaker, a supplementary question. Bearing in mind the minister's answer, has any consideration been given to asking the Department of External Affairs either to protest or make representation to Washington concerning the import tariff?

MR. GETTY: Not at this time, Mr. Speaker. The hon. member would have to amplify as to why we would want to do that.

MR. NOTLEY: Mr. Speaker, to amplify and then ask a further question. As I understood the minister's initial answer, this could, in fact, inhibit our market in the United States. Therefore, the reason for the question is to ask whether the Government of Alberta would want to make representation to the American government on this matter.

DR. BUCK: Supplementary, Mr. Speaker. The hon. minister just said the protective tariff would encourage exploration in the United States. My question is, this is just the exact opposite to what was said about the oil exploration rigs coming back to Alberta.

MR. GETTY: Mr. Speaker, I was referring to something the President has talked about doing in the future, and that is decontrolling prices. He is trying, in my mind, to create greater incentives for exploration and development within the United States, since they have been down the road of control of oil and gas prices, found it to be unsatisfactory, and are moving to decontrol. This will, if they go through with it and if Congress agrees with it, be a balancing incentive factor in that country.

Round Hill High School

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Education, in light of the question I asked yesterday regarding the situation at the Round Hill High School. Is the minister in a position to report to the House?

MR. KOZIAK: Mr. Speaker, the additional information I have been able to obtain is that it is my understanding the school committee is interested in closing the three schools mentioned, and in meeting with me in the very near future. I intend to accommodate that request.

As a matter of interest, the hon. members might like to know that the results of the vote in the three centres were -- these are the three centres in which possibly there is some suggestion the schools may be closed -- in Armena, 47 people voted for the by-law and 44 against; in Ferintosh, 33 people voted for the by-law and 38 voted against; and in Round Hill, 27 people voted for the by-law and 63 voted against. My understanding is, the people in these centres were fully apprized by school authorities of the possibilities that existed should the by-law be defeated.

DR. BUCK: Supplementary, Mr. Speaker. I don't know if the minister will have this right at his fingertips, but will this also affect the Kingman school in that area as well?

MR. KOZIAK: Mr. Speaker, I have no information regarding the Kingman school.

DR. BUCK: Will the hon. minister check for us please?

MR. KOZIAK: Yes, Mr. Speaker, I will be pleased to.

School Financing

MR. CLARK: Mr. Speaker, a further supplementary to the minister. Yesterday during question period, I think the minister indicated there was no place in Alberta where the supplementary requisition was higher than the levy of the foundation program. Is the minister in a position to confirm that?

MR. KOZIAK: Mr. Speaker, that wasn't my intention. I don't know whether the hon. member took that in that fashion. I'm talking about the overall picture: that portion of global funds provided by the supplementary requisition. As I understand the matter, Mr. Speaker, the hon. Member for Drumheller asked the question whether the study had been prepared or was under way by the Department of Education in this connection. I answered the hon. member that that hadn't, in fact, been the case.

With respect to specific school jurisdictions, I don't have the information. The information I volunteered the other day was a global picture, not specific. There may, in fact, be specific school divisions which have exceeded this. This information isn't available to me at this time. I don't even know if all the supplementary requisitions have been levied. As you are aware from the answer I gave the other day, some are in various stages of advertising. So we don't have a picture today that is definite for every school board or school jurisdiction in the province as to what the supplementary requisition is or will be.

MR. CLARK: A further supplementary question to the minister. Would the minister check with the department to see if, in fact, there are school jurisdictions in the province where the supplementary requisition is higher than the levy for the foundation program, and report back?

MR. KOZIAK: Mr. Speaker, just so there is no misunderstanding, would the hon. member clarify the question as to what he means by the foundation program. Does the hon. member mean the foundation program as it existed when it was removed from the residential and . . .

MR. CLARK: No, I mean the levy on businesses and apartments and so on: small businesses and commercial assessment across Alberta.

MR. KOZIAK: Mr. Speaker, this is perhaps a question which should be placed on the Order Paper because there are some specifics involved here. I understand apartments, being residential property, are not assessed with the foundation program. The foundation mill rate is imposed only on commercial and industrial property.

Perhaps the hon. member would place that on the Order Paper, and we could supply the information requested.

MR. CLARK: Mr. Speaker, then specifically, would the Minister of Education check to see if the mill rate in the City of Edmonton for supplementary requisition is higher than the mill rate levied on commercial property in Edmonton?

MR. SPEAKER: Order please. Surely that is information which the hon. Leader of the Opposition would be able to get from the city as readily as from the minister.

Firearms Registration

MR. TAYLOR: Mr. Speaker, my question is to the hon. Solicitor General. Is the government giving consideration to a system of provincial registration of shotguns, rifles, and revolvers?

MR. FARRAN: Mr. Speaker, that would be a matter for the federal authorities who, I understand, are giving consideration to such a proposal. So far as firearms are concerned, the province only has an indirect jurisdiction in that it appoints the local registrars who register what are called restricted weapons. Restricted weapons are handguns and the automatic weapons to which the hon. member referred the other day, Mr. Speaker.

Fertilizer Supplies

MR. R. SPEAKER: Mr. Speaker, a question to the Minister of Agriculture. Has there been a shortage of fertilizer for spring seeding this year?

MR. MOORE: Generally, Mr. Speaker, the situation has been that there have been adequate supplies of phosphorus fertilizers throughout the province. Generally, supplies of nitrogen fertilizers have been sufficient to meet the needs, with the exception possibly of the Peace River country where some shortages of nitrogen are still occurring, perhaps partly because of the earlier than normal seeding in that area.

Crime Statistics -- Females

MR. FARRAN: Mr. Speaker, I understand that yesterday when I was absent from the House a question was put to my colleague, the hon. Attorney General, and he promised that I would reply today.

The question was: why has there been an increase in female offenders in Alberta's correctional institutions? The answer is this. Although the percentage increase is high as compared with males, the actual increase in real cases of female offenders is not as significant. This is because there's a very small number involved. For example, natives make up some 15 per cent of the female population at Fort Saskatchewan Correctional Institution. When translated into actual numbers of female prisoners, it is only 6 people.

The increase in female offenders can, however, be attributed to these factors. The major factor has been the increasing use of drugs, particularly the opiates such as heroin. Sixty-nine per cent of the females serving time at Fort Saskatchewan had an identified drug problem. Many are serving lengthy sentences for trafficking, or possession for the purpose of trafficking, in heroin. Drug involvement also indicates involvement in other related criminal activities, which probably began with drug involvement, such as prostitution, fraud, breaking and entering, and theft. There seems to be a direct relationship between drug habituation and crime.

Another factor is the sentencing pattern for females. It appears that females receive probation now at the same rate as their male counterparts, and have the same percentage chance of receiving probation. However, earlier, the courts seemed to choose to give a much higher percentage of probation orders to females than they do today.

MR. SPEAKER: May the hon. Member for Bow Valley and the hon. Minister of Utilities and Telephones revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

INTRODUCTION OF VISITORS (reversion)

MR. MANDEVILLE: Mr. Speaker, I'd like to introduce to you, and through you to the members of this Legislature, some 70 Grade 9 students from the Brooks Junior High school. They are accompanied by their teachers, Mrs. Sekella, Mrs. Phelps, Mr. Weinmeyer, and Mr. McLeod; also their bus drivers, Mr. Smiser and Mr. Muhlbrier. I'd ask them to rise and be recognized by the House.

DR. WARRACK: Thank you for this opportunity, Mr. Speaker, to revert to Introduction of Visitors. I am very pleased today to introduce the Grade 7 class from Linden in my constituency. This is a class which is very active and very interested in public affairs. Under the leadership of their teacher, Mr. Weins, who is with the class, earlier this year they conducted their own mini-election and asked all candidates to come to the school and speak to them. I was informed of the results today, and I'm delighted. I would like them to stand in the members gallery, along with parents Mr. and Mrs. Bernie Regehr, so we might welcome them to the Legislature.

ORDERS OF THE DAY

WRITTEN QUESTIONS

127. Mr. Taylor asked the government the following question:
Has the government made grants or loans to Kindred House, 9918 - 111 Street and/or to Community Corrections for Women during 1973, 1974, and 1975?
If so, in what amounts?

MR. FARRAN: We accept the question, Mr. Speaker.

128. Mr. Notley asked the government the following question:
What was the pupil/teacher ratio in Alberta public and separate schools for the years 1968 through 1975 in each of the following categories:
(a) elementary,
(b) junior high school,
(c) senior high school,
(d) overall average?

MR. KCZIAK: Mr. Speaker, I'll ask that the question stand to give me an opportunity to discuss the matter with the member who placed the question on the Order Paper. All four prongs of the question may not necessarily be possible to answer. I'll discuss that with the hon. member to see if we can't get together on a question and an answer which will be suitable to everybody.

MR. SPEAKER: Does the Assembly agree that the question retain its place for next private members day?

HON. MEMBERS: Agreed.

129. Mr. Taylor asked the government the following question:
Regarding the ban on the sale of (a) machine guns and (b) fully automatic rifles, in Alberta by the Solicitor General of Alberta
(1) To whom were (a) the machine guns and (b) the automatic rifles consigned?
(2) Who notified the Solicitor General of the consignment?
(3) Were (a) the machine guns and (b) the automatic rifles delivered to the consignee?
(4) Was any attempt made by the government or the police to ascertain what the consignee planned to do with (a) the machine guns and (b) the automatic rifles?
(5) Was any check made on the consignor of the machine guns?
(6) How many guns were in the consignment?
(7) Were any machine guns imported into Alberta
(a) during 1973,
(b) during 1974,
(c) during 1975?
(8) Has any check been made on why machine guns have been ordered by Alberta persons or firms?
(9) Has the government any knowledge of (a) machine guns and (b) automatic rifles being exported from Alberta?
(10) If the answer to No. 9 is yes, where were the said guns sent?
(11) Does Canada Customs keep the Government of Alberta posted on importations of weapons, dynamite and such items?
(12) Does the Government of Alberta or the RCMP divisions that come under the control of the Solicitor General keep an up-to-date inventory of (a) machine guns and (b) automatic rifles that are located in the Province of Alberta?

MR. FARRAN: We accept the question.

MOTIONS FOR RETURNS

130. Mr. Ghitter proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
- (1) A breakdown of all service area approvals given by the Minister of Telephones and Utilities or the Minister of Utilities and Telephones pursuant to the provisions of The Rural Gas Act in 1974, enumerating the dates of the approvals, the names of the associations obtaining the approvals, and the number of actual hookups completed to May 1, 1975.
 - (2) A breakdown of all cancellations or cutbacks in approvals instituted by the Minister or the Department of Telephones and Utilities between January 1 and May 1, 1975.

[The motion was carried.]

131. Mr. Ghitter proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A copy of the contract presented by the Alberta Alcoholism and Drug Abuse Commission to the Bonnyville Indian-Metis Rehabilitation Centre for execution.

MISS HUNLEY: Mr. Speaker, I accept the motion and table the information required.

[The motion was carried.]

132. Mr. Notley proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A list of the names and addresses of all consultants and/or consulting firms employed, since January 1, 1973 to present, by the Government of Alberta for a term of two years or greater in the field of international petroleum marketing.

[The motion was carried.]

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Notley proposed the following motion to the Assembly:
Be it resolved that this Legislature recommend the establishment of a select committee of the Legislature to review conflict of interest legislation as it applies to all statutes of the Province of Alberta respecting both the municipal and the provincial level of government.

MR. NOTLEY: Mr. Speaker, this kind of resolution is particularly timely as a consequence of the announcement made yesterday by the hon. Premier. I would like to say, Mr. Speaker, that I commend the government for announcing the inquiry into what has popularly become known as the Purnell case. Certainly the total question of whether the former Deputy Minister of Agriculture acted properly, negligently, or what have you, is now, as it should be, before an inquiry. As a consequence further discussion in this House on that particular matter would not really serve any useful purpose.

As I view the guidelines for the inquiry, I also note they are sufficiently broad so that they will be able to examine the judgment of the hon. Deputy Premier and the Minister of Agriculture at the time concerning his decision to okay the transaction.

But, Mr. Speaker, in the Auditor's report there are several important features which, in my judgment, bear directly on this resolution today and have to be discussed by the Legislative Assembly. They are not part of the inquiry as such.

On page 7 of the report -- the hon. Leader of the Opposition made reference to these points this afternoon in leading off the question period -- we have the Auditor's observations. I'm just going to take a moment to read them, Mr. Speaker, because they relate directly to the resolution on the Order Paper.

1. The provisions of Section 12.1(1) of The Department of Agriculture Amendment Act, 1972, which in the absence of regulations provides the Minister with unlimited discretion in the disbursement of public funds for grant purposes, eliminate third party participation as provided by the Lieutenant Governor in Council . . . or Treasury Board
2. The use of a grant to effect a purchase appears to be undesirable. It would have been preferable to use normal purchasing procedures, including the issuance of tenders and [written] contracts, with departmental responsibilities thereby being automatically assumed under Sections 43 and 59 of The Financial Administration Act.
3. There appears [to be an] insufficient division of duties within the department to effect adequate internal control.

As I read the Auditor's report, Mr. Speaker, I also note rather a forlorn, but I think oddly relevant, statement made by the former Deputy Minister where he, himself, indicated there was a need for clear-cut guidelines on conflict of interest for people in the public service.

Mr. Speaker, while deliberation over the former Deputy Minister's conduct is beyond our purview, it is quite clearly our responsibility to examine the question of conflict of interest in its largest sense, not only as it applies to members of the cabinet, or for that matter, to MLAs, but as well to public servants and the municipal level of government.

My motion calls for a legislative committee to review this issue completely. I believe it is important that the Legislature itself undertake this important responsibility. We could say, fine, let's delegate that to the cabinet, or let's delegate that to other people within the government apparatus. But I don't think that is the proper approach to take. In my judgment, only the people who are ultimately responsible should be taking this approach. Under our British parliamentary system of responsible government, the entire government is responsible to the Legislature. And in my judgment, it should be the Legislature, through a legislative committee, which reviews the guidelines.

Mr. Speaker, why is a review required? In my judgment, we have to face the fact that government is becoming increasingly complex. Much of our conflict of interest legislation has grown like Topsy. It has come from a simpler day when government's role in the economy was much less substantial than it is today. We are in the era of joint ventures. That being the case, Mr. Speaker, there is, it seems to me, an even greater responsibility on the Legislature to properly delineate what constitutes a conflict of interest.

Guidelines should apply to civil servants as well as elected members. I want to take this opportunity to commend the government for announcing guidelines for top civil servants, as was done by the Premier on Monday of this week.

Mr. Speaker, what is a conflict of interest? We have a number of definitions. Kenneth Kernaghan in Guidelines for Government Employees is quoted as saying a conflict of interest is a situation in which a public employee has a private or personal interest sufficient to influence or to appear to influence the objective exercise of his official duties. We have also, Mr. Speaker, the comments of Mr. Justice Clement of the Alberta Supreme Court in a recent judicial decision, saying, a conflict of interest applies only in regard to an interest personal to the elected official and not held in common with other members of the community.

Mr. Speaker, I'm going to come back to that definition in a moment because I believe it does have some relevance to at least one of the problems we face in conflict of interest legislation today.

Mr. Speaker, first of all let me look at conflict of interest at the municipal level of government. Generally, conflict of interest problems at the municipal level tend to centre on landholdings. That is not always or exclusively the case, but it generally holds true. Section 30(2) of The Municipal Government Act says, "A member of a council shall not vote . . . on any question in which he has a direct or indirect pecuniary interest".

Mr. Speaker, I raise this particular section of The Municipal Government Act because there is now some effort in certain quarters to change that clause and eliminate the "indirect pecuniary interest"; in other words, to make sure it is just a direct interest, as opposed to indirect. I would hate to see pressure to water down that particular section succeed. Were it to succeed, Mr. Speaker, we would open far too many loopholes. In my judgment, rather than strengthening the protective features of the act, we would be seriously weakening it.

Mr. Speaker, I would like to note for the interest of the Assembly, a resolution passed this year by the Alberta union of municipal associations convention and proposed by the New Town of Fort McMurray. It says, and I quote: the public has a right to know the property holdings of elected officials. The Municipal Government Act should be amended to make disclosures compulsory. I agree with that resolution as passed by the AUMA. I think that is one of the changes which could be made if a legislative committee were established to review conflict of interest at the local level. I would also like to suggest that we probably would eliminate many problems if aldermen or elected local officials were compelled to reveal their financial holdings as well.

Now I know the argument is always made that if this sort of decision were taken, it would bar people from running for public office. Mr. Speaker, it seems to me, anyone who runs for public office has to accept the fact of life that you enter a glass house. And if for one reason or another you want to keep certain financial things secret, no one is twisting your arm to run for public office. The right to know by the citizenry, Mr. Speaker, is by far the strongest safeguard to ensure that propriety in government is maintained. We can talk about all sorts of other safeguards, but public knowledge, public access, to information is far and away the most stringent and secure safeguard.

Mr. Speaker, what about conflict of interest at the provincial level? Conflict of interest at this level generally centres on business involvement, although land may be important. It's obvious that guidelines must be applied to public servants too.

I should point out that we have been fortunate in Alberta because, with rare exceptions, this is a province almost scandal free, which says a lot about the people who have been serving in years past -- or at least scandal free, Mr. Speaker, as it relates to conflict of interest matters.

The question arises, of course, why should we debate this at all when the Premier announced guidelines on Monday for civil servants and indicated that, once again, guidelines would be applied to cabinet ministers? Well, Mr. Speaker, let's take a look at those guidelines. Certainly as far as they go, I think they are worth while. But I suggest we might examine the guidelines announced by Premier Davis in the Province of Ontario, where they have had some problems with this whole question of conflict of interest, and contrast the guidelines announced there with those we have in the Province of Alberta at the present time.

Let me just quickly outline what Premier Davis' guidelines constitute:

- (1) Public disclosure of land holdings, shares, or debt interest in private companies;
- (2) Can't buy land or land development companies while in office;
- (3) No private company in which the minister or his family has an interest may be contractually involved with the provincial government;
- (4) If personal beneficial interest comes before a minister, a cabinet colleague must be appointed to act on his behalf. That's a change from Alberta.
- (5) Ministers must refrain from day to day participation in business or professional activities. The point of this, I think, is rather important, Mr. Speaker, because it clearly indicates that, if a person is a cabinet minister in the Province of Ontario, he must give his full time to that job and not do a little bit of legal or medical work on the side, or run a business, or whatever the case may be. They must, in fact, be full-time ministers of the Crown.
- (6) Ministers must divest themselves of, or place in trust, shares in private corporations.

Some of these features are incorporated in the Premier's announcement of Monday, but at least some of them would be additions.

Mr. Speaker, I just want to say a word or two about placing financial holdings in blind trust. That's certainly useful, but I don't think it constitutes a sure-fire guarantee that a conflict of interest, in a subtle way at least, will not exist. Because whether a minister has any control over those shares is less relevant than the fact that his public action and his knowledge that he has shares, albeit in a blind trust, could lead to a conflict, where as a result of his public duties he makes a decision which would benefit the company or the trust that is set up. In other words, as long as the information is available, it seems to me, Mr. Speaker, it is highly unlikely, in a practical sense, that you can distinguish the conflict of interest from a situation that would otherwise exist.

Mr. Speaker, dealing very briefly with civil servants, the Ontario guidelines are four in number. Civil servants may do no outside work:

- (1) which interferes with the performance of duty, which is a very general statement;
- (2) from which he derives advantage;
- (3) which is full-time employment;
- (4) which influences his duties as a civil servant.

In other words, there are pretty strict guidelines set by the Province of Ontario.

Mr. Speaker, whether we should go that far may, in fact, be a subject of debate. But what is not a subject of debate is that it is the responsibility of this Legislature to fully review what the ground rules are for conflict of interest in the Province of Alberta.

Now, I noticed when the Premier made his announcement on Monday he made reference to The Legislative Assembly Act. Mr. Speaker, in reading over The Legislative Assembly Act, one can only say that it is ambiguous, to say the least. It has clearly been an act that has grown as we tacked on one thing after another, without any overall assessment of what makes sense or is reasonable. For example, under The Legislative Assembly Act, Section 12(1), any shareholder of a corporation that undertakes the building of a public work is disqualified from sitting as an MLA. Now, Mr. Speaker, that's rather interesting indeed, because that simply means that if an MLA is a holder of even one share out of 50,000 of a cement company that does work within the meaning of The Public Works Act, that individual MLA could be disqualified upon legal action taken by any individual.

Mr. Speaker, I'm not sure that kind of clause is really reasonable. It seems to me it's debatable, at least. It simply means that an individual who might have so few shares as to have no influence at all -- if that firm does business with the Government of Alberta, the individual MLA could find himself thrown out of office on application by a citizen who, for one reason or another, would like to see a by-election.

Mr. Speaker, we have also Section 12(4): "having entered into a contract or agreement with The Alberta General Insurance Company or the Life Insurance Company of Alberta . . .". According to my information, neither is operative today, yet this clause remains in The Legislative Assembly Act.

The point I'm trying to make, Mr. Speaker, is that when one looks through The Legislative Assembly Act it is quite clear that it is necessary to review this legislation, to update it, to make it relevant to the problems of modern government. I would suggest the best way to do that is through a legislative committee.

Mr. Speaker, in general summary let me just say that at this juncture in Canadian history, indeed the history of the western world, I don't suppose there has been a time when the reputation of people in public life has been at as low an ebb as today. There is a tendency on the part of vast numbers of Canadians to look upon politics as being a dirty game, to look upon the political process as being tainted with corruption, to look upon

those in public life with hypocritical standards, with lack of integrity, et cetera. Mr. Speaker, that is not the case. But unfortunately, it does happen to be true that there is cynicism among the public throughout North America, which is so pervasive it cannot help but seriously affect the attitudes of people toward the whole democratic process itself.

Mr. Speaker, how can we resolve it? We obviously can't deal with the entire problem. We obviously can't settle it ourselves. But we can do certain things to upgrade, in my judgment, the role of politics -- and within our jurisdiction, especially in Alberta where we've had the Alberta housing inquiry. In the City of Edmonton we've just had the Morrow inquiry. We now have the inquiry taking place into the stockbreeders' deal and Dr. Purnell. Clearly the time has come for the Legislature to show the initiative by saying, yes, we are concerned about conflict of interest guidelines. We're going to set up a committee that will review the situation and report back to the Legislature, so we can present some positive guidelines to the people and at the same time provide for full and complete debate on this vital matter.

Under those circumstances, Mr. Speaker, I would ask hon. members of the Legislature not to assume that the job is done because of the announcement made on Monday. It certainly isn't. That hasn't resolved the problems of The Legislative Assembly Act. Not to assume that because of the appointment of the inquiry yesterday, all the difficulties that arise from joint ventures or the intervention of government in such agencies as the Alberta Export Agency and the technical problems of what constitutes a conflict of interest in that sort of situation -- that we can sort of pass that aside and say, no, our job is done. Because it isn't done, Mr. Speaker.

We have the example of PWA. How can you justify Pacific Western Airlines selling what is part of that air line, the trucking firm, without the ground rules being thoroughly discussed in the Legislative Assembly? Because whether PWA is legally constituted as a Crown corporation or not, misses the point. More than 99 per cent of the air line is owned by the people of Alberta. If we're going to sell part of that air line for whatever price, or under whatever conditions, we should be able to debate that sale in the Province of Alberta, in the Legislative Assembly of Alberta; not treat the thing simply as a business transaction conducted by the board, and then we find out about it afterwards. These are the assets of Alberta which, rightly or wrongly -- and some of us had some definite concerns when we acquired those assets, but the fact of the matter is that we now own PWA. And if any part of that air line is to be sold, Mr. Speaker, clearly the discussion, the ground rules, and the guidelines of the sale should be fully debated in the Legislative Assembly.

We have the problem that one of the applicants, one of the bidders for PWA, as I understand it, is a firm called Trimac, which has on its board of directors Mr. Southern, who is also on the board of directors of PWA. Does that constitute a conflict of interest? Probably not in any legal sense. But is it a proper thing to do when we're dealing with Crown assets?

Again, Mr. Speaker, I think there are so many questions raised, and I think raised very well in the Auditor's report, that at this time it is incumbent upon the Legislature not to lock upon this as a partisan matter, but to see if together, as a Legislature, through a committee, we can come up with guidelines and conflict of interest rules which will clearly be an asset to Alberta and complement the work of the members of this Assembly.

MR. ZANDER: Mr. Speaker, I too want to speak at this time and say a few words regarding resolution number one on Orders of the Day. I think the Leader of the New Democratic Party has raised what seems to be a concern in the province today. That concern not only rests in the provincial field, but also in the field of local government.

I know at least once a year, or perhaps twice, many of us have been asked by members of council from local government, what constitutes a conflict of interest. I think Mr. Justice Morrow has pointed out how extremely difficult it is under the present legislation to define "conflict of interest". I really don't know, Mr. Speaker, whether one could clarify the act more, or make the rules more rigid than they are, whereby we could possibly get people to go into public life.

I'm thinking primarily this time, Mr. Speaker, of dealing with local governments. There's a difficulty. I think we have found that throughout the province in the last few years we have been unable to entice men and women into local government. Most of the time we find that the pay of the local government officials is something that turns off a very good man or a very good lady who would probably do a very conscientious job in local government.

The public must realize that in local government the dedication to local government affords little time for whatever business he or she may be in. Local government and local people must surely realize by now, with the inflationary trends not only in this province but in other parts of Canada and the world, that whether it be a civil servant or an official elected by the people of the local government, sufficient pay must be paid to these people so they can render good service, where they do not require to take another job or have other interests in fulfilling the commitments they have made by taking the oath of office.

I think we could probably say likewise in the provincial field. Many of us here, as members of the Legislature, have to have other jobs, other businesses whereby we can keep our family and ourselves solvent. I've read the article on the Members of Parliament in Ottawa where some of the Members of Parliament today are heavier in debt than they were at the time they took office. Surely, if one must divest oneself of all interest, Mr.

Speaker, I believe the pay in that field will have to be sufficient to entice good men and women into the field of government, whether it be local or provincial.

I know, as the hon. member who has just spoken, that the question of impropriety arises in every part of our province and every part of the Dominion of Canada. We hear the cases of Slave Lake, the City of Edmonton, in Ontario and B.C. I don't think we'll rid ourselves entirely, because we're dealing with human beings. Nevertheless, I must agree with the hon. Member for Spirit River-Fairview that the guidelines must be sufficient and proper, that we have no conflicts of interest whatsoever in the area we're elected in.

Now, Mr. Speaker, in dealing with local governments, and I have probably read this as many times as any other hon. member in this House, I think Part 2 of The Municipal Government Act deals, first of all, with the candidate and the proper manner in which he or she shall conduct himself or herself during an election for the office, and Part 3, Section 29, Mr. Speaker, deals with the member who is elected.

I know that many members of local government have gone far beyond what this Legislature has [done] in setting out guidelines, terms of reference of conflict of interest. I know of two municipalities which have passed resolutions that are enforced, and they must submit their interests to the reeve and to the secretary-manager of the county or the town they are living in.

I know, Mr. Speaker, it would be very hard for us to draw up legislation that would cover every aspect of conflict of interest. However, I believe now is the time and place that we must consider it, in view of what has happened in the last few months.

What constitutes a conflict of interest is the manner in which you interpret the act. And I suggest, Mr. Speaker, in no way can a layman other than a lawyer -- and there are arguments on those sides as well as to what constitutes conflict of interest.

I suggest, Mr. Speaker, that with minor amendments this resolution certainly should be passed by this Legislature, so that members of this Legislature and local government may set their guidelines for conflict of interest.

I think the hon. member has mentioned Ontario and Quebec. But in closing, Mr. Speaker, I can't overemphasize the fact that the necessary payment must be made by the public. When obtaining office, the elected person or civil servant must be properly paid for the work that's done so that he has no other interests. He must divest himself of all interests before he becomes a public servant.

DR. WALKER: Mr. Speaker, I would like to join in this debate also. In The Legislative Assembly Act and The Municipal Government Act are long, long lists of stated conflicts of interest. Then right below that is another long list of exceptions to those stated conflicts. But what does not come through in these lists, in any language that is loud and clear to me in any way, is what is most important: the intent behind some action where a conflict is said to exist. Was it personally profitable for the perpetrator or for some of his friends or relatives, or not?

The "indirect pecuniary interest" referred to by the hon. Member for Spirit River-Fairview has been interpreted by the courts in a very liberal way, resulting in a fairly large number of disqualifications on what would appear to be very tenuous grounds. Where bona fide errors have been made by legislators or councillors, there should be some apparatus to prevent them from being disqualified on purely technical grounds.

In The Legislative Assembly Act there's a section prohibiting MLAs from borrowing money from treasury branches, thus making it virtually impossible for the average hard-up MLA to continue routine banking with the treasury branches. All this, of course, was because of an overenthusiastic Provincial Treasurer we had a few years ago; this caused a rather overenthusiastic overreaction by the government. This has created very restrictive legislation. It has been a political headache to every administration since then, because every time you try to modify it somebody says, oh, you're playing hanky-panky.

If we continue to be too restrictive in our attitudes towards conflict of interest, we will fail to attract the calibre of candidate which legislature or councillors deserve. We could end up with a whole Assembly of pimps and hookers.

In looking through The Legislative Assembly Act I came across some real gems. They weren't all connected with conflict of interest. There is a beautiful one, though, directed at our skirt-wearing members in the Legislature. It says:

Under this Act, women are upon an absolute equality with men, have the same rights and privileges as men, and are subject to the same penalties and disabilities as men.

I wonder if this gives them the right to go into the government members' washroom.

There's another dilly here, Section 41:

During a session of the Legislature, or the 20 days preceding and the 20 days following the session, no member of the Legislative Assembly is liable, except for a breach of this Act, to arrest, detention, or molestation, for any cause that is of a civil nature and within the Legislative authority of the Province.

It sure would be interesting to get the history behind that one.

I would like, Mr. Speaker, to agree with the principle of this motion made by the hon. Member for Spirit River-Fairview, providing that that principle includes a good thick pen to strike a lot of the overrestrictive clauses from the statutes and submit a simpler clause taking into account the intent of the offender, rather than just long lists of specifics.

It is, for example, absolutely ridiculous that The Legislative Assembly Act allows any officer of the armed forces to be eligible for election, but right below it says, any

officer on the staff of the militia receiving a permanent salary shall not be eligible. Now, why on earth wouldn't he be eligible? I can't see any logic behind that one at all.

There are a great number of inconsistencies all through these acts that could be studied with a view to change. Being one of those members not blessed with a very legal mind, I would welcome some simplification and clarification.

Thank you.

MR. YOUNG: Mr. Speaker, the resolution before us is an interesting one. I think interesting, not necessarily for some of the reasons the hon. Member for Spirit River-Fairview raised or implied in some of his comments, but interesting in a more general way; interesting because much time has run since some of the legislation was written. The attitude of society, and society itself in Alberta, have changed. I'd like to reflect on some of those things as well as the problem of what a conflict of interest is.

Let's begin with what a conflict of interest is. Let's assume that a conflict of interest is a situation in which I, as a member, am tempted on the one hand by an objective which may not be in the public interest or which could be seen by some people as not being in the public interest: that's a conflict of interest.

Now, to use the reference that the hon. member just did, how do we establish my intent? Mr. Speaker, I submit there is no way that my intent can be established. What I do can be established, at least it may be established. My intent cannot be established. Even if I swear as to my intent, someone else can swear that that was not my intent. That is a problem. The law must be written and must be followed. It must be followed, according to the hon. member, in a manner which provides us with a sure-fire guarantee; in a manner, according to Judge Morrow, in which there is no ambiguity. We should remove all ambiguity.

I submit that it's just not possible to remove all ambiguity. It may be possible to try to arrive at a better consensus of what we want to achieve and what we would deem to be conflict of interest. The problem that we have is, in my view, one of trying to establish the ethical, moral guidelines which we should all adhere to; that society now expects us to adhere to in the various situations either of provincial or municipal government.

The challenge, then, is to establish that in a statute, because it is the statute which in a case of challenge must govern: the statute as related to the particular instance and judged by a judiciary or whatever kind of committee or structure we establish. In other words, I'm saying the problem is, first of all, to agree upon the guidelines; secondly, to put them in writing. Then, unfortunately despite all that we may desire, each and every one of us elected at whatever level, must be guided by our interpretation of that statute. Then, if anyone cares to challenge us and has, I suppose, prima facie evidence on which to challenge us, we must be judged after the fact by a different group of people. The circumstances must be judged in context of the law.

So I submit to those who argue that we must have an unambiguous law, a sure-fire statute: there is no such animal. It's a part of the kitchen we're in; that's a little bit of the heat we have to bear. I suppose that, from time to time, some of us will get caught by others, because we don't recognize the heat which they think should exist.

Mr. Speaker, I'd like to address myself as well to the pecuniary interest aspects, since if we're going to frame something in statute we have to establish pecuniary interest. I'd like to go back a little way in the history of this province. I'll start today and progress backward.

Mr. Speaker, if we were to examine our educational government, our school board situation: we have a statute which establishes school boards and which permits, apparently, the possibility of a trustee having a spouse who is a teacher. Now, Mr. Speaker, we have in Alberta at this time quite a number of those situations where a spouse of a trustee is teaching, and teaching for the same school board of which the wife or husband is the trustee. I ask you to consider, do we have a direct pecuniary interest?

In at least one school board I'm familiar with we have a situation where there are a number of teachers on the school board. Those teachers are in the employ of another school board, the members of which are partially appointed from the school board on which the teachers sit. Is that a pecuniary interest? Is that a direct pecuniary interest? Is it a conflict of interest?

Mr. Speaker, I was slightly involved, as part of a committee back in '68-69, in the preparation of the statute which we now refer to as The School Act, and in the drafting of that statute. I remember that we long debated the problem of conflict of interest, and whether we should remove the bar which then existed against teachers running for election to school boards. We decided that we should. We decided that if the public felt the teachers should be on school boards, so be it. But we also thought, and debated among ourselves, surely no teacher is ever going to put himself into what many would construe to be a conflict of interest.

Now the judgment of that committee at that time, which I remember well, is clearly not the judgment which many teachers, given that situation, have chosen to exercise. From my understanding, Mr. Speaker, it is also not the judgment of a good sector of our society, because I understand that the Alberta Teachers' Association encourages teachers to run for office in that situation. Now I'm not belaboring this to say that I'm opposed to the situation. I'm belaboring it to identify the need that we have, to clarify in our own minds and in the public's mind in this province what is a real conflict of interest.

Now let me go back in time. Had we deemed that a conflict of interest existed when the spouse of a school trustee was employed by that trustee's school district, many, many,

many of our school boards would have ceased to function over the last 30 to 40 years. If we had -- well, let me leave that point for a moment and just ask you to reflect on this: in the Province of Alberta, which is rather sparsely populated, if you take all of the politicians out of our society at the municipal and provincial levels . . . It might improve the society, I'm not sure. But if we could just consider removing those people and families from our society, and look at the gaps that would leave in the structure of our social organizations and our business organizations in this society, I think you would be amazed. I really think we have a problem here which, if we take it too far, means that we eliminate many, many people and much of the leadership of our society from acting in any political capacity. I think we should think long and hard about this.

We're quite different from the City of Toronto or the City of Montreal. Many of our towns are rather small. Even the City of Edmonton is not that large. As a matter of fact, Mr. Speaker, the other evening I watched a program on CBC television. Probably I was one of the few people who watched it. In any event, the program dealt with housing in the Province of Alberta. During that program it seemed to me that the author was trying to establish a relationship between the decisions made by the Edmonton Exhibition Board and city council. I believe they even went to some provincial administrators and politicians, trying to establish a relationship between those people, their families and their attorneys, and the decisions made by some of those attorneys and families in relation to their construction and building equipment operations, and the fact that we have a shortage of housing. Mr. Speaker, I draw it to your attention. I thought it was an extreme case of trying to relate and establish an interest, and implying an improper action based upon those interests. It was extreme.

Nevertheless, obviously some people in our society have quite a different view of what is a conflict of interest than others. At least, I presume a few agree with me and a few agree with the person who developed the program. So, Mr. Speaker, there may indeed be a case for us in some manner to try to reconsider what is a conflict of interest.

Another aspect of the resolution which I wanted to deal with is the question of what is the best method, if we assume the matter of conflict of interest as it relates to legislation or as embodied in legislation -- if it needs to be reviewed, what's the best method of doing it? Is it, in fact, by a committee of the Legislature? Is it by the Institute of Law Research and Reform?

Now, Mr. Speaker, if we go the route of the Institute of Law Research and Reform -- I'm not totally familiar, or I'm not familiar at all, I suppose, with the thought processes which that institute would follow in exploring a matter such as this. But I would suppose they would look at what the prevailing statutes say in other provinces. They would look at what the courts have stated over the years and at our existing statutes. They would look at the changes in our society in terms of the institutions which we might, as elected members, be involved with, which could in their opinion give rise to conflict. They would try to frame a statute in that way.

If we go to a legislative committee, I would suspect we would have more inclination to try to establish what the consensus is in our present situation among the people of Alberta, and be less inclined to follow the precedent established by the judiciary.

Mr. Speaker, I'm not sure which route we should go. I'm not sure we should go any route, although there is no question that, as the hon. Member for Macleod has established, much water has run since some of our legislation was written. Maybe we do, indeed, need to review it, if for no other reason than that.

I suggest to the hon. members that this matter is a little bit deeper than appears on the surface. We need to take a pretty hard look at what we think we need. We need to ask ourselves whether, in fact, we should leave to the legal fraternity, the law profession, the identification of what our ethical and moral standards as interpreted in the statutes should be, or whether we should do some looking at that consideration ourselves, and then turn the problem over to the legal fraternity.

Mr. Speaker, I hope I have identified that we will have some real problems if we're not careful what direction we go in this matter. I have raised for you this afternoon the problem of the school trustee. That could take us a long way, before we get a resolution of that. I have raised, I hope, the consideration that if we remove from the business scene all the families which provide politicians in this province, we may find ourselves in some jeopardy. Stating the matter in another way, which is perhaps less presumptuous: if we remove all the business and professional people, we may find ourselves relying upon pimps and hookers, as the hon. Member for Macleod has expressed it. In short, we need to be pretty careful.

I had one other note here which I didn't draw to your attention. I should do that. Over the last few years, we've spent a great deal of time on professions and occupations. Among the other considerations that bother us is whether a professional body responds and conducts itself in the public interest, or in its interest and the interest of its members. Now, I suggest to you that if we continue to go in the direction the hon. Member for Spirit River-Fairview is advocating, we may very well embark on the edge of the problem of the professions and occupations.

We may have to consider whether rate setting -- for instance, I believe the bar association establishes tariffs for certain types of activity, or suggests tariffs, which is very little different, inasmuch as if I am overtariffed, I may appeal to the benchers and have them review it. If that isn't a form of fairly direct control, I don't what it is. The association of professional engineers in this province establishes certain ground rules by which charges are levied. The architects' association does likewise. We could get ourselves into a great deal of difficulty in this area.

I could even take it further, and say that the recent tendency to appoint employees to certain of our boards, commissions, and institutes also opens the way for what some people might deem to be a conflict of interest -- not only might, but do.

Mr. Speaker, it may very well be that this matter needs to be reviewed. I hope I have broadened the subject a little bit this afternoon, and have made people consider what kind of challenge would lie before either the committee or the Institute of Law Research and Reform, if we chose to go that route.

Mr. Speaker, inasmuch as it is now 4:29 and three-quarters, I beg leave to adjourn debate.

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

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

Bill 204 The Alberta Social and Economic Planning Act

MR. NOTLEY: Mr. Speaker, I move second reading of Bill 204, The Alberta Social and Economic Planning Act.

Mr. Speaker, during the course of the recent election campaign, the Premier of the province issued a statement on the Alberta heritage trust fund in the City of Red Deer. I note one of the comments he made:

a new standing committee of the Legislature would be proposed to review annually the operations of the fund and to report to the Assembly any recommendations or suggestions for adjustment, alteration, supervision, or guidelines for the operation of the fund, or possible amendments to the legislation.

Well, Mr. Speaker, I don't believe that that commitment is really adequate, when we consider the fund is the heritage of all the people of Alberta. It's a large amount of money. We're not sure now whether it's going to be \$1.5 billion or somewhat less. But certainly, it will be a large amount of money. In my judgment, Mr. Speaker, any decision on the disposition of that money should be made by the Legislative Assembly. I am going to be coming back to that matter in a moment.

In dealing with the three major principles of the bill, the first is the concept that the heritage trust fund requires a mechanism for planning. Mr. Speaker, there's a very real concern on my part that the play-it-by-ear approach is no way to allocate funds from the heritage trust fund.

Alberta requires an inventory of resource opportunities. In my judgment, that's one of the reasons I proposed a social and economic planning council which would help with the inventory of economic opportunities, so that expenditures which are made from the fund are made consistent with those proposals, or at least that there has been objective research and assessment done before decisions are made. That doesn't mean that the economic and social planning council would have the power to make the decisions -- I'm going to come to that in a moment -- but it does mean that before decisions are made on the expenditure of these funds, there is a need for assembling as much objective information as possible; an inventory not only of our needs, but our potential opportunities. This is the kind of role I see the economic and social planning council playing.

Mr. Speaker, I know there will be all sorts of concerns about the role of this planning council. There is a general reaction against this sort of proposal whenever it's raised anywhere in North America. But I think we've learned from the western European countries, certainly the Scandinavian nations and, of late, West Germany, that a degree of economic planning is necessary in a modern economy. What I'm suggesting is that because the economy in Alberta has matured, there is a need for a mechanism [to be] established. This does not mean, Mr. Speaker, that the traditional role of allocating money should be circumvented -- far from that. I would oppose that. But it seems to me there is a need, if you like, for a mechanism of planning which can at least set in context the information required to make objective decisions on the expenditure of large sums of money.

The second major principle in this bill, Mr. Speaker, is the recognition that this is, in fact, a heritage of all the people of Alberta. Therefore, in allocating funds we must be prepared to listen to the people of Alberta through public hearings. Now I know there will be some who say, well, that sort of device is totally impractical and really won't work. I would argue against that proposition, Mr. Speaker, because we already have examples in this province where we have held public hearings to good effect.

I would cite two illustrations which immediately come to mind. In 1972 and early 1973, we had the hearings of the Environment Conservation Authority on the east slopes. People throughout the province took a very active part in preparing submissions for those hearings. I have no doubt at all that the final recommendations of the ECA report on the east slopes, recommendations which by and large I concur in, were strengthened as a result of the massive public input that took place during the hearings process.

Another example which is equally well known is the roving Land Use Forum which held public hearings throughout the Province of Alberta in the last year. First of all, hearings were held on an information basis in the different communities through REDA to try to get people to think about the issue. There were further hearings and public meetings held where input came from the public. Then there were the formal hearings of the Land Use Forum itself, where scores of people around this province made representations on what the future of land-use legislation will be in the Province of Alberta. Nevertheless I have to say, having some very strong views myself about what we should do in the land-use area, that the route we have followed in this province of setting up the Land Use Forum, and going to the people of Alberta and asking them for an input, has been a preferable route to that followed in the Province of B.C. or, for that matter, the Province of Ontario. I just can't underscore enough how important I consider the role of public input to be. In my judgment, the Land Use Forum is just an excellent example of this very fact.

Now, one can make the argument that we have delayed making decisions for several years as a result of all this public input. That may be true, but the importance of finding out from the people of Alberta, or at least giving them the opportunity to make representation in a formalized way -- not the play-it-by-ear approach of contacting an MLA someday when they meet him on the street, the after-the-fact complaint of coming to an MLA after the legislation is passed, or a demonstration in front of the Legislature after the legislation is already completed, but before the legislation is drawn up, before the recommendations are made.

Mr. Speaker, I would like to see that sort of concept, which I think is a good one, basic to the way in which we operate the heritage trust fund. Because if it is true that public hearings were important for the ECA recommendations on the east slopes, if it is valid that public hearings are useful for the future of land use in the Province of Alberta, it must surely be even more valid that public hearings are necessary to determine what priorities, what commitments, what objectives we determine when we invest the money in the heritage trust fund.

So, Mr. Speaker, a second very important feature of this bill is the recognition that we should open the opportunity for Albertans to discuss the options before the fact rather than after the fact. I was interested in the remarks of the hon. Member for Highwood during the Speech from the Throne debate, when he was talking about the new planning act and expressing the caution that we not rush into it. He was raising this, as I recollect, in connection with the whole problem of land use. I agree with him. I think we have to make provision for input, and that is equally true with the heritage trust fund. That money isn't going to run away. We don't have to spend it all immediately, Mr. Speaker, so that we don't have sufficient time to allow the people of Alberta to have their say.

The third major feature of this bill, Mr. Speaker, is the very clear commitment that before money is spent, regardless of the role played by the economic planning council, regardless of the public hearings, the expenditure must be authorized by the Legislature, and there should be debate before the fact rather than after the fact. There are certainly some important options now which any government would be looking at.

For example, are we going to fund our commitment to Syncrude out of the heritage trust fund? Well, that's something that should be debated in the Legislature. If we rush into the much talked about petrochemical industry, are we going to make a commitment to the industry from the heritage trust fund? What role do we see the heritage trust fund playing for human resource investments? Well, we've already had the announcement of \$200 million for housing and \$200 million for irrigation -- the irrigation expenditures I particularly support, and the housing.

But, Mr. Speaker, I think there are other types of investments which could equally be considered when we look at investment in people; perhaps the total education system of the province. It's one of the real problems today, especially in rural Alberta where we have just had a whole series of increases in supplementary requisitions. I would say to this government that we are very lucky indeed that only two of them have actually gone to plebiscite, or we would have no end of trouble in rural Alberta.

In my own constituency, both the divisions completely within the Spirit River-Fairview constituency had to ask for an increase in the supplementary requisition. To date there doesn't appear to be a vote coming up on it. But I would hate to say what would happen if there was a vote, if it were actually put to plebiscite; because most taxpayers, if they have the choice between voting for a supplementary requisition or voting it down, will vote it down. Then we have the problems which we now see in the Round Hill area, in the Camrose district, where, after the fact, problems arise because of decisions on the part of the ratepayers.

Mr. Speaker, that needn't arise if part of the heritage trust fund were directed towards education, or a larger part of it were directed towards education, so that we needn't cripple educational opportunity in this province by relying on a supplementary requisition which, at best, is a crude instrument. When the vote turns out to be adverse, then very real problems arise.

Mr. Speaker, I'm saying there are certainly other areas we can look at in addition to just building factories, building plants, building industry to provide jobs tomorrow. When you look at investment in the larger sense, I think you have to recognize that investment in people is perhaps the most valuable investment we can make.

But that doesn't get away from the basic principle I want to enunciate clearly. That is, regardless of what those expenditures may be, whether it is \$100 million to petrochemicals, \$800 million to Syncrude, X million dollars to Shell, \$150 million or \$200

million to education, those decisions should be made in the Legislature by the Assembly where debate is in public.

Mr. Speaker, I should note two editorials [which appeared] in major newspapers in Alberta after I introduced my private member's motion. I should point out, in fairness, both editorials dissented from the concept of a planning council. But on the major principle of the bill, that is legislative expenditure before -- I just cite the observations of the Calgary Albertan on May 22:

There is merit in having spending from the fund controlled directly by the Legislature. The disposition and surveillance of a fund of this magnitude cannot be left with a standing committee, certainly not one whose review would come after the fact.

Mr. Speaker, I read the Albertan editorial to contrast it very clearly with the proposal of a standing committee made by the Premier during the election campaign. In my judgment, a standing committee -- I agree with the Calgary Albertan -- is not adequate. It would simply be, in effect, accountability after the fact. It would be the sort of situation we got ourselves into with Bill 54, passed by the Legislature last year. Mr. Speaker, that sort of reporting, especially when it relates to something as vital as the heritage trust fund, is just not adequate.

I would also like to cite the Thursday, May 22 edition of the Edmonton Journal. The lead editorial is called "Minding the fund". Again, Mr. Speaker, the editorial dissents from the idea of the planning council, but it does say, and I quote:

As an opposition private member's bill, Mr. Notley's measure has no hope of being enacted.

Well, that's a truism, Mr. Speaker. We all know that . . .

But it is sound and timely in stressing that the right way of safeguarding the heritage trust fund money is to require the government to come first to the legislature each time it has some project on which it wishes to expend that money.

So Mr. Speaker, that is really the most important principle which I see contained in Bill 204: that the people's elected representatives must accept not only the responsibility, but must insist on the authority to review expenditures before this money is made [available], rather than simply having it reported afterwards.

Just several minor, additional comments, Mr. Speaker, before I welcome debate from the other hon. members. As far as the function of the council itself is concerned, there would be a staff working under the council. It would be my view that the best way to ensure that the council would be fully accountable to the Legislature would be to have it report to the Legislature through the Premier himself, in the same way as the Energy Resources Conservation Board reports to the Legislature through the Premier. The council, as I see it, would be representative of Alberta. But under the operation of the appointed members of the council would be staff who would have special expertise in whatever areas are relevant to provide that council with the statistical inventory which is necessary to clarify the options, both for the government and the people of Alberta.

Mr. Speaker, I conclude my remarks by saying that the principles of this bill, especially the concept of public hearings, so that we can ask the people of Alberta -- secondly, the determination that it will be the Legislature, and not the cabinet, not a standing committee, not a small group, not the patio crew, which will decide how this money is spent. That it is the Legislature is, in my judgment, the most crucial feature of the bill. It is an attempt to reassert the traditional role of the Legislative Assembly as the agency of government, the function of government in this province, which clearly determines how public money is going to be spent. Just as that is true, Mr. Speaker, with respect to the normal ongoing operating costs of the province, so I think it should be equally true with respect to the disposition of funds in this trust fund which we all are obligated to hold in trust for future generations.

MR. TRYNCHY: Mr. Speaker, on entering this debate, I would like to point out the views, probably, from the right side of the Legislature. We've just heard from the left side of the House. And I think . . .

SOME HCN. MEMBERS: Order.

MR. COCKSON: Mr. Speaker, we're actually on the east side of the House.

MR. GHITTER: On a point of order, Mr. Speaker, relative to the comment made by the hon. member. Surely he's not suggesting that that side is the only right side of the House when there are others. I think the powers of the whip have gone to his head a little.

MR. TRYNCHY: Thank you, Mr. Speaker. I'll say the southwest corner of the House on my left. These honorable gentlemen are on my right so I think . . .

[interjections]

Mr. Speaker, I believe the people of this province are pretty proud of the government, in that we do have a heritage trust fund we can discuss today. I think this trust fund which is being set up is the envy of all Canada. And I think we should direct it in such a way that it is here for future generations and does the things we want it to do.

This fund is a first in Canada. Even though we have a number of provinces which are higher up the ladder in financial status than we are, we in Alberta are the only ones who have such a fund. I notice in B.C. particularly, which is well above us in standing,

richer than us in resources, they don't have any such fund, but they have gone to the Arab countries for loans to see themselves through.

The hon. Member for Calgary Buffalo so well outlined the other evening the conditions of B.C. and where they are going. Their housing industry has gone, the oil and gas industry, and mining are going backwards every day. But an interesting item I picked up the other day in the Journal says "Night and day economics". This is from the president of Woodward's stores and he told the annual meeting that "the strong, buoyant economy in Alberta allowed the company's operations there to offset its poorer showing in B.C., where he said the economy is flat, unstable and plagued by labor instability."

So, Mr. Speaker, when we hear from the hon. Member for Spirit River-Fairview, we sometimes wonder what really is going on. The concerns, as pointed out by the hon. member, are that a committee should propose the spending of large sums of money, that we should have somebody tell us how to spend, that we don't know how to spend it ourselves. Well, I don't agree with this.

Mr. Speaker, on March 26 the people of Alberta appointed a council. As a matter of fact they elected 75 council members. If the hon. Member for Spirit River-Fairview wants to shirk his duties and not work for the people who elected him, that's up to him. As I campaigned -- and I did receive approximately three-quarters of the vote -- the people told me: we appreciate the heritage fund; we accept the program, but make sure you spend our money wisely. Make sure you, as a government, spend it wisely. Let's not go to some council, because that's what we were elected for. We should have public hearings -- and I think we should. Mr. Notley, the hon. member, says we shouldn't: it's not good enough to meet an MLA on the street and get the input to him. I say this is not correct. I think that's what we're there for, and we should be met by all people. Public hearings are fine.

I remember so well this last winter when I attended the Paddle River public hearings in Mayerthorpe, and I listened to the people at those hearings. You know, Mr. Speaker, the poor little fellow who really wanted to be heard didn't have the courage to stand up and be heard. But he came to me next day and talked to me. It was only the ones who had some education and wanted, maybe, to have a little limelight -- I don't know -- but they were the ones who spoke continuously and spoke well. The ordinary joes on the street, the ones this legislation will really affect, come to their elected representative. And rightly so, because that's what we're there for, and they're the ones who elect us. So I can't agree that we shouldn't be able to be met on the street and have these people tell us what they think.

The hon. member mentions that we should put some funding into education. Yet, as I looked through some education literature yesterday, I noticed that we're the second-highest province in Canada in total education funding. We're well ahead of B.C., as I mentioned before, Saskatchewan, Manitoba, and all others except one.

It's easy to say, let's spend it all today. I've talked to some people who say, what are you going to do with all this money? Let's get rid of it. But, if you say to them: it's your money; how do you propose to save for the future? Do you spend everything you make, today, or do you put some away? Very quickly you can get them changing their tune. Even though I agree we have to have funding for education, I think we should also look very carefully at how we budget, and plan wisely for the days ahead.

It was mentioned that we should make decisions in the Legislature. I think we should. But why do we have to go through a council? As I read this bill, the council will approve the spending, then it has to be okayed by the Legislature. It can be rejected, so all that is for naught.

Mr. Speaker, just going over this heritage fund, I notice that if we have \$1.5 billion in this fund and we set it aside for a year, even at 10 per cent simple interest, which we can receive, there's \$150 million of revenue. That's not compounded but it's simple interest. It can be quite considerably more if it's compounded on a quarterly basis. We have heard that the opposition in some areas say we have squandered the heritage fund already. That's been public. Yet the hon. member mentioned we have done two things, irrigation and housing. He approves of both of them. So where is this squandering? I think we've made two great choices in the heritage fund, and it's approved of even by the opposition.

But let's look at this \$200 million for irrigation over a 10-year period. You know, the interest alone on that fund after the first year, if it's set aside, is enough money to carry the whole fund, without taking anything at all out of it over the next 9 years. Two hundred million dollars will give us \$20 million yearly, and that's what we're going to put in every year. We have the fund. We have the \$200 million. Yet in the end, with the repayments, we'll be money ahead.

The same thing results in housing. We can use the same type of interest. Over 10 years, the housing program will, by mortgages, be returning the whole principal plus interest to the trust fund, so it could grow. We could even, for instance, charge no interest at all on housing on our \$200 million, and not deplete the \$200 million. That's something we could be looking at as we space these programs over a 10-year period.

I think we should as quickly as possible set aside a substantial amount of funds from this heritage fund for agriculture. I think our number one industry has not been looked after the way it should have been in the last few months, because of our current beef situation. So I propose we set aside \$400 million and keep it in a fund -- at least I have one member who agrees with me. And if we drew interest on this and didn't have to come up with any programs until such time as it was necessary, that fund could build up

very rapidly. After the first year we could have \$40 million, which we could use for equalization payments to our beef producers or what have you.

I remember so well last year, when we had our program for snowed-under crops. A fund such as this could have taken a little off the top, not depleted the principal at all, and had something where the farmers could benefit. I think we must move in somewhat this direction for agriculture, because of the very, very upward trend of cost of production. I have had a number of calls in my constituency where the cattle prices are down. They've kept them over, they would like to get rid of them now to buy seed and fertilizer and it has all gone up, and they can't even break even. Something like that could be a way to go.

We've even heard, and I've read this in the paper, that the hon. Member for Spirit River-Fairview claims PWA was bought with heritage funds. Well, I don't agree. This was never taken out of the heritage fund and I don't know how he arrived at that conclusion.

MR. NOTLEY: Mr. Speaker, on a point of order for clarification. I would not want the hon. member to mislead the Assembly. At no time did I make any claim that PWA was purchased out of heritage trust funds. I disputed the purchase of PWA through The Financial Administration Act, but at no time made reference in any public statement here or anywhere else that it was purchased out of the heritage trust fund.

SOME HON. MEMBERS: Order.

MR. TRYNCHY: Mr. Speaker, whether he said it or not, that's fine for him to say so. But what I read in the paper, you know, the press isn't here . . . probably they misquoted him. But that's what I read.

Mr. Speaker, as we go over the hon. member's bill, I read on the second page that "The Council [should] come under the authority of the Premier", and "The Council shall consist of eight persons . . . four shall be women". Well, that's fine. I don't disagree with that, but I disagree with the whole principle of a council for the simple reason, as I mentioned before, that we have 75 members on this council. That's what we were elected for.

It says that one of them should be affiliated with the Alberta Federation of Labour. Well, I don't know if we have a member here who is associated with labor, but we have the minister. Who else better to serve the people of Alberta but the minister himself? The same with industry or commerce. We have people here. An educator: well, as I look around this House, I have noticed that we have about 74 educators beside myself, so we have a lot of educators.

One should be of native ancestry, and I agree with that. But there again, who do we pick? Which native tribe do we go to for a member? If we pick one from the Stoney, who else do we have who is a little disappointed? So really, I think the minister here should be the man who represents the native people, because he represents each and every tribe. It says to appoint a farmer. Well, that's fine, we have a lot of farmers in this Assembly, and I think they're well educated and versed to be on this committee of 75.

You know, as I look at this, it says it should be full-time employment. Well, I want to say this, Mr. Speaker: with \$1.5 billion to look after, if that was my fund and I was going to set up 8 people, they'd have to be pretty good people, and they'd have to have a pretty good salary. Because I'd like to see the one \$1.5 billion grow and not be depleted. So what do we pay them: \$30,000 a year, 40, 50?

AN HON. MEMBER: Sixty.

AN HON. MEMBER: One hundred and eighty.

MR. TRYNCHY: Well, there we go. So it comes to \$300,000 or \$400,000.

AN HON. MEMBER: Tell us what you're going to pay the chairman.

MR. TRYNCHY: . . . \$300,000 or \$400,000, Mr. Speaker, to bring in their recommendations and for us to turn them down in two and one-half minutes. You know, the council should be a full-time employment for a three-year period, and they can only be removed by cause of the Lieutenant-Governor.

AN HON. MEMBER: Your time's up.

MR. TRYNCHY: I suggest . . .

AN HON. MEMBER: Your time's not up. Keep going.

MR. TRYNCHY: Mr. Speaker, I suggest to you that we're appointed for four years or thereabouts, give or take a few months, and I think we're accountable to the people.

AN HON. MEMBER: Great.

MR. TRYNCHY: And I really just can't see how this would ever enter that member's mind. The member also states that we should have a support staff of whatever is necessary. Of course, if this council is to work right, they are supposed to have a support staff. So

what do we get? How many more do we appoint, and at what salary? Do we spend \$.5 billion a year, \$.5 million, or a million, to administer this fund?

I'll go back a few years when the hon. Member for Spirit River-Fairview spoke in this House about salaries for MLAs. He stood in that corner and expounded so strongly, and pretty well, on why we should get an increase. The day we took the vote -- I think it was mentioned the leopard changed its spots -- he voted against it.

AN HON. MEMBER: Great.

MR. TRYNCHY: So is this the kind of thing we'll have from this council again?

DR. BUCK: Do you think he'll do that again next fall?
[interjections]

MR. TRYNCHY: In closing, Mr. Speaker, having public hearings is great, and as I travel through my constituency this is exactly what I do. People can come to me, they can present their input on these funds. I'd sooner listen to them, the people I really represent, than the eight people who would be on this council. Because of the eight people, likely I wouldn't even have one of them from my constituency.

There are 75 constituencies and let's say we spread them around. Eight constituencies will be represented and the rest of us will answer to whom? I still say, Mr. Speaker, that we should do it the way it's presented, with each one of us having an input. I think if the hon. member really wants to have input, that's where he should get it, from his people.

The thing that bothers me the most is that when this council does come in we can reject it very easily. So what is their input going to be? We'll have to go back to the people and start all over again. So I suggest we should keep our options open, and we should be as flexible as we can be, and that way we can do the best for the most in this province.

Thank you.

MR. GHITTER: Mr. Speaker, I would like to add a few comments to those very few, brief words of the hon. Member for Whitecourt relative to this bill. I think, Mr. Speaker, that indeed it's very useful that we have this bill before us to consider the very serious responsibilities we have as legislators relative to this heritage trust fund.

But I think in the process of examining this bill the hon. member who sponsored it is forgetting quite a few things relative to this fund. He forgets, for example, the many hours that were spent in this particular building, by all of us, from the point of view of the policies that created the fund in the first place, the considerable amount of legislation that was debated at great length as to how these funds would accrue to the Province of Alberta from 1971 to the present date, and that the fund is, in fact, a creature of this Assembly.

The fund is something that has evolved by long-range policies created by a government, from the point of view of acquiring a certain amount of capital to be dealt with for the future benefit of all Albertans. I think no one in this House would deny the fact, and the importance that the responsibility of this Legislature lies in the useful and long-range application of these funds.

I think all of us would well agree that this responsibility is one that must be taken seriously. But as this Legislature created the fund, or will create the fund, and as this Legislature created the policies that brought forward these funds for the benefit of our citizens, it is this Legislature that should decide how those funds should be allocated, not a council created by the Lieutenant Governor in Council, or the Premier, but this very Legislature. For after all, as the hon. member has so well expressed, that is our responsibility. It is our responsibility to determine, as representatives of the people of this province, where these moneys should be allocated, and in what way, not to be dealt with and opted out by some council totally unqualified to consider the nature and responsibilities of this fund, and in fact, responsible to no one.

I have no objection to creating a motherhood council, Mr. Speaker. I have no objection that women should be on the council or members of the trade unions, or educators, or natives and the like. But what do these people really know about the \$1.5 billion or whatever the figure is? What expertise do these people enjoy that they should come and advise us as to how this money should be allocated? Surely, Mr. Speaker, we're not dealing with toys and pennies and frivolities. We're not dealing with trivial matters. We're dealing with a tremendous amount of capital upon which the future of our province will ride.

Surely it doesn't make sense that the people who would go on this council should be selected not for their expertise, not for their knowledge, not for their understanding of money management; not for any of those things, but they should be selected because they happen to be women, they happen to be educators, they happen to be native. That is not the reason or the way we should select people for anything, from the point of view of any council that is determined. We should select a woman, not because she's a woman, but because she has abilities that she can provide for whatever the selection process should be. We should select a person from the Alberta Federation of Labour, or an educator or a farmer because they have a particular expertise.

I would suggest that the way this particular council is derived, none of these people, from the point of view of their qualifications expressed here -- it just doesn't go far

enough. We are better qualified in this Legislature to deal with this problem, as has already been expressed, and surely the composite of the council has been expressed.

But what probably troubles me the most, Mr. Speaker, from the point of view of this bill, is the manner in which the drafter regards the money should be allocated. As I read Section 11 of the bill, Mr. Speaker, to me it reads like the Communist Manifesto. It reads like it was written by Marx back in the 19th century, as we talk in terms of how the drafter of this bill regards the responsibilities of the council and their recommendations relative to the use of this heritage fund. Where before, Mr. Speaker, have we heard the terminology of, "goals for the ownership structure of the economy and for re-distribution of wealth"?

Mr. Speaker, from the point of view of this Legislature, I don't want any council sitting out in the Province of Alberta, which is going to be coming to the Legislature of the Province of Alberta with recommendations as to the allocation of these funds, which is going to be telling us, or suggesting to us, that our goals should be the "ownership structure of the economy." That, Mr. Speaker, is totally repugnant to this member of the Legislature, and I'm sure repugnant to many others.

Mr. Speaker, I don't want any council sitting out in never-never land somewhere in the Province of Alberta, having the responsibility of coming to this Legislature and making recommendations for the allocation of this fund for the "re-distribution of wealth" in the Province of Alberta, whatever that means. For whenever I've seen a government talk about the redistribution of wealth I've seen governments that have destroyed initiative, that have destroyed incentives, and destroyed the things that make our economy and our world go round.

I object, Mr. Speaker, most strenuously to the wording of Section 11. I object to the mechanisms which are placed within the bill. I regard the debate to be useful because of the very serious responsibilities we all face relative to this tremendous amount of funds that we will be dealing with. But the buck stops here, Mr. Speaker. The decision making is here, this is where the action is, and this is where it should be debated and dealt with, not somewhere beyond the corridors of this Assembly.

AN HON. MEMBER: Hear, hear.

MR. DIACHUK: Mr. Speaker, I too want to express a few views on Bill 204. They may not be as brief and concise as those given so eloquently by the hon. Member for Calgary Buffalo. I might just drag it out a little longer.

AN HON. MEMBER: Until 5:30.

MR. DIACHUK: My hon. colleague from St. Paul has just urged me to get going on it.

Mr. Speaker, the introducer of this bill pointed out that the first thought of this heritage fund was announced recently during the election campaign, and he was interested in the fact that it was to be a beginning to plan the expenditure of the fund we will be appreciating in this province. I am confident that the leader of that particular party who made the introduction -- and coincidentally, practically, or logically, that same person is the Premier of this province now -- had more in mind when the announcement was made than just hoping somebody will come out of the woodwork and set a plan for administering this heritage trust fund.

I am confident that it isn't, as the mover of this bill indicated, played by ear. I am well aware that the Premier of this province has given sufficient thought to the planning of the expenditure of this fund, instead of just playing it by ear or by the seat of his pants. I guess the hon. member still hasn't accepted the fact that this isn't the way -- even though he has now spent several years in this Assembly with the Progressive Conservative government -- the Progressive Conservative government carries out its duties and obligations to the people of Alberta.

The heritage fund is for all the people of Alberta. No doubt anybody will agree with his statement. His point that we must listen to all the people of Alberta is exactly what 69 members of this Assembly did, and are going to do in the future. The people of Alberta gave their views on March 26 and passed their responsibility, because, being one of the members who on many occasions encountered the constituents' views, they did express their confidence in this government and the fact that this government will be able to manage this fund properly.

Mind you, I did encounter one individual, one constituent, during my campaign, an elector who wanted it spent immediately on him; because the past generation didn't leave him anything, and why should he leave anything for the future generation. It was of interest, as I was leaving that house, that on the property was an orange and black sign indicating support of a certain political party. It was just a coincidence that it was that same person who wanted to spend . . .

AN HON. MEMBER: Hallelujah.

MR. DIACHUK: . . . that money immediately.

I didn't quite say hallelujah as I came out of the house. However, I did mutter a few things.

The expenditures, as the mover indicates, would be authorized by the Legislature. Well, that would make his colleagues, Barrett, Flakeney, and Schreyer, jump with glee. Because I can visualize that if they did all their work exactly the way the mover of this

bill believes it should be done, it would make those gentlemen in our neighboring provinces quite excited that their colleague in Alberta believes that everything has to be done through the Legislature every time an expenditure has to be made.

I'm confident that when the guidelines are set, the Executive Council will have direction from the government, and from the members of this Legislature, and will be able to carry out quite expeditiously and properly the management of this heritage fund.

I did find the reference by the mover of this bill, as the hon. Member for Whitecourt pointed out, that a greater amount of money be spent mainly on education. Well, this government takes no back seat, as he possibly believes, on expenditure in education. Again of interest, his colleague, who was an opponent of my office in the constituency of Edmonton Beverly, just happens to be a schoolteacher, and was advised by a supporter of the independent Christian schools, during one of the forums we were at, that with his attitude, even if he brought his own salary, he couldn't find himself a teaching position in an independent school because there was just no way they could stomach his attitude in that environment.

There was a colleague of the mover of this bill who felt there just wasn't enough money still spent in Alberta. He would complain and rant and rave that everybody was underpaid, the funding was too low. But I would only suggest that to try to say that \$200 million, a ballpark figure, be used from the heritage trust fund to assist education, would be very poor planning. I'm confident that the last 3 years show we have planned well for the educational needs in this province.

As indicated by my colleague from Whitecourt, the honorable mover of this made two choices. He agreed with the fact that housing requires this fund and irrigation requires this fund. I'm interested that he doesn't stand up and oppose this, to see what would happen to the views of the people of this province, because his practice has been to oppose everything, or most of the things the government brings in. I'm pleased he has indicated he supports the concept of the Premier's recommendation that some \$200 million be spent on irrigation, and possibly an equal amount on housing. Now this didn't come through the procedure that's recommended, but it's interesting that he does support this concept.

Now I do say that, as a member of an urban constituency, I am troubled about that ballpark figure of \$400 million that my colleague from Whitecourt uses for agriculture. The hon. member was a little modest on that amount. I'm surprised he didn't ask for more than \$400 million. However, I hear through the grapevine that won't be required, because I understand the prediction is that the beef price is going up by fall, and we buyers of sirloin steaks will have to go back to chuck roasts.

However, just briefly on the comments of the hon. Member for Calgary Buffalo, this responsibility must be taken seriously. This is exactly what we're all doing here, and the attendance during this debate is indicative of the members' seriousness on this bill and the particular business of the heritage trust fund.

I was pleased with his reference to Section 11 being written by Marx. But I don't really believe it was written by Marx; it was written by the hon. Member for Spirit River-Fairview. Nevertheless, as he has indicated by his hands, so what's the difference? Well I do believe that there is a difference and, in all fairness to the hon. Member for Spirit River-Fairview, there is a difference.

In a final statement to the hon. Member for Spirit River-Fairview, I'm sorry that he did get some support from the editors in some of the local papers. I have seen as many who couldn't agree, but agreed that the Conservative government is going to do well in the planning of the heritage trust fund. I just can't support this bill.

Thank you, Mr. Speaker.

MR. CROCKSON: Mr. Speaker, I'll have trouble stretching my speech out over 10 minutes, so I beg leave to adjourn the debate.

MR. SPEAKER: Having heard the motion by the hon. member for adjournment of the debate, do you all agree?

HON. MEMBERS: Agreed.

DR. HORNER: Mr. Speaker, I move we call it 5:30.

MR. SPEAKER: Does the Assembly agree with the motion by the hon. Deputy Premier?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until 8 o'clock this evening.

[The House recessed at 5:27 p.m.]

* * * * *

[The House reconvened at 8 p.m.]

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill 19 The Department of Business Development and Tourism Act

MR. NOTLEY: Mr. Speaker, to carry on where I left off the other day, I had raised some concerns about the policy of the Department of Business Development and Tourism. I have some specific points to make with respect to grants that I'm going to come to in a moment.

What I would like the minister to [do] in his closing statements is give us a review of his philosophy as it relates to the department, particularly in those areas where there is a conflict between small business and large concerns. The other day, I cited the example of the retail automotive association members, on one hand, facing real problems in their dealings with the integrated oil companies on the other. I would ask the minister to respond directly in his reply as to whether he sees the role of the department simply in a mediation sense, or whether the rhetoric we've heard about emphasis on small business is actually going to be translated into specific steps taken by the government to right the balance. In my judgment, any time you have a situation where integrated oil companies are on one side of the fence and small retail automotive members on the other, the balance is inevitably going to rest with the larger concerns unless government moves in to rectify that situation.

During the discussion the other day, I made the point that I thought we should take a very close look at the Maryland legislation, which, as I understand it, represents a functional divorcement in the petroleum retailing business, and stops the major integrated oil companies from getting into this field. At the very least, Mr. Speaker, if they are going to get into it through self-serves and the like, we should have a legislated percentage so we don't see the service station operator, even the one directly franchised to the major companies, run out of business by the growth of self-service stations.

Now, Mr. Speaker, I wanted to confine my major remarks on this bill to the whole concept of grants and the controls or lack of controls in the expenditure of public moneys under the act. The other day I introduced this subject by saying that when the Alberta Opportunity Company was established in 1972, the government took the view that it was opposed to any form of grants. Members who were in the House on that occasion will recall that the industrial incentives program of the former government was repealed. This was a program which made moneys available in grant form to small businesses in the province. I believe the maximum they could receive was half a million dollars, but on the basis of fairly well spelled out criteria. In 1972, the government said, no, we don't want to go the route of grants. We're going to cast that concept aside and develop a system of loans through the Alberta Opportunity Company.

In 1974, Mr. Speaker, we had a slight change. We had Bill 44, introduced by the hon. Member for St. Albert. As one read through Bill 44, what should one find but provision being made for grants. Now, why this change of attitude? Well, I think the change of attitude can probably be summarized as being based on two reasons. The first was the need to upgrade airport facilities and transportation facilities. The second was because of the umbrella DREE agreement. The minister at that time indicated that the government wanted flexibility in order to deal with Ottawa on the DREE question, also so the Province of Alberta would not lose business to other provinces. We had quite a debate on that matter during the spring of 1974, Mr. Speaker. I intend to quote several excerpts from Hansard to put this in perspective. On May 27, page 2568 of Hansard, the minister says:

I thought we explained that fairly fully.

This is where he is talking about the DREE agreement.

That's why there is no reason to have any appropriation in our budget for industry grants. The reason for the latitude, as the hon. member suggested, is [that] if you want your government to be flexible and to move with the punches with regard to how [we] might fit into confederation and the competition for DREE grants in Canada, we [have] to have that flexibility. I think that maybe answers it.

Then I raised the question:

I wonder if I could ask the minister a question just to follow that up. I wonder if the minister could tell us whether the government has any intention of amending the legislation once the DREE agreements are signed? I [can] see some problems in the intervening . . . time and some need, perhaps, for flexibility but surely we are going to have these subagreements signed within the next four, five or six months. The same will be true [for] other provinces. Once these agreements are signed we will be working with certain facts as opposed to variables.

It would seem to me that once we achieve that situation, would it not be possible and would there [not] be any commitment then on the part of the government to come in with amendments which would more clearly define the latitude of the legislation?

And then the hon. Mr. Peacock, in response:

Mr. Chairman, I think that's a reasonable question in this regard, that in Section 4 of the amendment we state that at the end of each government fiscal year the minister shall prepare a report listing the recipients, et cetera, et cetera.

When there is an historical background established and the subagreements are signed, and we have some knowledge of what the game is all about as far as the new

DREE subagreements relate to industry, I think then we can come in front of the House and present a reasonable approach as to what the government expect in regard to this particular area for the subsequent year.

Well, Mr. Speaker, what has happened? In that particular bill, Bill 44 had a section included in the act that in my judgment was quite important, Section 10(4), which indicates:

At the end of each government fiscal year the Minister shall prepare a report listing [all] the recipients of grants made under this section during [the] fiscal year and the amount of each grant and the Minister shall

- (a) if the Legislative Assembly is sitting when the report is completed, lay the report before the Assembly, or
- (b) if the Legislative Assembly is not sitting when the report is completed, lay the report before the Assembly within 15 days after the commencement of the sitting next following the completion of the report.

Well, Mr. Speaker, as I read that particular section, we should have a report tabled in this House outlining all the grants made during the last fiscal year.

Mr. Speaker, now let me come to the bill we have before us. That bill also has a section dealing with grants, but my, have we come a long way in the last few months. No longer do we have subsection (4), which compels the minister to prepare a list and report it to the Legislature. Now we have rather broad power to provide extensive grants, admittedly subject to regulations under this section. But, Mr. Speaker, "The Lieutenant Governor in Council may make regulations," and then, "authorizing the Minister to make grants; prescribing the purposes for which grants may be made," et cetera, then outlining in fairly wide detail very substantial power which is being assigned to Executive Council. Then clause (i) of this provision:

authorizing the Minister to delegate in writing to any employee of the Government any duty, power or function respecting the payment of any grant; requiring any person receiving a grant to account for the way in which the grant is spent . . . ;

Which is fair enough.

authorizing the Minister to enter into an agreement with respect to any matter relating to the payment of the grant; limiting the amount of any grant or class of grant that may be made.

Mr. Speaker, the point I am trying to make is that under the terms of the new Section 6 of this act, there is no commitment in the legislation for the report which was basic to Bill 44, which was passed by the Legislature a year ago. One of the arguments that was made during the committee stage debate on that very bill, when concern was expressed on this side of the House, Mr. Speaker, was that subsection 4, spelling out a specific report procedure, as opposed to The Alberta Gazette, was a protective device which was incorporated into the act last year, and for some reason, Mr. Speaker, was dropped from the legislation this year. I think the minister should give us a full explanation, in his concluding remarks, as to why they have gone this route, why they have decided to take away that protective feature.

In addition, Mr. Speaker, it seems to me that we have to have some statement of philosophy from the minister as to what the government intends to do in the area of grants. A year ago the former minister made it very clear. Grants were going to be restricted to two areas: one, transportation, and the other, to make it possible for Alberta to fit into the DREE subagreements. But when the minister introduced this bill, a very important bill, at no time was there any commitment as to what the policy is with respect to grants. Are we going to be handing out grants in the amount of \$1,000, \$10,000, \$100,000? The Lieutenant Governor in Council has the authority here, if money isn't appropriated by the Legislature, for a grant "pursuant to a special warrant." Mr. Speaker, the Legislature doesn't sit eight months of the year, and during that eight-month period, or at any time for that matter, the cabinet is authorized under this legislation to make substantial sums of money available to the department for grant purposes.

Now, Mr. Speaker, as to whether or not we agree with the concept of grants for industry may, in fact, be a debatable point. But what isn't debatable is that as members of this House we have a right to expect from the minister a clear-cut explanation of the government strategy with respect to grants -- what the classification of grants will be, what the ground rules will be, what the ceilings will be, what the provisions will be. Is there going to be a Canadian ownership provision? Is there going to be a provision for equity for the Crown? What is the rule with respect to joint ventures? If we are going to be talking about the expenditure of public money, Mr. Speaker, and that is basic to this bill, it seems to me we have a right to expect from the minister a pretty clear delineation of what the government's policy is.

Mr. Speaker, I hope that comes, because in my judgment it's crucial to discussion of the act. I would simply say, as I look over this legislation, that we have had a fast retreat from the rhetoric of 1972 where no more was there going to be grants, business would have to stand on its own, to the point now where there is wide latitude for the expenditure of taxpayers' money for grants of one kind or another to industry.

MR. CLARK: Mr. Speaker, in rising to take part briefly in this debate, let me make four rather quick points. First of all, unaccustomed as I am to agreeing with my friend who really is to my left, but who on this occasion is sitting on my right, I think he has raised a very valid point on this question of grants. It would do hon. members good to go back and read Hansard of 1972 and 1974 when we dealt with the question of the bill put forward by the hon. Member for St. Albert. At that time, after considerable discussion in

the Assembly, the government brought in an amendment that, in fact, made it mandatory that the minister bring forward to the Legislature at the end of the fiscal year the amount of grants which had been paid to anyone under this particular section.

We're now in a situation of having legislation come forward with a rather brief explanation by the minister. I wouldn't want to do the minister any disservice, but I don't believe the minister made any reference at all to this particular section or deletion in the course of his opening remarks. And this should be the time when the government should be somewhat touchy as far as grants are concerned.

I commend the government for the direction it has taken in most other departments where, in fact, it's building in safeguards in this particular area. But it seems that our situation at this time is that we don't know the policy of this government as to whether it's going to become involved in making direct grants to industry or whether it isn't, especially when we remember, Mr. Speaker, that this particular bill doesn't deal only with business development. This bill and this particular minister are also responsible for the Export Agency and all things involved in that particular area. Under this same minister's responsibility, under the same legislation, comes an announcement out of Jasper about two weeks ago, and I just quote from the first paragraph: "The Alberta government was expected to announce today an industrial land bank program and other measures to encourage rural industrialization." Now this was two weeks ago this weekend, I guess. The announcement was made in Jasper by Mr. Broadfoot, director of the department's regional services branch.

We've questioned the minister in the House since that time, and he has indicated that, in fact, the announcement isn't ready to be made, or hasn't been made, or won't be made, or something like that. Nevertheless, this is the same department that, in this announcement out of Jasper, is going to be involved in land banking for communities across the province. Later on, there's reference to a petrochemical industry in the province. This is the same minister who should have a great input into those areas. I don't think it's too much at all to ask the minister to give us some indication as to the government's thinking and policy with regard to grants to industry in these particular areas.

If the government's policy is the same as it has been in the past, why not have the same legislation, the same section, the same safeguard, the same reporting back to the Legislature that we had in the old legislation? Now if the government is, in fact, changing its position on this, this is the place and the time to discuss it. Let's not discuss it next spring at this time -- I hope earlier in the year -- when we come to that illustrious and enthusiastic debate on special warrants.

And you know, this is the same department [in which] we now have the guarantee being called for Canadian Cane. For the life of me, I can't understand what is really going on in this whole grant section in this particular piece of legislation.

I'd like to move on to two other areas rather quickly. The Export Agency itself is in the department and obviously would be affected by this bill. I would hope the minister, in concluding the debate, might give us some indication as to his plans as far as the Export Agency is concerned -- if not now, at least during the estimates. In my judgment, the very least that should be done at this session as far as the Export Agency is concerned is to break the Export Agency down, take that whole area which has been involved in the cattle business -- in a very disastrous way I might say -- turn over half the money the government spent over the past few years to this all breeds association, and let them handle that.

I'd be very interested in the minister's reaction to that. If we want to proceed with the discussion here, we can talk about the condition Holstein cattle were in when they got to Mexico or various other areas. Now I know the minister can say that was an unfortunate situation. But the way to avoid such unfortunate situations, it seems to me, would be to make that portion of the Export Agency responsible to those people who know what they are doing. A splendid organization, it seems to me, has been established, this all breeds association in the province, which could handle that nicely and be in the area where the government could get its cotton-pickin' hands out at this particular time. Mr. Speaker, I would also be very interested in some indication from the minister with regard to the Research Council, the role he sees it playing, and the work it will, in fact, be doing.

But just to wrap this up, the prime concern has to be that section of the act which deals with grants -- a full and complete explanation of exactly what the government has in mind as far as grants to industry, be it petrochemical industry or other areas, are concerned. If the minister is able to rise in his place and say there will be absolutely no grants made to business of any kind under this particular section of the act, and is prepared to give the Assembly a commitment on that, I'd rest easier. Unless we get that kind of assurance, I think there is reason to be concerned, not just those of us in the opposition, but all members in the Assembly.

MR. SPEAKER: May the hon. Member for Lesser Slave Lake revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

INTRODUCTION OF VISITORS (reversion)

MR. SHABEN: Thank you, Mr. Speaker.

It gives me pleasure to introduce to you, and through you to the members of this Assembly, 30 Grade 5 and 6 students from St. Theresa School in Wabasca, accompanied by their teachers, John Boyd, Janet Charlebois, Henry Rosychuck, and Joyce Sinclair. I would ask that they stand and be recognized by the members of this Assembly.

GOVERNMENT BILLS AND ORDERS (continued)
(Second Reading)

Bill 19 The Department of Business Development and Tourism Act (continued)

MR. TAYLOR: Mr. Speaker, I just want to say a word or two in connection with second reading of Bill 19.

The points I want to raise are: number one, the moneys voted or given to business, either in grants or loans, must be accounted for. I think our whole basic democratic set-up is that the minister of a department must be responsible to the Legislature, responsible to the people for the money that goes through his department. I can't get too worried about this bill, because that's basic in our whole parliamentary set-up. The budget will continue to come to the Legislature, the Legislature will vote certain sums for various items in that department, and the minister will be responsible for the proper expenditure of those. It must be done in that way.

There are times when business development might either come to an area or not, if certain things aren't done. I would hope that the subsection under Section 6 of the act, dealing with the right for a grant to be authorized by order in council would be used only in circumstances like that. When I was in government, there were times when things were lost or things couldn't be done because the legislation wasn't wide enough to do that, even though it would have been quite proper to do it. We had to lose business or lose advantages that would have been there had there been authority.

I really don't believe in tying the hands of a minister after you ask him to do a job. The minister is going to be responsible to see that the money is properly expended. I'm not in favor of fencing him in so he's working under such rigid conditions that he can't do the job that the Legislature, the people, want him to do.

I can follow the argument of the hon. Member for Spirit River-Fairview in talking about ceilings, floors, and so on in regard to grants. But I can't go along with that, because I may be the first one to come to the minister to ask for a grant that's going to mean a business, or not a business, for some of the people I represent.

Had the legislation been so restrictive in the last three years, we might have given a death blow to one of the villages in my constituency. But because the legislation was flexible enough, and the hon. Mr. Peacock was interested enough, we were able to amalgamate three businesses into one really good business in that town. The three people who operated the business were of an age where they just couldn't carry on, and they would close up because they couldn't sell out. So through this we were able to build a business that competes with a general store in any city you want to go to, whether it's Calgary, Drumheller, Edmonton, or any other town. It's a modern business that was possible because the minister wasn't fenced in with rigid legislation.

Now, if we can't trust ministers, and if our rules of their responsibility are not enough, let's tighten up those rules. Frankly, I don't think it's necessary. I think ministers today are fully responsible, and if there is any hint of misappropriation of money under his control, that minister is in a pretty tough spot. I'm sure every hon. minister in this House, and possibly I could say every hon. minister in Canada, realizes that. We've had enough examples of things happening where [if] there's been even a hint, it means the immediate resignation of that minister if the money is not properly expended and properly looked after. So I don't want this legislation to fence the minister in so he can't do the job we want him to do.

The next point I'd like to make, Mr. Speaker, is that I'm an advocate of small business. I believe small business has a proper place, but I'm not wanting large businesses to leave the country. Large businesses bring in a lot of capital. Large businesses employ people. Large businesses are industries we need. Without large business we would not be in the position we are in this province today, financially, economically, or any other way. Large businesses have had their part to play, and I'm not in favor of continually condemning large businesses because they happen to be large. If they are doing something wrong, let's go after them. But surely to goodness it's not wrong because a person has a large business and is employing 800 or 1,200 or 2,000 people under proper conditions and so on. That's good for the province; that's good for the country.

So I don't want to differentiate. If I could get a large business for the City of Drumheller, I would be very happy to do so. I would be just as happy to get 10 or 15

smaller businesses if a large business can't come. But the people in my constituency, in our towns and villages, say we have to have industry if we are going to survive. Because when there is no industry there are no jobs. How do you get industry. Time and time again over the last many years, I've told people in my constituency and in other constituencies, in a free enterprise system a government can't say to someone who wants to invest money, you have to spend it in such and such a place. They can tell them all the advantages and disadvantages, and hope that money will be expended. They may even want them to go to a certain locality in the province. But the final decision has to be with the man who has the capital.

I'm not in favor of government telling me, if I have \$1 million to invest, where I have to invest it. That isn't a free enterprise system. That's a rigid control system. I don't want government telling me how I can spend my capital. I certainly want their assistance in finding the best possible place so I can get a return on that capital. The whole idea of business is to get a return, a proper return. I think that's something we have to remember when we start condemning various types of business in this province.

I'd like to see continued, and maybe even accelerated in this act, another thing which became a reality during the last three years because the minister of that department was willing to listen to things that were said by any member of the House, even if he sat in the opposition. You will recall when I pointed out we were losing industry, and we couldn't continue unless there was a degree of interest rates: lower in the villages, a little higher in the towns, the highest in our major cities, and a little lower in the smaller cities. That was made part and parcel of our legislation.

As far as I know, we're the only province in Canada where that takes place. And because of that, we now have people who have money to invest willing to go to the smaller places, because they can get capital at a little lower rate, and properly so. When the business is going to be sold, they don't have the market you have in the larger city. I haven't heard any business in the large cities complain about this. Some people have talked to me about it, but I haven't heard anybody complain about it. It's logical that the lowest rate of interest on money borrowed for business should be given in the smaller places where the opportunities aren't so great. That's going to help to get industry and keep our smaller centres alive.

But there's more to getting industry in a smaller centre than just this matter of grants and loans. I just want to mention two or three of them, because I think they're almost as important as the capital. People ask, are there hospital facilities, are there good doctors, are there good schools, are there good churches in the area? Just having industry isn't enough for people today. They want a wider range of living than that, and properly so. And so these items have quite a degree.

Another thing I'd like to see this department do is to make sure they monitor rules and regulations, even of other departments, that may have an adverse effect on the building of businesses in a small town or village. Today, a village with a general store has to compete against the shopping centres of Calgary, Edmonton, Red Deer, or Lethbridge, whatever the area you happen to be in. They have to compete, or people will take their cars and drive to the larger centre if it will pay them to do it. So if you do something that's going to increase the price of a staple food, say meat, in a smaller centre, so that that meat is no longer economical, we're going to drive business out of that town to the major cities, just the thing we don't want to do. We want to make our smaller centres competitive with the larger centres.

One of the regulations not now passed, but being considered, may have that effect if it's put into effect. I'm talking about refrigeration in trucks. I can put frozen meat in the back of my car on the hottest summer day and take it to Drumheller. It's still frozen when I get there. It's a 200-mile, three-hour drive, three and a half hours taking it leisurely. It is 180 miles. And it's still frozen. If we're going to say to truckers, if you're going to haul your meat 180 or 200 miles, you have to put modern refrigeration into your truck, it's going to make it impossible for the town and village stores, which depend on that truck, to compete with the shopping centres of our major cities. It's just that simple.

Certainly, I'm for refrigeration. But let's not make our refrigeration so rigid that we put it in where it's not essential. It's more essential today, in my view, to make sure the trucker is keeping his truck clean and is keeping the meat separate from the dynamite or whatever else he is hauling. That's important. But to say he has to have modern refrigeration to haul meat 200 miles, in my view, is simply saying to the village store, you won't be able to compete. You're going to drive a few more people into the major cities to do their shopping. That's what will happen if we make this so rigid that they are going to have to put in refrigeration for 200 or 300 miles.

Then, of course, what are we accomplishing, because people will take their cars. As one chap from Hussar said to me, if the price of meat goes up, I'll take my car into Calgary. No government can make me put refrigeration in my car. I'll buy the frozen meat and take it home. He said, my wife and family will live off that, and we'll save money compared to what we would have to pay if the price goes up any more in the smaller village. That's exactly what happens. Some of our farmers, even our Hutterian Brethren, take their goods into shopping centres and have it there for two or three hours. I'm not saying it's unsanitary, but they haven't got modern refrigeration.

All I'm asking is that when regulations come in that may have an adverse effect, they'd nullify the very thing we want to do, such as building up businesses and building up the buoyancy in our smaller centres, we should take a pretty careful look at those regulations and find out if they're really essential. I don't mind a regulation on truck

refrigeration if it's going to be applied to a proper distance where the meat would be affected if the refrigeration weren't there. But where the meat can still be frozen by being hauled that distance, I can see no need of it.

So, Mr. Speaker, I think this department is going to have a tremendous effect on whether we get industry into our smaller centres. I would like to see more industry there -- not paid to go there, but operating a viable business. I think every hon. member who has been a member for very long will have had people come to him many, many times who we are completely satisfied could get into a business, give a good service, make it viable if they were just given a little bit of time, if they could get a little working capital. That's what I'd like to see this department do.

I think there's a proper place for grants, and I think there's a proper place for loans. I think there's a proper place for grants and loans in a free enterprise system. Too long, we've had some businesses want to get grants and loans, and then compete against those who didn't have grants and loans, which is completely unfair. But to start a new business -- manufacturing, merchandising, or any type of service business -- I think there's a proper place where government can get in and help the people of that area to have a more competitive business and a greater buoyancy in their economy. I'm looking forward to this department being able to continue some of the work that was started previously.

Just one other item I'd like to mention. I hope this department will continue counselling for business. Time and time again, I've been able to call upon the former minister, or upon Mr. Clarke at Ponoka, and say, this business is in difficulty, they don't know what way to turn. Have you got somebody you can send down? Or, this man wants to invest some money. He has the money, but he doesn't know all the ins and outs of this business. Have you got somebody you can send down? Within days, sometimes within a day or two, a man arrives and goes over the business with that particular person. That is a service which is appreciated, and a service that keeps some businesses alive, because we have someone there with the know-how.

Had we had that service for a co-op store on the Blackfoot Reserve a few years ago, they might still have that store. But that service wasn't available, so they floundered until the business folded up, not knowing what to do, because they didn't have the experience. So I hope the hon. minister will continue that counselling service anywhere, but certainly in our smaller towns and villages.

MR. E. SPEAKER: Mr. Speaker, I would like to make a comment on second reading of this bill with regard to the section that I feel is left out, and that is with regard to the report.

A year or so ago, we debated at some length the reporting of a department such as this. I feel that maybe it is an omission that the minister has left out the section in the former act of the Department of Industry and Commerce, which requests the minister to report to the House by a certain date. I felt that was a formal procedure followed in most formal departments of government. Not spelling it out here rather concerns me.

Basically, it concerns me because we're spending a large amount of money to a large number of people who are most likely in risk businesses, various kinds of ventures. You're dealing with people, and I think there should be some type of formal document that makes that information public, particularly to us in the Legislature. That's one thing.

The second thing that concerns me is that the former minister, back in May 1974, accepted the principle and said that the amendment is reasonable to be in the legislation. He went along with it and I just can't see why it's left out at this particular time.

The third thing that concerns me is that the legislation of the Department of Industry and Commerce requested that the report be laid before the Assembly within 15 days after the commencement of the next sitting following the completion of the report. Well, this is that session of the Legislature, as I understand. At this point in time, we have not got the report and have not had it presented to us. We have not repealed that particular act. It's still in effect. That act is law in this province, and certainly the report should be here and available to us at this time so we can discuss the matter. Certainly by the time we get into Committee of the Whole that report should be before us so we can discover not only the principles in the bill, but also the items of disbursement of money and the responsibilities and actions that the former minister and the present minister have taken since this particular act became law in Alberta.

As far as I'm concerned, those three things are significant. I'd certainly urge the minister to reconsider and bring in an amendment to that section.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. DOWLING: Mr. Speaker, I thank the hon. members opposite for having participated in the debate on second reading of Bill No. 19. I would like to attempt to cover some of the questions presented by the hon. members.

The first one was by the hon. Member for Clover Bar. He indicated in his contribution that he thought our thrust in this department was not towards the smaller portion of the business community of Alberta, nor was it before, under Industry and Commerce. If I have one criticism of the former minister, it is that he did not blow his own horn. That's unfortunate, because I believe that as the minister of Industry and Commerce he did one tremendous job in really stimulating rural Alberta to become viable.

[applause]

I can tell you, because of the former minister there has been a turn-around in that flow of people from rural Alberta to the cities that is just outstanding and phenomenal. So I congratulate him for the tremendous foundation he has laid for the new minister.

I think, by way of evidence, I should present some of the programs that were instituted by the former minister. One, of course, is the very important Regional Development Program. I should read from the document called Regional Development Program 1975, which, in fact, sums up the thrust of the entire program. It's to:

- Provide opportunity and incentive to Albertans to participate in economic development of the province.

- Provide more and better jobs . . . give Albertans a broader opportunity to earn a good living in smaller communities.

- Eliminate population and economic erosion in rural areas.

- Help communities help themselves in providing an improved socio-economic life quality.

- And in total will work towards establishing a viable long term economic base with better balance between rural and metropolitan communities.

The second plan instituted by the former minister was to work with smaller towns on a self-help basis. Over the course of the last year, and continuing into this session, the department has completed 40 town economic plans, with an additional 42 being worked on. These are towns with populations of 1,000 or more, not cities. The study identifies the local community, the local economic development committee, the commercial, industrial, and related information needs and opportunities in that community. The plan provides priority and a sense of direction in developmental matters for that town.

We have a small-town project which was instituted by the former minister, and is continuing. I think it is just tremendous. Over the last 12 months, two new rural development projects were introduced. One is in the Crowsnest Pass area, and the second in the Lac La Biche area.

This really responds, in part, to the question by the hon. Member for Drumheller. He said we should be very much concerned about all the amenities of the small community. We should be concerned about things like doctors, dentists, and all these things. The regional development officer in the Lac La Biche area was responsible for locating a dentist and having him placed in that community. This is typical of the things that have gone on in all the areas of Alberta with regard to both these programs. We have something in the order of 12 regional development officers throughout the province. They are geographically located to cover all the province. I think there are 10 regional development officers. There are 10 regional development areas.

There are some additional things which I think are important. In each of these communities in the Regional Development Program, a document is produced identifying each part of that community and what it needs. For example, this one has to do with a central Alberta community. The natural resource is clay. They can make tiles and ceramics out of it. The service industries required are those of carpenters, plasterers, painters, electrician, plumber, barber, upholsterer, and optometrist. Commercial development: they need a movie theatre, a bowling alley, credit union, bus depot, motor hotel or motel, children's clothing store, shoe store, furniture store, carpet shop, carpet cleaning. Infrastructure: they need a provincial building and a town office complex. They need development of an airport facility. They need an extended care 45-bed hospital for the chronically ill. They need some downtown redevelopment. They could use a ready-mix concrete plant or a furniture manufacturing operation. There is a lake project of a recreational nature, a pioneer village museum, and other industrial opportunity as well.

These are the kinds of documents that have come out of 40 communities and are under way in 42 others.

Mr. Speaker, I should add that this also is being completed on a regional basis. For example, there is a document on the Lac La Biche area involving some four or five towns that are pulled together to make an economic unit. The same type of document is produced for that kind of community.

The department has been very effective over the last three years under the former Minister of Industry and Commerce. It has been effective in 308 of 435 industrial plants being located in various areas of rural Alberta in that 2-year period up to January 1, 1975. We have an advertising program. What that advertising program does is to gather together all the material in those former documents I mentioned, put them in ads in the major newspapers, and say, here is an opportunity to build a ready-mix concrete plant, a prefabricated log building, or something like that. They will all be advertised in the paper. It would perhaps stimulate some of the industrialists or entrepreneurs in the cities to move out to those rural areas.

This answers, in part, the question from the hon. Member for Olds-Didsbury about some of the plans we have regarding land banking and things of that nature. It's very obvious that, if we are a forward-moving department, we should let our minds wander a little in the kinds of meetings Mr. Broadfoot was at -- a planning meeting with planners from all over the province, and planners from outside the province. Bring them all together in a setting where they are not bothered by telephones, and let them think, let them think about what they could do in this province.

The things they think about are, well, what are the problems in rural Alberta, what's the problem in Opaton, what's the problem in Camrose, what's the problem in Sexsmith, in Olds, in Spirit River.

One of the problems that seems to come forward on most occasions is the business of industrial land availability in rural towns, so they set their minds to thinking about it.

How can we as a government participate in developing or helping develop this land for the municipal government? That's one of the things they thought about.

On-the-job manpower training and co-operation with Canada Manpower and Alberta Manpower is another thing they thought about, small business training -- that's what we call AIM, Alberta Institute of Management -- and downtown redevelopment.

The department has examined over the last several months, several years I would suspect, the various towns and communities in Alberta that really need some assistance to redevelop that central core of business. They are attempting to pull packages together in the various communities.

They wonder whether there should be some government involvement. We have two schools of thought. Some on our side of the House say we should have government involvement, we should participate in a financial way, we should involve ourselves in a grant system. The other side says, no way, let the private sector do it, let the private sector together 20 guys who have a lot of fire out there in these communities, and maybe the government could loan them the money. Maybe the government can be of assistance to the municipality in very short-term interim financing so that municipality can pull that land package together and sell it to the private sector. It would be a quick turnover of a large amount of money, but it would be a stimulus to those communities.

I think it's an extremely exciting program, Mr. Speaker. I'm just really excited about all these programs that were instituted by the former minister, my colleague from Calgary Currie, and pleased that I have an opportunity to participate in them.

In response to the hon. Member for Spirit River-Fairview, I don't think there's really any necessity for reviewing the philosophy of the department. It was fairly clearly set out.

Under the former Department of Industry and Commerce the grant system was established to provide grants for airports for rural areas. The responsibility for airports and transportation of any kind, including the ARR, has been transferred to the Minister of Transportation. I would suspect that grant system will probably remain there.

The other part of the grants, the grant capability that we have, is with regard to the DREE agreement. Unfortunately that DREE industrial agreement has not, as yet, been signed. I haven't had an opportunity at this point to examine it fully enough to be able to really get hold of it to do something about it. But the grant system relates to the DREE industrial agreement.

That, in part, answers all the queries from the hon. Member for Spirit River-Fairview except for the AOC one which I'll address my few remarks to in a moment.

I think I've covered the comments of the hon. Member for Olds-Didsbury, except to talk about the Export Agency just very briefly. I really think we would be very irresponsible legislators if we did not examine the Export Agency in the context of the philosophy in which it was developed. By that I mean, Mr. Speaker, that the Export Agency deals in an export international market, it deals in a market that is constantly fluctuating. I would just ask the hon. members to reflect on the price of sugar and what has happened over the last while. You will recall the amount of flak I received over the last twelve months because sugar happened to be fluctuating. Well, it did fluctuate, and we had a problem because of it in Canadian Cane? That really was the problem.

MR. CLARK: What was the problem there?

MR. DOWLING: But on reflecting on that, Mr. Speaker, since I do have the floor . . .

MR. CLARK: Oh, really.

MR. DOWLING: . . . I would suggest that we in the Export Agency have realized some \$23 million in additional revenue to the Province of Alberta. There is no doubt that in any viable, really moving business, there are going to be some losses. Therefore I think we have to be in a position to accept those losses, but accept the fact that it's a winning organization. We must do everything we can. If we are not to be totally landlocked and isolationist, we have to be in a position to accept some of those losses, but accept the wins and the credits too.

Regarding the Research Council, which the hon. Member for Olds-Didsbury mentioned, even before this responsibility became mine, I had a great deal of contact with the Research Council in this regard: in west-central Alberta there are a number of things happening, one of them was with regard to the peat industry. I can recall, early in our sojourn as government, I brought this matter to the attention of the hon. Member for Calgary Currie when he was the minister. A research project was undertaken on how we could develop the peat moss industry and make it something really worth while. That has happened, and there is a very viable and important peat industry in west-central Alberta and other parts of the province because of that research.

Helium is about to be developed in west-central Alberta. I am sorry to be so parochial, but those are two I remember very distinctly because of my involvement as an MLA, Mr. Speaker. Obviously, coal research has been very important to the Research Council -- ceramics, the petroleum industry. The only thing I think we could do to perhaps improve the Research Council, and I haven't examined this totally, is to pull in someone else from the private sector, who would come in on contract to [give] an outsider's view as to what the Research Council really should be and where it should go. That doesn't mean that I, in saying that, have any major criticisms of the Research Council and what it has done to date.

Mr. Speaker, as usual I truly appreciate the remarks of the hon. Member for Drumheller. I find he always has something very positive to suggest. I do recall this matter of refrigeration being brought up, and the regulations being changed. I will, as a matter of fact, take a hard look at it. If there is some penalty to rural Albertans because of it, I will do my utmost to see that they are altered in some way if possible.

With regard to counselling, particularly by the Alberta Opportunity Company, Mr. Clarke's people, there is no doubt that that will be continued. In our priorities in the department at the moment, we are looking at further ways we can be of assistance to the small businessman to help him decide whether [he] can in fact move ahead with a new project or not.

The hon. Member for Little Bow mentioned something about a departmental report. All three items he talked about related to that report. I have every intention of tabling a report. A new one is not available at this time. The moment it does become available, it will be tabled, and at that time, if there are any questions regarding it, I am sure the hon. members will not hesitate to ask them.

I can't give you a date for it. It was one of my priorities to find out what documents we are going to table, and when they will be available. I don't have it available at this time. I do have one, 1973-74, which in fact is the last report I have on hand.

Just a few remarks, Mr. Speaker, about the Opportunity Company. I think it's significant to remind hon. members that better than 50 per cent of the loans granted by the Alberta Opportunity Company over the last year were for \$50,000 or less. I'll just give you a few highlights from a document I have here from Mr. Clarke. It gives a review of what has happened since 1973, when the AOC was established. Last year, some \$25 million was loaned out, an increase of about 166 per cent over the \$9.5 million of the previous fiscal year. In the first three-quarters of the fiscal year just completed, 73 per cent of the money loaned out went to businesses outside Edmonton and Calgary. As I said before, 50 per cent of the loans made were for \$50,000 or less.

There has been, as was indicated in the House a day or two ago, a lumber inventory program which substantially escalated the size of the loans in the last little while. The reason for that program was that the lumber industry was having considerable problems, and without that support, the lumber industry, as we know it, could easily have vanished.

I should say something else about the department and its view of large business as opposed to small. It is our view that when new industries, or the lumber industry, for example, are to be shored up, we should give every opportunity to the smaller industry to move ahead, not just automatically give a piece of land in terms of reserve to the major company without the smaller operator having ample opportunity to participate in that lease.

In closing, Mr. Speaker, there are a couple of other things on the ACC which I think are significant. A small business with 25 employees or less may borrow from the Alberta Opportunity at 1 percentage point less than the basic rate. If that smaller business is located in a small town, below 10,000 population, it can receive another percentage point less than industry. So there is a possibility of the operation receiving money at 2 percentage points less than the average interest rate for Alberta Opportunity Company loans.

I believe, Mr. Speaker, that pretty well covers the questions that were asked. I hope I haven't missed any.

Thank you very much.

MR. NOTLEY: I wonder if I might ask the minister a question before we vote on this particular bill.

HON. MEMBERS: Agreed.

MR. NOTLEY: Mr. Speaker, I would like to direct this question to the hon. Minister of Business Development and Tourism, and it's with respect to the statutory provisions of Bill 44, I believe, which was passed last year. As I listened to your answer, I got the feeling that what you were talking about . . .

MR. SPEAKER: Would the hon. member please address the Chair.

MR. NOTLEY: I got the feeling, Mr. Speaker, as I listened to the minister's answer, that he was talking about an annual report for the department. What I'm asking, and what I think the hon. Member for Little Bow was asking, is: does the government plan, or do you plan through your department, to comply with the statutory provisions of Bill 44, which means a listing of all grants, and the names of the recipients of all grants passed by the Alberta government in the last year?

MR. DOWLING: Mr. Speaker, I have no problem in tabling that kind of information at any time. It's public knowledge, and I have no problem at all.

MR. CLARK: I wouldn't want to put the wrong impression on what the minister said. Did I get from the minister's comments that the price of sugar was the reason Canadian Cane Equipment went belly-up?

MR. DCWLING: Mr. Speaker, what I really did say was that part of the problem in the Canadian Cane operation was things like the fluctuation in the price of cane sugar.

[The motion was carried. Bill 19 was read a second time.]

Bill 6 The Department of Advanced Education Amendment Act, 1975

DR. HOHOL: Mr. Speaker, I would like to move second reading of The Department of Advanced Education Amendment Act, 1975.

Being brief in my discussion this evening on this amendment, I wish to be clear on this, because the purpose of the amendment is to bring together two existing statutes, nearly in their entirety, as they are written at the present time. So the bill implements the changes in the structure of government by putting advanced education and manpower together in one portfolio. As indicated in the amendment, Mr. Speaker, the title reflects the usual definitions, and in addition defines and describes the functions of the minister and the department.

I should like to draw attention to what is clear knowledge of the members of the Legislature: this particular statute places on the minister the responsibility, first, to establish and operate manpower programs and services, with particular reference to employment opportunities for Albertans; and secondly, to co-ordinate this kind of activity amongst the various departments of government. Thirdly, Mr. Speaker, the statute provides that the minister has the responsibility and the obligation to enter into such agreements with other provinces or, indeed, with the federal government, as may be in the interest of Alberta, with respect to employment and the general field of manpower. It can do this also with municipal governments, agencies, organizations, or individuals. The statute describes in detail the responsibilities, obligations, and accountabilities the minister has with respect to grants under this statute.

In summary, Mr. Speaker, the purpose of this act is to bring together, under one statute, Manpower, a former division in the Department of Manpower and Labour, and Advanced Education, which had been a department. I'd be pleased to discuss the amendment with members of the House, Mr. Speaker.

Thank you.

MR. HORSMAN: Mr. Speaker, I wish to comment briefly on this act. First of all, I congratulate the minister on his appointment. As chairman of the board of governors at Medicine Hat College, I've had some experience with the Department of Advanced Education over the past three years. In that context I would like to address some remarks to the minister with regard to the operation of the new department.

First of all, may I say that I think it makes a great deal of sense indeed to include the manpower end of government in the former Department of Advanced Education. In particular in the college system and other institutions, aside from universities under the control of this department, there have been a number of programs, over the past few years, designed to develop the type of manpower Alberta requires for our increasing industrialization and changing society. I hope this type of program will now continue more logically under the same ministry.

In particular reference to the programs at Medicine Hat College, university transfer courses are offered, vocational education courses to some degree, a nursing program, business training, and academic upgrading, which is very important. I would ask that the minister encourage this type of thing at other colleges.

But there is one particular bone of contention the minister will have to chew on, and that is the question of transferability between institutions in his department. That, Mr. Speaker, is a matter of real concern, particularly to the public colleges, those public colleges which offer a university transfer program. Not all of them do, of course, but those that do are experiencing some difficulty in encouraging universities to co-operate in providing transferability.

For the life of me, Mr. Speaker, I could never understand why in this Province of Alberta, with three universities and some colleges offering university transfer courses, it is necessary to have to fight to get from one institution to another, and in many cases, in fact, to be denied the opportunity of transferability of programs. Mr. Speaker, I hope the minister will encourage the process, which is under way, of developing a true program of transferability at all institutions offering those courses in this province.

Mr. Speaker, I have been most concerned at the slow progress which has been made in this particular aspect of higher education in Alberta. I know the former minister -- and I give him full marks for this -- had established a program, a committee, which isn't working. It's not his fault. It is the fault, if I may say, of the universities in particular. They seem to be rather jealous of their autonomy, and I appreciate that. At the same time, those universities, and the colleges in this province are funded almost entirely by public money. I think the public is entitled to better service in transferability than it is presently receiving in this province.

So, Mr. Speaker, I encourage the minister to pursue, with all the vigor at his and his department's command, seeing that transferability is brought about, true transferability, so that students of this province can go to the university or college of their choice and be assured they can go on from there to other institutions if they so desire or are

required to do so. I think that is most important. Mr. Speaker, I hope the minister will take these remarks to heart.

MR. NOTLEY: Mr. Speaker, I have two questions I'd like to pose to the minister in dealing with second reading of Bill No. 6. The first is simply to raise, during the discussion of the principle of this bill, the concern that I know the minister has had brought to his attention by many people in the academic community at the three universities: that the bringing together of advanced education with manpower could mean that classical education, traditional education through the university system, is going, perhaps, to be subtly downplayed as we attempt to train people for the labor markets which will be opening as a result of various diversification schemes. What I would like from the minister, as he concludes debate, is an assessment of his philosophy in terms of the balance between the two types of education and what steps, if any, he's taking to discuss this particular problem with the university community.

The second question I'd like to pose to him deals with the issue of institutional autonomy and the perimeters of institutional autonomy. I believe in a sense the hon. Member for Medicine Hat raised that by talking about transferability within the system. A year ago in March, the University of Lethbridge held a series of seminars dealing with this general question of institutional autonomy. The deputy minister of your department led off the seminars with a real kick at the whole concept of autonomy. To do that before any group of academics, he was, in a sense, waving a red flag in front of a bull. The thrust of what he said was that somehow we've got to move away from institutional autonomy to a systems approach where we will be able to settle all these problems happily in the Department of Advanced Education, providing the deputy minister has the wisdom of Solomon, which he may have, I don't know.

In any event, Mr. Speaker, I would like an indication from the new Minister of Advanced Education as to what his views are as to the perimeters of institutional autonomy, and the demarcation line, if you like, between the so-called systems approach and institutional autonomy.

The final point, in a sense, is connected to the second question. Mr. Speaker, is the government giving any consideration to re-establishing either the Colleges Commission or the Universities Commission?

MR. CLARK: Mr. Speaker, I'd like to just make one comment to the minister. This deals with the role of the agricultural and vocational colleges. As the minister is well aware, I make this from a rather parochial point of view because of the very fine college at Clds. But also from the standpoint that there are many people associated with the ag. and voc. colleges who really feel that during the last period of time -- and I won't specify that period of time -- since they moved over there, in the Department of Advanced Education, the ag. and voc. colleges haven't really found their place. I'd be very interested, at this time, to have some comments from the minister as to the role he sees the agricultural and vocational colleges playing, also the minister's views with regard to governance of those colleges.

MR. TAYLOR: Mr. Speaker, I just want to say a word or two in connection with this particular bill. I have never been an enthusiastic supporter of commissions. I believe that many times commissions are set up so that the commission will take the brunt of the blame instead of the minister being held responsible. When a commission is set up like that, where the minister is at least at arm's length from the minister, I think it's a weakening of democracy.

I think the minister should be responsible for moneys expended, and I think the minister should hold the universities and colleges responsible for moneys that are appropriated by this Legislature and given in grants or loans or any other way to our higher branches of education. I don't think any government should interfere with the curriculum of our universities. I think that has to be wide and free. But I do think universities and colleges should be fully responsible for every cent of public money that goes to them.

For many years in this province, the universities didn't even report to the Legislature on how they expended money that went to them. [It was] well after the war before we started to get a report on how public money was expended by our universities. I don't think that's sound. I think it's far -- that the report on how the money is spent should be made to the Legislature, and I think that's wise.

I would much rather see a minister in charge of these things without a commission, unless there are some awfully good, sound reasons for a commission. I believe it's far better for a minister, who is able to sit in the Legislature and answer questions day in and day out, to report on what's going on without saying, well, this was done by a commission, so I'm not quite responsible. So I favor the ministerial set-up without the commission, and I think this province and its universities and colleges can have one of the best set-ups in Canada in that regard, under a minister.

There is one other point I would like to mention. That is: do we have enough community colleges in the province at the present time? I haven't made any detailed study of this, but there is a good bit of feeling, not only in my constituency, but I am sure other members from the 'big country constituency' -- the area known as the big country -- feel there is room for a community college in that area. Whether it is located in the Hanna, Brooks, Drumheller, or Three Hills constituency, isn't really a matter that I am worried about. But I do think there is an area there where one of these days the

government can properly look at a community college geared to the mechanical side of life, because that is an area where farming is the primary industry, and where mines are in operation, and probably will be more so in the years to come. A community college geared to the industries of that area particularly, I think, could play a very important part in contributing to the buoyancy of the economy of Alberta, and add to the educational facilities we have.

MR. GOGO: Speaker, I would like to make a comment regarding Bill 6, if I may. I am fully sympathetic to the hon. Member for Medicine Hat-Redcliff and his concerns as to the transferability. Perhaps I am behind the times, but I thought it had been accomplished in the constituencies of Lethbridge East and West. I was about to commend the former minister for doing that until the hon. Member for Medicine Hat-Redcliff brought it up.

I have another concern, however, and that is one of the three universities in the province is within my constituency. To say that it has been a fledgling university would be to put it mildly. One of my major concerns, and I would like the minister to comment on it when closing debate, is the funding of the institution on a basis other than enrolment. The former minister of higher education, I have been told, had a soft spot in his heart for the U of L. Unfortunately, the administration had difficulty in locating it, and all too often the policies of the minister, and hence the government, were not exactly compatible with the aims and objectives of the institution.

Mr. Speaker, I understand that determining the goals and objectives of the university is not really something a government can do; they must indeed come from those we empower to run a university. However, funding has to come from government, and it seems in the past -- I would hope it's perhaps going to change in the future -- that was not always the enrolment that determined the exact amount of funding. It seems to be that in this particular case we are not in Calgary or Edmonton, and we seem to suffer from those pangs of smaller growth centres in the south. The real fall-off in university enrolment, I think, has been a realism. As a result, not everybody who has graduated from an institution has been able to get quite the \$15,000 a year job he anticipated. Indeed, some of them have been fortunate to get a job at all. So the direction, it seems, of higher education has been along the vocational line and through the colleges. They have been extremely successful.

So, I would hope, Mr. Speaker, that the minister -- I haven't had the opportunity to congratulate him on his promotion, and I do so now. I know he's getting into a ministry fraught with concerns and blessings, particularly at this time of year with all the graduations. I would simply urge the minister when looking at the southern part of this province, which is perhaps being represented differently, in some time to see the U of L in particular in a different light than that based on enrolment.

Thank you, Mr. Speaker.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

DR. HOHOL: Mr. Speaker, I should like to respond in the following way. First, I'm rather complimented, in the sense that in the 2 months I've been in this particular portfolio I've spent most of that time trying to define and describe the job. I should have gone about my work and waited for tonight, because I found in the 2 months, in which I've visited 13 out of the 17 institutions and met with many groups and individuals, that the majority of the concerns are those which were expressed here tonight. So I commend those who participated in the discussion on second reading of this important bill.

I'd like to commend my colleague, the hon. Member for Medicine Hat, for a very literate and very lucid statement on the affairs of higher education generally, and for identifying very specifically a major problem, that of transferability.

I should like to commend my predecessor, the Hon. Jim Foster, for setting up the council on transferability. The council does exist. It is working hard. It is working with the attitude, if one were to paraphrase President Ford, I suppose, of enjoying talking to people and with people on the subject of transferability. They've had little visibility by choice, because they feel, and I agree with the committee, that they will be most effective if they work through meetings and discussions, separately and jointly, with the various institutions of higher learning.

Mr. Speaker, I would guess the reason it is difficult to transfer credits and courses from one institution to another is that historically there were very few institutions of higher learning in any one geographic region. Usually there was one state or provincial university and nothing else. So the university grew up with its own curriculum, its own courses of study, and its own value system. These become enshrined in tradition, in the historic fact of institutional life. Then, as the notion that every man's child should be educated became a fact in North America, following the writings and teachings of John Dewey, more institutions flowered. Many of them were of the community college kind, where youngsters could get the support and the backing of their homes and the community. Then the problems of transferability became very real.

I should like to be mildly hopeful and confident, as we continue the work Mr. Foster, the presidents and chairmen of boards of governors, and other people in the affairs of higher education have begun, that we will continue to work on this very significant matter.

I should like to make one significant point, significant in my view at least, Mr. Speaker. As we work on transferability -- and I make the commitment that we shall, and that we will be successful -- we have to keep in very real perspective that the transfers have to be real, that they have to be proper, that they have to be earned.

The second thing I am personally concerned with is that colleges don't attempt to beef up a course in a way that it would not normally be a community college kind of course but be a transfer course, [which] it wasn't designed to be, so that it can, in fact, become a transfer course and the college become a transfer college.

On the other hand, the universities should never give the appearance or, in fact, participate in the same kind of activity presumably by moving up a course, changing the number to a 500 from 400, or in some other way in the catalogue [to] designate a course to be more than it is to deny someone from a college the capacity to transfer. It is a complex and difficult problem. I appreciate the support to pursue a better and a more flexible system of transferability.

The comments I would make with respect to the hon. Member from Spirit River-Fairview, the concern of advanced education institutions is real in looking at the marriage of Manpower and universities and colleges. I think it goes in about three parts. There were many who were not convinced, and there are still some who are not convinced. It is proper that there are many views on this matter that there need not have been a Department of Advanced Education to begin with. There were some who felt there may not have been a need for a manpower division. Clearly, we felt otherwise. We think the evidence is very clear that our judgment was proper in that regard.

Now, it's rather interesting, I say this as positively as I can, that any university, whether here or elsewhere, with all its traditions and years of history that go back to Europe, can be threatened by a union with the notion of manpower. I hasten to point out that manpower comes in two parts: training, to be sure; upgrading of skills, of competence, that the Province of Alberta will need in the years to come. But secondly, it also has to do with the matter of prediction, of a balance of supply and demand in the labor market. The prediction data is the kind universities need and are, on their own initiative in many cases, doing their best to assemble. What better way for them and for us to work together on the matter of prediction and prognosis of how the population will line itself up into the various occupations and careers.

We know of years in which we had engineers underemployed by several levels, indeed unemployed. Our intention is not to move or gear or influence university policy by manpower data. We will share it with whosoever will have it, including the institutions of higher education, if it's the kind of data that in their judgment has some influence and meaning for their programs.

In looking back over the three and a half years, we found that the Manpower Division and the Department of Advanced Education worked together more and more and more. So it seemed to be a natural kind of development.

What have I done in trying to allay the concerns? We have discussed these frankly. Well, in the first few weeks preceding the sitting of the House, I visited nearly every institution of higher learning in the province and discussed frankly, and openly, with the presidents and chairmen of boards of governors, many of the elements that have to do with higher education. If not on their initiative, then on mine, we openly talked about the bringing together of Manpower and Advanced Education. I have the feeling that for the most part, and certainly with some additional time, the proof of the pudding will be in the eating, that neither side, Manpower or Advanced Education, will be inimical to the other, but complementary and supportive.

In terms of institutional autonomy and the systems approach, it's a use of language. As far as autonomy is concerned, again, that's a part of the historical fact of university life. As the hon. Member for Drumheller put it, the curriculum is the domain of the scholars. There's a kind of understanding of the meaning of scholarship that is connoted by the word "university". No one who is fair and reasonable, and understands the history and the notion of university, would dream or think of tinkering in any sense with these kinds of responsibilities, duties, and functions of the universities and the people within them. That is the domain of the scholars as we go about our work.

With respect to finances, that's a different matter, because there no institution is self-created. It was man, the groupings of people, society generally, who said, we need government to do certain things while we do our own work. We need universities to be literate, to be informed, to have scholars. The creations of man can't then say, now that you have created us, give us all the money that, in our judgment, we will always need. There is a confusion about the autonomy which goes with scholarship aspects of university, and the autonomy that goes with fiscal responsibility and accountability.

In an attempt to be clear in my answer to the hon. Member for Spirit River-Fairview, I should like to make one further comment with respect to autonomy and the systems approach. It is difficult to talk about important things like transferability and not look at what a college or the whole system of advanced education does, separately and together. They have certain kinds of co-ordination, certain kinds of working together, and avoid certain kinds of expensive duplications unless they make sense because they are geographically apart, or some other reason. Sometimes they do make sense, but not very often. A reasonable look at advanced education has a kind of functional integrity about it, but I personally would not talk about a systems approach to advanced education. Co-ordination, working together, if that's what the term means, fine. If it means something else, then it's foreign to my notion of the integrity of individual universities in a community, serving that community, working in concert and voluntarily with government, and apart from

government, making sure that they serve their constituents, for whom they were intended, in the best way.

With respect to the question of commissions -- who knows? But like most things, it isn't likely that an institution such as government, or a school board, a city council, a church council, or whatever, would revert to prior approaches when it makes a conscious and deliberate judgment to do something like move away from the notion of commissions and into direct responsibility, as described by the hon. Member for Drumheller. I think of collective bargaining in public schools of Alberta. While many people may wish it, it is unlikely that we will ever see the day of local school bargaining. In the same sense, having made the determination consciously, and with intent and reason to do it, as has been explained in this House back in 1971, [it is unlikely] that we would return to commissions. But we have an open mind and are prepared to look at it. There's an attractiveness about commissions that doesn't appeal to the generality of people. It doesn't to us. It doesn't to the hon. Member for Drumheller.

Direct responsibility by government becomes a pretty real kind of thing. If we were to look at the historical advent of commissions, we would likely find that they were the result of university managements looking to those donors and sponsors of universities in Europe many years ago. Most of the universities were funded by personal donations. Sometimes universities ask some of the donors to be a voluntary kind of advisory council. This is very likely the historical fact of commissions. They became enshrined in the statutes of provinces as buffers. I have some real difficulty, Mr. Speaker, with the notion of buffers, when you are dealing with public funds to the extent that we are in advanced education.

With respect to the matter of agricultural and vocational colleges, and the role of these and the governments, this is a matter we will look at very carefully. I have studied as many areas as I could in the short time I've had to do so. We're certainly going to look into that very carefully. The rather specific statement I will make at this time, and no more, is that the development of education generally will not be [at] the prejudice of any institution, whatever its nature, whether it's a university, a public college, community college, government-run institutions like NAIT and SAIT, or agricultural and vocational colleges. It's a fact that at least half of our economy is agricultural. It is our intention to develop, vitalize and revitalize the agricultural and vocational colleges in the years to come.

I believe I have, for the most part, covered the comments -- and I thank the hon. Member for Drumheller for them -- except for one, which is: do we have enough community colleges? This is difficult to say. Probably not. Probably the trend, the movement of students, would indicate that maybe we have not. I think that's how the determination is made. If enough students knock on the doors of the existing colleges, if too many look for alternatives and for options, you soon begin to notice the collection of data that really in itself is a determination, or a decision that there just isn't enough space in the colleges as we have them today, and we would have to have more. I have no doubt, personally, that in the years to come, and not the distant years, we will need more colleges in Alberta. They could well be in the areas indicated by the hon. member.

To comment on my colleague, the hon. Member for Lethbridge West, and his concern for transferability, which I share, I will do everything I can to work effectively. With respect to finances at the University of Lethbridge, I believe the formula does require, and indeed it does have an approach to financing that goes beyond, and in addition to, the per-pupil grant, because of low enrolments.

The University of Lethbridge is unique. There's a university that's a liberal arts kind of university, an excellent university. It's a low enrolment one and will continue to be that way. What we have done as a government is add to the per-pupil grants an incentive grant per pupil to the college. In other words, we pay to the University of Lethbridge a higher per-pupil grant than we do to the other two universities. As far as per-pupil grants are concerned, that's as far as we can go.

I want to be clear in my commitment to the proposition that governments ought not to induce, improperly or unfairly, or go too far to have students go to an institution they may not otherwise go to, just to save a certain amount of money. I believe every effort should be made to develop the kind of system wherein student can go to his first choice of higher education institutions.

I take the counsel of the hon. Member for Lethbridge West and have been advised by the University of Lethbridge to look closely at its financial circumstances and to respond in the best way we can. I'm certain we shall.

Mr. Speaker, I'm most pleased to summarize and again thank all hon. members who participated in this excellent discussion on this important matter of advanced education. Thank you.

[The motion was carried. Bill 6 was read a second time.]

Bill 17 The Department of Consumer Affairs Amendment Act, 1975

MR. HARLE: Mr. Speaker, I move Bill No. 17, The Department of Consumer Affairs Amendment Act, 1975, for second reading.

Mr. Speaker, this amending act will, of course, implement the changes announced by the hon. Premier early in April. It will create a new name for the department, the Department of Consumer and Corporate Affairs.

There are many consequential amendments in the bill. The ones relating to The Cemeteries Act, The Companies Act, and The Investment Contracts Act I think are fairly straightforward. However, the ones that relate to The Franchises Act, The Mortgage Brokers Regulation Act, and The Securities Act are somewhat different in the sense that they create responsibilities for the Minister of Consumer and Corporate Affairs and for the Attorney General.

In general, the latter acts mentioned contain sections which relate to prosecutions. It is believed that the consequential amendments should not alter the historic functions of the Attorney General in these matters. The Attorney General has always had to exercise discretion under these statutes, and while the administration of these acts is transferred, it is not the intention in the reorganization to interfere with the Attorney General's discretion.

Thank you, Mr. Speaker.

[The motion was carried. Bill 17 was read a second time.]

Bill 22 The Cultural Development Amendment Act, 1975

MR. SCHMID: Mr. Speaker, I move second reading of Bill 22, The Cultural Development Amendment Act, 1975.

Mr. Speaker, as you probably know, it will add to the present Cultural Development Act and, among many other additions in the amendment, will enable the minister to appoint a deputy minister. I would like to say that there was really 43 months of hard work but of unbelievable development, in fact I would say, Mr. Speaker, an explosion in the participation of our people in the performing arts, amateur sports, and the preservation of our heritage and history.

Mr. Speaker, I had the privilege of working with a staff unequalled anywhere in dedication and untiring service. On numerous occasions many worked seven days a week, living the work they were involved in. I would like publicly to thank them for the help and support they have given me.

I also know that the Hon. Allen Adair, a man known throughout the province, who is interested in the work of the young people as well as all forms of recreation, will guide the portion of the old portfolio to new heights of participation, achievement, and enjoyment.

I'm privileged, Mr. Speaker, to continue to be responsible for cultural development and the preservation of our rich heritage and historic sites. Privileged because I think of the thousands of volunteers who, through their efforts, have contributed so much to the development, and helped to encourage not only the arts, but, as I have said before, amateur sports and so many other things that are part of our recreation in the Province of Alberta.

Mr. Speaker, the Cultural Development Amendment Act, 1975 will provide the opportunity to stimulate the concept to help people help themselves, to participate in the programs of the arts, our cultural heritage, and thereby enrich the lives of all of us.

As you may know, Mr. Speaker, one of the amendments contains the \$2.5 million which is being provided to the publishing industry of Alberta in order to help provide books of Canadian content for our schools, in order to help authors in Alberta have their books published and to have histories published. May I just mention again the huge success the Search-For-A-New-Alberta-Novelist [contest] has been in the past. In fact, I think Bird At The Window has just been published by Redbook magazine in the United States, which has a readership of about 35,000. This is the first time in 20 years, I understand, that a Canadian has been accepted by this magazine.

DR. BUCK: I would just like to make one or two brief comments. I'd like to say, Mr. Speaker, that I am just as enthused as is the minister moving the bill, that they've taken recreation out of this department and given it to the hon. Mr. Allen Adair. In fairness to the former minister, I think he did an excellent job in the cultural aspect, but I wasn't quite as enthused about the recreational end of it.

[interjections]

Mr. Speaker, we had to listen to the hon. member for Whitecourt, and that was a little tough on the ears. So he can just sit there and listen for a few minutes.

Mr. Speaker, I would like to say that as we move into an area where we have more leisure time, culture will become a thing that takes a little while to develop. I think that we in Canada are reaching that point. I give the hon. minister his dues. He's very enthusiastic as far as culture goes, and I think he's done a good job in this line. But at the same time, I think the government has been unfair to him in that he was placed in a position where he was handing out a cheque to this group and a cheque to that group and a cheque to the next group. I think that's very unfair to any minister of the Crown, because then everybody comes demanding a cheque. Then the minister doesn't really have any guidelines to govern him as to who should get a cheque and who shouldn't. That is not fair -- and I say that in all sincerity -- that is not fair to the minister.

Mr. Speaker, I would like to think that because we had a small problem, there will be guidelines set out so the minister will know what the rules are. The people who come looking for grants will know what the rules are. So it will be that much simpler for the minister to say, yes, this fits, this one doesn't. You will get a grant for such and such a purpose. The next group will not get a grant. Then the hon. minister can look at a group which has been turned down in the eye and say, we're sorry, you cannot get a grant because this is the way it is. People can understand that. But they can't understand that one group gets a grant and the other group doesn't when they think they have similar requests. As I say, that is not fair to the minister.

One other area I would like to compliment the minister on is Heritage magazine. I think it is one of the best pieces of government . . .

AN HON. MEMBER: Literature, it's supposed to be.

DR. BUCK: . . . literature as opposed to propaganda that has come out for a long time. It is the first government publication I read when my stack of government mail comes out. At the same time, I say that not everything is so good. When I turn to the back page I get a little nauseated.

[interjections]

I do. I do. If any of the hon. members on that side of the House can read that conservative oracle called the Edmonton Journal; if they can read the editorial page in there, that's what they'll find was said about them: that this should not be used as a propaganda vehicle. I think it is such an excellent publication, it should be above that.

SOME HON. MEMBERS: Hear, hear.

DR. BUCK: It should be above that. I mean, I've been waiting for months to get the hon. Speaker's picture on there because he is such a fine, handsome, talented fellow.

[applause]

But I think we will probably have to put up with the new Minister of Municipal Affairs. I think he probably comes a little higher in the pecking order.

Sincerely, it's a good article. Let's leave the politics out of it. It's just that plain and simple.

I would like to say I am pleased that Alberta publishers are getting some assistance, because I think they need it. I would like to say to the hon. uncultured Member for Whitecourt that one of our local authors, the United Church minister in Fort Saskatchewan, was the recipient of a \$600 prize for a centennial publication on the history of the North West Mounted Police in that area. Very well done. If I was as financially independent as my honorable friend, Mr. Planche, I would provide all the members of the Legislature with a free copy.

SOME HON. MEMBERS: Hear, hear.

DR. BUCK: But because I am not as financially well off as my honorable friend from Glenmore -- Glenmore, hon. member?

[interjections] I am not in a financial position to do that. But I would recommend to all hon. members: if you really want to find out what went on in the early days of the Northwest Mounted Police, read that book. It's well done, and it's much appreciated that the author was recognized for the work he did do.

Mr. Speaker, at this time I am glad to see the minister is carrying on in this department. I would like to know what he is doing in that other government services committee. I think they were a little bit at a point of desperation when the Premier was drawing up these cabinet appointments. He thought, well, we've got to give the hon. minister something besides just culture, so we'll dream up another one. We've got Cal Lee looked after. We've got Finnerty looked after. We've got to look after the hon. minister of culture. So they threw in this one. They looked after the hon. former Deputy Speaker because he's where he should be.

So, Mr. Speaker, in sincerity I am really pleased to see the hon. minister is staying in this department, because he is sincere. He works at the job. We will do everything we can to make sure he goes a little easy on the cheques you don't request, but that he does get the cheques to the people who really need them.

Thank you, Mr. Speaker.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. SCHMID: Mr. Speaker, I appreciate the remarks of the member for Fort Saskatchewan . . .

SOME HON. MEMBERS: Clover Bar.

MR. SCHMID: Clover Bar, especially since he has so well recognized the excellent job that was done by the reverend minister regarding the history of Fort Saskatchewan. I think it was the best submission that was given to government as a centennial project, but also as a tribute to the outstanding contribution the RCMP and the pioneers of Alberta have made to this province.

May I just tell the hon. member though, that when we came into office there really was not a single policy in existence regarding the giving of grants to, for instance, something like the symphony, the opera society, the philharmonic society, the ballet company, whoever they are. I recall very well that, while I was director of the Edmonton Opera Association, we had to come every year, hat in hand, to see the minister and inquire, how much do you think, Mr. Minister, we could have at the end of the year? Then we would be told, well, give us the budget and then come back at the end of the year. Then we got \$5,000 or \$6,000, not really knowing all year long what the support of the government would be.

We now have a policy for the performing arts which means that, for instance, 10 per cent of the budget of the previous year would be provided to the performing arts bodies in the Province of Alberta. But we also have a number of other policies, of course, which had to be developed over the years. Now, as the member well knows, for instance, if a band travels outside of Alberta because they were invited to perform, they were invited to compete somewhere, we have a travel policy for this, which was not in existence before.

We have a policy which helps the different ethnic cultural groups to hold their language classes either on weekends or in the evening hours, which we encourage because I strongly believe that, as the hon. Member for Drumheller mentioned the other day, it broadens a person's understanding; enriches a person's mind; it helps a person to converse with other nations but also it helps us to preserve the rich heritage of the people who make up this Province of Alberta.

I usually mention that there are more than 50 different ethnic cultures in this province, and we're very proud that there are so many thousands of volunteers who teach the languages of their ancestors to their children. All we do there, Mr. Speaker, is give them a \$15 grant per year to help to teach the students the language so they can interpret for all of us, and share with us, the rich heritage they brought to this country.

AN HON. MEMBER: Including the Gaelic society.

MR. SCHMID: Including the Gaelic society, Mr. Speaker.

After all, Mr. Speaker, it was from Ireland and Scotland that the missionaries came and Christianized the rest of Europe, and they probably spoke Gaelic when they came to central Europe. Mr. Speaker, I would also say that in providing these grants, we have helped them to fix up those basements, those dingy rooms they were teaching in. That's why these grants have been provided.

Mr. Speaker, I would also like to thank the hon. Member for Clover Bar for mentioning Heritage magazine, because again I think it helps to create the understanding among the many ethnic cultural groups we have in the Province of Alberta. May I just say that much. While it may not mean too much to the Members of the Assembly, not too much to the people who speak to the ministers every day, and/or have the privilege of being able to communicate with people who happen to be in positions of government, because that's what some people feel it really is. I also think that some people who came to this country have the concept that somebody in government is just about unapproachable, because that's what they were more or less experiencing in the nations from which they came.

Mr. Speaker, I don't think at any time has any minister ever used the back page for propaganda, but at all times has tried to encourage the development, has tried to stimulate the pride of the ethnic groups in their dances, in their arts and crafts, in their background, and pride, that the parents should have in where they came from, so that their children may be proud of them. That, Mr. Speaker, is the only reason the ministers are on the back page. I thank the hon. member for mentioning you, of course, Mr. Speaker, for being on the back page some time. I might also state of course, I see no reason one of the members of the opposition could not state his welcome or their welcome to the ethnic culture groups of the Province of Alberta, once we have the time and of course, the number of magazines we have produced for that.

AN HON. MEMBER: Right here in South Bow.

MR. SCHMID: Mr. Speaker, again, I would like to thank the hon. member for his remarks.

DR. BUCK: May I ask the hon. minister a question?

HON. MEMBERS: No.

DR. BUCK: Don't be nervous, it's just a short question.

AN HON. MEMBER: Don't worry about it.

DR. BUCK: Mr. Speaker, to the hon. minister. In light of the fact that it's a non-political magazine, would the hon. minister consider alternating? This would cover a year very nicely. One time it would be a government member, the next time an opposition member. That way you'd cover both sides of the House in one year.

MR. SCHMID: Mr. Speaker, of course I would be pleased to accommodate the opposition in the proportion that the people of Alberta felt they should delegate MLAs to the House.

AN HON. MEMBER: Agreed.

AN HON. MEMBER: About 20 years from now.

[The motion was carried. Bill 22 was read a second time.]

MR. HYNDMAN: Mr. Speaker, before moving adjournment of the House, tomorrow morning we would begin with second reading of Bill No. 27, The Department of Government Services Act, then move to Committee of the Whole, beginning with Bill No. 20, The Workers' Compensation Amendment Act, in respect to which, I believe, debate was commenced some days ago. Following that, Bills No. 4 and 7 under Committee of the Whole on today's Order Paper, and continuing in order.

I move the Assembly do now adjourn until tomorrow morning at 10 a.m.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow morning at 10 o'clock.

[The House rose at 10:01 p.m.]

