

Bill 75
The Fuel Oil Tax
Amendment Act, 1975

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, November 20, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

MR. GHITTER: Mr. Speaker, on a point of personal privilege, I'm wondering if the hon. Premier is wearing a Social Credit button today. I can't see from this side of the House.

MR. LOUGHEED: Mr. Speaker, on that very point, I have to mention that I read somewhere the Prime Minister was coming out to the Grey Cup game to cheer for the Montreal Alouettes, so I thought the Member for Calgary Buffalo would accept the "GO ESKS GO"!

INTRODUCTION OF BILLS

Bill 66
The Motor Vehicle Accident
Claims Amendment Act, 1975

MR. FOSTER: Mr. Speaker, I beg leave to introduce a bill, being Bill No. 66, The Motor Vehicle Accident Claims Amendment Act, 1975. The bill, Mr. Speaker, deals with six relatively minor administrative changes to the act.

[Leave granted; Bill 66 introduced and read a first time]

Bill 67
The Agricultural Service Board
Amendment Act, 1975

MR. SCHMIDT: Mr. Speaker, I beg leave to introduce a bill, being Bill No. 67, The Agricultural Service Board Amendment Act, 1975. The bill provides for more local autonomy to agricultural service boards within the improvement districts of the province, and it brings their operation more in line with that of their counterparts in both counties and municipalities.

[Leave granted; Bill 67 introduced and read a first time]

MR. LEITCH: Mr. Speaker, I beg leave to introduce a bill, being The Fuel Oil Tax Amendment Act, 1975. The purpose of this bill is twofold: first, to provide that a transit bus, operated not exclusively within the city but substantially within the city, is exempt from paying tax; and to provide a change in the level of refund of tax to bring the refunds into line with the tax reductions passed in the last session.

[Leave granted; Bill 75 introduced and read a first time]

Bill 76
The Government House Act

MR. SCHMID: Mr. Speaker, I beg leave to introduce a bill, being The Government House Act. The Government House Act, Mr. Speaker, will create a foundation which will advise the minister on the preservation of Government House as an historic site and building, as well as to inform and stimulate interest in the architectural and historic significance of Government House.

[Leave granted; Bill 76 introduced and read a first time]

Bill 220
An Act Respecting Body-rub Parlours
and Nude Parlours

MR. TAYLOR: Mr. Speaker, I beg leave to introduce a bill, An Act Respecting Body-rub Parlours and Nude Parlours. This bill will give municipal governments the necessary muscle and authority to deal with and control body-rub parlors and businesses offering such services as nude ping-pong, nude dancing, nude photography, and even nude meditation, all of which have already become serious problems in other cities in Canada.

[Leave granted; Bill 220 introduced and read a first time]

INTRODUCTION OF VISITORS

MR. NOTLEY: Mr. Speaker, we've had the introduction of an unusual bill, now we can have an unusual introduction. On behalf of the hon. Member for St. Paul, I would like to introduce some students from his constituency attending the Blue Quill centre in St. Paul. They are accompanied by their teacher, Miss Marion Michaels, and are seated in the public gallery. I would ask them to stand and be welcomed by the

members of the Alberta Legislative Assembly.

MR. FOSTER: Mr. Speaker, I'm very pleased to introduce to you today, and to members of the Assembly, 50 students of the Liberal Arts Club of Red Deer College, who are in the public gallery and are accompanied by their instructor, Mr. Allan Deckert. Could I ask that they stand and be recognized by the House, please.

MR. MILLER: Mr. Speaker, it gives me great pleasure to introduce to you, and through you to the members of this Assembly, 35 Grade 10 students from Kitscoty High School. They are accompanied by their teacher, Mr. Markell, and their school principal, Mr. Ferguson. They are seated in the members gallery, and I would ask that they stand and be recognized.

MR. SCHMIDT: Mr. Speaker, it is my privilege this afternoon to introduce to you, and through you to the members of this Assembly, 29 Grade 9 students from the Leduc Junior High School. They are accompanied by their teacher, Mrs. Lorna Hatridge. They are seated in the members gallery, and I would ask them to rise and be recognized.

TABLING RETURNS AND REPORTS

MR. HARLE: Mr. Speaker, I'd like to file a study entitled, Selected Topics in [Canadian] Company Law Reform.

MR. RUSSELL: Mr. Speaker, I'd like to table a response to Motion for a Return No. 198.

MR. MOORE: Mr. Speaker, I would like to table the answers to Question No. 202 asked for by the hon. Member for Drumheller on Tuesday, November 18.

MINISTERIAL STATEMENTS

Department of Labour

MR. CRAWFORD: Mr. Speaker, following the decision earlier this year to establish a new occupational health and safety program within the Department of Labour, the first move, in May, was to transfer the industrial health services division from the Department of Social Services and Community Health to the Department of Labour. Shortly after, an implementation committee was established to review the report of the Industrial Health and Safety Commission, and to determine how the new occupational health and safety program could be implemented. My statement today is based on the recommendations of the implementation

committee.

An occupational health and safety division of the Department of Labour will become operational on April 1, 1976. This new division will include the accident prevention department of the Workers' Compensation Board. The program will, therefore, be provided with medical and technical expertise, educational and training services, and an active inspectorate. The educational and consultative services will be broadened and a strong research capability will be developed to meet the needs identified by the Industrial Health and Safety Commission. The new division will also be responsible for health in mines, and will work closely with the mines safety branch of the Energy Resources Conservation Board. In due course, the occupational health and safety division will assume full responsibility for health and safety in mines, in co-operation with the Energy Resources Conservation Board.

One of the recommendations of the Industrial Health and Safety Commission was that new legislation on the subject of health and safety be enacted. It is my present intention to recommend a new occupational health and safety act to the Legislature, during the 1976 spring session.

Consistent with earlier consolidation and improvement of safety inspection services in the Labour Department, a strong co-ordinating link will be established between the existing inspection services division and the new occupational health and safety division. The resultant co-ordinated program will provide Alberta with the most comprehensive and effective safety service in Canada.

The Industrial Health and Safety Commission also recommended the concept of joint employer-employee health and safety committees at work sites in Alberta. The role of the committees would be to identify and attempt to resolve health and safety problems at the work site in a co-operative and mutually beneficial way, as well as to monitor the work site and work practices, and to provide workers with an educational service on health and safety matters. The government's new policy adopts this recommendation. The long-term objective will be to train such committees to carry out self-inspections, and to identify and correct hazardous occupational environments and work practices. Such committees will be strongly encouraged throughout the province, and will likely be required at specified work sites and in certain hazardous industries. The division of occupational health and safety will provide consultant and certain technical services to these committees.

To co-ordinate and support the many activities and persons responsible for the delivery of occupational health and safety programs, both in the province generally and specifically at the work site, a number of committees will be formed, including the following: first, a minister's advisory council on occupational health and safety; secondly, an interdepartmental committee on occupational health and safety; and third-

ly, a steering committee on research. All these were recommended by the commission.

A number of the commission's other recommendations are in the course of being implemented at the present time within the Department of Labour. These are: first, a program to increase the awareness by industry of consultative health services offered by the present industrial health services division; secondly, a compilation of a list of occupational health care personnel in Alberta; thirdly, registration of all workers in asbestos-related industries in Alberta as the first phase in establishing an occupational health alert system; fourthly, consideration of early establishment of an industrial health emergency hot-line answering service to provide information to industry.

The government would like, once again, to thank the members of the Commission on Industrial Health and Safety and all those who made presentations to the commission or otherwise assisted in its important work. The Government of Alberta and the workers of Alberta have been well served by the commission.

I expect that in due course substantially all of the recommendations of the commission will be in effect, thereby giving Alberta an industrial health and safety initiative that will rank among the best anywhere.

ORAL QUESTION PERIOD

Beef Stabilization Funds

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the Minister of Federal and Intergovernmental Affairs. It flows from the answer the Minister of Agriculture has given in the House the last two days, with regard to Alberta not being eligible for any of the federal agricultural stabilization funds if we become involved in a program of assistance to people in the cattle business.

My question is: does the Alberta government have correspondence from the federal government indicating that Alberta would not be eligible for funds from the federal stabilization fund if, in fact, we moved the same way that other provinces in western Canada have moved from a policy standpoint?

MR. HYNDMAN: Mr. Speaker, I think the answer to that question would fall within the jurisdiction of the hon. Minister of Agriculture, and I'd ask him to offer a reply.

MR. MOORE: Mr. Speaker, I don't believe we do have a letter. My information was from discussions I had with the hon. Mr. Whelan, the federal Minister of Agriculture, in July at a ministers' meeting in Newfoundland.

Public Accounts

MR. CLARK: Mr. Speaker, I'd like to ask a second question of the Provincial Treasurer. Has he had an opportunity to check to see when the Public Accounts will be available?

MR. LEITCH: Yes, I have, Mr. Speaker. I anticipate the Public Accounts will be available within the next four weeks or so. They have been sent to the printers, and I think they will be available for distribution within that time.

The hon. Leader of the Opposition also asked me whether they weren't normally released in September. I have done some checking and find that's not the case; that under his party's administration, they were normally released in February or March. We have improved on that, but not up to September.

MR. CLARK: Well, I just trust you'll keep going in the same direction.

Animal Shootings

MR. GOGO: Mr. Speaker, a question to the minister responsible for wildlife, concerning animals shot in captivity. I understand a deer has been shot in Lethbridge at the Stewart Game Farm. My question is: is the minister aware of it and what, if anything, is his department doing?

MR. ADAIR: Mr. Speaker, I am aware of the report that an animal has been shot at another game farm. It has occurred on private property and is being investigated by the Royal Canadian Mounted Police. I might point out, Mr. Speaker, I have instructed my staff, the enforcement officers, to co-operate with the RCMP, to step up their checks of hunters with firearms, and to ask for not only the type of arm but the registration and numbers of the arms in all areas of Alberta. It's disturbing indeed that we get into these types of occurrences.

Dunvegan Dam Study

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Environment and ask him to tell the House when the government anticipates receiving the final series of reports on the feasibility of the Dunvegan dam.

MR. RUSSELL: In an earlier session, I think I indicated an answer to that same question, Mr. Speaker: in the fall of 1976.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government held any discussions yet with private power corporations or any other groups concerning possible funding of a proposed dam on the Peace near Dunvegan?

MR. RUSSELL: Mr. Speaker, I think the answer to that response is: only indirectly, insofar as Calgary Power Ltd. is responsible for carrying out the study on behalf of the government.

Power Development Funding

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the Assembly whether there have been any overall discussions with the private power concerns in the Province of Alberta, dealing with possible funding of future developments, including Dunvegan, but also including Round Hill?

MR. RUSSELL: Mr. Speaker, there is within government a Utility Planning Council. I'd refer that question to the hon. Minister of Utilities and Telephones to elaborate.

DR. WARRACK: With respect to the Electric Utility Planning Council, there are portions of government responsibility that are involved on a normal and systematic basis. However, the council itself is primarily those entities within Alberta that are in the power supply and distribution business. Up to now, with respect specifically to the Camrose-Ryley project that was mentioned, that would be a matter of private financing of the company concerned.

MR. NOTLEY: Mr. Speaker, a further supplementary question for clarification. At this point, then, Mr. Minister, has there been no request from Calgary Power for any kind of assistance for the Dodds-Round Hill project, either in direct assistance, or a loan or guarantees of loans?

DR. WARRACK: Not to my knowledge, Mr. Speaker.

Tax Incentives

MR. GHITTER: Mr. Speaker, my question is to the Provincial Treasurer. In March 1974, the government announced its intention to terminate the collection agreement with respect to corporate income tax. Is it the government's intention to carry forward this program, and if so, when might that be anticipated?

MR. LEITCH: Mr. Speaker, that is a matter which is under consideration.

MR. GHITTER: With your permission, Mr. Speaker, a supplementary question. Might we anticipate receiving further reports from your advisory board, similar to this first report which was filed by the hon. Mr. Miniely, from the point of view of follow-up of this report or future intentions of the government relative to incentives to small businesses?

MR. LEITCH: Yes, Mr. Speaker, I anticipate there will be further reports coming from that committee.

Seat Belts

MR. STROMBERG: To the hon. Solicitor General. I was wondering if he could inform this Assembly if he will be introducing legislation, similar to that now in force in Ontario and currently being considered by the Province of Quebec, to make the wearing of seat belts mandatory?

MR. FARRAN: Mr. Speaker, in regard to enforcement, this would come under my jurisdiction. In regard to the safety aspects, it would come under the aegis of the hon. Minister of Transportation.

The present position is that the Government of Alberta has agreed with the federal government to participate in an educational advertising program next year to acquaint Albertans with the merits of the use of seat belts. Until the results of this campaign are assessed, we cannot properly consider the merits of mandatory seat belt laws.

Some very clear problems are involved. One is the problem of enforcement. How does a policeman see somebody who's only wearing a lap belt and not a shoulder belt? How does he obtain a conviction if an apprehended person says he has just snapped loose his seat belt at the moment his vehicle is stopped?

Then there is the question that any law to be enforced, in practical terms, must have the consent of the majority of the public as to its advisability. At the present time, I'm not too sure the majority of the public have accepted, as I and other members of the government have accepted, the statistics which show the desirability of the use of seat belts.

So can I say, in short, that we will further assess the situation after the educational campaign next year.

Lethbridge Community College

MR. GOGO: Mr. Speaker, a question for the Minister of Advanced Education and Manpower. Last night's Lethbridge Herald headlined that the president of the Lethbridge Community College had been fired.

My question to the minister or the acting minister is: was that a decision of the Department of Advanced Education and Manpower, or the board of governors of the college?

MR. NOTLEY: Big brother government.

DR. WARRACK: Mr. Speaker, as acting Minister of Advanced Education and Manpower, I am happy to take that matter under advisement and let the hon. member know the answer as soon as I can.

Trust Company

MR. KING: Mr. Speaker, I wonder if the hon. Minister of Consumer and Corporate Affairs could advise the House whether City Savings & Trust Company has removed its head office activities from Edmonton to Vancouver.

MR. HARLE: Mr. Speaker, I would have to take that as notice and respond accordingly.

MR. KING: Mr. Speaker, a supplementary. At the same time, could the hon. minister determine and advise the House whether such removal of activity, if it has been accomplished, had to be done with the prior consent of the trust companies branch?

MR. HARLE: Mr. Speaker, I will also take that under consideration.

Windstorm Damage

MR. BUTLER: Mr. Speaker, my question is directed to the hon. Deputy Premier. In east-central Alberta on November 15, we had an extremely high wind, one of the highest in memory. It blew most of the day, and in one case blew down a power pole, which started a prairie fire. The prairie fire burned for some 12 miles. In some cases it destroyed ranchers' winter grazing and feed.

Could this be considered an act of God, and as such be eligible under the indemnity disaster fund?

DR. HORNER: Mr. Speaker, we'd be pleased to have a look at it and have the disaster services people look at the particular incident the hon. member brings to our attention. In general, if it was an insurable situation, disaster services would not get involved in any indemnity program.

Buffalo Bill and the Indians

MR. GHITTER: Mr. Speaker, my question is to the Minister of Business Development and Tourism, and it arises out of a report in this morning's . . . one of Calgary's newspapers that suggests that a very important movie by the name of Buffalo Bill and the Indians has been financed by this government to the tune of \$6 million. I would like to know whether that is true.

MR. DOWLING: Mr. Speaker, I found that article very interesting too, and it was in this morning's Albertan. We do not finance productions of that nature, but we do offer them some service relative to location, studies, and things of this nature.

In talking on this subject, I should mention, Mr. Speaker, that the entire financing of the production was by Dino de Laurentiis Productions. That film and another one produced in Drumheller this year

realized some \$3.5 million in additional revenue to the province. The total cost to our film industry branch is about \$40,000.

MR. GHITTER: One supplementary, Mr. Speaker. I'm wondering if the hon. minister could advise as to whether Alberta buffaloes were used in that picture.

MR. DOWLING: Yes, we used . . . [interjections]. I happened to have, Mr. Speaker, the privilege of visiting the site where Buffalo Bill and the Indians was being filmed. Paul Newman is the feature actor. As cast members, they used not only the native Indians of the Morley reserve, but a great number of buffalo as well, a great number of people from Calgary.

[laughter]

I mention that, only because I know that to be a fact. The hon. Minister of Environment was with me.

Refinery Emissions

MR. KUSHNER: Mr. Speaker, I'd like to direct this question to the hon. Minister of Environment. Some time ago, the regulation was changed that only 15 parts per million of non-volatile oil could be discharged from a refinery. Has that regulation been changed, and how often is such industry being monitored?

MR. RUSSELL: Mr. Speaker, the hon. member did give me advance notice of a problem the department has been concerned with respecting the Gulf refinery in Calgary. I'm not able to answer the specific question with respect to the numbers and the regulations, without going back and looking at it. I do have substantial information with respect to a series of corrective measures Gulf has undertaken during past months, with the co-operation of the Department of Environment. They don't appear to be working completely, and we will have to issue an emission control order if the situation is not very soon rectified.

MR. KUSHNER: A supplementary question, Mr. Speaker. I have received a quart of the material that has been discharged from this particular plant. I would like to turn this over to the minister, and I wonder if he could have this material analysed and report back to House on its contents.

MR. RUSSELL: Yes, Mr. Speaker, our lab services could arrange to have that done, but I think there is no mistaking Gulf is exceeding the emission standards at the present time. It has very conscientiously undertaken a program of improvement, but it is not satisfactory at this time.

Native Land Claim

MR. TESOLIN: Mr. Speaker, my question is directed to the hon. Attorney General.

What is the present status of the Indian land claim caveat in northeastern Alberta?

MR. FOSTER: Mr. Speaker, as I think I indicated to the Assembly a day or two ago, we had three alternatives. I think I can say, at this point, that the Registrar of the Land Titles Office in Edmonton will be referring the matter to a judge of the Supreme Court, pursuant to The Land Titles Act, on a reference basis for the advice of the court. This alternative is taken rather than either register the caveat, or refuse to register the same.

Cheese Prices

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Federal and Intergovernmental Affairs, and a short explanation is necessary first. A recent news [report] stated that Alberta cheeses were being sold in England at a lower price than they could be bought in Alberta.

On the recent cavalcade to Europe, was a check made on prices being charged to consumers in England and France, for agricultural products that come from Alberta?

MR. HYNDMAN: Mr. Speaker, no. No specific check was made on that. I wasn't able to have the pleasure of eating in the United Kingdom what I was able to identify as Alberta cheese. But if the hon. member could suggest to me, or if he has information about certain examples, I'd be happy to follow them up and see if I could ascertain further the reason this situation is occurring. It may have something to do with the European Economic Community, but I'll certainly check.

PWA Security Guards

DR. WALKER: Mr. Speaker, my question is to the hon. Minister of Transportation. I would like to ask, is it true that Pacific Western Airlines security guards employed at Edmonton and northern airports are brought here from British Columbia, when, I believe, security services are available through Alberta firms?

DR. HORNER: Mr. Speaker, I'd be pleased to place that question before the chairman of the board -- that would be an internal management operation on behalf of PW -- and secure the information for the hon. member.

Civil Service Hiring

MR. MUSGREAVE: Mr. Speaker, I have a question I would like to pose to the Provincial Treasurer. In view of restricted guidelines being introduced by the federal government, I want to know if there has been any instruction to the provincial civil service to restrict its hiring practices.

If so, has there been any indication or warning to them to reduce the number of advertisements they're running in the daily newspapers?

MR. LEITCH: Mr. Speaker, I think the hon. member's question, at least the second part of it, which I'll answer first, refers to ads sponsored by the Civil Service Association. If those are the ads to which he is referring, that is of course an internal matter of that association, and not one in which the provincial government would be involved.

With respect to hiring, I gather the first part of the hon. member's question asked whether a restriction was being put on the number of persons hired within the provincial civil service. The answer to that is, no, save for such restrictions as would naturally follow from budget guidelines already announced.

Isolated Schools Grants

MR. ZANDER: Mr. Speaker, my question is directed to the Minister of Education.

Could he inform the House as to whether the department is going to continue the grants in effect, I believe, in 1974 regarding isolated schools -- the smaller ones that are isolated -- where the pupils are perhaps a great distance removed and have to be bused to a greater centre, where the costs of busing them would be much higher than retaining a teacher?

MR. KOZIAK: Mr. Speaker, during the course of second reading of The School Act, and during the course of committee study of that act, I believe I dealt with the matter of grants of that nature. Exact funding for these grants has not yet been determined, and cannot be announced at this time.

MR. ZANDER: A supplementary, Mr. Speaker. Will they probably be based on the same number of children in a school within the area as they were in previous years, or have the school divisions and counties knowledge, at least, of what they can expect?

MR. KOZIAK: Mr. Speaker, that includes one of the details we will be looking at in determining both the level and the formula behind the type of funding. Both those questions are still unanswered.

Traffic Control Lights

MR. PURDY: Mr. Speaker, a question for the Minister of Transportation. I wonder if he could inform the Assembly, more particularly myself and residents of Spruce Grove, as to when the traffic control lights will be placed on Highway 16 within the incorporated boundaries of Spruce Grove?

AN HON. MEMBER: Put it on the Order Paper.

School Bus Grants

DR. HORNER: I can't give an answer immediately to the hon. member and will have to take that subject as notice.

Housing Units

MR. KUSHNER: Mr. Speaker, I'd like to direct this question to the hon. Minister of Housing. Is the minister actually in a position to advise the House how many units of public housing have been built by the Alberta Housing [Corporation] in the last two years? Particularly, what is the projection for 1976?

DR. BUCK: Mr. Speaker, on a point of order. I think that's a detail the hon. member should ask as a written question.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The hon. Member for Clover Bar, of course, is perfectly right under the practice. Perhaps if the minister happens to have the answer, he could reply. But it and the preceding question concerning the traffic light are certainly matters which should be put on the Order Paper. The traffic light question would also qualify as being one of local interest.

MR. NOTLEY: Thirty seconds are left.

MR. YURKO: Mr. Speaker, the matter of the number of public housing units for next year is a budgetary item and will be answered appropriately at the appropriate time. However, in regard to the numbers commissioned or started during the last couple of years, I don't have the figures at my fingertips. But I would be prepared to get them and offer them to the hon. member.

Assured Income Plan Cheques

MR. GOGO: Mr. Speaker, a question for the Minister of Social Services. I understand the old age security and supplement cheques are being delivered by letter carrier.

I would ask, is the same thing happening to the Alberta assured income plan cheques?

MISS HUNLEY: Mr. Speaker, we believe we have an efficient system set up in order to deliver the Alberta assured income plan cheques. Of course, I can't personally guarantee that every one won't go astray, because we've had some problem with people moving, and some of their cheques have been left in a post office that's not functioning. We have had some problem, but we think we do have an efficient system in operation whereby our cheques will be able to go forward at the end of this month.

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Education. A very short explanation is necessary. At the municipal or school convention, I believe the former Minister of Education promised a special grant for school busing prior to the time the full report was received.

Was this special grant paid to the counties and school boards of the province?

MR. KOZIAK: Mr. Speaker, I'm not quite sure of the import of the hon. member's question. An adjustment was made for 1974. Perhaps that is the area in which the question is directed. In fact that has been or is in the process of being paid. I wonder if that is what the hon. member means.

MR. TAYLOR: A supplementary. Was the adjustment in the amount of 12 per cent?

MR. KOZIAK: That is correct, Mr. Speaker.

MR. TAYLOR: Did I understand the minister to say that that had been paid?

MR. KOZIAK: Mr. Speaker, that is in the process of being paid as the claims come in.

ORDERS OF THE DAY

WRITTEN QUESTIONS

188. Mr. R. Speaker asked the government the following question:

(1) What is the purpose of alterations to CFBN Broadcast House in Calgary for ACCESS?

(2) Is \$14,830 the projected total cost of such alternations?

(3) From what appropriation will such alterations be funded?

MR. KOZIAK: [not recorded]

MR. SPEAKER: Does the Assembly agree that Question 188 stand over and retain its place on the Order Paper?

HON. MEMBERS: Agreed.

199. Mr. Clark asked the government the following question:

(1) How many research studies were commissioned by the Government of Alberta, its commissions, board or agencies in

(a) Jan. 1, 1974 to March 31, 1974; (b) April 1, 1974 to March 31, 1975;

(c) April 1, 1975 to October 31,

1975?

- (2) How much did each study cost the Government of Alberta, its commissions, board or agencies?
- (3) What was the purpose of each study?
- (4) What were the names of the firms or individuals to which the studies were assigned?

MR. LEITCH: Mr. Speaker, may that question stand?

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

206. Mr. Notley asked the government the following question:

- 1. Who is the registered owner of the de Havilland 125 demonstration aircraft referred to in Motion for a Return No. 135/75 in which the Premier travelled to the April, 1975 federal-provincial conference?
- 2. For what consideration, if any, was this "demonstration aircraft" offered for the use of Alberta Government officials?

MR. SCHMID: Mr. Speaker, I accept the question.

MOTIONS FOR RETURNS

192. Mr. Notley proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A copy of all correspondence between the Alberta Export Agency and officials or shareholders of Alberta White Cattle Ltd.

MR. DOWLING: Mr. Speaker, I would like to move an amendment to the motion. It reads as follows: by adding at the end of the question, "subject to the concurrence of the officials of Alberta White Cattle Ltd."

[Motion as amended carried]

MR. DOWLING: Mr. Speaker, I'd like to table the answer to Motion for a Return No. 192.

193. Mr. R. Speaker proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
For the fiscal years 1973-74 and 1974-75, each public opinion survey commissioned by the Government of Alberta, listing:

- (1) the department or agency of the Government of Alberta for which each such survey was conducted,
- (2) the person, persons, or company conducting each survey,
- (3) the subject of each survey, and
- (4) the cost of each survey.

MR. SCHMID: Mr. Speaker, I would like to ask that the motion stand.

MR. SPEAKER: Does the Assembly agree that the motion stand and retain its place?

HON. MEMBERS: Agreed.

MR. SPEAKER: So ordered.

195. Mr. Clark proposed the following to the Assembly:
That an order of the Assembly do issue for a return showing:
Copies of any reports made as a result of each of the following trips which were documented as follows in Sessional Paper 200/74:

- (1) Department of Agriculture, Jan. 24-27, 1973, San Francisco, California -- Study of U.S. banking finance systems, H. E. Jeffery, C. J. Roth, \$1,154.23.
- (2) Department of Agriculture, Jan. 21, 1974, Mexico -- Essential for success of program to import package bees from Mexico, J. Auram, \$3,562.84.
- (3) Deputy Premier, Nov. 14-20, 1972, U.S.A. (Los Angeles) -- Meetings with film people, T. R. Vant, \$3,678.46.

MR. CLARK: Mr. Speaker, in moving Motion for a Return 195, I'd like to propose two amendments. Rather than "Deputy Minister", it should read "Industry and Commerce", and the figure of \$3,678.46 should read \$1,678.46.

MR. SPEAKER: There's some doubt in my mind, subject to checking, whether an hon. member may move an amendment to his own motion.

MR. CLARK: I'm quite prepared to withdraw it.

MR. SPEAKER: Does the Leader of the Opposition wish to withdraw and restore the motion later in an amended form?

MR. CLARK: Agreed.

196. Mr. Clark proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:

- (1) A description of each gift to persons, governments or companies, outside of Alberta, arranged for by the Alberta Export Agency and paid for by the Government of Alberta, including:
 - (a) the exact nature of the gift
 - (b) the value of the gift
 - (c) the recipient of the gift, and
 - (d) the date the gift was transferred to the recipient.
- (2) A list of contracts with, or purchases by, any of the persons, governments or companies mentioned in No. (1) subsequent

to their receipt of such gifts as mentioned in No. (1).

MR. DOWLING: I ask that this motion stand.

MR. SPEAKER: Does the Assembly agree to the request of the hon. minister?

HON. MEMBERS: Agreed.

200. Mr. Mandeville proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
Copies of reports which were submitted to the government as a result of the following research studies which were outlined in Sessional Paper 150/74:

- (1) Study, "To review present capabilities, potential for growth, demand and need for expansions in the area of fine and performing arts; to propose plans for growth, efficient use of resources and mechanisms for future planning and implementation." Firm: L.W. Downey Research Associates;
- (2) Study, "To mount an 'external' evaluation of the Athabasca University pilot project in learning systems development with the intent of providing feedback to the project itself and of informing the Department periodically regarding the progress of the report." Firm: L.W. Downey Research Associates;
- (3) Study, "New product development -- e.g. foot long egg -- Two Hills." Individual: R.A. Matherson;
- (4) Study, "To investigate and recommend on the feasibility of trout farming in Alberta." Firm: Lombard North Group Ltd. Ferguson, Harrison and Assoc.;
- (5) Study, "Preparation of a manual to examine methods of marketing Alberta's agricultural produce and recommendations of improvement of techniques." Firm: The Sibbald Group;
- (6) Study, "The objective of this survey was to determine the amount and distribution of damage by snowshoe hares to conifer plantations in Alberta." Individual: Dr. Keith;
- (7) Study, "To conduct comprehensive micro-study of the Kananaskis Road Corridor to determine its impact on the environment and to consider potential recreation development." Firm: Lombard North Planning Ltd.;
- (8) Study, "To review the scientific literature relating to the establishment and operation of day care centres." Individual: Dr. R.A. Briggs;
- (9) Study, "Situation sample of former inmates of correctional institutions (employment, wel-

- fare, reincarceration)." Firm: L. Downey Research Associates;
- (10) Study, "To develop an effective inexpensive procedure of transport pricing in Canada." Firm: Hu Harries & Associates;
- (11) Study, "Evaluation for the next 15 year period of the economic viability of the manufacturing of chemicals in the Province of Alberta from natural gas." Firm: Associated Engineering Services Ltd.;
- (12) Study, "Independent analysis of advantages of the tax environment of Alberta." Firm: Woods Gordon & Co., Clarkson Gordon & Co.; and
- (13) Study, "Emerging North America Oil Balances, considerations relevant to a tar sands development policy." Firm: W.J. Levy Consultants.

MR. HYNDMAN: I ask that the motion stand and retain its place on the Order Paper.

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

HON. MEMBERS: Agreed.

207. Mr. Notley proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A copy of the Energy Resources Conservation Board Report dated on or about March 31, 1975, concerning the significance of incentives to the development of supplies of oil and gas in Alberta.

MR. NOTLEY: [not recorded]

MR. SPEAKER: Is this acceptable to the Assembly?

HON. MEMBERS: Agreed.

208. Mr. Notley proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A copy of all correspondence between the Minister responsible for Native Affairs and officials of the federal Department of Indian Affairs and Northern Development concerning funding of the Calgary Urban Treaty Indian Alliance.

MR. BOGLE: I ask that this motion stand.

MR. SPEAKER: Is this acceptable to the Assembly?

HON. MEMBERS: Agreed.

209. Mr. Notley proposed the following motion to the Assembly:
That an order of the Assembly do issue for a return showing:
A list of all cheques issued and/or

accounts outstanding as a direct consequence of the European mission showing, in each case, the person or agency involved and the purpose for the payment.

MR. HYNDMAN: I ask that the motion stand and retain its place on the Order Paper.

MR. SPEAKER: Is this agreeable to the Assembly?

HON. MEMBERS: Agreed.

MR. SPEAKER: I would respectfully suggest that if a motion is to stand, perhaps the request might be made before the motion is moved, so we don't run into any procedural difficulties.

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Clark proposed the following motion to the Assembly:

Be it resolved that, the Legislative Assembly urge the Government of Alberta to assert its support of the following principles:

- (1) Whenever possible, matters of major public policy should be debated in the Legislature prior to the announcement and implementation of government decisions thereon;
- (2) the Legislature should have the opportunity of full debate on all taxation and expenditure of public funds; and
- (3) ministers of government are accountable for all activities which take place within their departments apart from minor administrative matters.

MR. CLARK: Mr. Speaker, I move this motion today, recognizing that the basic principle we're talking about in this motion isn't any written law. I suppose you could say it's really backed up best of all in the Magna Carta itself.

I'm under no illusion, Mr. Speaker, that if the government refuses to respect the legislative process as we see it, there's no higher court than this Legislative Assembly in the Province of Alberta. There's no appeal the members of this Assembly or the members of the opposition can make to a court higher than this court in here. With such a majority as the government has, certainly there is the temptation to run roughshod over a motion such as this.

The motion, Mr. Speaker, has three areas. I'd like to deal with the first two areas, debate in the Legislature and expenditures, rather briefly, and then spend some more time on the question of ministerial accountability.

The first principle really centres around the idea that, wherever possible, public policy should be debated in the

Legislature prior to the announcement of those policies. Perhaps it can be rephrased, saying that really the primary function of a Legislature or a House of Commons under the kind of situation we have in Alberta, Canada, or Great Britain -- the primary function of the House of Commons is that it should be informed of decisions taking place before, in fact, these decisions take place, so that there can be the advantage of not only public knowledge, but also alternatives and suggestions which come forward from members of the Assembly, the Legislature, or the House of Commons, whatever the case may be.

Following this kind of approach and this kind of principle, Mr. Speaker, the public is certainly more aware of the issues facing the province or the nation.

I would hasten to add, Mr. Speaker, that each MLA, regardless of the responsibilities he has, is accountable to the group of people who elect him. In the next election each of us as an individual has the responsibility to be able to account to our own constituents as to those decisions that have been made in the Legislature, those decisions that have been made by the government, so we are in a situation where we can be accountable to the people in the course of the next election. As MLAs also, we have the concern and the grievances which our constituents bring to us as their representatives in this particular Assembly.

Really, if we're going to fulfil the primary goal of democracy, we have to have the basic decisions aired here before they're announced outside the Legislature. I use as perhaps the most recent example of this kind of thing, that on the day this session opens the Premier's perhaps most definitive statement to date on Alberta's response to the federal wage and price program is to be found in The Globe and Mail.

I don't want to belabour the purchase of PWA once again and become involved in that, but I think it's important that members look at the PWA acquisition, because it represents some of the problems we face in this area. To say the acquisition of PWA was a major shift in government policy is a real understatement. We've seen the government move from a position of strong support of the private enterprise system to at least a position in which the government now directly participates in many major economic developments here in the province.

Now, I'm not so naive as to suggest that every decision can be discussed here in the Assembly before it's made. I recognize that there is a need for fast-moving decisions and for quick and decisive action. But I caution the members of the Assembly, regardless of where they sit, that there is a very fine line between necessity and expediency.

Closely allied with the principle of Parliament's or the Legislature's right to know is the principle that the Legislature should have the opportunity of full debate on all taxation and expenditure. This is a matter we've raised repeatedly on this side of the House. I remind hon. members once

again that it's during the study of the estimates, during the study of committee supply work, that the private member is really supreme, because the government cannot be granted supply until the debate is finished here in the chamber. It provides all members, regardless of where they sit or what their station may be in the Assembly, with grievance before supply, with the opportunity to express their grievances in this chamber before the government is given the permission to spend the money.

Our main concern in this second principle is the matter we've raised repeatedly in this chamber, and we'll be raising repeatedly again. That's the question of special warrants. We recognize, all of us do, that there have to be some special warrants. But the real test for special warrants is: is it emergent, or in fact is it a matter of poor budgeting and could it be held over until the next session, or until the next budget?

I alluded to this area a week ago this evening, when I cited some grants from the Department of Culture. I notice that within the last short while there's been a grant for \$1 million for international aid. The minister last Thursday got up and asked me if I'm against international aid. No, I'm not against international aid, but I'm for the Legislature having the say. I'm for the Legislature reviewing what we're doing. I guess, if I have to make a choice, I'm for the Legislature before I'm for international aid.

AN HON. MEMBER: Shame.

MR. CLARK: One of the hon. members can say shame all he wants.

In 1974-1975 we had \$261 million dollars passed in special warrants. My colleague, the Member for Little Bow, has twice in this fall session asked of the Premier, who's not in his place this afternoon, if it would be possible to have some time set aside in the course of this session to review those special warrants. We could move into committee to do that, to give the ministers an opportunity to explain why, in fact, it was essential, it was emergent that the special warrants had to be approved. I say quite frankly, several of the special warrants we've examined carefully, and several, I think, can be justified. But if the Legislature is to continue to have the principle of giving approval for the expenditure of funds, why don't we move to an arrangement of not only supplementary estimates -- have the government bring in supplementary estimates in the fall -- but also a system of reviewing of warrants.

I know it isn't very often that we want to take examples from Ottawa, but I must say, as far as the federal House of Commons is concerned, they in fact do have this kind of situation. I know that if we were to move on this basis here, in all likelihood the supplementary estimates would come in the last few days of the session. That, in fact, is what happens at Ottawa, regrettably.

As I say, the major expenditures as far

as special warrants are concerned would fall within Section 36 of The Financial Administration Act, when it talks of emergent need. But it's in the Legislature where we should be making this kind of decision.

The second area I'd like to comment on, dealing with the control of funds by the Legislature, is that we're in a unique situation in Alberta and in this Legislature, in the last year, or year and a half. In the course of the last year, we have developed some sort of new public-private venture in this province. We have the Alberta Energy Company and the \$75 million that have been made available to it, and we really haven't yet developed in this Assembly any reporting-back mechanism for that corporation, or company. We're told it's a private enterprise company, but I don't think many of us, regardless of where we sit, really accept that.

We also have a rather strange situation with the PWA venture. As the people of this province, we have now owned PWA [for] more than one year. We've spent something like \$35 or \$36 million, I believe it was, in the original acquisition of PWA, and we have yet to hear a report as to the operations of PWA. I know we're told the government is letting the board of directors do it, but in fact it's public money in there. I don't believe we can simply shirk our responsibilities in that particular area.

The third area I'd like to comment on, Mr. Speaker, deals with this question of ministerial accountability. Let me say at the outset that ministerial accountability is an illusive concept. Put I say to you, Mr. Speaker, as sincerely as I've ever said anything in this Assembly, that, in my judgment anyway, the concept of ministerial accountability is in grave jeopardy in this Legislature.

The principle is based on, yes, historic traditions, but it's also based on precedent. The well-known writer, R. MacGregor Dawson, says this about ministerial responsibility:

The minister at the head of any department is responsible for everything that is done within that department, and inasmuch as he is willing to accept praise or blame for the acts of his subordinates, he must have the final word in any important decision taken.

Along with this awesome responsibility is the recognized authority to overrule any civil servant at any time.

Now we have to be reasonable, when we're looking at this question of ministerial accountability. When we look at the growth in government departments, and I relate back to the time when I was a cabinet minister, it isn't possible or desirable for a minister to make all the decisions. A minister must delegate the authority to officials in his or her department. But if an error is made by one of those officials, the minister must take every action to investigate and correct that error. I submit that only then, Mr.

Speaker, can the minister claim that he has executed his responsibility.

The principle of ministerial accountability . . . We look at precedents in Canada; there are precious few, and that's a credit to the people who have been involved in public life in this country for years and years. But if we look at the basic question of ministerial accountability, I draw to the attention of the hon. members the Crichton-Down situation in Great Britain in 1954. At that time, there was a problem in the Department of Agriculture, and an inquiry basically concluded that senior departmental officials adopted procedures that could give rise to misgivings in related land transactions.

I emphasize to members of the Assembly that there was no trace of bribery, there was no trace of corruption, there was no trace of personal dishonesty. But in that case, the minister accounted to the House of Commons, as it was, and the minister, in fact, resigned.

It seems to me that precedent points out very clearly and reaffirms the principle that a minister of the Crown must accept political responsibility for the actions of his departmental staff.

Perhaps I might just pass on one more example to hon. members for their consideration. In January 1955, when Leslie Frost was the Premier of Ontario, three construction companies were fined a total of \$215,000 on charges of conspiracy to defraud the government. Six Department of Highways employees were jailed or fined. The highways minister at that time, the hon. Mr. Doucett, subsequently resigned from the cabinet.

I want to make one more comment on this situation in Ontario. We've checked with the people in Queen's Park in Toronto, and they emphasized to us that the minister knew nothing of what was going on in his department. He maintained he knew nothing of these irregularities in the department. Yet he seemed fit to discharge his ministerial responsibilities in the way he did.

I'd like now, Mr. Speaker, to direct our attention on the question of ministerial accountability to the Legg report itself. I hope it is fair to say that the Legg report pointed out instances where the former deputy minister was, in the words of the report, I believe, "guilty of misconduct". I hope also it is fair to say that basically the government accepted the recommendations of the Legg report, because they removed from the public service the former Deputy Minister of Agriculture, which I think was proper. As I read the Legg report I think one could summarize by saying that the report excused the former Minister of Agriculture from any misconduct, rather it indicated there were two instances of, I believe they used the term, "poor judgment".

When we're looking at the question of ministerial accountability, I think we have to go back and look at the terms of reference for the Legg inquiry. There were no specific provisions in the terms of reference to deal with the question of ministerial accountability, nor frankly do

I think there should have been. That rightfully, in my judgment anyway, is a decision for the Legislature and, in fact, for the Premier.

I think it's imperative, Mr. Speaker, that we recognize once again, from my point of view, that we have not as yet had the Legg inquiry tabled in the Assembly. We have no indication, Mr. Speaker, that the Premier or the former Minister of Agriculture is going to make any statement with regard to the findings of the Legg report. I think it's incumbent, Mr. Speaker, at least upon the former Minister of Agriculture, to account to the Legislature for his actions as far as the Purnell affair is concerned, if we can use that term, not so much from the standpoint of an active participant, but from the standpoint of a minister whose ultimate responsibility and decisions he's responsible for to this Assembly. I say with some regret, and I'm sure there will be those who will disagree with me: I am not convinced that the Deputy Premier has yet accepted full responsibility for the actions of his former deputy minister.

Members of the Assembly are aware of the statements made by Mr. Dave Black, formerly of the Alberta Semen Processors Association. He said publicly that in September 1974, a group of individuals, seven I believe, met with the former minister. In the course of the discussions, the involvement of Dr. Purnell in the semen business was one of the important matters raised. I have since learned from talking to people who took part in that meeting, after reading the Legg report, that, in fact, some of these same individuals had met with the executive assistant of the Deputy Premier twice before. I'm also advised by individuals who attended the meeting with the Deputy Premier that they expected some sort of response from the Deputy Premier following their meeting. Certainly some of the people at that meeting left with -- I had better say the feeling -- that the deputy minister, Dr. Purnell, would be resigning shortly.

I present this information to the Assembly not to re-open the whole affair, but to emphasize the point that, in my judgment, the Deputy Premier has shirked his responsibility. The very least this Assembly deserves is an account from the Deputy Premier. In being fair to everyone involved, once the complaints had been lodged with the Deputy Premier, had the Attorney General's department been asked to investigate and a report prepared and tabled in this Assembly, had the Provincial Auditor been requested in September '74 to investigate the whole matter, had the RCMP been called in to investigate the matter, then I think, in fairness, that the minister could stand in this Assembly and account for the stewardship of the department that was his responsibility.

On October 16, I made a public statement, and suggested that the Deputy Premier might apologize to the Assembly and to the people of Alberta. I was accused of being in the garbage pail. If being concerned about who has the final say about spending

money, if being concerned about ministerial accountability, and if being concerned about where the decisions are made is, in fact, being in the garbage pail, or gutter, or whatever other terms you want to use, then that's where I am.

As I've indicated earlier the Legg report has not been tabled in the Assembly, [there is] no indication on behalf of the government that it is going to be tabled, or that there is going to be a chance to discuss it. It was for that reason that we chose to put this motion on the Order Paper as our choice on Thursday of this week.

In light of the government's action to date, I really have no alternative but to turn to the Premier, who isn't here, and perhaps to the people in the gallery who keep the Premier informed as to what's going on in the House, when they report to the Premier either this afternoon or tomorrow morning, to say to him, as president of the Executive Council, that the very least we can now have in this Assembly is a statement of the Premier's principles, the Premier's ideas on the question of ministerial accountability.

If we just let this drag along -- and quite candidly, it would have been much easier for me not to raise this matter in this session, than to have done this -- but if we just let this slough along in the approach we're going, it appears that Alberta ministers, regardless of their political points of view, are not obliged to account to the Assembly for the actions of their very senior civil servants. If ministers aren't accountable to this Assembly, then, in fact, who are they accountable to?

We established the precedent as far as the Legg report is concerned. It has far-reaching implications, because charges are presently before the courts with regard to improprieties in the Department of Culture. Frankly, I don't want to be one to have the precedent established following the Legg report, and that used as a precedent for further developments in this Assembly.

I recognize what I've said to hon. members in the Assembly this afternoon is distasteful to many of you. That doesn't surprise me, nor does it bother me. But I ask you to give very serious consideration to this question of where are ministers accountable to, if in fact it isn't an obligation, a requirement. And in fact they are accountable to the Assembly.

MR. NOTLEY: Mr. Speaker, in taking part in this debate, it is quite clear that the question of ministerial accountability overshadows the other two features of this resolution. During the course of my remarks I, too, am going to concentrate, in the main, on the question of ministerial accountability.

It is worth mentioning, I think, that we on this side of the House are concerned at so many instances of decisions being made, then we have after-the-fact accountability. Members will recall that during the debate on Bill 55, one of the concerns expressed over and over again, and I think

perhaps put most forcefully by the former member from Wetaskiwin-Leduc, was this business of after-the-fact accountability.

The Leader of the Opposition, in opening debate, talked about FWA. Perhaps another example we could cite is the Syn-crude deal, where vast expenditures of public funds are going to be made, and where the deal was signed, sealed, and delivered before this Legislature had a chance to debate it formally. When we finally had an opportunity during the spring session, the commitments were made. So I think there is a genuine concern in this area, and I would just simply emphasize that concern in my remarks.

The Leader of the Opposition has also mentioned the excessive use of special warrants. It's worth noting, Mr. Speaker, that in the year 1972-1973 we had \$31 million in special warrants; 1973-1974, \$97 million; last year, 1974-75, \$323 million; and so far this year, \$206 million.

Mr. Speaker, I always laugh a little bit about some of the debate that took place over special warrants in the last year. The government members repeatedly emphasized the special warrant for the emergency crop assistance program, and said, look, the opposition's complaining about special warrants. Are they really opposed to this kind of help? I think it was worth noting and reminding members of the Assembly that when the question of emergency assistance was raised, the Legislature was sitting. During the debate on the estimates of the Department of Agriculture, the former member for Wetaskiwin-Leduc, Mr. Henderson, actually raised the question and put it to the government as to whether a supplementary estimate on this emergency crop assistance program could be inserted in the budget. The government chose not to do that. It chose instead to go the route of a special warrant.

Mr. Speaker, as I mentioned, however, the question of ministerial accountability overshadows everything else we are debating this afternoon. This is a rather important debate in the Assembly, Mr. Speaker, perhaps one of the most important debates we've ever held in this Assembly. What happens in this particular instance, especially as it relates to the government's response to the Legg report, will be a precedent as to how ministerial accountability will be handled in the future and, indeed, how the whole system of representative democracy is to work in the Province of Alberta. It's unfortunate, then, Mr. Speaker, that the leader of the government is not sitting in his place for this debate.

You know, Harry Truman once had a little plaque on his desk, whenever he was in office during the eight years he was president of the United States. The little plaque read: "The buck stops here." Mr. Speaker, in our system of government, the buck stops at the Premier's desk. Yes, ministerial accountability to the Legislature, but accountability, Mr. Speaker, for the government as a whole rests with the Premier, the leader of the government. I think it is a slight to this Assembly, Mr.

Speaker, that the Premier is not in his place today.

Mr. Speaker, we can look back on the last three or four years and he can see a number of calls for inquiries. I recall the debate we had in this Legislature in 1973 over the Craig case, and the demand, at that time, for an inquiry into the lower courts system. Both the Leader of the Opposition and I had resolutions on the Order Paper requesting that kind of inquiry. The Kirby Board of Review was subsequently appointed, and quite clearly the results show that, in fact, the request and demand for an inquiry was justified.

The same is true with the demand in 1973 for an examination of the Cosmopolitan Life Assurance collapse. The Kerans report into the affairs of Cosmopolitan clearly demonstrated that the call for an inquiry was justified and indeed wise.

We had the debate over the Alberta Housing Corporation. I recall that when members on this side of the House first urged the government to appoint a formal inquiry, the then minister suggested perhaps we could deal with it in the Public Accounts Committee. Of course, that was obviously not a workable suggestion. The government finally appointed the Cairns report, and quite clearly the call for an inquiry into Alberta Housing was vindicated by the subsequent report.

Last spring, after the general election, when the CBC news began to carry a series of stories on the now famous Purnell case and calls were made for action, the result of the Legg inquiry, which I'm going to take some time to deal with this afternoon, clearly shows that the concern, in the first place, and the demand for answers, was vindicated.

So, Mr. Speaker, it's important we put this in the right context. We have not seen an opposition which has been wildly making charges. But as one looks back over the last three or four years, there is the strongest evidence that the concerns which have been expressed both outside and inside the House, when they go to an inquiry and the findings are made, have regrettably been proven all too close to the mark.

Mr. Speaker, I must confess that when I watched CBC Hourglass about three or four weeks ago, I was rather amused to listen to the Deputy Premier speak to his constituents in Barrhead and advise the people of Alberta of a -- I perhaps shouldn't use the word conspiracy, but some kind of alliance between the CBC and the NDP. Well, however much I might like to see that sort of situation, I can assure the members it is nonsense.

More important, Mr. Speaker, was the mentality I saw displayed in those remarks. Mr. Speaker, the press in our society should not be just a sounding board for government news releases. That's not the purpose of a free press. A press must, if it is going to do its job in a democratic society, recognize the importance of tough investigative reporting. Now sometimes that reporting is going to make the government squirm, sometimes it will embarrass the opposition, sometimes it will even

embarrass the Premier himself. You know, Mr. Speaker, that is part of the checks and balances of a democratic society. For ministers who find that criticism in the press is a little too hot, to suggest some kind of dark conspiracy with the opposition, in my view, is just totally inaccurate and troubling.

Mr. Speaker, before going into the Legg report I want to express some very definite concern about two things. The first is the very clear statement made in the Auditor's report that one of the reasons we got into this situation, the Purnell case, was because of the provisions of Section 12(1) of The Department of Agriculture Amendment Act, 1972. I'll just quote from page 7 of the Provincial Auditor's Report:

... which in the absence of regulations provides the minister with unlimited discretion in the disbursement of public funds for grant purposes.

Now, Mr. Speaker, what troubles me is that after receiving this kind of report, with the warning clearly enunciated by the Provincial Auditor, we have other examples where the government has gone along willy-nilly with the same policy. For example, Mr. Speaker, on September 3 we have, under The Government Services and Social Service Act and Community Health and Cultural Development, new grant regulations passed by order in council which permit the ministers, in these instances, to make grants without reference to cabinet. The dates, if hon. members want to check for the purposes of debate, were September 3 and September 17. There is no requirement that the grants be made public. All three of these orders in council permit a diverse and unspecified list of purposes for the grants.

Now, Mr. Speaker, what concerns me is that this was done after the government received the Auditor's report. The very first recommendation the Auditor makes on page 7 is to warn of the dangers of these kinds of unspecified grants which are not made according to the regulations by order in council by all the ministers, where individual ministers have, I quote from the Auditor's statement: "unlimited discretion in the disbursement of public funds for grant purposes." Now that concerns me.

Another thing that concerns me too, Mr. Speaker, is that on May 26, 1975, we have a statement from the Premier of Alberta on conflict-of-interest guidelines for senior public servants. I have to say, in reading the report over, that by and large I agree with it. I have very little criticism. But, in this statement, the Premier indicated that there would soon be appropriate legislation. Where is that legislation, Mr. Speaker? The government has had all summer to work on it. Why are we not debating that kind of legislation this fall, especially, Mr. Speaker, after the result of the Auditor's report and the Legg report itself?

Now, Mr. Speaker, I want to move on and deal very briefly with some of the concerns in the Legg report. On page 38 of

the report, Judge Legg makes it very clear that in his view the former Deputy Minister of Agriculture

. . . was guilty of misconduct in connection with the negotiation and grant or sale of bull semen to the Government of Brazil between the 1st day of July, 1973 and the 28th day of May, 1975.

(b) Dr. Purnell as Deputy Minister of Agriculture had the capacity to influence the activities of the Government of Alberta and the Alberta Export Board. He improperly used his position in such a way as to directly and indirectly derive a personal benefit from the negotiations and grant or sale of bull semen to the Government of Brazil . . .

(c) Dr. Purnell as Chairman of the Alberta Export Board is guilty of an omission amounting to misconduct when he failed to disclose a conflict of interest to the Board of Directors of the Alberta Export Agency at a meeting of the Board held on January 18, 1974.

I will, in fairness, Mr. Speaker, go on to say that Judge Legg also says that no one else was guilty of misconduct or improper acts. I want to make it clear that the criticism I'm going to express of the way in which the Deputy Premier handled this case does not imply personal honesty because I don't think that's at stake, but it certainly does raise the question of judgment.

Now, Mr. Speaker, the issue has to be met in this Legislature as to what the Legg report says about the action of the Deputy Premier, then the Minister of Agriculture. I am going to read into the record, Mr. Speaker, from the Legg report, on page 9. Judge Legg says, and I quote:

I am of the opinion that Dr. Horner, as head of the trade commission, showed poor judgment by including Dr. Purnell in the mission. Dr. Horner knew from the time he became Minister of Agriculture that Dr. Purnell was engaged in farming and that he had Brown Swiss bulls, from which semen was drawn for commercial purposes. Dr. Horner also knew that "Throughout the tropics there is and has been for the past two or three years an interest in Brown Swiss . . . ". He knew that there was a marked financial advantage to an owner of bull semen to have that semen introduced when a new market was penetrated. It is hard to imagine that such an astute person as Dr. Horner would anticipate that Dr. Purnell would resist such a tempting plum.

On page 11 of the report, Mr. Speaker . . .

MR. FARRAN: On a point of order. I wonder what the hon. member is trying to do in reading in detail from a judgment that has

been made public for some time. It's not like some startling document he's found in a garbage can, the usual practice. What is he trying to do?

MR. NOTLEY: Mr. Speaker, with respect. On the point of order . . .

MR. SPEAKER: The rules with regard to reading quotations are not really as exact as the metric system. As long as the reading of quotations isn't overdone, and is used to illustrate points in a speech rather than being adopted as argument in a speech, I would say that it would be within acceptable limits.

MR. NOTLEY: Thank you, Mr. Speaker.

MR. FARRAN: On the point of order. I submit that it is being overdone.

MR. SPEAKER: I am sorry, I didn't hear what the hon. minister said.

MR. FARRAN: Mr. Speaker, I submit that it is being overdone. That is my point of order.

MR. NOTLEY: Mr. Speaker, speaking on the point of order. It is obviously without foundation at all. What I was doing, Mr. Speaker, was referring to quotations from the Legg report in order to back up and document statements that I'm making in my speech, in total consistency with the rules of order of this House. If the hon. minister doesn't like it, that's his tough luck, he can enter the debate at an appropriate point.

MR. SPEAKER: With great respect to the hon. minister, I would suggest that thus far the reading of quotations has not clearly transgressed any recognized bounds.

MR. NOTLEY: Mr. Speaker, in view of the fact that the hon. minister over there seems a little sensitive to my reading excerpts from the Legg report into the record, I want to advise him that in order to continue making the points, I shall continue to do exactly what he seems so troubled about.

I refer to page 11 of the report and I quote again, Mr. Speaker.

I find that Dr. Horner used very poor judgment in granting to Dr. Purnell permission to include semen from Purnell bulls in the shipment, even though he did so on the assumption that the price per vial would be negotiated. However, I am of the opinion that this does not amount to misconduct on his part.

I take issue with Dr. Horner's statement in reference to Dr. Purnell's farm operation that, " . . . in a general way I think insofar as one is allowed to run a farm, one should be able to sell his produce as long as it is done in

the normal commercial basis. Till such times as government sets out provisions or other types of guidelines for senior personnel I think that has to hold".

This may be a fair statement insofar as the general farm public is concerned, but I am of the opinion that it does not apply to senior or other government officials when those officials have confidential information and know that they will receive money either directly or indirectly from the Government which employs them and to which they owe a high degree of loyalty and responsibility.

Now, Mr. Speaker, as a result of those excerpts that I've read from the Legg report, it seems to me that there are a number of questions which have to be posed in the House and which, in my view, should be answered.

The first question really relates to a matter that the Leader of the Opposition alluded to. When was the Deputy Premier first advised of concern about Dr. Purnell's activities? Did this meeting in September in fact result in advice or a warning to the then Minister of Agriculture? It seems to me, Mr. Speaker, that is a question which must be asked, and which must be answered.

The second question is: what action stemmed from the meeting in September? By action, I'm not talking about an internal review, but what action in terms of seeking independent assessment as to the concern, either from the Attorney General's Department, the Provincial Auditor's Department, or what have you.

MR. FARRAN: Mr. Speaker, on a point of order again. Is the hon. member rehearsing this inquiry? Surely all the relevant evidence can be obtained from the transcript of the inquiry. What is going on?

MR. NOTLEY: Mr. Speaker, on a point of order. I really do wish that the hon. Solicitor General would read the rules of order. Whether he likes what I'm saying is totally irrelevant. I have a perfect right under the rules of this House to debate a question which clearly relates to this resolution, which is ministerial accountability. The questions that I pose relate to ministerial accountability, and to suggest that that is somehow out of order is just absolute nonsense.

MR. SPEAKER: Well, the hon. member is certainly entitled to illustrate or mention the points in the report to which he is referring. But, with respect, insofar as his arguments are concerned, they should be his arguments rather than the arguments of someone who is not a member of the Assembly.

MR. NOTLEY: Mr. Speaker, that's certainly what I intend to do. I am, as a matter of fact, posing a series of questions which,

in my view, have to be asked and which, in my judgment, should be answered. I think that's perfectly proper and consistent with the rules of order.

Now, Mr. Speaker, just leaving off where I was before the last questionable point of order was raised by the Solicitor General, I think we have to ask what independent advice the Deputy Premier sought. Then, Mr. Speaker, it seems to me that an additional question is: when was this matter first brought to the attention of the Premier, the head of the government? When was it discussed? Was it before or after the CBC stories in April and early May, 1975?

Mr. Speaker, there's a troubling period of approximately seven or eight months between the time this meeting apparently occurred in September, and the decision of the government to ask the Provincial Auditor to do a review. I think too, Mr. Speaker, as members of the Assembly we have a right to ask, and a right to know, whether the Deputy Premier, after possessing this information, sought an inquiry himself, whether it was his recommendation that there be a formal inquiry.

Mr. Speaker, the question really now is, where do we go from here? Just to conclude my remarks very briefly, it seems to me that when one reads the Crichell-Down case, which has already been cited in this House, it is very clear from that case that even where there is not bribery, corruption, or what have you -- and no one is suggesting that in this case -- even where it is a question of judgment, the minister must be fully accountable. Mr. Speaker, as the Crichell-Down case shows, the minister accepted that responsibility. The minister not only accepted responsibility for the actions of his civil service, but, after fully and totally accepting responsibility, he resigned as a minister of the Crown.

Mr. Speaker, it is not for the opposition to determine whether a minister of the Crown should be kept or fired. That's really up to the Premier. But I suggest to the Premier that what is at stake in this issue is the most important issue yet, of who is going to accept responsibility for the activities of government. And, Mr. Speaker, I say, and I say very sincerely, that to date we have not had an adequate response from the Premier. I'm not surprised at the loud response from the Deputy Premier, suggesting that the Leader of the Opposition and myself and others are digging in the garbage pail. [There is] no question that if you've got a weak defence the best approach is a strong offence.

But, Mr. Speaker, the question of the tactics of the Deputy Premier is not at issue here. What is at issue here is the question of ministerial responsibility in the Premier's mind, because he is the one who must accept ultimate responsibility to this Legislature and to the people of Alberta.

DR. HORNER: Mr. Speaker, it's been some time since I've had an opportunity to take part in a debate in this Legislature. I

want to deal with some of the matters that have been raised by my honorable friends across the way, and, indeed, some matters they haven't raised, but which they have been creating -- with regard particularly to my honorable friend from Spirit River-Fairview, creating, by smear and innuendo and rumormongering, some sort of effect that he thinks might be useful to him.

First of all, inasmuch as the two honorable gentlemen, while they gave a little window-dressing to their motion, in fact were really wanting to get across to the third part of the resolution, I intend to deal primarily with the third part. I think the other -- even they admit it -- was pure window-dressing, and they didn't really know what they were talking about.

I have, of course, had an interesting summer, having had to go through the Legg report, not only as a witness, but as a minister responsible at the time of the incident. I find it rather curious though, Mr. Speaker, that my two honorable friends -- particularly the Leader of the Opposition, who had some awareness of what was going on in the dairy industry, and I refer him to my speech in Hansard of October 29, when I dealt with this matter, as a matter of fact. . . . I certainly did.

There's one particular area that has had some concern for me and still has some concern. We have a tremendous opportunity around the world to provide breeding stock for both dairy and beef cattle. We have asked our breed associations to try to lead the way. Unfortunately, in the cattle industry, as in others, there are all kinds of little nuances. I will go on to talk about the differences between the various breed associations and their problems, one with the other. That, in fact, was the major consequence and result of the meeting with the cattlemen that my honorable friend alludes to in September of 1974. I reported on it in the Legislature in October of 1974. My honorable friend should listen to some of my speeches. They're pretty good sometimes.

The question with regard to the Legg report and what government should do further in this matter -- one can have an opinion any way they like. I think the government has taken the necessary action by the dismissal of Dr. Purnell.

The question of whether I used poor judgment or otherwise is surely a matter of opinion. I notice my honorable friend from Spirit River-Fairview didn't have the courtesy to read the entire section in the Legg report, in relation to that judgment call. The judge ended by saying surely, the minister had a right to expect the integrity of his deputy minister. I know, maybe it's asking a little too much from him to be that fair, but. . . .

AN HON. MEMBER: It is.

DR. HORNER: . . . and I don't intend to say further in that regard.

Let's come to the matter of accountability. I agree with the hon. Leader of the Opposition that first and foremost, as MLAs, we are accountable to the people who

elect us. That's really where the first accountability starts. As a member of the Executive Council, I am then accountable, in a particular department, to the people of Alberta through their Legislative Assembly. I'm accountable here. I have never, and will never, duck accountability in this Legislature.

My honorable friend, should have introduced a motion of censure. He apparently didn't want to do that. Or he could have waited until estimates. The traditional time to indicate your displeasure with a minister is, of course, to move his salary be cut to \$1. But he didn't want to do that.

So what, in fact, did he want to do in raising the accountability matter? Because it's pretty obvious, pretty straightforward -- each of us, whether we're cabinet ministers or MLAs, are responsible in this Legislature for our actions relative to our duties that have been assigned to us in this Legislature.

Let me go on to what I really wanted to talk about. I think that the actions of the CPC and the Member for Spirit River-Fairview have done -- I hope not -- irreparable harm in rural Alberta, not from a point of view of what my status is, but from the point of view of the attempt we set out to do: to revitalize rural Alberta, to do some of the things that needed to be done, to make some of the decisions, to make money available, to use some grants in the proper way. I think the Member for Spirit River-Fairview should be censured because of the actions he's taken, not necessarily by this Legislature, but by the rural people of Alberta.

He talked about his friends in the CEC being tough investigative reporters. I don't mind that. I've stood up here. I don't give very much quarter, and I ask for none. But when the CBC deliberately -- I hesitate to use the word, and perhaps shouldn't -- when they deliberately distort, that I will not accept. Tough investigative reporting, being factual, fine. Differences of opinion in regard to policy, fine. But deliberate distortion, deliberate smearing, I don't and will not accept.

So we set out in this province in 1971. What was the situation then in rural Alberta? Asleep and dying, villages and towns closing up, areas -- yeah, we didn't have any problems in the Department of Agriculture then because they didn't do anything. So they couldn't get into very much trouble. We set out on a major expansion program in agriculture, but more than that, a major program of revitalization in rural Alberta. To do that -- we knew it when we set out and we know it now -- there are going to be some failures along with the successes.

Again, tough, investigative reporting, but be factual. Be fair to rural Alberta. I can think of numerous occasions -- my honorable friend, of course, is interested in Royblu Feeds. They never went bankrupt. But listen to the CBC and Mr. Notley and you wouldn't know that, because they don't care about the facts so long as they can

smear and distort. That's all that they're really out to do.

SOME HON. MEMBERS: Agreed.

DR. HORNER: We set out to try to do these things in rural Alberta, to make sure we would provide jobs, not only for our young people, but a market for our farmers.

I have the report of the Agricultural Development Corporation here, which is a pretty impressive document. I would really recommend it to all my honorable friends. For an organization to come from nowhere, and to have done as much as they have in the last three and a half to four years, has to be a pretty impressive record.

For those detractors -- sure we've got a little trouble with a cheese plant here and an alfalfa plant there. We'll have some problems with the plant in Innisfail unless we, in government, understand what they're up against. I'm rather curious that with these 110 and more plants that have been set up in Alberta, almost all of them are being done by Albertans. Is the NDP against that? Would it rather see the multinationals do it?

[interjections]

Of course, I forgot. According to Saskatchewan policy, they would do it themselves, and let government do it. Is that what he's asking for? What he's really saying is, we really didn't need these processing plants. But in our system of capitalism and free enterprise, there is going to be failure as well as success in any business venture that is started.

One of our real problems in this province was, in fact, because of our branch-plant mentality that had grown up under the former government, we didn't have people in Alberta with the managerial abilities and know-how to manage these processing plants. That was a concern right from the start. It was a concern we had to deal with. We tried to deal with it in a number of ways. To suggest we're not going to have these problems -- my honorable friend from Spirit River-Fairview, of course, who is very knowledgeable about these matters, including Agriplast and a few other things, does so not from the basis of knowledge, but from the basis of deliberate distortion and a deliberate ability to make political hay at the expense of the rural community of this province. That's what I object to.

The other matter I want to deal with very briefly is in regard to accountability of a minister and his department. I know the research staff of the Leader of the Opposition did a great deal of work combing the history books, MacGregor Dawson, and so on; but he too, only read part of the quotation. Why didn't he read the whole page? He would have had a different kind of situation.

There's another research document that perhaps his people didn't dig out. I would refer him to a book by the name of Democracy in Alberta: Social Credit and the Party System, by C. B. Macpherson. I recommend this to the Leader of the Opposition's research staff. At page 199, a very interesting situation about the 1938 session and

a royal commission, where the minister made an amendment that did away with the recommendations of the royal commission. He ends up saying this:

Without denying the abuses, the minister thus denied responsibility for them and in this he was supported by the solid social credit majority. This device for saving face, not usual in the practice of cabinet government, was exceptional even in Alberta social credit practice. . .

[interjections]

I thought my honorable friend should add that to his collection of research so that he would be. . .

MR. CLARK: At least it was discussed in the Legislature, Hugh.

DR. HORNER: The other area can be discussed in the Legislature, as well. Nobody's stopping you from moving the Legg report or anything else.

MR. CLARK: Look who all isn't here.

DR. HORNER: Well, I take that as a sort of vote of confidence that they didn't need to be here. Well, you know the Leader of the Opposition, in his usual way, tried to make a mountain out of a molehill, and then is disappointed he doesn't have the audience he wanted. I can't help his disappointment.

I did just want to make a comment with regard to PWA, in concluding. It's rather interesting that my honorable friend objects to how we are looking after PWA. At the same time, the federal government is sending people to Vancouver to find out how PWA is working so well as a government-owned operation. Then we have the announcement by Mr. Lang that he's going to change Air Canada's status to what we're doing with PWA. I find that rather interesting, indeed.

So, Mr. Speaker, to summarize very briefly, I accept the accountability for any actions I took when I was the Minister of Agriculture. Indeed, I'm very proud of most of them.

AN HON. MEMBER: So are we.

DR. HORNER: I accept that accountability towards this Legislature, at all times. I would hope, quite frankly, Mr. Speaker, that the Leader of the Opposition and the Member for Spirit River-Fairview would accept a similar accountability in this Legislature, and that they would have the courage of their convictions to make in here some of the statements they make outside of the Legislature.

The honorable gentleman from Spirit River-Fairview, Mr. Speaker, is not making statements in here that he's made outside, and that I have definitive record of. I rather suspect the reason he isn't, is that he knows some of them are not true, and therefore isn't making those kinds of statements in here.

[interjections]

My friend says, nonsense, but he should attend some of his own meetings and listen to what he says, because I think that's the more important thing.

But let's have a spirit of positive reaction to what we've been trying to do in rural Alberta, knowing we're going to have some failures, knowing that we need to build up an expertise. If there is fraud or any misuse of moneys, fine; that's a valid place to be investigating and to be nailing it down. But to use smear and distortion tactics to our political gain, at the expense of the processing industry that we've been trying to build up in this province, does a disfavor not only to the province, but to the farmers whose marketing capacity is at stake.

Just finally, I know my honorable friends don't have any respect for the Alberta Export Agency, but I hope they understood the 'tremendousness' of the announcement of the Minister of Agriculture the other day in regard to pork products: \$40 million extended contract for three years. There's been an amazing shift in the prices our producers received, relative to what producers in Saskatchewan and Manitoba receive.

Over the past year, the average price for hogs has been higher in Alberta than in Saskatchewan or Manitoba. My honorable friend should ask himself, why? Because the policies of this government to expand the export of hogs has meant we are no longer related to a Toronto-based market, but to a market to the west of us. That's why. My honorable friend might smile, but it's a fact. He should go over there. It's the first time it's happened in Canadian history.

We've traditionally been stuck with the loss of income to our farmers because of a freight differential that was always on pork, and we've been able to turn that around. We've been able to turn it around because of those things we did in the export market. Now we have a longer term three-year contract that will stabilize the pork industry in this province. The Export Agency has done a great many other things, but if it did nothing more than that, its expense has been well paid for, because of the increased returns to the farmers in this province.

There are many other examples, but I think that's the classic one. If we had our beef industry as well organized as the hog one can be -- and there are some difficulties that we all appreciate, in relation to the difference in product -- we could also be starting to do some of those kinds of forward contracting in the beef industry.

I would hope that we can, through the Canadian Wheat Board, as a federal government, have longer term contracts and forward contracting in the grains area, because the bugbear of, indeed, rural income is the fact of the ups and downs in the markets and in the prices farmers have had to take for their product over the years. Anything we can do to stabilize that is of vital importance to us, and

means a great deal to the rural economy, our towns and villages, our ability to process. That's what it means.

So I bring to the attention of this House the accountability -- yes, Mr. Speaker, the accountability is in this blue book, when it talks about the loans we've made to farmers, the credit we've made available to the farmers in the last three and a half years. When I think back to that election in 1967, and there was a big furor about what the province was . . . My two friends were members of that Executive Council, and they played it pretty cozy, Mr. Speaker. They talked about agricultural credit and the need for it, and what they were going to do with their farm loan board -- I forget what they called it . . .

MR. CLARK: Farm purchase board.

DR. HORNER: . . . Farm purchase board, oh yeah. The election was on May 25, I believe, and on the 27th the Premier announced he wasn't going to put any more money into that fund. For four years we didn't have any agricultural credit. I know they don't appreciate this, but that's the way it is.

There's the accountability, Mr. Speaker. The accountability in whether we've been able to help the people we set out to help. The question of wrongdoing, I think, has been answered by the judge. The accountability with regard to one's looking after every action of all his civil servants has to be done in a reasonable and ordinary manner. It has to have knowledge beforehand to be said to be wrongdoing, and I accept that judgment of the courts. I don't accept, because I feel it's a matter of opinion, the question of whether one uses good or poor judgment. What I might call good judgment, somebody else might call poor, depending on which side of the fence he was looking at it from, and what he happened to be doing.

So I accept the accountability to this Legislature, Mr. Speaker, and I would hope that that accountability would be based on the very tremendous amount of work that has been done in agricultural credit in this province, and the ability of our communities to get themselves doing some things they've been wanting to do for years and never had an opportunity to do until we brought in the Agricultural Development Corporation and the Opportunity Company. I believe I'm quite willing to be judged on that, Mr. Speaker, by not only this Legislature, but the people of this province.

MR. R. SPEAKER: Mr. Speaker, in entering into this debate on this motion . . .

MR. SPEAKER: I remind the hon. member that it being Thursday afternoon, we have another order of business for half past four.

MR. R. SPEAKER: Mr. Speaker, at this point in time, as a group in a caucus, we're prepared to waive our right to discuss bills, and certainly to continue this motion. At this point in time, I would like to present that view here for your

consideration, Mr. Speaker, and I'm sure Dr. Buck, my colleague, would go along with that move.

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

MR. SPEAKER: With the encouragement of the hon. member, the Chair isn't entitled to set aside the standing orders.

The motion would have to be specific, because there's more than one bill that is ready or waiting for debate, I assume, at this time.

Bill 209
The Farm
Land Ownership Act

MR. NOTLEY: Mr. Speaker, in order to clarify to the members of the Assembly, I have a number of the bills that are down as private members' bills, and I certainly would be quite willing to see this hour spent on this important subject.

MR. FOSTER: Mr. Speaker, speaking to the point of order, if the hon. members of the opposition were so anxious to debate Motion No. 1, they could have given us notice of the fact they wanted to debate it for the entire afternoon. If they were so anxious to debate a certain aspect of Motion No. 1, being the Legg report, they could have stated so, and asked us in advance for the opportunity of debating this for the entire afternoon. But they rise in this House after the expiration of the period, Mr. Speaker, rather gratuitously to suggest that we should now go on with their motion, when the House is being asked to deal, by orders, with the bills that are on the Order Paper.

We are here this afternoon to deal with Bill No. 209 and the bills that follow on the Order Paper, Mr. Speaker. I would suggest that we follow the orders, unless we have notice in advance of your intention to pursue a matter of importance to you.

MR. R. SPEAKER: Mr. Speaker, I would like to request unanimous consent of the House that we set aside the rules of the day and continue on with debate of the resolution.

AN HON. MEMBER: No way. You know better than that.

MR. SPEAKER: Having heard the request by the hon. Member for Little Bow, does the Assembly agree?

SOME HON. MEMBERS: No.

MR. SPEAKER: There isn't unanimous consent, and therefore we must follow the standing orders.

MR. APPLEBY: Mr. Speaker, on another point of order, I would like to withdraw Motion No. 2, standing in my name on the Order Paper, under Motions other than Government Motions.

MR. SPEAKER: The motion is withdrawn. It not having been put, the hon. member doesn't require the consent of the Assembly.

DP. BUCK: In speaking on Bill 209, The Farm Land Ownership Act, I'd like to say, Mr. Speaker and members of the Assembly, that because of the events that have taken place in the last year as far as the foreign buying of land is concerned, we hope that, by bringing a bill such as this to the attention of the Legislature, we will get some government action.

It's become increasingly evident in the last few years that non-residents have been securing large parcels of Alberta farmland. This has had the effect of adding to escalating prices because of speculative buying. These purchases are one major factor which has caused great difficulty for young Albertans, particularly in purchasing agricultural land at realistic prices.

In the constituency that I serve, within the last 2 years there has been a block of 3,000 acres of some of the best farmland in Alberta sold to foreign interests. Previous to that, there was a large area, nearly equivalent, that was sold to foreign land buyers. In this Assembly, it has been brought to the attention of hon. members that a block of approximately 6,000 acres of Alberta farmland is in the process of being sold to foreign land buyers.

Mr. Speaker, just in case anyone feels this bill is designed to prejudice non-residents who purchase small parcels of farmland for agricultural purposes, let me assure hon. members this is not the case at all. With a limit of 640 acres allowable for any non-resident, this bill will eliminate the practice of non-residents, either individuals or corporations, from exercising monopoly purchases of large landholdings.

This bill as it now stands would affect land purchases made by non-residents on or after June 15 this year. In other words, there is very little retroactivity built into this act.

It should be noted that the present government has the Land Use Forum criss-crossing the province. For a number of years they've been studying, but we haven't received their final report as yet. While this forum has been doing its work, holding public hearings, et cetera, no positive action has been taken to put the brakes on agricultural land buying. True, the government has a monitoring system. But that does nothing more than allow the government to know who is buying agricultural land. It does not restrict the amount that they may buy.

Just in case, Mr. Speaker, we are worried about the constitutionality of this bill, it should be noted the Supreme Court

of Canada, in June of this year, upheld a Prince Edward Island law which allows that province to limit to 10 acres the amount of land which non-residents can buy. Certainly, with the amount of good farmland we have in Alberta, there's no need to be as restrictive as Prince Edward Island. But certainly there is a need to preserve our agricultural land for Albertans or Canadians wherever possible.

It's also important to make certain, wherever possible, that agricultural land is preserved for agricultural purposes. In recent years, many acres of prime agricultural land in Alberta have been taken out of production for the purpose of subdivision or for other non-agricultural reasons. This present government has repeatedly committed itself to preservation of the family farm. This bill I submit, Mr. Speaker, will go a long way to accomplishing that aim.

Just recently the premiers of all 10 provinces received notice from the Prime Minister, indicating that the federal government is prepared to grant to provincial governments the power to prohibit non-residents from buying Canadian land. Under no circumstances, Mr. Speaker, would I advocate complete prohibition of non-resident land purchases. But there is certainly merit in limiting the amount of agricultural land which can be controlled by non-residents.

A farmland ownership commission would be established with powers to advise the ministers who have to assign these administrative powers, to investigate landholdings of any individual, and to make recommendations to the minister on these investigations, to maintain records necessary to insure proper administration of the act, and to conduct hearings and make any order to insure compliance with the act, and to generally assure that the act is enforced within the province.

The select committee of the Legislature on foreign ownership, in its final report in 1974, seemed to arrive at the conclusion that Alberta does not have the severe problem of non-resident or non-Canadian land ownership that certain other provinces have. It should be noted, however, that the committee study dealt mainly with Crown lands, comprising some 55 per cent of the land mass of the province. Privately owned land, including agricultural land, makes up about 35 per cent of the total land area in this province. The committee admitted that information on non-Canadian and non-resident land ownership is not readily available, where private lands especially are involved. It is certain that this farmland ownership bill would provide a vehicle to ensure that this information would indeed be readily available.

Mr. Speaker, it's quite likely as well that the situation involving non-resident land purchases has changed considerably since the committee's report was released almost a year ago, and I cite the case in my own area, within 15 miles of the city of Edmonton. It's likely that non-resident land purchases have increased by a very measurable degree, Mr. Speaker.

One should note that in August of this year the Premier issued a statement outlining the provincial government's official position on foreign ownership of land, delivered at the premiers' conference in Newfoundland. The Premier acknowledged that prime agricultural land is becoming much more attractive to non-resident and wealthy buyers. As early as May 1973, Canadian premiers expressed a common concern that the ownership of land by persons non-resident in Canada already presented a problem in parts of Canada, and could become a problem in other areas unless solutions can be found. This concern appears to negate the Legislature committee's assertion that no problem really exists. The committee, I think, did not seem to give us all the facts.

I submit, Mr. Speaker, that the time to act on this problem is now. Waiting for the Alberta Land Use Forum to submit its report and recommendations six or eight months hence may be too late to solve an already difficult and pressing problem. The monitoring system is inadequate because it deals only with determining who is involved in agricultural land transactions, not limiting these sales.

Mr. Speaker, the argument may be made that one cannot, in good conscience, prohibit residents from other parts of Canada from purchasing Alberta farmland. That may be true. This bill does not prohibit land purchases by non-residents, but it does limit the amount of agricultural land that can be legitimately and legally owned or controlled by non-residents or non-Canadians. Our neighboring provinces, B.C. and Saskatchewan, have legislation in place which places limits on non-resident land ownership. British Columbia's land commission, established in 1973 to preserve farmland, could supervise whatever control on non-resident ownership is imposed. Saskatchewan has legislation almost paralleling the bill proposed here, with some reservations and additional restrictions. Some of them are just a little bit more punitive than I am suggesting.

Ontario's new taxing laws are designed to dampen inflationary land speculation. This involves a 20 per cent tax on profits of anyone who buys or sells land without adding any real value to the property, and a 20 per cent land transfer tax for non-resident foreigners who buy property. Nova Scotia's government, in April of last year, expropriated over 5,000 acres of land from an owner who resides in Ohio. Whatever anyone may think of the methods of Premier Regan's government, this move seems to have cooled down land speculation in that province. Mr. Speaker, I've already referred to Prince Edward Island's land legislation, the toughest in Canada. This prohibits non-residents from owning more than 10 acres or 330 feet of shoreline frontage in that province.

Mr. Speaker, because I believe the ownership and control of private agricultural land in Alberta should be retained largely for Alberta residents or Canadian citizens, I urge all members in this Legislature to express their opinions on this

proposed legislation and vote for the passage of this act. Mr. Speaker, I know you can go through the bill and pick out sections you may not agree with. But, Mr. Speaker, we are speaking on the principle that Alberta land should not go into the hands of foreign investors, foreign land buyers, but should remain in the hands of Albertans and Canadians. I thank you, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, in taking part in Bill 209, there's no doubt that the most priceless resource which any country can have is its agricultural land. So the bill we have before us today is indeed timely.

I would say in beginning, Mr. Speaker, that what we really need for the next six or eight months is some kind of bill which, in effect, says there is going to be a moratorium on the sale of agricultural land to non-resident Albertans and people who don't live in Canada. I say that, Mr. Speaker, because we do have the Land Use Forum, and no doubt the forum will be making recommendations which can be reviewed in the longer term. I'm looking forward to the report of the forum.

But, Mr. Speaker, I think the Member for Clover Bar has made a valid point: the forum will not report until January or February of this year. Whether or not legislation will be prepared for the spring session is an 'iffy' situation. What we need is some kind of moratorium which will protect Alberta ownership of agricultural land in the intervening time between the final report of the Land Use Forum and whatever legislative action is formally taken by the government in this House.

Mr. Speaker, I know we've heard a lot about the fact that in the total percentage of the province, there seems to be a small amount of foreign ownership of land from the figures which have been compiled to date. But as the member pointed out, you have to keep in mind that these figures omit the fact that some 55 per cent of the land is not of any use for agricultural purposes; that of the 35 per cent of deeded land, the heaviest concentration of foreign ownership tends to be in the areas where the land is most valuable and most productive. Foreign ownership in the grey wooded soil areas of the province is much less a problem than it is in our best soil zones.

Mr. Speaker, in dealing with Bill 209, I harken back to the debate we had in this House, in November of last year, on The Land Titles Amendment Act when the government introduced its monitoring provision. At that time, one of the things we discovered during the course of debate on the bill is that a corporation or syndicate can apply for exemption under the terms of The Land Titles Amendment Act, so in fact there would be no monitoring of its holdings if it obtained an exemption from the Attorney General.

Since the Attorney General is in his place, and since this matter has been raised several times in the question period to the Premier, and the Premier hasn't been able to answer, I would ask him to take the opportunity of this debate, Mr. Speaker,

to advise the Assembly what the status is now of that particular portion of The Land Titles Amendment Act which allows exemptions for corporations. I would be interested if during this debate he could supply the Legislature with any statistics as to the number of corporations that have applied for exemption under the act and the number of acres involved. I think that's the kind of information, Mr. Speaker, which would be of use in determining the effectiveness of the monitoring legislation that was passed last fall. Certainly if we're going to be debating the hon. member's bill, having some grasp of what in fact has happened in the last year is pretty important.

I'd also like the Attorney General to advise us as to what information has been obtained from the monitoring device itself during the last four or five months it has been in place, whether there has been any initial report, what kind of transactions have occurred, and so on.

Now, Mr. Speaker, there is really no doubt that agricultural land in Alberta is a good investment, and a good investment for those areas of the world which have huge amounts of money to invest. It doesn't surprise me at all that many of the consortiums buying land in this province are based in Switzerland. One of the reasons they are based in Switzerland is that a good part of the petrodollars the Arab oil countries are piling up is invested in Swiss banks. I'm sure none of us are so naive, Mr. Speaker, that we fail to recognize that when they have \$30 or \$40 billion of surplus revenue coming into that part of the world, they are anxious to invest that money even if they have to pay substantially more than the real value of the agricultural land for agricultural purposes.

The member has correctly pointed out that the impact of these foreign purchases in areas where it is a most serious problem has been to push up the value of agricultural land beyond reasonable limits. I've had complaints, and I'm sure other members have as well, from people all over the province who just simply cannot even consider buying a farm, because who can compete with the Shah of Iran?

Mr. Speaker, it seems to me the question we have to resolve in this debate is whether we wait until the Land Use Forum report, then until the government has an opportunity to digest the report, until it summons the courage to move on the report -- or in fact, whether we're going to have at least something in place for the next 6 months, 1 year, 2 years, 3 years, 10 years -- however long it takes them to move on the findings of the report.

Mr. Speaker, for that reason, while there are certain provisions of this bill I don't agree with in every respect, the fact of the matter is, it would at least represent what we need in the short run, a moratorium. There is no more important issue in the long run. We can talk all we like, as the minister did in the previous debate, about agricultural processing industries and what have you. The fact of

the matter is, making sure the land of this province is owned and controlled by the people who live in Alberta is going to have far more long-reaching effects on the future of rural Alberta than anything else we can do.

The suggestion, Mr. Speaker, that we can allow one generation of farmers to sell out land at high prices is very nice, for those farmers who can get \$500, \$600, or \$800 an acre. Some of the land values around Calgary at the moment are just unbelievably unrealistic in terms of the productive value of the land. It's fine for people who can sell the land. But what about the young farmer going to the Agricultural Development Corporation, or federal farm credit, or anyone else, and has to buy land at that price? There's absolutely no way -- I am sure the Minister of Agriculture knows that -- no way at all he is going to be able, even with the best prices . . . You can have all the long-term pork agreements you want with Japan, but with 60-cent pork you're not going to be able to pay off a mortgage on \$700- or \$800-an-acre land. There's just no way you can do it.

If we're going to ensure, Mr. Speaker, that the land of this province is owned and controlled by the people of Alberta, we have to take some initial action. I certainly don't consider this a substitute for the Land Use Forum. I'm sure its report is going to be substantially more comprehensive. But we have an immediate problem which, in my judgment, has to be faced. I think we need at least a moratorium, until such time as we're able to legislate the recommendations of the Land Use Forum.

MR. ZANDER: Mr. Speaker, in speaking to the debate on Bill 209, it's very easy for anyone who hasn't owned land, or not very much at least, to say what price he shall receive. I notice the hon. Member for Spirit River-Fairview, who just spoke, didn't take time to stay here.

What worries me more, Mr. Speaker, is the question of what is the right of the owner to receive for his land he sells. It brings to mind every time I drive home, and I see the subdivision occurring just west of Spruce Grove. That piece of land is situated right next to the highest assessed land in the county of Parkland. It used to belong to a member of this Legislature. I understand the section of land was sold for \$1 million. It was prime agricultural land. It is still being used as agricultural land today. But surely a road allowance difference to the east should not be considered as a lesser value of land. I drive along there and see they're laying water lines into it. I understand a huge hotel is to be built on this property. This concerns me more than a farmer selling a quarter section of land for, perhaps, \$100,000.

We have only to look north of the city of Edmonton. I think we're all familiar with the struggle the Sturgeon municipality went through in trying to protect that prime piece of agricultural land to the north. It also went under concrete, under

asphalt. We all must agree that the city, the towns, must expand. But at what price? Once the land is put under cement and asphalt, what price Albertans and Canadians must pay. That land is lost for future generations of Canada and Alberta. It's easy to say, Mr. Speaker, that if I had a quarter section of land, and if the hon. Member for Clover Bar had a quarter of land valued at a half million dollars, and he was supposed to sell his land for \$80,000 -- I wonder what position he would take at that time.

There is a difference between the person who sells and what he shall receive. If we are going to institute a law that it is going to be required to freeze land prices, I think it's up to the government of the province, or of Canada, to keep this resource, a renewable resource if properly used, to compensate for the difference between the actual agricultural price of land and what he is to receive. That is to be fair on both sides.

I agree that cities and towns must expand. But when we look at the size of Edmonton and Calgary today . . . I believe there have been, Mr. Speaker, some 30 or 40 studies in the last 10 years on how these cities should expand, in what direction. Some years ago, it was said that the city of Edmonton had an area, not more than 5 years ago, that could accommodate 1.7 million people. What I'm saying, Mr. Speaker, is, I think we should direct our intelligence towards proper land-use planning. Maybe we have to go up. Maybe we should not try to expand the city to the extent that we're going to use single-family dwellings. Maybe we should go into multiple dwellings, as most cities are doing now.

I can understand the concern of people in Ontario, as they fight to preserve agricultural land. They are now in the process of demanding, not single-family dwellings, but multiple dwellings. I think, Mr. Speaker, if we are going to curtail the use of prime agricultural land, this bill will certainly not cover any aspects of which I have spoken.

I cannot see, Mr. Speaker, that when a person -- I know a family who moved into my area from Calgary who sold their quarter section of land for \$600,000. I presume it's going under concrete over there. They were able to purchase three quarters in my area for just under \$200,000. I know they're going to farm until all that money's gone, and then sell it again. Nevertheless, I think we must find ways and means to keep our city within the present boundary, even, if needs be, go to multiple dwellings, rather than put a moratorium on all lands in the Province of Alberta.

If it's possible to do this, I think we've taken away the personal freedoms of a person who wants to sell a piece of land, unless we're ready and able to compensate for the difference between the selling price and the agricultural value of that land.

I had the privilege a year ago, Mr. Speaker, of talking to a widow who lived in B.C. on Highway No. 3, where the highways

intersect. Although all three corners were already subdivided and had businesses of every description on them, she owned 17 acres on this little parcel of rock, jack pine, spruce and whatever trees there were on it. This land was frozen, Mr. Speaker. Although this lady could receive at least \$400,000 for that land, she was not able to sell because it was considered prime agricultural land. Maybe B.C. has that type of land, I don't know, but certainly, as a farmer living in Alberta, I could not see how that was prime agricultural land.

If we extend the government control on land so that you have no movement, no way to move within that boundary or those borders within the act -- make the regulations so that we could move in the direction of trying to keep this land for the future use of Albertans -- I would accept it. I think we have to agree that we have to try to stop this complete selling of our land -- not to foreigners. I think, at least in my constituency in the past year, we have had a number of foreigners come in and buy land in the area who are living on it and farming it. The only problem I have is with some doctors or lawyers that come and buy a section of land . . .

DR. PAPROSKI: I beg your pardon.

MR. ZANDER: . . . I can give you a legal description of the property which was sold at \$2,000, a section of land on which there were about 200 head of cattle until about August -- and now there are about 32 horses. Well, I don't believe that we are in the position yet to eat horsemeat. So I would say, Mr. Speaker, there are many people right in this Assembly who have got land and are making good use of it. But we also have people who are using good agricultural land for recreational purposes, and who have bought it not for agricultural purposes but for other things.

If we're going to try, in Alberta, to maintain the family farm, then I think we have to be prepared to compensate, out of the public treasury or the federal treasury. Compensation is needed at some time. I can only agree with the hon. Member for Clover Bar this far, that we must somehow get control of the selling of land, whether it is to foreigners or for non-agricultural use. But the prime thing must be that we stop the subdivision of prime agricultural land before it is too late. Any honourable gentlemen of this House can take a 15-minute drive and look at what is happening west of Spruce Grove. That whole town is situated on the prime agricultural land of this province and it is expanding. Only a few years ago, it had about 700 people, it is now nearing 7,000.

I would say, Mr. Speaker, in closing, that we must be very careful of how we lay out the legislation and the regulations pertaining, not only to foreign ownership of land, but to land use. This is why, Mr. Speaker, I am waiting to see what the committee will bring forward, because I believe we will have something to base our legislation on -- not that we imply a wishy-washy bill like this, which touches

only on a few items. I don't know, it could have come from Saskatchewan and have been amended somehow, but certainly it doesn't serve the purpose of Albertans.

AN HON. MEMBER: It wasn't even amended.

MR. COOKSON: Mr. Speaker, I kind of hesitated, hoping that someone else wouldn't hesitate as long as I did, but being as how they didn't, I rise to speak on the bill. It had a rather sorry introduction by the Member for Clover Bar, because the Member for Little Bow tried to prevent it from coming to the floor. It is rather an inconsistency on the part of the Social Credit members in the House that one wanted to talk about something he'd been talking about most of the afternoon and tried to avoid letting the other person present his bill. Anyway they got together on that and hopefully we can proceed.

DR. BUCK: You guys were trying to duck the issue, Jack.

MR. COOKSON: The bill is timely though, and I think it's really worthy of discussion in the Legislature. I don't want to nit-pick some of the sections in the bill, but there are some inconsistencies. I'm not sure whether the Member for Clover Bar intended this, or whether he was clear in his own mind as to what was meant by the wording.

Section 2 has a clause that gives me some concern. I noticed when the Member for Spirit River-Fairview spoke on this, he was in great support of this concept. You know, he's the other person -- on the one hand and the other hand -- he talks about sharing all of Alberta's wealth with the rest of Canada, then conversely, he talks about not permitting anyone in any other province from owning land here in Alberta. To me that is an inconsistency.

It's rather repugnant to me that we might pass legislation in Alberta which would prevent someone from another province owning land here in Alberta. I guess this is what it says, because it doesn't really say anything about foreign ownership as such. By foreigners, I hope we're talking about those people who have citizenship outside Canada. It's talking about non-residents and referring to people outside the Province of Alberta. I don't know whether this was the intent of the motion, but it does give me concern that we might reject people from Saskatchewan, even though they are of another political affiliation at the present time, and people from British Columbia who will likely want to change in a short period of time, from owning property. It wasn't very long ago that part of British Columbia wanted to secede and become part of Alberta. I wouldn't want to prevent that from happening, if it were possible.

Another part, 1[f] and [h], again refers to residents and nonresidents, and it gives me some concern because again it doesn't talk about foreign control. I think this is something, Mr. Speaker, that we must address ourselves to more than making an issue out of residents and non-

residents. I think we have to address ourselves to foreign ownership of land. As the definitions are given here, I'm speaking specifically of basically agricultural land.

I think it's been said in the House before, there's probably no better way of hedging against inflation than to own land. Astute people from other lands, with vast sums of money, faced with the kind of inflation we're faced with all over the world -- there are really only very few places that they can put money where it can be said to be reasonably safe. I'm not sure that you could put money, for example, in land in any part of South America and be assured that it would be reasonably safe, because of the vagrancies of government. I'm not sure you could put money in any part of Africa or at least a good many parts of Africa. I'm sure that you couldn't put money into land anywhere in any of the eastern European countries. They're so crowded in some of the countries, you couldn't find any land if you wanted to put money in it. That leaves a few socialist or socialist-inclined countries that have really moved to the left, which apparently no one wants to invest in either. I'm thinking, for example, of England, which could conceivably be a presentable place to invest in land, but because again of the approaches and attitudes of the government, I would hesitate to invest in it. But again, because of the approaches and attitudes of the government, I would hesitate to invest in this country.

So it really narrows down, Mr. Speaker, to very few places in the world. It narrows down to even very few places in Canada. One of them is Alberta, which still, hopefully, has a right-of-centre free enterprise government.

Having said that, I think I can rationalize why funds may be coming into the province. That's one of the reasons we passed some legislation that would monitor a change-over of title in the Lands Titles Office, to see if we could possibly get some trend as to exactly what is going on. I don't think we should be stampeded to the degree the Barrett government has over the years, in particular with freezing of land transactions and so on. I think we have to have a good hard rational look at it before we push the panic button.

So that is one of the weaknesses in the bill, Mr. Speaker. But there's another area that bothers me, and I don't think it's been clearly touched in the bill. It doesn't talk specifically about occupation of property. I think I could rationalize that it would be fair to say we could accept funds from other parts of Canada to own land in Alberta, and even to accept foreign funds that would be directed towards ownership of land in Alberta. But the thing that really concerns me is when you have this mass of funds coming in here, property owners being bought out, and then you have what we would call absentee land ownership. I see this happening down in my constituency, and we probably have some of the better land in the province.

I know of a situation where an individ-

ual found that if he owned some land in that particular area, it would give him a front to transfer exotics into the United States, because he couldn't go through the normal channels. So in the process he bought out at least three farm operations. Those three farmers were very happy. They were well paid, they retired, and subsequently inflation ate up practically everything they were paid. But aside from that, the individual who purchased this land left three farmsteads vacant. This, then, has been just a continuous turnover of renters, with the farmsteads eventually depreciating and going into ill repair. It really hasn't contributed anything to the community as such or to the attractiveness of the area.

Today at least two of those places are unoccupied, the windows are out of the homes, and they have changed hands half a dozen times since. I'm not convinced, Mr. Speaker, but that land may again return to individual ownership and be split into two or three parcels, but in that process it will mean again rebuilding farmsteads and re-establishment. Mr. Speaker, I don't know whether we really want to permit this kind of thing to happen, so I want to reaffirm that absentee land ownership is something we should carefully address ourselves to.

The Member for Clover Bar talks about a farmland ownership commission. I suppose one might argue, here we go again with another department, another commission, another bureaucracy, and all the problems concerned with it.

[interjections]

The Member for Clover Bar may want to get on the commission, I'm not sure. We can put him on those commissions now.

DR. BUCK: We won't go, Jack.

MR. COOKSON: Well, Mr. Speaker, I think that if we're really concerned -- and I hope we are -- I hope we'll be able, somewhere down the road not too far, to come up with something that would be acceptable to the people of Alberta, and certainly to the rural people who are responsible for the cheap food that we enjoy. Then we may have to -- and I think the former Minister of Agriculture had discussions -- identify farmers. I don't have to name the professions, because they're all involved. We have every other profession situated on the land these days -- I think the Member for Drayton Valley alluded to this. But basically, down the road we may have to define what a farmer is.

Just recently, I had an opportunity to visit with students who were out from Denmark, where, as you know, land is pretty limited. This particular student was taking an internship in my constituency, and plans to return to Denmark and eventually take up the job of farming. In Denmark, apparently, you are required to take three years of professional training in agriculture before you can operate a farm. It may be the same in some of the older countries. Perhaps the ministers that were over during

the mission to Europe learned quite a bit about this. I think probably we'll move in this direction. I'm not sure whether we can yet move in that direction. I see that, somewhere down the road, we may have to define the farmer and establish that the farmer must have a minimum of training before he can be qualified to operate the land.

I think perhaps we should be taking another careful look at subdivisions and the problems of small holdings. The planning commissions we have operating in the province do a pretty good job, but every municipality, or every county, seems to have little different ground rules for permission for subdivision. In the area that I come from, the council accepted the possibility that if the farmer wanted to retire and didn't want to live in town, they would permit him to apply for a subdivision of the farmstead, providing the balance of the land was sold to an adjoining property owner. That's not a bad concept. It's been fairly reasonably well accepted in the area. There's always, of course, criticism to this approach, but some approach has to be taken. Other counties say, no, there's just no way we'll provide any subdivision and small holdings whatsoever.

As you graduate toward the outskirts of the larger urban centres, you get more and more resistance on the part of counties and municipalities against small holdings and subdivisions. I notice, for example, the county of Strathcona has passed recent by-laws that, if you're going to have a small holding, you are restricted as to the kind and the number of animals you might have on that property. It's rather distasteful to me to think that we have to revert eventually to this kind of restriction. But it's coming, and I think we have to accept it.

Just recently in my area, two or three German shepherd dogs, which didn't have anything else to do during the daytime when their owners were working in town, decided to have a run at a fairly large feedlot. The subsequent result was that there were three less German shepherd dogs, but a fair amount of damage. So, these are the problems we're going to run into. We have to face up to them and resolve them some way.

In closing, I'm proud to say that our government has done a considerable number of things that may help in a more practical way than simply freezing everything to protect our agricultural land. I know that, for example, here around the city of Edmonton, and perhaps in Calgary, there are declared greenbelts. No matter how gray the area might be at this time, they're still classified as greenbelts. I think we have to proceed with this.

We have at the present time a Land Use Forum which we will be reporting later on to the government. I might say this, at this time: I haven't read their terms of reference, but I hope the Land Use Forum is able to come in clearly with some recommendations. I don't want to be faced with three-foot-high stacks of studies, trips across the country, and around the world.

I don't want that dumped on my lap for me to have to peruse, and come to some conclusion. I hope that the Land Use Forum will make some definite recommendations. I'm sure that's what their terms of reference were. I'll be interested, and I'll be watching closely to see that, hopefully, this happens.

We initiated the energy corridor, which I think will have a good effect on, and less disruption of, some of the higher priced, better quality land in the province. The area from north of Edmonton down through to Calgary, if you look at a soil zone map, is some of the higher priced, better quality land in the province. It's not a wide strip and it's not indispensable, but it's some of the most important land in the province, as to production. I think we have to keep this in mind.

It's a little upsetting to see what is happening about sprawl. Every week, coming in and out, I saw a dairy farm gradually get smaller and smaller, until I think all that's left now of the farm is the barn -- just outside the city of Edmonton. I know it's difficult to prevent urban sprawl. I know it's difficult politically. But I think we have to come down hard and firm as administrators of financing of this province, and as government, to ensure that the land of this province is protected for agricultural purposes. So I make that distinction.

I could go into a long detail. This book the Deputy Premier waved in front of some of our honorable friends opposite -- maybe this isn't the one -- but it's the Sources of Farm Business Credit in Alberta. You can go through here, and there is program after program, most of them initiated by the former Minister of Agriculture. They involve vast sums of money, but all of them are intended, basically, to encourage our farmers to stay on the land and to encourage young people to take up farming. I can document them all. They're tremendous programs. They can't be available to everyone, but I think it's a positive step in encouraging agriculture.

In conclusion, Mr. Speaker, I think the government has made a lot of really important moves toward protection of farmland, and I await with anticipation the report from the Land Use Forum. I hope we'll be able to move in a more positive manner toward absentee foreign ownership of land.

MR. MCCRAE: Mr. Speaker, I would like to enter into this debate. I think it's a very timely topic, and I'd like to congratulate the member who sponsored the bill. I'm only sorry I was compelled to be out of the House at the time he made his remarks. I didn't have the benefit, before speaking, of listening to his introduction, which I'm sure would have had a very important bearing on how any of us would react to the bill.

Mr. Speaker, I think this is a tremendously interesting and timely topic, one that has a lot of pluses and minuses to it. I can understand the concern of the Member for Fort Saskatchewan, who introduced the

topic, because of the heavy industrialization of his particular constituency. I think a plus of that may be that it has certainly enhanced his tax base out there. I'm sure he is much concerned with the reduction of prime agricultural land in the area.

Mr. Speaker, the concern of the Assembly with this problem began about the time of the huge increases in international oil prices. At the time the oil producing export countries were increasing the price of a barrel of oil from roughly \$3 to \$12 to \$15, which gave them this huge surplus -- billions of dollars -- to invest in whatever. Looking for opportunities to invest, they have apparently been looking at stable governments. I'm sure they have discovered there's one here. They've looked at our agricultural and other lands, and decided to invest some of their moneys here.

Our government, in reacting to that, made an amendment to The Land Titles Act last year providing for monitoring of land purchases. This will go a long way to assist us in knowing exactly what is happening in that area. We will be getting regular reports. That will help us in determining how real the problem is.

We do have some encouraging news in that area. We've said the thrust of the non-resident purchases is coming from the OPEC nations, and I notice a report in one of the weekly or daily papers that production of oil in those countries has fallen very sharply. In Saudi Arabia it's down from 8.1 million barrels in September to 5.6 million barrels in October, Kuwait down from 2.4 million barrels per day to 1.3 million barrels per day.

With heavy social commitments in the development of their countries, that will, in fact, substantially reduce the amount of dollars they have to invest in other countries. So it may be precipitous of us to move in this area right now. However, it is certainly timely that we should be considering the matter. I'm sure all of us will want to have a good, hard look at the Land Use Forum report, which will give us guidance in this area.

Mr. Speaker, in view of the time shown on the clock, I wonder if I might beg leave to adjourn debate, so I might read the introductory remarks of the sponsor of the bill.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, with regard to business this evening, we would proceed at 8 o'clock with second reading of all government bills except Bill No. 63, The Farm Implement Amendment Act. At 8 o'clock we would contemplate starting with second reading of The Companies Amendment Act, and then proceed to the rest of the second readings on the Order Paper.

If those are completed, we then move into study of Committee of the Whole as

listed on the Order Paper -- all of them except Bill No. 52.

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

[The House rose at 5:30 p.m.]

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[The House reconvened at 8 p.m.]

[Mr. Speaker in the Chair]

GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 61 The Companies Amendment Act, 1975

MR. HARLE: Mr. Speaker, I move second reading of Bill 61, The Companies Amendment Act, 1975.

Before I say something about the basic principle contained in this bill, I would like to cover a few items of interest to members about the companies branch and the work this branch is doing.

MR. SPEAKER: With great respect to the hon. minister, I wonder whether we should have a custom according to which an amendment to any bill opens up a complete discussion of the departments involved or general policy in that area. It would seem to me that second reading should be confined to the principle of the bill, and perhaps some other occasion might be found for that sort of review. I hesitate to and regret to interrupt the hon. minister, but unless the House decides otherwise, it would be necessary for me to follow the ordinary rules in that regard.

MR. HARLE: Mr. Speaker, the matters I am going to refer to would directly relate to the principle of the bill.

During the 1974-75 fiscal year, some 6,964 new companies were formed and some 667 extraprovincial companies registered. This compares with figures in 1949, in one year, of a total of 587 companies.

During the month of October just past, we incorporated 857 new companies. On the records of the companies branch, there are some 64,000 active corporations. Also during October was incorporated the biggest Alberta company, with the exception of the Alberta Energy Company. An Ontario company and an Alberta company became subsidiaries of an Alberta company. These two amalgamated, and a new company, with an authorized capital of some \$280 million, was formed.

Approximately 1.5 per cent of the companies incorporated in Alberta are public companies. I mention these figures because I think they play a part in understanding

the principles referred to in this bill.

I would like to refer, for a moment, to an event which occurred during the summer, and which I would like hon. members to be aware of -- the retirement of Jimmy Warr, the registrar of companies. He retired on September 19 and was in his 44th year of service to this government. He was registrar of companies for a period of 25 years. He began his career with the government in 1932 and was appointed, of course, acting registrar of companies, then ultimately registrar. We were fortunate in being able to appoint Harold Thomas as registrar. [This] was a promotion within the companies branch and, I think, demonstrates Mr. Thomas' qualifications to this position, as the position, of course, was advertised.

I might say that in the next few months we hope to be able to incorporate a company within three days of the receipt of the documents. We hope to be able to check the name of a company within one day of receipt. We hope to be able to register mortgages within one day of receipt. It might be interesting to know that during the fiscal year 1974-75, we checked some 20,000 names, registered some 2,900 mortgages, issued some 5,700 status reports on companies, and over 3,000 certifications -- letters, which go to the Land Titles Office and other jurisdictions, certifying the incorporation of companies.

With regard to the main principle in the bill, I'd like, first of all, to point out what is happening in some other jurisdictions. At the present time, the British Columbia Companies Act provides that a majority of directors of a company must be persons ordinarily resident in Canada, and one director must be ordinarily resident in the province. The Ontario Business Corporations Act requires that a majority of directors of every corporation, other than a non-resident corporation, must be resident Canadians.

The federal act, Bill C-29, requires that a majority of directors of all corporations be resident Canadians, except where a company's holding corporation earns in Canada, directly or through its subsidiaries, less than 5 per cent of the total gross revenue of the corporation and its subsidiaries. In this case, the federal bill requires that only two-thirds of the holding company's directors be resident Canadians. The Ontario act and the federal bill require that a majority of the members of the board of directors be resident Canadians. They also prohibit the board from transacting any business at a meeting unless a majority of the members present are resident Canadians.

It's interesting that in the material leading up to the federal bill, some federal proposals were put forward which dismissed the usefulness of the requirement which is now in the federal bill. However, it is interesting to note that the federal bill did, in fact, go the way I've indicated, because I believe there are some very valid considerations for both the proposal that was made to the federal government and in the bill they ultimately adopted.

A jurisdiction which confers the right

to incorporate a company is entitled to specify that boards of directors of companies include people who are familiar with the environment of the province and are thus able to bring to bear on corporate decisions a consideration of their local implications. It is sometimes said that residency requirements will merely lead to the appointment of nominees who will be indifferent to the domestic interests and who will not play an active and independent role on the board of directors.

Against that notion is the fact that all companies acts, our own as well, place duties and responsibilities and liabilities upon directors of companies. I believe these duties, responsibilities, and liabilities tend to discourage any director from playing a merely passive or acquiescent role. The liabilities under our own act relate to the payment of dividends, insider trading reports, interests in contracts, loans to shareholders, statements in prospectuses, and wages of employees. Therefore the requirement that some directors be resident in Alberta, and therefore within reach of the jurisdiction, ensures accountability under the act and the enforceability of the directors' personal liability under that act.

I would suggest that nationalistic attitudes relating to the control of foreign-dominated companies is adequately met in the Foreign Investment Review Act, which is, of course, federal legislation. I believe it is useful and important to ensure that the boards of directors of Alberta companies have input from people who are familiar with local needs and conditions, whether the company is dominated by foreign interests or interests from other parts of Canada. Therefore the amendment refers to residency requirements of the majority of the board. I also believe a majority of the board should be Canadian citizens, so there is a dedicated Canadian input into the decisions of the boards of Alberta companies.

As I indicated earlier, about 1.5 per cent of the companies incorporated in Alberta are public companies. I would suspect that many of these companies will be affected by this change. The rest of the companies incorporated in Alberta are private companies as defined under The Companies Act. Of these, I estimate that about 3 to 4 per cent probably do not now have a majority of their directors resident in Alberta.

Of course, there are many reasons for incorporating a company in Alberta. It's not always easy to understand why people from outside Alberta should choose to incorporate here. In some cases it's for income tax reasons. In some cases it's because they feel a local company is more attractive from the point of view of its appeal to the residents of the province. It is possible to register a foreign corporation in this province, and many companies take that approach. In some cases it's because there is a conflict of name. For that reason a company might choose to incorporate a company in the province so there is no conflict with some existing

company operating here.

In some cases, of course, it is possible to incorporate a federal company and to become registered in this province. Many people do not wish to do so -- that is, to incorporate a federal company -- because Alberta incorporation fees are somewhat lower than federal fees. In some cases the companies desire to be good corporate citizens. Those that will be affected have tended, in latter months and years, to consider it important that they have among their directors people who reside within the province.

I would therefore ask hon. members to support the basic principle contained in Bill 61. I look forward to an interesting debate on this bill.

MR. R. SPEAKER: Mr. Speaker, in making one or two remarks with regard to the principle of this bill, I raised some questions in the question period earlier and certainly would like to follow that up.

I'd like to say that when the bill was first presented by the minister, and again this evening, on face value, the idea of 50 per cent of the directors of a company being Alberta residents certainly appealed to me. I felt that was a valid concept, as a concept in itself, and certainly one I could support. I think my questions the other day, and certainly my concerns at this point of time, are with regard to the mechanics and the implementation.

The minister clarified some of these things when he indicated that we are talking about a relatively small number of companies. It seems -- just a very quick calculation -- that something like 5 per cent of the companies in the Province of Alberta would be directly affected at the present time. But I don't know what kind of adjustments they would have to make. So there are some questions I would like the minister to reflect upon when he closes debate on this particular bill in second reading.

For example, what examination has been made with regard to the extra cost of bringing on new directors? Will this reduce investment in the Province of Alberta? By putting 50 per cent Albertans on a number of these companies, does it mean Albertans will be taking over some companies? This question was raised with me the other day, and I didn't have an answer for it. Will this provision deter investment, or deter certain companies from coming into Alberta when they have to put Alberta directors on their boards? What happens in situations where every province of Canada introduces legislation such as this? I think the minister, when he was defining the public companies and private companies, helped me understand that to a different degree. But certainly if there's something with regard to that question, I'd appreciate the minister reflecting on it.

The other thing that concerned me was the priority of government itself. From my own constituency point of view and from travelling around the province, I've felt that when we talk about Alberta residents as owners, the land question has greater

priority than this question. So I was very surprised when this principle was introduced in this legislation at this time, taking precedence over the land legislation. Certainly I would like to have some comment with regards to that.

But as a whole, Mr. Speaker, those are some of my concerns, and I'm sure there are more. The other day in this Assembly when I raised the idea of having the Committee of the Whole hear briefs from interested parties, I thought that would be one approach we could use to get more detail or the opportunity to clarify these questions with the general public or with companies in Alberta. The other idea was to hold the bill over to spring session so public discussion could take place. Certainly these are concerns, and the information I get from the industry level or the corporate level is that the bill caught them by surprise. They didn't realize the government was going to introduce legislation such as this, and communication or dialogue did not take place before the legislation was introduced. I think I made the request to the Premier on the basis that possibly there should be some more dialogue. Maybe there are difficulties not foreseen at the present time, and we may be able to clarify them. I felt it was important to examine it further if we could, Mr. Speaker.

MR. LOUGHEED: Mr. Speaker, I would like to make a few observations with regard to this bill and a couple of the remarks that have been made by the Member for Little Bow.

First of all, I think, in looking at the bill, I would like to comment on the remark, made by the hon. member opposite, with regard to the priority of this matter over the question of land ownership. Important as I believe Bill 61 is to the future of the province, we would think its importance would rank behind the necessary legislative moves involving land ownership. It's a matter of timing and circumstances that brings this bill to the House at this stage -- for reasons I'd like to go into in a minute -- prior to the opportunity to bring forward a bill regarding foreign land ownership -- which we consider a very important matter for the future of the province. As I've mentioned already in the House, Mr. Speaker, I would intend to make a statement with regard to this matter as soon as I've been able to gather together a number of items of information.

Mr. Speaker, in the question period the other day, and again by inference in raising the matter of land ownership, the hon. member questioned the position where we took the view that our position on land ownership is that we were not discouraging other Canadians [from] purchasing land in Alberta, and that we wanted to try to work out a land ownership situation which would not preclude the acquisition of land in Alberta except under circumstances as may be developed. [He] suggested perhaps we should consider whether or not that was at odds with the principle in Bill 61. I don't think it is in any way.

What we're saying in Bill 61 is that there's no question that in an ownership/

shareholder basis, investment is welcome from other parts of Canada, and for that matter from other parts of the world, to come into Alberta and to incorporate a company here. Quite clearly under Bill 61, with half of the directors being resident Albertans, it would be quite in order for a Canadian residing, shall I say in Toronto for want of a better place to focus my remarks, to acquire an interest in a business, a majority ownership interest in a business in this province through an Alberta company, provided one-half of the directors were resident Albertans. I think they are entirely different matters -- the question of ownership and the question of the management under a specific corporate situation, and under the provisions of our Companies Act, which grant certain privileges to incorporation as well as the obligations the hon. minister pointed out. So I think they are entirely different matters, and looked on that way by us. I would like, as I say, to confirm that we do not feel the question of land ownership is any less of a priority than this. In fact we would consider it as being more so; it is a matter of timing.

The basic aspect behind Bill 61, in our view, is that we are assessing Alberta's industrial strategy, that it's important to this province how we develop as a province. It is important that there be a corporate responsibility and awareness of the nature of Alberta's development over the course of the next decade, because we want that development to occur, in the interests of Albertans, in somewhat different directions than it has occurred in the past. We frankly would prefer that a great deal of it occur without the pressure of regulation and law by government, but that it occur naturally, by an acceptance of corporate responsibility by Alberta companies in Alberta.

It is our judgment that the probabilities of that occurring will be a great deal greater with companies that are incorporated and have at least one-half -- not a majority, not 100 per cent, but at least one-half -- of their directors resident in Alberta, living here and conscious of our desires and our objectives by way of industrial strategy. I think that's extremely important when I hear the figures of the hon. minister, which even would surprise me -- if I caught him right, 857 new companies in the month of October. That makes me wonder somewhat about what may be going on, so to speak, out there. That's an extremely large incorporation.

And that comes to the next point. Alberta, for economic reasons, is a very attractive place to be a part of, and we want to continue to have it that way. We want to continue to welcome people to come and bring their investment dollars here. But as we said on our European mission, and as we've said in other parts of Canada, we want you to come here with your dollars not to buy raw land and sit on it and hedge against inflation, not to come and to use your moneys here with just your own operation, but to come and be a partner with Alberta business as it exists today, to be

a joint venture partner. That means participating in partnership with Albertans who are living here, who have their roots here, and are committed here.

I think a bill such as this is a message, because it's not a majority, it's not 100 per cent, it's one-half. It's a message to the business community of what we look for, that we look for people to come and to invest here, but in partnership with the people who are here, if it's practical to do so, not by insisting on it, not by drawing artificial lines in that regard, but by saying that if you're going to incorporate as a company here -- sure, five Toronto businessmen spotting an opportunity, welcome as they are to bring their dollars, coming here and incorporating a company, taking advantage of that opportunity, creating a situation of jobs certainly, are welcome on an ownership basis. But surely they have a corporate responsibility to assure that at least one-half of the people who are making the corporate decisions for them live here and are affected by our environmental, education, social, business, tax, and other considerations. [I] feel that's extremely important at this stage in our development.

Now, the hon. member opposite has raised the question of timing, which is a fair point. Why now? But when I heard the figure 857, I wondered, why not last June? It's pretty obvious we are in a stage of our development that it's important that we have this sort of recognition of Alberta interest quickly and rapidly. If they're coming in at that rate, it's only fair, if we have this in mind, that we bring it forward quickly. I think it's obvious that developments in this nature have been contemplated for some time and have certainly been mentioned.

One of the most important things we conceive of in this province, in our industrial development growth, Mr. Speaker, is the concept of balanced economic growth; not just two huge metropolitan areas, which I've said so many times around this province, but balanced economic growth in all parts of Alberta.

Now people living here who are conscious of the milieu that exists in this province, conscious of the public discussion and debate that goes on, are much more likely, in my view, if they're resident here, to recognize that this is a thrust of the provincial government, and one that they, in a corporate responsibility, should attempt to work on with the government and the people. I think resident Albertans would be much more likely to do that than would a company incorporated in this province where the ownership and the entire board of directors were elsewhere.

Mr. Speaker, there is a number of other items I could add to my remarks. I think the spirit of this particular provision, the impact of it, the consequences it will have on the nature of a multitude of business decisions will be very beneficial to the people of this province, and will assure what we have been talking about in many different parts of Canada and in Alberta: that there is truly a new west,

and that new west find its leadership in Alberta. And surely that leadership, in a business way, should come from resident Albertans.

[applause]

[Motion carried; Bill 61 read a second time]

Bill 57
The Trust Companies
Amendment Act, 1975

MR. ASHTON: Thank you, Mr. Speaker. It's a pleasure to move second reading of The Trust Companies Amendment Act, 1975.

I would have to say that if the length of the bill is any indication of the importance, Mr. Speaker, it would appear this is the most important bill to be introduced this session. However, as the hon. members are painfully aware, it's not always the length that indicates the importance, as some of the speeches in the House from time to time indicate.

It can be conceded that in these 33 pages there are some technical amendments and some typographical error amendments. But some very important principles are also involved here. The basic thrust of the majority of the amendments of this bill, Mr. Speaker, is recognition that Alberta is an expanding province. We have an expanding economy, and that expanding economy can be assisted by stable and aggressive financial institutions. It is with this in mind that the amendments are introduced to strengthen our trust companies in this province.

It does this in several specific ways. One is that it increases the capital requirements for trust companies; in fact, it doubles the capital requirements for trust companies. That certainly will provide greater strength for them in our financial community. It also permits the trust companies to expand their operations to take advantage of recent amendments to the federal Income Tax Act, and it allows them to participate in mortgage investment companies which are specifically defined within the new Income Tax Act amendments. Of course, as the members are aware, the mortgage investment companies, under the Income Tax Act, are a method to encourage further investment by financial institutions in mortgages. We have heard many speeches in the House already this fall with respect to more money in the mortgage market.

It allows our trust companies to grow in a more speedy manner by allowing them -- for example, if they wish to buy into other financial institutions, the way it is right now, they have to pay cash. This amendment expands the alternatives for expansion, for example by exchange of shares. It also enlarges the rehabilitation proceedings, in other words, what happens to a trust company that gets into financial trouble. I understand there have been some in the history of this province. By expanding the rehabilitation proceedings, rather than the

necessity, in effect, of putting the trust company into receivership, there are alternative ways of keeping it operating and getting it to recover its health and carry on further.

So, Mr. Speaker, I ask the unanimous consent of the House for second reading of this bill.

[Motion carried; Bill 57 read a second time]

Bill 62
The Agricultural Development
Amendment Act, 1975

MR. MOORE: Mr. Speaker, the amendments to The Agricultural Development Act, or the important ones at least, are about three or four in number. In accordance with your earlier remarks, I'd like to try to restrict my remarks to the amendments pertinent to the bill before us.

First of all, I'll deal with a change in a section of the bill that outlines a slightly different concept in terms of financing. Hon. members would be aware that previously the bill provides that only direct loans may be made from the revolving fund of the Agricultural Development Corporation, which until now has been \$100 million, but which we are proposing to raise to \$150 million. You will note a change in the bill, Mr. Speaker, that provides that the only thing that will be paid from the general revenue fund of the province or from the Department of Agriculture budget is the expenses of administering the act, generally speaking, which involves the salaries for the employees of the corporation, the costs of the operation of the day to day work the corporation does.

A variety of things, such as the rebates of interest on our beginner farmers program, the costs of guarantees implemented by the Ag. Development Corporation where loans are not collected, will be paid from the revolving fund after the amendments to this bill. There are a number of reasons for that, Mr. Speaker. First of all, I should say that hon. members might think it would be simpler to say all the costs of the Ag. Development Corporation, including the employee costs, the insurance premiums, salaries, wages, et cetera, should be paid from the revolving fund. The reason we chose not to do that, Mr. Speaker, is that the employees of the corporation, the loans officers, and those people who are out in the field in the six regions of the department are involved in a variety of other things that aren't directly related to loans provided by the Ag. Development Corporation.

We've charged those persons with being responsible for credit counselling. Indeed, many times they are involved in working with other staff in the department and working with farmers who may, in fact, wind up taking out an FCC loan or a loan from a chartered bank or some other source. It was my concern that I didn't want to

separate the employees of the Ag. Development Corporation from the functions of the Department of Agriculture in a way that would leave them, over the years, just dealing directly with Ag. Development Corporation loans. Indeed, I'm sure hon. members would agree there's a great need and desire on behalf of farmers in rural Alberta to obtain credit counselling and assistance in a variety of ways with regard to credit that is not always directly related to an Ag. Development Corporation loan. That's one of the reasons.

The second, Mr. Speaker, is the situation where the corporation is required to implement guarantees, pay out loans obtained from chartered banks and other lending institutions. In that case, Mr. Speaker, the Department of Agriculture is required to budget for those pay-outs. In almost every case, we have some kind of security. I would give as an example the unharvested crop program of a year or so ago, whereby we were required to pay out a number of dollars during the course of the last year that were uncollectable within 30 days of when they were due. I can't recall the exact figures, but it was something like \$1.4 million out of over \$40 million in loans. In order to make that payment, it was required that we either budget previously or provide a special warrant, which was done earlier this year. In every single instance, the land was caveated. We've collected a number of those loans already and expect, in due course, to collect the large majority of them.

Those funds, when they are collected, go into the general revenue of the province. So in effect what we have here, Mr. Speaker, is a kind of double budgeting situation, in that many of our guarantees that are called upon are called within 30 days of when a payment is required to become due, and down the road some time -- sometimes within the course of months, sometimes longer -- we realize on the security we hold and collect the money. So the change outlined here will allow us to pay those kinds of thing from the revolving fund of the Ag. Development Corporation. When we do make collections, those same dollars will go back into the revolving fund of the department.

The second change with respect to the act, Mr. Speaker, involves raising the limitation on direct loans from \$100 million to \$150 million. Hon. members will note from the annual report for the year ending March 31, 1975, which was tabled last week, that there is something in excess of \$80 million now out on loan from the direct fund. While we're not in any danger, over the course of the next 2 or 3 months, of going over that, certainly some time early in 1976 we will be in a position of exceeding the \$100 million.

We felt it was necessary at this time, in view of the fact the spring session doesn't always conclude until May or June, to amend the act to increase the level of funding available to primary producers in Alberta from \$100 to \$150 million, so we're not in a position, perhaps in January, February, or March of next year, of having

to say to farmers in this province, we have no more funds for direct lending.

I might add, because it's important to this section of the bill, Mr. Speaker, that we are concerned about the lending ability of the Farm Credit Corporation. Hon. members might recall that sometime last spring, when the former Minister of Finance in Ottawa presented an interim budget, there was a reference in that budget to a restriction on the amount of funds provided to the Farm Credit Corporation.

Indeed such has been the case, to some extent, in that the Farm Credit Corporation has recently run out of lending money for the balance of this fiscal year. Although they are still accepting applications, they won't be providing any funds until after March 31, 1976. This, in fact, Mr. Speaker, may put an additional strain on the Ag. Development Corporation, although we're hopeful the method of approving loans designed by the FCC, in allowing farmers to obtain interim credit from our chartered banks and other lending institutions, will not put too great a strain on our provincial corporations.

Two other sections of the act are important, Mr. Speaker. It was not previously the case that loans in excess of \$5 million required the approval of the Lieutenant Governor in Council. A provision has now been made in the act that any loan in excess of \$500 requires the approval of the Lieutenant Governor in Council, with an exception that an increase in a loan above \$500,000 may be made to a maximum of 10 per cent without that approval.

You may wonder why that is in there. I would explain that almost all, if not all, loans or guarantees from the Agricultural Development Corporation that exceed that are to agribusiness. Most of the loan guarantees to agribusiness from the Ag. Development Corporation are guarantees for operating capital and inventory financing. There is indeed a great variation in the requirements of a number of our processing plants throughout the year with regard to inventory financing, and we wanted to make sure we had the ability to move quickly where an additional few dollars was required.

Finally, Mr. Speaker, the last change in the act is one which is indeed very important, and probably follows closely on some of the things we've talked about in an earlier act presented by the Minister of Consumer Affairs. Very briefly, the situation is that under the existing act it is possible for anyone who makes a purchase of land to assume either an agreement for sale or a mortgage that has been written by the Ag. Development Corporation under someone who is approved under our regulations.

I'm concerned, quite frankly, that it's theoretically possible today that an outside foreign interest, outside of Alberta or outside of Canada, could come in and by way of purchase assume a number of Ag. Development Corporation agreements for sale or mortgages at 7 per cent interest over 30 years. We really think the corporation is

designed in such a way as to assist Albertans, Alberta farmers, and that we should have a right to ensure that those who assume the mortgage would also qualify under the terms of reference of the Ag. Development Corporation.

Mr. Speaker, there's no question that the original act contained reference to that, and we felt that was sufficient at the time. However, legal advice tells us there is a section of The Land Titles Act that overrides the provisions contained in The Agricultural Development Act, so we're simply saying, notwithstanding Section 157 of The Land Titles Act, Mr. Speaker, an assumption of an agreement for sale cannot take place without the express consent of the corporation.

I should say in addition, Mr. Speaker, that we've had some difficulty in determining how to deal with mortgage agreements which aren't contained in the act. We have a clause attached to every mortgage agreement, and have had for a number of years, that suggests a mortgage agreement as well may not be assumed by another individual without the express consent of the corporation. I think it's important, Mr. Speaker, to say in this Legislature that we hope that that clause contained in the mortgage agreement will be sufficient to stand up in a court of law in the event mortgage agreements are assumed by people outside of Alberta whom we don't wish to assume them.

I do intend, over the course of the next short while, to try to enroll in the regulations attached to this act an outline of the mortgage agreement, in the hopes that that will make it very secure that mortgage agreements taken out by individuals under the Agricultural Development Corporation cannot be assumed by other individuals without the express consent of the corporation.

I think that concept, Mr. Speaker, is one that all hon. members would agree [with]. When the public funds of the Province of Alberta are being used to improve our agricultural industry and the opportunities of our primary producers, we should try to use them in a way that would be beneficial to Albertans and our people, and ensure that they cannot be assumed by interests outside this province.

Those, Mr. Speaker, are the main points in the bill. I would recommend to all hon. members to vote in favor of it on second reading.

MR. MANDEVILLE: Mr. Speaker, I'd like to make a few comments pertaining to agriculture, during the second reading of Bill 62. First, I again express my support of the Alberta Agricultural Development Corporation in its objectives, aims, and in the valuable contributions this agency has made to the agricultural economy of this province. I've certainly got to agree that the corporation, the board of directors, and the management are doing a terrific job with the heavy load they have to handle. I also think our local committees are working out much more successfully in this past year than they have in the past. I am very pleased they're getting more recognition on

the recommendations coming from the local committees. This is very much appreciated.

I know that many MLAs from the rural areas do get involved from time to time. It's really hard not to be putting over influences you shouldn't really be expressing as far as the board or the management is concerned. However, I do the best I can. I would like to say that at times I wonder if they wonder just how we, as MLAs, fit into the picture in management and making decisions and so on. However, I very much appreciate the work I have had with the board.

In principle, Mr. Speaker, I support the concepts put forward by this amendment. But I see, Mr. Speaker, that the amendment provides for an advancement of some \$50 million in excess of what is now available to loan applicants through ADC. If all facets of agriculture were stable, I would whole-heartedly endorse this move. However, Mr. Speaker, with the current crisis faced by the cow-calf producers of this province, I would suggest this situation demands immediate consideration by the Assembly. The \$50 million increase in the fund could be very beneficial to agricultural producers of Alberta. Should there be enough, we [would be] able to weather the current crisis in beef prices, not to mention the future repercussions to an agricultural economy that lack of immediate government action is bound to result in.

Mr. Speaker, I realize what I am saying has been repeated over and over in the House from time to time. I am one who comes from the south. I know I've talked to the minister on this. In the south many of the cattle organizations don't want government involvement. However, I met with a gentleman this morning from the north. He was telling me there were many people in the north who weren't able to continue on if something didn't happen or some relief wasn't seen in the near future as far as the cow-calf situation is concerned.

As he went on to explain to me, and which I realize very well, it's as a result of some government programs that they got into the cattle industry. For example, a few years ago we had the LIFT program, which paid the farmers not to grow any grain. So they didn't grow grain. What did they have? For several years, the federal government paid \$10 an acre for them to seed grass. So these incentives were there for these farmers to diversify their operation and get into livestock. Then we had loans through the provincial government for them to buy cows. Then we had the cow-calf loan. With this type of situation, I think the government is going to have to come up with some type of program to save some of the farmers in the northern part of the province. They've certainly got a crisis that's going to be really hard for them to cope with.

I really can't say I agree with all the four points the NFU is presenting, because in my estimation, a grant is just a stop-gap. I think that as a provincial government we should come up with some type of stabilization program for the cow-calf

operator, similar to the one the federal government came up with for the beef industry. However, I have to say the one the federal government has with beef this time, at \$43.94, is unrealistic. It's down from our support price of last year. I would like to see the government come up with a stabilization program such as this with a realistic price for our cow-calf operator, not so high that we are going to promote more people into the cattle industry, but to save some of our farmers facing a terrific plight in the north at this time.

Thank you, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, I'd like to say a word or two on this bill, because the Agricultural Development Corporation has made a number of loans in my constituency. While there has been some criticism about the delay, nevertheless there's general satisfaction with the work done. I had one farmer who felt very badly that his sons did not secure the advantage of the extra interest rate, and the ADC took the stand that they had a pretty fair operation and didn't require this in order to have a viable operation.

I'm not sure that having discretion in regard to special benefits of interest to some people, and not to others, is a very sound proposition. It creates some difficulties in the field, because to some degree it's a matter of judgment. I would like to see any interest benefit available made to all young people, because even though the operation is large, sometimes the larger it is the more need there is for every advantage for those young people to really make good. They're getting into a really big operation and, in my view, need every possible assistance.

However, it would be very strange if an organization this big, that had come into being so rapidly, didn't have some items that could be improved. Generally speaking, I want to congratulate the chairman of the board [on] the attention given to every case I've brought to him. I've had no criticisms throughout my constituency, other than the one I just mentioned, about the work of the board.

A point, I think, is going to be of concern in the future. I'm glad to see the minister and the government raising this amount to \$150 million, but even that may prove too small an amount if the price of land continues to escalate at the rate it has. Land in parts of my constituency is now selling quite commonly for \$400, and some between \$400 and \$500 an acre. Consequently a person wanting to buy two sections goes beyond that half a million dollars that now must be approved by the Lieutenant Governor in Council.

I agree with that provision, however. When a corporation is making loans beyond half a million dollars of public money, I think the government of the day should have some direct knowledge of what is going on. So I would like that provision. As a matter of fact, I would favor it even in a smaller amount, even though I have every confidence in the ability of the board. But I do think that provision keeps the

government in close touch with the larger applications for money from this fund, and can certainly check such applications to keep a first-hand running knowledge of what's going on in the corporation.

One of the matters of concern in my constituency is this rising price of land. I'm not going to deal with the causes of it. Some people claim it's Arab money coming in. Some claim it's money from Germany, and some, money from Italy. Frankly I don't know where the money is coming from, but I know there are those offering very large sums of money. This is a matter of worry and concern to many, many farmers who don't want to sell their land, but whose sons, nephews, and daughters want to secure land. It's pushing the price of farmland completely out of reach of the young farmer.

There is just no way he can present a case to the Alberta Agricultural Development Corporation where he can show he can raise a reasonable portion of that, which I think is a sound proposition -- in which he can raise that kind of money to compete with money of a size that's going for land today. So it's becoming quite a worry among many farmers, and it's hard to go into any farm home where this matter isn't raised almost immediately.

I recently had what I call the main-streeting tour of my constituency, prior to the fall session. If any matter was mentioned more than others by the farmers, farmers' wives, farmers' sons, and a few farmers' daughters, it was this particular matter. They think the price is getting so high that they just can't see their way to getting a farm of their own ever. This is a pretty frustrating thing to a young man raised on the farm who wants to spend his life farming. So the Agricultural Development Corporation is going to be faced with new challenges in regard to trying to meet the needs of young farmers in competing with this kind of price for land.

Of course, I think one of the primary objects of ADC was to encourage young men to buy out their fathers' farms, to get on the farm. I think that's the primary object of the whole thing -- to keep continually a younger strain of men and women on our farms, so we can retain the family farm. I agree with that objective. I think it's one of the top objectives of the Agricultural Development Corporation. It's a very worthy project in putting, say, \$150 million into this fund of public money. It's enhancing the breadbasket of the future, not only for this province, for Canada, but for the world. Because I'm satisfied that more and more of the food the world needs is going to come from the prairies of Canada, the three prairie provinces, and certainly Alberta is the leading one of those three.

So it is necessary to keep our young people on the farm, and it becomes quite a worry when prices for land are getting so high that our young men are beginning to think it's completely hopeless to ever get on the land, to ever get a farm of their own. They are going into other fields of endeavor, and we are losing some really

good young people who would be top-notch farmers. There are still a lot who want to get on the land, who are still hoping that by some way, some means, they can get enough money to compete with the high prices being offered, sometimes by foreign money, sometimes by Canadian money and, I suppose, sometimes by Alberta money.

In my view, the investment of money in land today is the soundest investment in the world. I don't think there's any better investment than investment in land. I think it has no place to go except up, so there's certainly an enticement for people to invest in land. When everything is said and done, there are probably some reasons for the price of land to be rising, but it's also a great matter of concern.

So I believe the members of this Legislature should be trying, in every possible way, to work out ways and means of helping the hon. minister and the Agricultural Development Corporation meet some of these new and difficult challenges facing us. I don't think it's good enough to simply stand back and find fault with the ADC because it's not meeting every particular need facing us today. I think we can meet a great majority of the needs, if we work together and try to help this corporation do the job for which it was brought into being. I support the second reading of this bill.

MR. ZANDER: Mr. Speaker, I have just a few points I'd like to mention before we proceed with second reading. The hon. Member for Drumheller has hit a few points. I think he didn't go far enough. I think before the ADC starts going out providing funds for land, the first thing that must be looked at is the repayment. If a lad has the 20 per cent down payment, I don't think we should go out and give him the amount of money required to purchase a farm, for the simple reason that the repayment must be sound. It must not be burdensome to the farmer.

Looking at the prices today, I wonder if the minister has instructed the ADC loan officers. When we look at the price of land now running at \$50,000 to \$100,000 and over on a half section, and paying it over a 30- or 40-year term, we can quickly visualize the obligation of the repayment must not look at the \$150,000, but at \$300,000 or \$400,000 repayment. At the prices of products today, I don't care who he is, there is no young farmer going to be going on to land that he can repay. He simply can't make it out of cattle, and he can't get a grain farm anywhere near the \$200,000 mark. I would certainly encourage the minister that counselling should take effect before any loans are offered to young farmers. They could be a millstone around the neck of a young farmer, and I think we, as a province, could end up owning perhaps 30 or 40 per cent of the land. I think this is the consideration I want to leave.

The minister mentioned counselling of the applicants. In most cases, the smaller centres are too far removed from the central office; I don't know how many there

are. I certainly hope the minister would give instructions, at least in some of the major centres, where people could go for financial counselling before they get into hot water, and get in there too deep. I can visualize that we, as a government, are going to have a lot of Crown land on our hands if they're going to pay that kind of money. They're not going to make it out of agriculture, not at the price that exists today. I think we'd better not make the mistake of lending that much money to get young farmers started with stars in their eyes, and finding out three or four years later that there isn't any way they can make the repayment on interest or principal.

MR. LYSONS: Mr. Speaker, I would like to speak in favor of this bill. I see the minister's problem in changing the [expenses] portion of the bill, and I think this is a very important amendment to the act. As well, I believe we have to increase the funding of the corporation by the additional \$50 million, as it is my view that the Agricultural Development Corporation, although awfully wobbly and shaky in its infancy, is now becoming a stable loaning body. They have some pretty capable men in the loaning field. And I believe that if we don't cater to and help the young farmer, and sometimes the older farmer, we're simply not going to have farmers.

I have had considerable experience in the loaning field myself. In all the years I was in that field, we loaned many millions of dollars, and I'm sure we never lost any money to a bona fide farmer in 30 years of operation. I believe that under the Agricultural Development Corporation we're going to have to expect some minimal losses, because they are lenders of last resort and generally are carrying out the aim of this government to diversify our industry. And I certainly can't see any better way of diversifying industry and keeping people happy and active on the farm than through the Agricultural Development Corporation and helping young farmers.

MR. MOORE: Mr. Speaker, I'd like to commend the members for the remarks they've made. Perhaps some brief response to two or three things. The hon. Member for Drumheller, Mr. Speaker, mentioned a couple of things I'd like to comment on. One was the special interest rate with regard to the beginner farmers program. You should know that we've been providing an interest rebate to beginner farmers who qualify under the Farm Credit Corporation loans as well. But I would have to say that I, too, have shared some of his concerns about the inequalities that happen when you have two different programs and, for some reason, an individual does not fall under the category of a beginner farmer. Indeed, that was a discussion among the board of directors of the corporation and myself two or three weeks ago, and while we haven't made any changes yet, we are conscious and aware of the difficulties that occur there and are in the midst of trying to conclude just how to resolve

them.

I am pleased, Mr. Speaker, with the improvements that have been made over the years in the delivery of the various programs by the corporation to Alberta farmers. I know that in its early infancy delays were sometimes occasioned that really should not have been tolerated, but most people appreciated that it was difficult in the early years of the corporation. However, I know they have been improving steadily in the last year or two in terms of service, and that largely has been accounted for, Mr. Speaker, by the improvements in the abilities of various staff members, not only in Camrose but throughout the province, who are working for the corporation. Indeed, as well, as the hon. members may have noted, I have increased to some extent some of the capabilities of the corporation by the addition of some new staff members where we felt it was necessary.

I wanted to comment, as well, with regard to the remarks of the hon. Member for Drumheller about the approval required in the amendments of the Executive Council on loans over \$500,000 and to say that, generally speaking, direct loans and beginner farmer loans have a limitation of \$150,000 or \$125,000 maximum. I expect the staff, the board of directors, and the chairman of the corporation to deal with those direct loans to primary producers with that limitation without my advice or approval. I would say that on agribusiness loans and guarantees, as a general rule, in addition to the new requirements of Executive Council approval over \$500,000, they do require ministerial approval over \$100,000, which, indeed, is an additional check and balance that might not be provided by those who are dealing directly with them.

I would say, Mr. Speaker, to the hon. Member for Drayton Valley that the corporation is very, very conscious of lending money in a situation that may create an increase in the value of land in a given area. Indeed, in recent months one of our greatest criticisms has been refusing to make loans where we deem the price of the land to be above an agriculture value. That's put us in some difficult circumstances. But we want to try to avoid the problems the Farm Credit Corporation got into in the early 1960s when, quite frankly, with land prices that were much less than today, they were accused of making loans that created an increase in the price of land. Because really the price of land, as no doubt all members are aware, is based on the availability of credit and cash from wherever it comes.

I'd say, as well, that I think we have an excellent system now in rural development officers and loans officers, DAs in terms of credit counselling. But as well, the corporation, for the three and a half years of its existence, has been using farmer supervisors for beginner farmer loans. I would say, quite frankly, with some practical experience in agriculture, that if we can get a good outstanding farmer in a community to take the responsibility of supervising and helping a young

farmer, we're probably doing a lot better than getting one of our employees to try to do it. Because, indeed, around this province we have untold numbers of farmers who not only appreciate and enjoy taking the time, but have the ability to supervise young people who are getting started. That's going on in a very dramatic sort of way.

I'd say, as well, that out of some 171 beginner farmer loans we had extended to March 31, 1979, there are less than 10 per cent -- not more than 9 or 10 of those 171 loans -- where we consider the individuals are in some kind of trouble and perhaps aren't going to be able to make it. I think it's pretty commendable that however small those numbers might look on paper, we've been able to put at least 160 new farmers that we know for sure would in no other way be on the farm.

I want to conclude, Mr. Speaker, by saying again that I appreciate all hon. members' contributions to the debate and the patience all of them have exhibited in various inquiries to my office and the corporation with regard to the great variety of loans and loan applications the corporation has. I say to them that we know today that the situation is still not perfect. We will continue to try to improve the delivery of the services of the Agricultural Development Corporation, with their help, to all rural Albertans.

[Motion carried; Bill 62 read a second time]

Bill 65

The Optometry Amendment Act, 1975

MR. BOGLE: Mr. Speaker, it gives me pleasure to move second reading of The Optometry Amendment Act, 1975. If I might, Mr. Speaker, I would like to go briefly over five main changes that would occur in the act. They are:

- (1) The amendments are designed to ensure, firstly, that persons receiving certification under this legislation must register to practice within one year of the date of certification. This is being done to avoid those cases of persons delaying their entry into active practice for an unreasonable length of time.
 - (2) The removal of the connotation of guilt from those offences committed in violation of professional standards of practice.
 - (3) To add incompetency as a ground for disciplinary action.
 - (4) As much as possible -- and I think this is probably a key point to the bill -- to adopt the wording of The Medical Professions Act, 1975 with respect to disciplinary action.
 - (5) To ensure that any person who is not in active practice for a period of one year be required to submit to educational requirements that may be prescribed by the board of examiners.
- In conclusion, Mr. Speaker, this

amendment covers the professional ethics and conduct for the members of the Alberta Optometric Association, and it has the association's full support.

[Motion carried; Bill 65 read a second time]

MR. HYNDMAN: Mr. Speaker, I move that you do now leave the Chair and the House resolve itself into Committee of the Whole to consider certain bills on the Order Paper.

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

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

COMMITTEE OF THE WHOLE

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of the Whole Assembly will now come to order.

Bill 40 The Alberta Environmental Research Trust Amendment Act, 1975

MR. CHAIRMAN: There is an amendment to this bill. Section 3 of the bill is amended by adding the following clause:

(c) by adding the following subsection after subsection (4):

- (5) The Minister of the Environment may authorize, fix and provide for the payment of remuneration and expenses to the trustees.

MR. BRADLEY: Mr. Chairman, I believe the amendment has been passed out to all the members. Basically this amendment brings remuneration for trustees under the authority of The Alberta Environmental Research Trust Act. Present remuneration for trustees was authorized by the issue of a ministerial order in 1973, pursuant to Section 6 of The Department of the Environment Act. It was thought that at this time it would be appropriate, in recognition of the better organization of the trust, that authority for remuneration of trustees be brought under the authority of the present act.

MR. NOTLEY: Mr. Chairman [inaudible] question to the member piloting the legislation through. I understand his explanation, but can he give us the per diem rates of the members?

MR. BRADLEY: Yes, it's also in that ministerial order, Mr. Chairman. An independent member of the trust would be paid an honorarium of \$100 per meeting, plus expenses prescribed in the public service regulations governing the payment of subsistence and travelling allowances.

MR. CLARK: Can I ask the hon. member to give us some indication of how often the trust meets a year. How many times a year are we looking at this amount of \$100 per day?

MR. BRADLEY: The trust meets approximately twice a year, once to have a general meeting.

MR. CLARK: One day each time?

MR. BRADLEY: One day each time, twice a year -- once to have a general meeting of the trust, and the other basically to review the granting of research funds.

[Title and preamble agreed to]

MR. BRADLEY: Mr. Chairman, I move that Bill No. 40, The Alberta Environmental Research Trust Amendment Act, 1975, be reported as amended.

[Motion carried]

Bill 45 The Co-operative Associations Amendment Act, 1975

MR. MANDEVILLE: Mr. Chairman, in Section 2 it says the director to be appointed to the co-op's activity under this act can delegate his authority to any individual he wants. I'd just like to ask the member piloting the bill through the House: if the director delegates his authority to an individual, who does he answer to? Does the person to whom the director will be delegating the authority answer to the minister as well?

MR. COOKSON: Mr. Chairman, the reason for the delegation is because of the amalgamation of essentially three different branches under one. The legislation amendment is basically to give the director the right to delegate some of his responsibilities to one or other people. Those people would be responsible and accountable to the director.

[Title and preamble agreed to]

MR. COOKSON: Mr. Chairman, I move that Bill 45, The Co-operative Associations Amendment Act, 1975, be reported.

[Motion carried]

Bill 46
The Criminal Injuries Compensation
Amendment Act, 1975

MR. LITTLE: Mr. Chairman, the other day I covered the five areas that are up for amendment. This very, very commendable piece of legislation [of] 1969 gave recognition at that time to the most neglected part of the judicial system, the victim of the crime. I'm very pleased the amendments bring this act up to date.

MR. TAYLOR: Mr. Chairman, I believe the hon. member was going to deal with peace officers who were serving at functions off duty and let us know whether they would then be covered by the police fund, or if they would in that case be covered by this particular fund.

MR. LITTLE: Mr. Chairman, the purpose of this particular amendment is to assure that the police officer doesn't collect twice. He either collects from his own organization or from the crimes compensation board. The major police organizations -- Calgary, Edmonton, Lethbridge, and the RCMP -- have extremely generous provision for injured members and very generous provision for their families if death should ensue. I made inquiries regarding the principal municipal forces, and they no longer engage in what was formerly referred to as moonlighting, that is, police officers taking on jobs such as supervising football games, parade routes, and so forth. All of these assignments are now handled through the police organization, and when the men go out on them they are on duty. Therefore they are still covered by the provisions of the departmental benefit systems.

[Title and preamble agreed to]

MR. LITTLE: Mr. Speaker, I beg to report Bill 46, The Criminal Injuries Compensation Amendment Act, 1975.

[Motion carried]

Bill 47
The Department of the
Environment Amendment Act, 1975

MR. CHAIRMAN: There is an amendment to the bill. The bill is hereby amended as follows:

Section 8 of the bill is amended by renumbering Clauses (a) and (b) as Clauses (e) and (f) respectively and by adding the following clauses before the renumbered Clause (e):

- (a) as to subsection (1) by adding after the words "as a 'Restricted Development Area'" the words "or a 'Water Conservation Area'",
- (b) as to subsection (1), Clause (a) by striking out the words "in the Area" and by substitut-

- ing therefor the words "in or adjacent to the Areas",
- (c) as to subsection (1), Clause (b) by striking out the words "in the Area" and by substituting therefor the words "in or adjacent to the Areas",
- (d) as to subsection (2) by adding after the words "Restricted Development Area" the words "or Water Conservation Area".

[Title and preamble agreed to]

MR. KIDD: Mr. Chairman, I move that The Department of the Environment Amendment Act, 1975, be reported as amended.

[Motion carried]

Bill 49
The Attorney
General Statutes Amendment Act, 1975

[Title and preamble agreed to]

MR. FOSTER: Mr. Chairman, I move that Bill 49, The Attorney General Statutes Amendment Act, 1975, be reported.

[Motion carried]

Bill 50
The Alberta
Insurance Amendment Act, 1975

[Title and preamble agreed to]

MR. HARLE: Mr. Chairman, I request that Bill 50, The Alberta Insurance Amendment Act, 1975, be reported.

[Motion carried]

Bill 51
The Marriage
Amendment Act, 1975

MR. HYLAND: Mr. Chairman, I'd like to answer a couple of questions the hon. Member for Drumheller posed in second reading. This is on the question of one physician being required to certify that a person under certificate of incapacity be permitted to marry. We give the following reasons. In remote and rural areas of the province where access to physicians may be limited, it is more expedient to require certification of only one physician.

Number two, the type of assessment required in this case is one that does not involve dealing with nearly as many people. On the contrary, it may deal with only one or two people in a deep, meaningful manner. They may still hold down some sort of job but may not be able to manage their own affairs or estate after bringing home the pay cheque. One might say that the amount of pressure on these people is very dif-

ferent. That is to say, the pressures of a meaningful relationship between two people and the pressures found in the business world are totally different. The type of assessment made depends on a physician's personal view of marriage. There is a difference in the assessment of whether a person is capable of managing his or her own estate and, indeed, in need of confinement, both of which are based on observable facts. It is to be expected that these assessments will be done by a family physician who will have more personal information about the applicant available, which is probably necessary for this kind of assessment. It is a serious matter when we start taking away people's freedom -- thus, in the Mental Health Act the need of having two qualified people.

The present provisions of the act require that this assessment be made by one issuer of marriage licences, or a marriage commissioner, who may have no training at all to make this type of assessment. Our amendment already strengthens this type of assessment, and a further requirement must be added that another physician may also involve and work a hardship against the parties to marry.

MR. TAYLOR: Mr. Chairman, I'd like to thank the hon. member for his comments. I certainly can't agree with them though. This doesn't apply only to people in remote areas of the province. This applies to people in institutions, crowded cities, and so on. I'd wager that if we take statistics of this two years from now, we'll find the vast majority of these marriages by people who had certificates of incompetency took place in our major cities where there is an ample supply of doctors. If the argument is sound that there's only one doctor available to declare a person sound of mind so he or she may marry, I think it's just as sound to say we only need one doctor to say they're not competent and should be placed in institutions.

The bill doesn't prevent the people in institutions from being married. They can be declared incompetent, of unsound mind, by a court, and 14 days later one doctor could say they are fit to marry. As I said in first reading, I'm not wanting to take rights away from anybody, but sometimes we can do people harm by giving them too many rights when they can't assume responsibilities. Rights and responsibilities go together. I know a very unstable girl in this province who has given birth to a number of youngsters, every one of whom is also unstable, every one of whom is partially if not wholly insane. While you can't give any guarantee that this wouldn't happen with people of sound minds, nevertheless it happens very frequently when people have minds that are not sound, found to be so through certificates of incapacity or through a court that declared them to be of unsound mind. Consequently, I think we're actually making a mistake in making it too easy for people in this category to marry. Marriage does require responsibilities, adjustments and so on, and if courts declare that a person is of unsound mind, I

think there should be a reasonable time limit -- which is not set here other than 14 days -- and also the same type of checking that put them in that category in the first place, to take them out of that category. As I've said before, I think we're making a very serious mistake in making this too easy. I'm hoping that my fears -- that two or three years from now, there may be some very sad events resulting from this.

MR. HYLAND: I'd like to clarify one thing. Mr. Chairman, I think maybe the member misunderstood me. I said one of my points was that of remote rural areas. I didn't say that was the only place where it would take place.

[Title and preamble agreed to]

MR. HYLAND: Mr. Chairman, I would ask that Bill No. 51, The Marriage Amendment Act, 1975, be reported.

[Motion carried]

Bill 54

The Social Services and Community Health Statutes Amendment Act, 1975

MR. YOUNG: Mr. Chairman, with your permission, I would like to express my appreciation to the hon. Member for Calgary Glenmore who, I understand, very ably carried out my responsibilities in my absence. As he carried them out very ably, I'll await questions before pursuing the matter.

MR. TAYLOR: Mr. Chairman, I would like to ask the hon. member sponsoring this bill [a question] in connection with one point on Section 86(6), where an application for a hearing to review the confinement of any child may be made by the parent or guardian, by the child who may apply with or without any persons interested on his behalf, or by the director. The point that causes some concern in my mind in regard to this item is: are there children still being confined, put into dungeons, and that type of thing in our institutions in this province? I have visited one or two institutions where this has been banned completely. My view was they had excellent discipline and co-operation from the children, whereas two years previously when one of these institutions had confinement, they put a youngster in a room and locked him up for a day. It simply did nothing more than make the child angry, aggravate his desire to run away, and so on. When they changed their policy, stopped that type of thing, and used an entirely different manner of discipline, they found they were not only able to get the co-operation of the child, but the feeling of the entire institution improved.

So I wonder if the hon. member can tell us if there are institutions still confining children to some type of cell or dungeon, because they aren't doing what the

director of that institution thinks they should do.

MR. YOUNG: Mr. Chairman, I'm afraid the hon. member cannot provide that information, but in the hope that the hon. member can assist the minister to provide the information, perhaps the hon. member for Drumheller could elucidate a bit on what he means by a dungeon or a cell. This seems to me to be a matter of degree of understanding what we are talking about. Perhaps if you could explain what is meant by the term "dungeon" as used in your comment, the minister would be able to respond directly.

MR. TAYLOR: I'd be glad to do that, Mr. Chairman. I'm not thinking of the Black Hole of Calcutta or anything like that, but it's still a dungeon when a child is placed in a room with nothing but a blanket on the floor, sometimes without even toilet facilities, and told to stay there with nothing to eat for 24 hours. In my view, it's getting pretty close to a dungeon when you put an 8 or 9 year old child in that category. I was glad to see the institution I visited do away with that. It wasn't a government institution; it was a church institution. The new director simply eliminated that entirely and closed off that room that wasn't being used anymore. My comment . . . When I read this, a thought immediately came to mind: are there other institutions doing that type of thing? I don't think any child should have to submit to that type of torture.

MISS HUNLEY: Mr. Chairman, maybe I could clarify that point for the hon. Member for Drumheller. I've taken the opportunity to visit as many institutions as possible during the past summer since my appointment to this portfolio, and I can assure the hon. member I'm quite satisfied in my own mind that no place is that primitive.

There are rooms in which a child is put by himself or herself, which are called thinking rooms, and they're often essential. Sometimes those rooms do not contain beds, because occasionally the child is very violent and hyperactive and can harm himself. But I've been very satisfied with the type of treatment I've observed, and I have not had any complaints during my term of office.

[Title and preamble agreed to]

MR. YOUNG: I move that Bill 54, The Social Services and Community Health Statutes Amendment Act, 1975, be reported.

[Motion carried]

Bill 64
The Mental Health
Amendment Act, 1975

[Title and preamble agreed to]

DR. BACKUS: Mr. Chairman, I move that Bill 64, The Mental Health Amendment Act, 1975, be reported.

[Motion carried]

Bill 62
The Agricultural
Development Amendment Act, 1975

[Title and preamble agreed to]

MP. MOORE: Mr. Chairman, I move Bill 62 be reported.

[Motion carried]

Bill 65
The Optometry Amendment Act, 1975

[Title and preamble agreed to]

MP. BOGLE: I move Bill 65, The Optometry Amendment Act, 1975, be reported.

[Motion carried]

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

[Motion carried]

[Dr. McCrimmon left the Chair.]

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[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bills No. 45, 46, 49, 50, 51, 54, 64, 62, and 65, and begs to report the same. Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bills No. 40 and 47, begs to report same with some amendments, and begs leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

MP. HYNDMAN: Mr. Speaker, before moving adjournment, an outline of tomorrow's business. We'll proceed to second reading of the four bills introduced today and of Bill No. 70, The Alberta Heritage Amendment Act, then committee study of Bill No. 70, 42, 57, 53, 56, and the bills introduced today. Then we would proceed to Motion No. 3, with regard to the Kirby report, which

was adjourned by the hon. Member for Lethbridge, Mr. Gogo. I move the Assembly do now adjourn until tomorrow morning at 10:00 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 9:52 p.m.]

