

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, November 24, 1975

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

## PRAYERS

[Mr. Speaker in the Chair]

## PRESENTING PETITIONS

MR. CLARK: Mr. Speaker, I beg leave to introduce a petition from the Calgary tenants committee, a petition which calls upon the government to establish a rent control board. The petition has approximately 12,000 signatures attached to it, and I have at the present time no cause to question their sincerity.

MR. HORSMAN: Mr. Speaker, I beg leave to present a petition for a private bill, being An Act to Amend The Calgary Convention Centre Authority Act.

## NOTICES OF MOTIONS

MR. HYNDMAN: Mr. Speaker, I wish to give notice of introduction of a bill tomorrow. It will be The Election Amendment Act, 1975.

## INTRODUCTION OF BILLS

Bill 71  
The Alberta Labour  
Amendment Act, 1975

MR. CRAWFORD: Mr. Speaker, I beg leave to introduce Bill No. 71, The Alberta Labour Amendment Act, 1975.

Mr. Speaker, there will be four or five points of interest and importance in Bill 71 relating to certain functions of the Board of Industrial Relations relating to the manner in which evidence is called, and clarifying the jurisdiction the board has to bring flexibility to hours of work and to the important area of flex-time.

As well, the bill will provide for the way in which the Board of Industrial Relations will be able to prescribe the rules

in our province for maternity leave. That would be the first occasion upon which that has been introduced in legislation in Alberta.

Other amendments of important principle include the reinforcing of the rights of persons to conduct their activities pursuant to trade union activities which they may be involved in from time to time without interference, and finally the handling of disputes in certain cases where emergencies are deemed to exist.

[Leave granted; Bill 71 introduced and read a first time]

MR. HYNDMAN: Mr. Speaker, I ask for unanimous leave of the Assembly to allow the Minister of Social Services and Community Health to introduce a bill, being The Social Development Amendment Act, 1975, notwithstanding the lack of a day's notice.

MR. SPEAKER: May the hon. Government House Leader have the requested leave?

HON. MEMBERS: Agreed.

Bill 78  
The Social Development  
Amendment Act, 1975 (No. 2)

MISS HUNLEY: Mr. Speaker, I beg leave to introduce Bill No. 78, The Social Development Amendment Act, 1975 (No. 2). The purpose of the bill, Mr. Speaker, flows from federal legislation and relates to family allowance paid in Alberta. It's a requirement that our Legislature approve when the House is in session the rates of family allowance paid to our citizens of Alberta, consequently the request to present this bill.

[Leave granted; Bill 78 introduced and read a first time]

## INTRODUCTION OF VISITORS

MR. LOUGHEED: Mr. Speaker, I'm pleased to introduce to you, and through you to the members of the Legislative Assembly, some distinguished visitors from the north who are in your gallery today. As all members are aware, the future activity and future growth and development of the Northwest Territories will be very much intertwined with the future of the Province of Alberta. We have in the Speaker's gallery today -- I'm pleased, I'm sure, to welcome him to this Assembly -- the Commissioner of the Northwest Territories, together with three council members, Mr. Lyall from Cambridge Bay, Mr. Ernerk from Keewatin, and Mr. Steen from Tuktoyaktuk. Perhaps they would stand and join with Commissioner Hodgson, and we would like to welcome them to the Legislative Assembly of Alberta.

MR. MINIELY: Mr. Speaker, it is my pleasure today to introduce to you, and through you to the members of the Assembly, 45 Grades 10 and 11 students from the T.D. Baker school in my constituency. They are accompanied by their teacher, Mr. Paul Smith. They are seated in the members gallery. I would ask that they stand, to be recognized by you and the members of the Assembly.

#### MINISTERIAL STATEMENTS

##### Department of Energy and Natural Resources

MR. GETTY: Mr. Speaker, I thought members of the Legislature would be interested in an early assessment of the reaction of the people of Alberta to the offering of Alberta Energy Company shares on a priority basis for the last two weeks. I am pleased to report, although final figures are still being compiled, that Albertans have subscribed for more than \$70 million worth. . .

[applause]

. . . \$70 million worth of Alberta Energy Company shares.

This strong expression of confidence by the people of Alberta in the Alberta Energy Company and in our free enterprise system is extremely significant. When one considers the offering was conducted during a national postal strike, was restricted to Albertans or Alberta-owned corporations, competed with a Canada Savings Bond drive, followed a Canadian Development Corporation issue, was made during a relatively depressed stock market in a period of uncertainty due to anti-inflation controls; Mr. Speaker, despite all these factors, this share issue is now considered to be the most successful large equity offering in Canadian history. To give an additional perspective to this issue: it would be equivalent to selling \$1 billion worth of shares throughout Canada.

It should be remembered, Mr. Speaker, that Albertans indicated this solid support for the Alberta Energy Company with the full knowledge that the shares represented an opportunity for not just the profits, but also the risks inherent in resource development in our province. It is also important to note that the Alberta Energy Company will have more Canadian shareholders than almost any other Canadian corporation, and we are particularly pleased that, as of now, they are all Albertans.

I understand, Mr. Speaker, that due to the extremely heavy flow of applications received during the closing days of the offering, final figures will not be available for a few more days, at which time the Alberta Energy Company will decide how many shares, if any, will be available for Canada-wide distribution.

Mr. Speaker, in 1971 our government made a commitment as part of our original mandate to provide a greater opportunity

for investment by Albertans in resource development in our province. The success of the Alberta Energy Company concept clearly fulfils that commitment.

MR. CLARK: Mr. Speaker, in responding to the announcement by the Minister of Energy and Natural Resources, we on this side of the House welcome the success the Alberta Energy Company has had. We commend the Alberta Energy Company on this particular venture, and, as difficult as it may be for us on some occasions, we commend the government for the fact that the Alberta Energy Company, in its initial effort, has been this successful.

This may be somewhat untraditional as far as we on this side of the House are concerned, especially as far as the Alberta Energy Company is concerned, but we commend the government for at least moving in the direction it has. Certainly, although we have had differences of opinion with the government on the accountability aspect of the Energy Company, nevertheless, I'm sure that's an ongoing question as far as the Assembly is concerned.

I think the real test in how successful we will be in Albertans continuing to have the entire piece of the action, as far as the Energy Company is concerned, will be in perhaps 5 years, or 10 years, when we can look down the road. Hopefully, we'll still have a tremendous number of Albertans who in fact are shareholders, and we won't be in a situation where there may be 50 or 75 Alberta or Canadian companies which have very sizable pieces of the Alberta Energy Company. In 5 to 10 years down the road, were it to be my lot still to be in the Assembly, I would be even louder in my applause of the government, or my congratulations of the government, if in fact many, many Albertans still have a piece of the action.

#### ORAL QUESTION PERIOD

##### Oil Exports Cutback

MR. CLARK: Now, Mr. Speaker, to get back to my more accustomed role.

I'd like to ask the Minister of Energy and Natural Resources what type of consultation there was between the Government of Alberta and the federal government, prior to the National Energy Board's announcement with regard to a one-third reduction in crude oil exports from Canada to the United States.

MR. GETTY: Mr. Speaker, I believe the consultation took three different methods. It occurred through officials of our Department of Energy and Natural Resources with the federal Department of Energy, Mines and Resources. The new Minister of Energy for the federal government made a trip to Alberta and, on that occasion, consulted with our government regarding the upcoming

National Energy Board report. Also, the National Energy Board discussed with the Alberta Energy Resources Conservation Board the implications of the report and some of the recommendations it would be making in that report.

MR. CLARK: Mr. Speaker, a supplementary question. Is the minister able to indicate to the Assembly the effect this change by the National Energy Board will have on the Province of Alberta, from the standpoint of our anticipated revenues? Is the government in a position yet to give us some indication there?

MR. GETTY: Mr. Speaker, it's a little early to give the full implications. I would say, though, that on an early appraisal, just for the information of the hon. Leader of the Opposition, at present Alberta's production is about 75 per cent of productive capacity. Our assessment of the restrictions on exports to the United States, and an increase of additional sales through the Montreal pipeline being constructed, is that the amount of Alberta production capacity that might be shut-in would perhaps rise from its present 25 per cent to as high as 27 or 28 per cent, would then decline to about what it is right now, then decline to even less productive capacity shut-in.

It's difficult to talk about revenues that might be passed up, because, in fact, they really are a deferral of revenues. If the oil happens to be sold in the future, at additional increased prices, it's quite possible that in the long term -- and this is very difficult to gauge now -- we will, in fact, get more for our oil than we would have with no change in the exports.

I just wanted to give an early appraisal to the hon. Leader of the Opposition, but, as he understands, much of this will become clearer in the future.

#### Oil Pipeline Construction

MR. CLARK: Mr. Speaker, a further supplementary question to the minister, and it flows from his last answer. Is the minister in a position to give us some indication whether the pipeline to Montreal is on schedule, and is it still anticipated that Alberta crude would eventually start to flow to Montreal in the fall of next year, as many have hoped for a number of years?

MR. GETTY: We can only go, Mr. Speaker, by the information being passed on to us by the federal government. It says it still hopes to meet the construction completion date of late next year. However, I think it wouldn't be particularly wise for us to count on that construction deadline, because, as I understand from discussing this matter from time to time with representatives of Interprovincial Pipe Line, they are running into some problems regarding land claims because of the very small acreage holdings in that part of Canada the pipeline will be crossing.

#### Remuneration for MLAs

MR. CLARK: Mr. Speaker, I'd like to direct my second question to the Government House Leader and ask if it's the intention of the government to introduce the legislation to the House prior to the short recess. The legislation I refer to deals with the question of remuneration for Members of the Legislative Assembly, so that MLAs would have an opportunity to get some feedback from the public during the five or six days the House will not be in session.

MR. HYNDMAN: No, Mr. Speaker. I'd anticipate that legislation would be coming in on, or shortly after, the recess. Certainly, there will be time for hon. members to receive information and reaction from the public, in any event.

#### Environment Reports

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Environment and ask whether the government has received a copy of a report by Aquatic Environments Limited, concerning potential environmental damage of the road to the No. 9 mine adjacent to McIntyre Porcupine's operation in Grande Cache.

MR. RUSSELL: Mr. Speaker, my understanding of that report is that it was done for McIntyre Mines by that private consulting firm, but my department does have copies of it which it is now assessing.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can he advise the Assembly whether the government has undertaken any investigation of the concerns outlined in the report?

MR. RUSSELL: Well again, Mr. Speaker, it's my understanding that the report was only received within the last two or three weeks by the company and subsequently made available to the department. So it's too early to be able to answer that question.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Can the minister tell the House whether the Aquatic report is similar in its conclusions to a deficiency report prepared by the Energy Resources Conservation Board in February 1973?

MR. RUSSELL: No, I'm not able to answer that question without making a comparison of the two reports myself, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can the minister outline to the House what steps have been taken subsequent to the receiving of the Energy Resources Conservation Board deficiency report on the road? What steps have been taken by the department to deal with the concerns expressed in that report?

MR. RUSSELL: No, I'd have to take that question under advisement and report back, Mr. Speaker.

#### Coal Exploration Report

MR. NOTLEY: One final supplementary question, Mr. Speaker, to the hon. minister. Can he tell the House when he expects to table the ECA report on coal exploration in the east slopes?

MR. RUSSELL: I assume, Mr. Speaker, that when they finish writing it, I would be able to make it available to the members of the House.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification. Is the minister in a position to advise us whether or not this report will be tabled during the fall session?

MR. RUSSELL: No, I can't give that advice, Mr. Speaker. The last time I spoke with Dr. Trost, they were only on the first preliminary draft of the report. It's my understanding they expect to have to rewrite it several times before the final copy would be ready.

#### Mackenzie Highway

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Transportation. Will the provincial guidelines on pricing interfere with the government's priority on Highway 35, the Mackenzie highway?

DR. HORNER: I would hope not, Mr. Speaker, but that will depend upon the budget discussions we have for next year.

MR. TAYLOR: A further supplementary, Mr. Speaker. Is the federal government giving any assistance to the province in the modernizing of Highway 35 from High Level north?

DR. HORNER: Not specifically, Mr. Speaker. Our agreement with the federal government under the northern roads program is primarily on the road north of Slave Lake and other road projects in the north. But we attach a very high priority to paving the Mackenzie as soon as possible.

#### Santa Claus Letters

MR. STROMBERG: Mr. Speaker, I would like to direct my question to the hon. the Premier. Because of the mail strike, would the Premier use his influence in seeing that the thousands of urgent letters from young Albertans addressed to Santa Claus, North Pole, are delivered by one means or another?

MR. LOUGHEED: Mr. Speaker, in the course of my discussions with the Commissioner this afternoon, I'll bring it to his attention and see if he can help us.

#### Public Lands Division

MR. MANDEVILLE: Mr. Speaker, my question is for the hon. Minister of Energy and Natural Resources. Could the minister indicate what considerations have been given to the suggestion made during the spring session of the Legislature regarding certain areas of the public lands management division of the Department of Energy and Natural Resources being transferred to the Department of Agriculture?

MR. GETTY: Well, Mr. Speaker, that subject has been worked on by officials of the Department of Energy and Natural Resources, the Department of Agriculture, the Department of Environment, and from time to time some officials of other departments also. It has also been studied by a ministerial committee. I hope that before too long, Mr. Speaker, we will be able to present the results of those studies and that work in a way which will be satisfactory for the most efficient handling of the public lands of the province.

#### Crime Prevention

MR. R. SPEAKER: Mr. Speaker, my question is to the minister responsible for Calgary affairs. A recent announcement from Calgary showed that the crime rate had increased 13 per cent.

My question to the minister is: is he considering, in discussions with local authorities of Calgary, some new programs in this area in the coming year?

MR. MCCRAE: Mr. Speaker, that matter is under jurisdiction of the Solicitor General and the Attorney General. I think the Solicitor General has indicated we are having discussions with municipal representatives in Calgary, in conjunction with them in assessing their budgetary needs in this field in the next year.

#### No-Fault Auto Insurance

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Minister of Consumer and Corporate Affairs. I understand the Alberta automobile insurance board has conducted a study on no-default automobile insurance. Can the minister inform the House if that study has been completed? Is he, or will he be, in a position to make any recommendation to this fall session?

MR. HARLE: Mr. Speaker, the Alberta automobile insurance board is studying no-fault insurance. As the report has not been received by my office, I doubt very much

that any recommendations would be made to this fall session.

#### Telephone Directory Listings

MR. LITTLE: Mr. Speaker, I would address this question to the hon. Minister of Utilities and Telephones. A recent newspaper notice indicated that any change in listings in the telephone directory must be recorded by November 21.

Could the minister inform the House when this particular directory will be printed and/or distributed?

DR. WARRACK: Not without checking, Mr. Speaker. But I'd certainly be pleased to do that and inform the hon. member.

MR. LITTLE: Supplementary to the minister. Would this indicate that no changes or additions would be accepted after November 21 for this particular directory, which, I anticipate, would be the 1976 directory?

DR. WARRACK: Mr. Speaker, certainly that would normally be the case. I would certainly be pleased to check whether under the present circumstance of postal strikes, sufficient difficulty might be created that there might need to be some adjustment.

#### Price Monitoring

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. I'd like to know, Mr. Speaker, if he can indicate to us, in light of the fact that I've personally received some complaints about the quite large increases in grocery prices, rent, and insurance, what process the department has had in the last year to monitor prices of different commodities in the province.

MR. HARLE: Well, Mr. Speaker, the monitoring process that goes on continually, with the help of some officials in the Department of Agriculture, is such that certain specific items are checked as the need arises. Now, I would think the hon. member might wait until anti-inflationary legislation is introduced in this Assembly. Then further monitoring may well be required.

DR. BUCK: Mr. Speaker, my question to the hon. minister was, what process is in place now? I know the former minister had people going throughout the province monitoring prices in grocery stores. I would like to know: is that process still in place? Maybe the minister can answer the second portion of that question, Mr. Speaker.

Secondly, can the minister indicate to us if, after the federal price announcement was brought in on Thanksgiving weekend, there is any truth to what some people were saying, that some of the stores had changed their prices overnight. Was there any

monitoring which indicated that had actually happened?

MR. HARLE: Mr. Speaker, on the second part of the question, I did have my officials check into prices in grocery stores immediately following the Prime Minister's announcement. So far I have not had a report from them. The monitoring that was done, as I said, related to specific items as the need arose. That process is still continuing with the help of officials in the Department of Agriculture.

DR. BUCK: A supplementary, Mr. Speaker. In light of the fact the announcement by the federal department was made six weeks ago, when can the hon. minister indicate to us if there were any increases when the price freeze was announced?

MR. HARLE: Mr. Speaker, as I have not had a report indicating any urgency, I would assume it may not have been as serious as was first brought to my attention.

MR. NOTLEY: Mr. Speaker, a supplementary question. In light of the delay in receiving the report, be it good or ill, is the government considering, as part of its bill to be introduced in the House, a serious reassessment of the total monitoring procedure used by the Province of Alberta? Will that be part of the bill?

MR. HARLE: Mr. Speaker, I think the hon. member should wait until the bill is presented.

DR. BUCK: Mr. Speaker, to the hon. minister. Could he indicate if there will be any facilities in the bill so that prices could be rolled back?

MR. HARLE: Mr. Speaker, the federal anti-inflationary policy, as stated by the federal government, did not indicate in it any roll-back provisions.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Did the government at any time give any consideration to a temporary price freeze until such time as the federal price control procedures are formally established and reviewed by this government?

MR. HARLE: Mr. Speaker, I'm sure a number of possibilities were canvassed.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Did the government give specific consideration to a temporary price freeze of 60 or 90 days?

MR. HARLE: Mr. Speaker, I can only reply as I did to the last question.

#### Antifreeze

DR. WEBBER: Mr. Speaker, I would also like to direct a question to the hon. Minister of Consumer and Corporate Affairs. Last

year there were retail sales in Alberta of a very inflammable and potentially dangerous product called ethanol ethylene glycol antifreeze.

I wonder if the minister is aware of any sales of this product this year?

MR. HARLE: Mr. Speaker, I am not.

#### Grey Cup Game

DR. PAPROSKI: Mr. Speaker, a question to the hon. Minister of Government Services and Culture. In view of the crushing victory of the Edmonton Eskimos over the Montreal Alouettes yesterday, Mr. Speaker, I wonder if the minister is considering sending a congratulatory note from the Legislative Assembly to each member of the Edmonton Eskimos and a letter of sympathy to the Prime Minister.

DR. BUCK: And a cheque.

MR. SCHMID: Mr. Speaker, this is now under the jurisdiction of the hon. Minister of Recreation, Parks and Wildlife.

MR. ADAIR: Mr. Speaker, if I might respond. We've got the letters partly drafted now. We are having a little trouble with the letter for Montreal.

#### Speed Limit Reduction

DR. PAPROSKI: Mr. Speaker, one more question on a more serious tone, to the hon. Solicitor General. In view of the obvious lowering of morbidity or mortality as a result of lower speed limits on the highway, is the minister considering lowering the speed limits of autos on Alberta highways?

MR. FARRAN: Mr. Speaker, the lowering of speed limits in selective areas considered more dangerous than others is being contemplated. As for an overall reduction, we intend to endeavor to enforce existing speed limits in a better manner than heretofore. The evidence is not entirely in on the success of lowering speed limits in the United States. The contention was that lowering speed limits by 10 miles an hour reduced the accident rate and the consumption of fuel. On second thought, some people are now beginning to believe that the apparent reduction was caused by less exposure, because of less availability of high-priced gasoline.

So far as this province is concerned, one must remember that we're landlocked. We depend a great deal on truck traffic to the United States, and there are great distances between our cities. If we enforce the existing speed limit better, and perhaps eliminate the unwritten tolerance of up to 5 miles an hour over existing speed limits, we will have accomplished quite a bit.

DR. PAPROSKI: A supplementary, Mr. Speaker, if I may, to the Minister of Social Services and Community Health. In view of the fact that lowering speed limits decreases morbidity and mortality as a result of auto accidents, is the minister advocating lower speed limits on Alberta highways?

MISS HUNLEY: Mr. Speaker, that all depends to whom one turns for the facts. The hon. member refers to it as being a fact. I consider it an opinion. There are different opinions upon that matter.

DR. PAPROSKI: Mr. Speaker, a supplementary to the Minister of Energy and Natural Resources. In view of the energy saving as a result of lowering speed limits for autos on Alberta highways, is the minister advocating lower speed limits?

MR. GETTY: Not at this time, Mr. Speaker.

DR. PAPROSKI: One final supplementary, Mr. Speaker, if I may.

MR. SPEAKER: If the hon. member is conducting a poll, may I suggest that, in view of the mail strike, he might undertake a telephone poll.

DR. PAPROSKI: May I complete the supplementary, Mr. Speaker, as a final?

Mr. Speaker, to the Minister of Consumer and Corporate Affairs. In view of the high cost of auto insurance, and in view of the fact that lower speed limits decrease the amount of damage to automobiles, will he consider lowering speed limits on Alberta highways?

MR. HARLE: Mr. Speaker, I appreciate the representations being made.

#### Grey Cup Game (continued)

MR. TAYLOR: A supplementary to the hon. member's first question. In the interests of bilingualism, would the hon. Premier send a message of condolence to the Montreal Alouettes in French?

MR. LOUGHEED: I've expressed the condolence.

#### Speed Limit Reduction (continued)

MR. NOTLEY: I wonder if I could put a supplementary question to the hon. Deputy Premier in charge of transportation, and ask him to advise the House whether the government at this time is officially requesting and compiling evidence from other jurisdictions where speed limits have been lowered. If, in fact, that kind of assessment is being made, will it be tabled in the Legislature?

DR. HORNER: The brief answer, Mr. Speaker, is, yes.

MR. NOTLEY: Mr. Speaker, just one final supplementary question then, if I may. Can the minister give the Legislature some idea as to when he'll be in a position to table this information in the House?

DR. HORNER: Mr. Speaker, as soon as it's all compiled and we've had an opportunity to deal with it in the context of the MacKenzie report, and the variety of departments involved, all that documentation will be made available to the public.

#### Postal Strike

MR. KIDD: Mr. Speaker, my question is probably best directed to the hon. Premier. Can he give the Assembly any assessment at this time of the effect the continuing postal strike may be having on the economy of Alberta?

MR. LOUGHEED: Mr. Speaker, I think that's extremely difficult to evaluate. Certainly it's apparent that in the initiative of the people of this province, many have been able to find alternate ways of communication. I think, too, governments at all levels have been able to respond in ways to overcome the difficulty citizens have had. Certainly the services developed by the provincial government on an alternate basis, hopefully temporary, have to a degree alleviated any serious problems. I think we have to be conscious, though, of small business people, and the nature of their dependency upon such things as communication by the mails. It's very difficult to assess, but it's certainly one we would be watching very much over the course of the next weeks or months, if it becomes even more protracted, in evaluating whether there is some further alternate action we should take as a provincial government.

#### Grey Cup Game (continued)

MR. ZANDER: Mr. Speaker, my question is addressed to the Solicitor General. Was the minister present at yesterday's Grey Cup game? If so, could he relate to us the latest on the female streaker, and what happened to her after the game?

DR. WARRACK: She got cold.

MR. FARRAN: Mr. Speaker, I watched it on television. The color on my television isn't very good, but she didn't look blue.

#### Oil Producers

MR. PLANCHE: Mr. Speaker, my question is for the Minister of Energy. In view of serious problems anticipated by smaller oil producers because of the reduced cash flow through 1976 until that Sarnia-Montreal line is complete, is the government contemplating some deferment of royalty or other

short-term relief for these small producers?

MR. GETTY: Mr. Speaker, as I originally said in replying to a question by the Leader of the Opposition with regard to this subject, it's difficult for us to determine whether there will, in fact, be any serious problems of cash flow to producers. It may well be that as our production capacity is reduced slightly -- and as I pointed out, it will be very slightly -- that capacity will be taken out of the very prolific fields and will not be taken out of the lower reserve producing fields. To a great extent, the high capacity producing fields are held by major companies.

#### Petrochemical Development

MR. COOKSON: I have a question, Mr. Speaker, for the Minister of Energy and Natural Resources. Could he advise as to the final stage of dotting the i's and crossing the t's on Alberta Gas Ethylene, the petrochemical complex for the Joffre-Haynes area? We're interested in the assessment.

MR. GETTY: I can appreciate, Mr. Speaker, the hon. member's interest in such an exciting development for Alberta. However, the matter of petrochemical development is the responsibility of my colleague, the Minister of Business Development and Tourism, and I refer the question to him.

MR. DOWLING: Mr. Speaker, I didn't hear the question properly. I wonder if it could be repeated.

MR. COOKSON: Mr. Speaker, I would like to know at what stage the negotiations are with regard to the establishment of Alberta Gas Ethylene, the major petrochemical complex in the Joffre-Haynes area close to Red Deer.

MR. DOWLING: Thanks very much. Mr. Speaker, yes, the matter is before the Energy Resources Conservation Board. A report will eventually come from it to a cabinet committee, then to cabinet for a decision on its proceeding. However, we have made our suggestions to the companies involved that Joffre would be a likely area for the original ethylene plant to proceed in.

#### Lamb Industry

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Agriculture. Has the provincial government made any representations to the federal government regarding revision of the excise tax on lambs from Australia and New Zealand, in order to protect our lamb industry?

MR. MOORE: Mr. Speaker, I don't believe we have, directly. In a general way, we've made representations to the Government of Canada with regard to a variety of things

that pertain to the General Agreement on Tariffs and Trade.

#### Nursing Home Fees

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Hospitals and Medical Care and ask whether it's true that rates for semi-private accommodation in provincial nursing homes will increase from \$3 to \$6 a day, as of January 1, 1976.

MR. MINIELY: Mr. Speaker, the particular example the hon. member indicates has not been brought to my attention, and I think perhaps the hon. member could clarify for me whether he is talking about -- the hon. member must appreciate that in the nursing home field we have both publicly operated district boards and privately operated nursing homes. The rates are subject to the approval of the Hospital Services Commission.

I think we indicated earlier the adjustment in the general rate from \$3 to \$4, which the hon. member asked a question about last week, but the specific one the hon. member is describing, Mr. Speaker, I'm not aware of. I could check it out, and report back on the situation.

#### Telephone Bill Payments

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Utilities and Telephones and ask what the policy is of Alberta Government Telephones during the course of the mail strike for those people who have, in fact, paid their telephone bills and AGT hasn't received the money. I ask the question because people in the Cremona area received telephone calls Friday from AGT's Calgary office saying that, if their bills weren't paid by today, they would be cut off.

DR. WARRACK: Mr. Speaker, I think this area, like many others, will require some considerable sorting out once the postal strike finally ends. Certainly, in the instances where people have in all good faith paid their bills and mailed them to AGT, I think there ought to be the appropriate kind of adjustment involved. With respect to the Cremona situation the hon. member brings forward, I would be pleased to look into that matter to see where we do stand, because we'd certainly try to have as flexible an attitude as possible.

MR. CLARK: Mr. Speaker, a supplementary question. In light of the minister's answer, would he then be prepared to discuss with the general manager of Alberta Government Telephones the question of people who do in fact maintain that their cheques are in the mail? I had a number of people get hold of me over the weekend with regard to that one particular area. I hope it isn't just in my riding, Mr. Minister.

DR. WARRACK: I expect it's not, Mr. Speaker, and I will indeed discuss this matter with the general manager.

MR. CLARK: Then, Mr. Speaker, would the minister report back to the House?

DR. WARRACK: I'd be pleased to do that, too.

MR. NOTLEY: Mr. Speaker, just a supplementary question. Has the minister received any report at all of an increased rate in disconnections during the last five weeks?

DR. WARRACK: Mr. Speaker, the answer is, no.

#### Tax Payments

DR. BUCK: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs. I believe that in many of the IDs and so on throughout the province the taxes come due November 30, without penalty. Could the hon. minister check to find out if that date will be extended because of the problem of the mail strike?

MR. JOHNSTON: I can advise the House, Mr. Speaker, that the date has been extended. I haven't got the exact day. I think it's 30 days.

#### Crime Prevention (continued)

MR. R. SPEAKER: Mr. Speaker, my question is to the Solicitor General, and a follow-up to the question to the minister for Calgary affairs. I would like to ask the minister what discussions he has had with the Calgary authorities with regard to new moneys or new programs for the city of Calgary, with regard to its increased crime rate.

MR. FARRAN: Mr. Speaker, we have had meetings with the Calgary police commission.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. What new approach or new programs are proposed with the city at the present time?

MR. FARRAN: Mr. Speaker, we have discussed the question of budgets, extension of neighborhood watch, the follow-through on the present zoning police policy in Calgary, and the relief of traffic policemen from investigating minor bumps and scrapes in parking lots.

MR. R. SPEAKER: Mr. Speaker, supplementary. Is the minister contemplating establishing a separate or a special budget for the city of Calgary that other municipalities in the province would not have equal access to?

MR. FARRAN: No, Mr. Speaker. The crime records in Calgary are not so very dif-



ferent from those in other parts of the country.

#### AEC Shares Sale

MR. HORSMAN: Mr. Speaker, my question is for the Minister of Energy and Natural Resources. Is the minister in a position at this stage to advise whether the applications for Alberta Energy Company shares were widespread throughout the entire province, or were they related perhaps to the two larger cities?

MR. GETTY: The indication we have, Mr. Speaker -- and this will be subject to checking when addresses and so on are more clearly known -- is that the reception and support by Albertans was widespread throughout the province, and we are very, very pleased with that.

I should add also, Mr. Speaker, that because of the mail strike and communication problems, we assume an additional number of applications which were validly completed last Friday will continue to flow in and be honored by the Alberta Energy Company.

MR. GOGO: A supplementary, Mr. Speaker, to the hon. minister. Is there any indication as to when these shares may be traded on the Ontario and Toronto stock exchanges?

MR. GETTY: No, I have no feeling as to when that date might be, Mr. Speaker. It will obviously be something that will have to be worked out by the Energy Company. I might point out, though, that it would be our desire that they first trade on the Alberta exchange. There's no need for it to automatically go to the Toronto or Ontario exchange.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. The minister mentioned in his ministerial statement the total amount subscribed. He didn't give us any statistics on the number of shareholders, the number of Alberta residents. Does the minister have any statistics he could give to the Assembly on that?

MR. GETTY: Mr. Speaker, it's difficult to know how many Albertans are represented by the applications. I've been informed that in some cases fathers or mothers purchased shares for themselves and for their children. However, individual applications are in excess of 50,000.

MR. TAYLOR: A supplementary, Mr. Speaker, to the hon. minister. At this stage, is there any indication that the application for shares will have to be cut back by the Energy Company?

MR. GETTY: I don't think that will be necessary unless the additional outstanding applications, which were validly completed last week and which I mentioned would be coming in, happen to use up and exceed the remaining number of shares available to

make up the 7.5 million. If that happened, there would have to be some type of pro-rationing carried out. It would, as originally pointed out, favor the smaller shareholder. More likely, though, if additional shares are left, the pro-rationing will probably go on outside Alberta, not within Alberta.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the minister tell the House how many applications were for the maximum permissible under the legislation, the 1 per cent?

MR. GETTY: No, Mr. Speaker, I do not have that information, but I would be happy to check and find out.

#### Municipal Boundaries

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. Can he give us any indication as to the status of the reorganization of municipal boundaries in the province?

MR. JOHNSTON: Mr. Speaker, the Committee on Municipal and School Boundaries has had under advisement information regarding jurisdictional and boundary changes as they affect municipal and school problems in the area of central Alberta.

The commission is holding some new hearings, final hearings, to allow further input from the people before it makes any recommendations to us. These will be scheduled for some time in December, ending in January 1976, with some consultation with the councils in the area.

MR. CLARK: Mr. Speaker, supplementary question. Would the minister be in a position to indicate to the Assembly whether in fact it's the government's intention to move on reshaping of municipal boundaries in a portion of the province -- the Edmonton-Red Deer area, let's say -- as opposed to making changes in municipal boundaries across the whole province in one swoop.

MR. JOHNSTON: Mr. Speaker, as far as I know, the government will wait for the report to come in. It is not predisposed in its decision.

MR. CLARK: A supplementary question, Mr. Speaker. Has the minister any indication whether in fact the committee has finalized its recommendations for all of Alberta, or has the committee only looked at a central portion of the province, as far as changes in the boundaries are concerned?

MR. JOHNSTON: With respect to boundaries, Mr. Speaker, the committee has finalized some of the recommendations. Some of the essentially small problem areas have been rectified by agreements, by simple discussions. With respect to the critical areas in the central portion of Alberta, there

are no finalizations. These will await input from the people involved.

#### Rehabilitation of Prisoners

MR. FARPAN: Mr. Speaker, I'm now in a position to answer the question put by the hon. Member for Clover Bar last Friday. He said that two prisoners had taken French leave while attending an Oilers hockey game at taxpayers' expense and inquired about policy in this regard.

First, it's not true that the prisoners were attending hockey games at the expense of the taxpayer. From time to time community organizations make donations toward the welfare of prisoners. In this case, eight hockey tickets were donated by the hockey club. This gift was welcomed by my department, which is charged with endeavoring to rehabilitate inmates. The privilege is a reward for good behavior in the institution. While rules are firm, we do operate on the principle that there is some good in the heart of every man. And we do welcome community interest which seems to accord with the other Christian principle, whatsoever you do for the least of my brothers, that you do unto me. The prisoners attending the hockey game were escorted. Two teenagers took advantage of the privilege and escaped for a short time. They were apprehended by the Edmonton City Police and are being punished.

Perhaps the hon. member would now like to retract the false statements he rushed to make on television before he knew the facts. [interjections]

DR. BUCK: Mr. Speaker, the only statement I withdraw is that they took French leave -- a statement which not too many people know and which, I think, was unfortunately used.

But the other point, Mr. Speaker, is that it's quite obvious the prisoners were taken in at taxpayers' expense, because there were correctional . . .

MR. SPEAKER: Order please. If the hon. member wishes, he may put the matter on the Order Paper.

DR. BUCK: Mr. Speaker, the hon. member wanted me to apologize, and there's nothing to apologize for.

AN HON. MEMBER: We accept your apology.

MR. CLARK: It wasn't given, you can't accept it.

#### Public Accounts

MR. LEITCH: Mr. Speaker, perhaps I could take this opportunity to clear up some confusion that arose last week between the hon. Leader of the Opposition and me regarding questions about Public Accounts. I think the confusion arose because of the different terms that were used, such as

tabling, available, and released. I'd now like to refer to all of those terms and give the information about them.

I'm advised, Mr. Speaker, the Public Accounts were tabled between the years 1955-72 inclusive either during the months of February or March. In 1973 they were tabled in October, and in 1974 in February. With respect to the date the Public Accounts were signed, between 1955 and '72 that date always occurred prior to October, and indeed that was so for the year 1973 as well. The date they were released, Mr. Speaker, occurred in November in 1955. By released, I mean released to the public as opposed to being tabled. The actual date of release to the public we do not have for the years 1956-66 inclusive. For the years thereafter, they were always released in November or October, save for 1974, when they were released in December.

The question was also asked whether it still takes four to seven weeks to have them printed. I am advised, and on the basis of our past experience, it takes approximately a month to have them printed after the last drafts are sent to the printer.

The question was also asked why the Public Accounts were not signed until November in 1974. The answer, with respect to 1974 and 1975, Mr. Speaker, is that they have very materially increased in size in those 2 years, going from 531 pages in '73 to 698 in '74, and we expect there will be about 800 this year.

In addition, in 1973-74 and 1974-75, there were some changes in the format and content of the Public Accounts, to make them more closely follow the budget presentation. The workload for preparing Public Accounts has materially increased in both those years. For example, this year the investment transactions alone took about 400 per cent more auditing time than in the preceding year.

In conclusion, Mr. Speaker, I've reviewed the matter with the Auditor's office, and the Auditor is most anxious to ensure that the Public Accounts are made available and released to the public as quickly as possible. In recent years he has followed a very intensive recruiting program to ensure he will have the required staff to do that.

DR. BUCK: Mr. Speaker, we accept the minister giving us the information. We were afraid that possibly he had misled the House, and we're satisfied he had not intended it.

#### INTRODUCTION OF VISITORS (reversion)

DR. WALKER: Mr. Speaker, might I revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

DR. WALKER: Mr. Speaker, it gives me the utmost pleasure to introduce to you, and through you to the hon. members of this Assembly, a group of very beautiful and

very capable ladies. They all have their wings, which puts them up near the angels somewhere.

Back in the early 1920s, a group was formed in the United States by Amelia Earhart. She sent out about 130 letters to women pilots across North America. Out of this group she contacted, 99 replied in the affirmative. They became known as the group of 99 and formed the international organization of women pilots.

They are here today to present to the hon. Premier a proclamation on International Women's Year. They have already presented this to all the other premiers and to the Prime Minister, and I do hope the hon. Premier won't take it as any political slight that we happen to be the last.

Ladies, if you would stand to be welcomed by the Assembly.

#### ORAL QUESTION PERIOD (continued)

#### Mentally Retarded, Accommodation

MISS HUNLEY: Mr. Speaker, on a point of privilege, I'd like to correct an error I made in answering a question of one of the hon. members on November 19.

HON. MEMBERS: Agreed.

MISS HUNLEY: On November 19, Mr. Speaker, in reply to a question from the hon. Member for Little Bow regarding accommodation for the mentally retarded, I erroneously referred to the Sherwood Park association for the mentally retarded. I should have said the Strathcona County Association for Retarded Children, and I'm pleased to have the opportunity to correct that and give credit where credit is due, Mr. Speaker.

#### ORDERS OF THE DAY

#### GOVERNMENT BILLS AND ORDERS (Second Reading)

#### Bill 77

#### The Surveys Amendment Act, 1975

MR. CHAMBERS: Mr. Speaker, I move second reading of Bill 77, being The Surveys Amendment Act, 1975.

To begin with, Mr. Speaker, I think that I should give a brief background on the province's control survey system, which makes the amendment set out in this bill possible.

In 1965, legislation was passed which permitted the establishment of a control

survey system which takes advantage of the modern, accurate survey instruments, and of the electronic computer. The 1965 amendments, being Section 93, provide for, in summary:

- (1) The establishment of control surveys in any area of the province the minister deems necessary;
- (2) the sharing of costs by agreement with municipalities;
- (3) the adoption of the necessary projection and official records and the preparation of land boundary base maps;
- (4) the declaration of areas to be known as survey control areas; and finally
- (5) the establishment of regulations governing the manner by which land surveyors shall conduct their work within these survey control areas.

Under this legislation, control surveys were broadly categorized, Mr. Speaker, into three groups, being:

- (1) city or urban control;
- (2) resource development control;
- (3) rural control.

The national geodetic survey has established so-called first and second order stations in and surrounding our larger centres, bringing the spacing of monuments to every one or two miles. Their work is ongoing and will form the basis for all subsequent provincial control.

In the urban control program, by agreement between the cities and the towns and the province, the density of the monumentation is being increased to a spacing of approximately one-half mile in undeveloped areas adjacent to these urban centres, and 1,000 feet in built-up areas, in order to make economic use of the control in day-to-day survey work. Rather than being exactly spaced, these monuments are located on public property in safe locations where the risk of their destruction is minimal. Connections between these control monuments and the existing or old land survey system are then made at the rate of at least one property corner for each control station.

I think, Mr. Speaker, members would be interested in knowing that urban areas in which work is completed, or under way -- and again I'd mention by cost-sharing agreements between the province and the municipality -- include essentially 7 cities and 21 towns. Perhaps I should name these; the members might be interested. The cities, of course, would be Grande Prairie, Edmonton, Camrose, Red Deer, Calgary, Lethbridge, and Medicine Hat; the towns of St. Albert, Fort Saskatchewan, Leduc, Ponoka, Black Diamond, Turner Valley, Taber, Grande Cache, Fort McMurray, Peace River, Whitecourt, Sherwood Park, Fort Macleod, Grimshaw, Fairview, Brooks, Raymond, Coaldale, Olds, Innisfail, and Wetaskiwin.

Some additional work is being done on the same principle, Mr. Speaker, outside of urban areas, but at greater spacing, of course, for resource development in such areas as the Athabasca oil sands.

Because of the state of advancement of the control survey system, in my view, it is now opportune to pass the amendments which are proposed in Bill 77.

Under existing legislation, Mr. Speaker, the surveyor is required to monument block corners prior to the submission of his plan to the Land Titles Office for registration. The plan is required in some cases as the basis for a development agreement with the local authority, and conveys title of streets and reserves to the Crown and to the local authority.

Often during the course of construction, as members can appreciate, as the streets and utilities are being constructed monuments get destroyed. This of course requires that the developer has to pay the surveyor to re-establish these in order that the housing contractor has a proper lot location. Monuments are often destroyed again during house construction and landscaping, such that a third survey is really desirable so the eventual lot purchaser has his boundaries defined for fencing and occupation purposes. There is no legislative requirement for these final surveys, so, as a result, they may or may not be done.

Under the proposed amendments, the surveyor has the option of either using the old system, or of using the new proposed system. Under the new system, the surveyor must first locate any existing monuments or iron posts within the proposed subdivision, after which he can then plan the new development on paper, and submit the plan for registration. The surveyor will, of course, be required to do whatever control work is necessary as the construction of a development progresses; for example, to stake out streets and utilities and such other temporary control points as are needed. However, these may be laid out at different stages of construction, and I think can be done efficiently and reliably from the temporary control points.

This is an important point I think, Mr. Speaker. Within one year of the registration of the development, or such longer period as the director of surveys may allow, the surveyor must plant the iron posts as required by the existing act.

Mr. Speaker, this procedure should prove more efficient, and result in the property owner having good corner posts when he occupies his house, which is not always the case under the old system. The new system should also result in some cost reductions. It has been estimated that on a large development of, say, from 200 to 300 lots, as much as 2 to 3 months could be cut from the overall completion time of a development. With current interest rates, this could be a significant number, and I would expect that the savings should be passed on to the home-owner.

The other principle presented in the act, Mr. Speaker, and that's the amendment to Section 69, is to recognize the reality that a qualified surveyor must take responsibility for any survey that he undertakes, but that he need not personally plant every post. There is much work that paraprofessionals, so to speak, or qualified instru-

ment men can do, so long as the surveyor takes the ultimate responsibility.

In conclusion, Mr. Speaker, I appreciate that the entire act is quite a technical one, and I would respectfully suggest that there could be a number of technical details the members would like to discuss, and which perhaps could be better dealt with at the committee stage.

MR. TAYLOR: Mr. Speaker, I have no objections to the principles contained in the bill at all. As a matter of fact, I commend the government for making the changes that have been outlined so excellently by the hon. member, Mr. Chambers.

My point in rising is one that goes into the future. I'm wondering if there are going to be grave difficulties in converting to the metric system in regard to land surveys. I see some great difficulties there personally, and I'm wondering what is the thinking of the people in the field, whether there is going to be a bold attempt to keep our present basis for our land surveys, particularly our acre and section, in spite of the metric system, or if there is some preliminary work on foot to make this conversion during the next two or three years.

MR. CLARK: I wonder if I might just make one comment in discussion of second reading of Bill 77. In principle, certainly, we have no objection to Bill 77.

I would like to ask the hon. member, Mr. Chambers, who is piloting the bill through the House, one question. What kind of consultation has there been with professionals in the field themselves, namely their own professional association? Would he give us some indication as to the reaction of the profession to the legislation he has brought forward?

MR. CHAMBERS: Mr. Speaker, if there are no other comments, I would first, in answer to the Member for Drumheller . . .

MR. SPEAKER: Is the Assembly ready to have the hon. member close the debate?

HON. MEMBERS: Agreed.

MR. CHAMBERS: Thank you, Mr. Speaker.

This system will certainly facilitate conversion to metric. Because the monuments are versatile and on a co-ordinate system, by inputting the right call, the location can actually be determined either in latitude or longitude or in terms of co-ordinates, from a northing and easting, or the actual location under the old system. With the computer, this new control system is actually very amenable to conversion to metric, and perhaps is a significant reason for approving the amendments now.

In addition, instruments, of course, are much more sophisticated than they were, in terms of electronic chaining instruments, for example. These can be had that read either in British or metric units. I

think surveyors down the road would like to know before too long whether they should be getting a reading out in metric or British units, although I expect they could, in most cases, be readily converted.

In reply to the hon. Leader of the Opposition, I'm sorry, I forget the question. Would you mind asking me again?

MR. CLARK: The attitude of the profession to the amendments coming forward.

MR. CHAMBERS: Yes, Mr. Speaker. This actually was run by several groups, including the land surveyors who are enthusiastic about it. I had that initial question too. It seemed to me this could possibly result in some reduction in work. They take the very professional stance that they don't like to see money wasted, monuments that are torn out having to be replanted. They prefer a more efficient system, so they endorse this system. Also, of course, the second principle I mentioned, which, I think, was Section 69 of the old act.

Mr. Speaker, the way that portion of the act was worded was somewhat unrealistic. It necessitated that every iron post, if you read the act literally, be planted by a registered land surveyor. Of course, that isn't reality. They would heartily endorse that being changed in the manner outlined in the amendment.

The association of professional engineers and several other groups were also consulted over the past two years. There have been, I might add, no significant objections to these amendments.

[Motion carried; Bill 77 read a second time]

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

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

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair.]

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#### COMMITTEE OF THE WHOLE

[Dr. McCrimmon in the Chair]

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

#### Bill 48 The Coal Conservation Amendment Act, 1975

MR. CLARK: Mr. Chairman, just a small point. I would like to ask the minister, with regard to Section 2(b)8; it talks about a drill hole being made while exploring for coal, which really will not then be considered to be a mine. Can the minister give us the reason for that? An individual got hold of me on the weekend, in the course of the Grey Cup, who was very concerned about this. He wanted to know why, in fact, "drill hole" was being taken out of the definition. I assume here is the place to find the answer.

MR. GETTY: Mr. Speaker, I'm advised by the Energy Resources Conservation Board that this merely clears up a matter that they run into in applications. It should be made clear that a "mine" would not mean a digging of an exploratory drill hole. This is really the only purpose of this amendment.

[Title and preamble agreed to]

MR. GETTY: Mr. Chairman, I move Bill 48 be reported.

[Motion carried]

#### Bill 52 The Natural Gas Pricing Agreement Act, 1975

MR. GETTY: Mr. Chairman, I thought I might explain to members -- and express my appreciation to them in tackling Bill 52 today -- that there are some amendments which we have distributed. I'm sure they will find they do not affect any of the principles of the bill, and are the result of some very detailed work we have been conducting with industry, a joint government-industry group which has been working out ways to make the bill operate in the most efficient manner possible.

Mr. Chairman, we also have the situation where this bill will be in effect as of November 1. We would appreciate it very much if the House could deal with the bill, so it can be approved as soon as possible.

MR. CLARK: Mr. Chairman, to the minister. I can appreciate the desire on his behalf to get the bill through as soon as possible. I wonder if the minister would consider it reasonable -- we have just got the amendments -- if we hold the bill, and perhaps deal with it Wednesday afternoon in committee? Quite frankly, it would give us an opportunity to send the amendments to two or three people we've had look at the bill for us, and to respond back. If we could deal with it Wednesday afternoon, is that too long a delay?

MR. GETTY: Mr. Chairman, the House is going to adjourn for a period of time on

Wednesday, and will not come back until December. In addition, I am advised that the Lieutenant-Governor will not be available on Wednesday for Royal Assent.

Perhaps, Mr. Chairman, if the hon. Leader of the Opposition could go through the amendments we've proposed today, he would find they are really a matter of cleaning up detailed operations. As we discuss the amendments, he could perhaps see if there are any that might raise questions in his mind. We could discuss them here in committee or even, perhaps, over supper hour, or something like that.

I apologize for the need for time to have the bill effective during the month of November, but I'd appreciate it if the House could deal with it.

MR. NOTLEY: Mr. Chairman, I wanted to raise several questions and, if I could, have the minister clarify some uncertainty in my mind about the pricing of natural gas within the province. As I understood the minister's answer when we had second reading, in attempting to reconcile Sections 7 and 12, I believe, the border price will apply to all natural gas shipped out of the province, but, if I'm not mistaken, for natural gas consumed within the province, it will be the contract price or the border price, whichever is the least of the two.

So, I would like to find out -- just to clarify in my own mind what we're looking at in terms of domestic natural gas in Alberta -- can the minister advise us what the situation is with the major utility companies, in terms of their gas supplies? How much natural gas does Northwestern Utilities, Canadian Western Natural Gas -- what percentage of their gas reserves are on long-term contract at a relatively low price, as opposed to the new border price?

MR. GETTY: Mr. Chairman, I don't have the percentages. However, in discussing this matter with the utility companies, they have tied up long-term supplies of natural gas at prices which they feel are beneficial to their operation. But they realize that, with natural gas prices increasing throughout Canada, there will be a constant renegotiation pressure between them and their suppliers, and that, in all probability, over a period of the next few years, there will be an increasing pressure to bring their contract prices up to the border price, less the cost of service to the border. The companies recognize that's going to happen.

I should point out to the hon. member, though, that that won't necessarily be the price paid in Alberta if we are going to continue with our natural gas rebate plan.

MR. NOTLEY: Mr. Chairman, to follow that up. I'm sure all hon. members realize we do have a rebate system. Of course, that's something which can change from year to year, so it might be a 28 cent base now, it might be 50 cents next year, it might be 70 cents the year after that.

What I'm interested in trying to obtain is -- well, let me just back up a bit. First of all, in terms of the phasing-in of

the border price, I take it that is really what the minister is suggesting: that there's going to be pressure from the producers to get the border price, at least, if they've got a long-term contract with Northwestern Utilities, Canadian Western Natural Gas, or what have you. In your discussions with the utilities, what are you looking at in terms of phasing-in time?

MR. GETTY: It's pretty difficult to judge, Mr. Chairman. The reason is that some of their contracts do not provide at all for renegotiation, and they are going to have to make almost a fairness judgment as to whether they are paying a reasonable value to some of their suppliers. It's going to be something that will be determined on a corporate basis between the utilities and their suppliers. In many cases, they may be freeholders, individual Albertans, or others, holding these reserves.

I would say you're going to have the normal negotiations going on between the company and its suppliers, remembering again, as I pointed out, that, in addition, we are going to have the natural gas rebate plan and, of course, the Public Utilities Board also inserted into the picture, once the utilities have purchased natural gas, to make sure that only a reasonable price is then used in selling to Albertans.

MR. NOTLEY: Mr. Chairman, just to follow along. What will be the position at the present time with respect to the rural gas co-ops in Alberta which would be buying their gas through Gas Alberta? Obviously, you're not looking at large reserves which are tied up for them. Will they automatically be paying the border price, less the cost of transmission, as a gate price to the co-op?

MR. GETTY: They will pay the price after rebate, which is 28 cents, Mr. Chairman. The co-ops are protected, like others, by the rebate plan.

MR. NOTLEY: Mr. Minister, I realize that. My question, though, is that in terms of rural Alberta, the rural gas co-ops at this stage will be paying the border price, less transmission, less whatever the rebate is from year to year. That's correct?

MR. GETTY: That's correct, Mr. Chairman.

MR. NOTLEY: The other question I'd like to get clear in my mind, Mr. Chairman, is with respect to the long-term contracts the large utility companies would enjoy. As I gather, in listening to the minister, it's essentially a voluntary renegotiation. Is there any compulsion, or any statutory authority, which would, in fact, set a gun to the head of the utility company to increase the payment to the producer?

I'm thinking, for example, would the provisions of The Arbitration Act of 1973 apply, if there was a difference between what the producer feels he should be receiving for the natural gas, on one hand, and the long-term contract which Northwest-

ern, Canadian Western Natural Gas, or whichever company you want to cite, has nailed down for perhaps two, three or five years?

MR. GETTY: Mr. Chairman, the utilities companies have different kinds of contracts. Some provide for the reopening of price renegotiations on an annual basis; others provide for no reopening of wellhead prices for renegotiation. Therefore, while some may be voluntary, and the companies may make a judgment not to renegotiate, others are required to.

Therefore -- and I want to answer the other question too -- there is no gun at the head of the utilities, in legislation, that would force them to reopen any contracts that do not provide for reopening. However, I imagine they will make a judgment based on what they consider to be their best business interest.

MR. CLARK: Mr. Chairman, I wonder if the minister would be agreeable to perhaps holding the bill in committee until tonight. We'd be in a position then to check by telephone with some people who have given us some input in this particular area. In a quick look over the bill, it doesn't seem to cause any concern, but in fairness to the people who gave a sizable amount of their time, it's only fair that we give them the opportunity to respond.

MR. GETTY: Mr. Chairman, I think that would be reasonable, and I certainly would agree to it. I appreciate the hon. member's determination to deal with the bill this evening if possible.

MR. HYNDMAN: Mr. Chairman, I move we defer debate on this bill.

[Motion carried]

Bill 53  
The Pharmaceutical  
Association Amendment Act, 1975

MR. MUSGREAVE: Mr. Chairman, I would like to mention one amendment I'd like to make to the bill. In the bill that was tabled in the House and the printed bill that has been distributed to the members, there was one slight deletion.

In Section 4, I would like to move that the bill be amended as follows: that by striking out the words "(or any body established in substitution for or as a successor to that body?)". It's Section 4(4). It starts off by saying "If the name of a pharmaceutical chemist is removed from the register of the Pharmacy Examining Board of Canada. . ."

MR. CHAIRMAN: Has the amendment been distributed?

MR. MUSGREAVE: Mr. Chairman, I'm not sure whether the amendment has been distributed or not. We had some problems as to just how we would handle the particular amendment. There was some discussion with the

clerk of the legal counsel. He suggested I just make the amendment and I could arrange to have it prepared.

MR. CHAIRMAN: In the meanwhile, it has been asked. I wonder if you would read the amendment out once more, please.

MR. MUSGREAVE: The bill is hereby amended as follows: (a) Section 4 of the bill is amended by striking out the words "(or any body established in substitution for or as a successor to that board?)".

MISS HUNLEY: Mr. Chairman, perhaps I could throw some light on this. I see some hon. members are looking concerned. The bill which was originally introduced in the House by the hon. member Mr. Musgreave contained those words. The error was subsequently picked up prior to printing. So all hon. members who are looking at the printed bill will never see the words we are attempting to delete. It's a technical matter required because the bill which was filed originally with the Clerk did contain an error. It was picked up, but we must clarify it according to legislative counsel. The bill, as we are now reading it, is the bill which we would appreciate having passed.

[Title and preamble agreed to]

MR. MUSGREAVE: Mr. Chairman, I would move that Bill 53 be reported as amended.

[Motion carried]

Bill 56  
The Public Utilities  
Board Amendment Act, 1975

MR. CLARK: Mr. Chairman, you will recall that when we were in second reading of Bill 56, we on this side expressed some rather strong reservations about Section 70, which in fact would let the Lieutenant Governor in Council or the Public Utilities Board declare any utility in Alberta exempt from the provisions of The Public Utilities Board Act. We're being asked, in Section 70 of this particular bill, to grant to the cabinet or the Public Utilities Board the power to exempt any utility from regulation by the Board of Public Utilities commissioners.

The hon. member who has piloted the bill through the House, and also the Solicitor General, attempted to give us some sort of explanation. While I appreciate their sincerity in trying to give us an explanation, frankly, we're not satisfied. Unless we can have a more definitive explanation as to the reasons why Section 70 has to be in, I would really urge the government to hold this piece of legislation.

With all the legal minds we have in the government, surely we can draft a section that would cover the situations the Solicitor General talked about, so that we're not really, by means of this Legislature, giv-

ing carte blanche approval to the cabinet to let any utility company not appear before the board if they can put a good enough case to the cabinet.

I think it's bad legislation in principle to go this way. So I'd ask the hon. member for Edmonton Beverly who has piloted the bill through the House, if he could give us some more definitive examples. We can then carry the discussion from there.

MR. DIACHUK: Mr. Chairman, to the Leader of the Opposition. As definitive as I possibly can be, my understanding is that the type of examples will be pipeline companies and small companies which, as the Solicitor General indicated, own gas wells and which do not have shareholders -- possibly a privately owned company that does not do any direct business with consumers. That's about the explanation I received.

MR. CLARK: Mr. Chairman, taking the explanation the hon. member has given, why don't we make an amendment, or why haven't we phrased Section 70 to, in fact, say that Section 70 would only apply to those companies which do not deal directly with consumers? I must say, frankly, I had fully intended to move an amendment that Section 6 of the act be struck out, and ask the hon. member who piloted the bill through the House to go back and see if the government can't come forward with something a great deal more definitive.

If what the hon. member is saying is that this would not apply to any company which deals with consumers in the province, but is simply an inter-trade kind of thing, let's put that in the legislation. But let's not just open the door wide open here, because that's what Section 70 does.

MR. FOSTER: Maybe I could make a couple of comments, Mr. Chairman. I'm not sure I'm precise in this, but it seems to me there are something like 400 companies in Alberta which might be caught by the provisions of the public utilities legislation.

I appreciate the concern the Leader of the Opposition is making. However, I don't mean to imply there's anything ulterior in the government's motive in promoting Section 6 of this bill. Not all the 400 companies which might otherwise be a regulated utility under the act should be caught. It's a little difficult to set out all the exceptions. We're simply asking for the capacity, upon examination by the board of certain companies, to declare some of them not bound by either all the provisions of the act, or some of the provisions of the act, depending on the company's activities.

I don't think there's anything secretive about the Public Utilities Board decision to exempt a certain company, under this section for example, for certain reasons before the board. If they do so, I see no reason why that kind of thing is not a matter of public record. If some member of the House is concerned that that company was exempted for ulterior motives or otherwise, surely the members of the opposition,

or indeed anyone else, is entitled to raise it and ask why this was done. I don't know how else we might handle the objective we seek here, and provide the kind of flexibility the board would like to have in dealing with these companies.

If the Leader of the Opposition has some suggestions, I would be happy to hear them. But nothing is going to be done here secretly that will allow someone to escape, for example, Public Utilities' regulation, and not have the government accountable for what the board has done, or what the cabinet has asked the board to consider doing.

MR. CLARK: Mr. Chairman, I appreciate that the Attorney General may have the very best of intentions -- I was going to say on this occasion, but that would imply he doesn't on all occasions -- so I'll just say he may have the very best of intentions as far as Bill 56 is concerned. But what we are doing here now, if this is passed, is making it possible for any utility company in the province to come to the government and say look, for this reason, and this reason, and this reason, and this reason, we think you may well want to, or you should use Section 70 of the act to in fact exempt us from certain provisions of the Public Utilities Board operation.

In addition to the point already made, that is going to put, in my judgment, just a tremendous amount of increased pressure on the minister responsible, and also on the Public Utilities Board -- for the board to come to the government and say, we think that for certain reasons this company should be exempt under Section 70 of the act. I think that's very poor legislation: to really open the thing up and say, but trust Executive Council. There are many people in this House who trust the Executive Council implicitly, but -- perish the thought -- this may not be the Executive Council forever. Then, at least, you're guaranteed a full discussion back here in the Legislature.

MR. FOSTER: I appreciate the point of the Leader of the Opposition, Mr. Chairman: where does the responsibility lie, and where does the accountability lie. The answer to that can leave no doubt; it lies here, it lies in cabinet if this section is to carry.

I appreciate the leader's concern for the pressure on government and on the cabinet in dealing with what probably will be requests from some companies to be exempted -- and we have no intention of exempting them. But better that someone here be responsible for that decision and to answer questions in this Legislature as to the reasons why, than someone in a board or agency left out there who's not directly accountable.

When you cast the net rather broadly, as does this legislation, you undoubtedly, or you may bring in to that cover people who don't need to be regulated by the utilities legislation, and so you provide some room for exemption.

Just for example -- it comes to mind



quickly -- in the case of our land titles reporting system, you cast the net pretty broadly there, and there are reasons for some exemptions. Those exemptions are granted, and I'm responsible to this Legislature as to why certain companies may be exempted. If I can't satisfy the test of reasonableness there, then I'm in some difficulty.

But I don't appreciate why this is such an unreasonable section, Mr. Chairman. If the Lieutenant Governor in Council suggests that a firm should, in fact, be exempt for what it believes to be good and valid reasons, it is accountable here. If those reasons don't stand up, I think it has a significant effect on the government of the day.

My point is, I appreciate your concern about cabinet responsibility, but it's here. The board may, in fact, do it on their own, in which case I'll be responsible to explain why the board has done so. But my other colleagues and I will be accountable for that. It's not being done under the table or in the back room.

MR. CLARK: To the Attorney General, one more question quickly. I guess I could be a bit more convinced if the Attorney General could give me some indication of the kinds of organizations involved. We've heard such terms as pipeline companies and so on.

Can I ask the Attorney General how, in fact, these are being handled right now? Have we got a backlog that's lasted over the past two, three, four, or five years? What's brought this to a head right now? Can the minister give us half a dozen, or four or five good examples of the reason this is coming forward?

MR. FOSTER: I'd have to take that question as notice. My experience in this is not as complete as it should be, and I apologize for that. It may be that my colleague, the Solicitor General, who was involved before me may be able to add to this. I understand there are some companies which, in the judgment of the board, ought not to be caught by all the provisions of the utilities legislation, and they should be given some exemption.

I think it would be very difficult for me to say now -- if I knew, and I don't -- specifically which companies the board might want to exempt from all or portions of the act. If I were to make that statement now and have it reported, and the board's view was, no, that was not in fact the case, I might be in some difficulty. I don't have a list of names, Mr. Chairman, of companies which may fall within that category. The board is seeking this kind of flexibility. But I haven't got the names of companies, although I can probably get an indication from the PUB which companies they feel specifically should be exempted, pursuant to this, from all or portions of the legislation -- mostly portions, I assume.

MR. CLARK: If we had this kind of information, if we had examples not naming the

companies -- and perhaps "companies" is a poor term -- if we had those kinds of examples before the committee, I think we could look at the kind of problem you are having and have another look at it.

I just look at this section very boldly, very straightforwardly, and say that we're really removing the principle of all utilities going before the board. It becomes a matter of the cabinet may or it may not. So if the minister, or the former minister, could give us some examples -- I'm not particularly fussy about companies -- that the board's wrestling with right now, then at least that would shed a little light on the situation.

MR. FARRAN: Mr. Chairman, I'll see if I can satisfy the hon. Leader of the Opposition, who's putting what I think is a very legitimate point.

The Gas Utilities Act has been in the statutes for many years prior to 1971. It contains the power for the board to exempt, in whole or part, any utility from full regulation. The reason for this is that the definition of a utility is very broad -- for good reasons. A utility includes a well, any system for providing gas, any little private power plant, and so on. So, for quite a while, a lot of utilities -- which were utilities under the definition of the act -- didn't realize they were subject to regulation by the board. About two years ago, they suddenly tumbled to the fact that they were, and they then began, in great numbers, to apply for exemption, because they were not utilities in the sense of the word you and I are dealing with today. They were utilities which were maybe supplying gas to a petrochemical plant at Empress. But under the definition of the act, it was still called a utility -- they weren't supplying gas to consumers at large. So the board has been exempting. This reinforces that provision, but adds the Lieutenant Governor in Council, as well as the board's own right under The Gas Utilities Act.

Then, because of this problem, which applied to small gas works or gas corporations, it became obvious that certain small power systems were also in the same category. They weren't supplying electric power to the consumers at large, but were perhaps supplying power from a stand-alone plant to a couple of industries, or an industry might have its own power plant just a couple of hundred yards down the street. So the thought was that there should be power in the act to exempt, in whole or part, any utility. The intent, of course, is not to use it for "public utilities", for utilities which are not really public. They are really private utilities.

I'll give you one example which might illustrate it better. East of Edmonton, there's a private gas utility run by Cygnus Limited. It supplies gas to a number of industries. Sheritt Gordon fertilizer plant is one of them. It supplies the gas by private arrangement between the producer and the consumer. It's not gas being supplied to the public at large in the

nature of a public utility. It could ask to come under the regulation of the Public Utilities Board, presumably with the consent of both parties to the contract, but at the moment one sees no reason for regulating it. It's not in the public interest. They've already made deals with one another under agreement. They're not utilities in the sense of Northwest Utilities or Canadian Western Natural Gas Company or any small power utility. I've got a note here that a government power plant supplies power to a government centre. That would be another illustration. So the power to exempt, in whole or part, needs to be there.

They also need the right to be able to track through the gas component of a utility, where they would just be regulating in part, because of the fluctuating level of the natural gas rebate support price. In this case, they may not want to regulate a whole utility, but to check the flow-through of the gas support price to make sure it's going for the benefit of the consumers for whom it was intended, not being diverted into some other pocket. In that case, they would want to regulate in part and not in whole.

MR. CLARK: Mr. Chairman, I'd like to go back to the minister responsible, the Attorney General. If the Attorney General is saying that it is not the government's intention in any way, shape, or form, in fact, to use this amendment in Bill 56 to get around the public utilities act, as it's rather commonly regarded by most people -- and when I say commonly regarded, I refer specifically to when utilities seek a rate increase, that the practice is to go to the board, the board then holds public hearings, and the rate increase cannot be granted until the board either gives an interim increase or the final increase after the public hearings -- I'm still not enthused about this kind of legislation.

But is the Attorney General prepared to rise in his place and have an indication placed in Hansard that it is not the government's intention to use this section of the act in that way at all, that it is not the intention of the government to use this amendment to Section 7 of the Public Utilities Board to get around or to water down at all the concept of the Public Utilities Board and its role in the regulation of public utilities in the province?

MR. FOSTER: That, Mr. Chairman, is my understanding.

MR. CLARK: Well, say it.

MR. FOSTER: I do. I said that 12 years ago and I'm happy to say it today.

MR. NOTLEY: Mr. Chairman, with the rate of divorce these days, "I do" doesn't necessarily mean . . .

MR. FOSTER: [Inaudible] say I did, Mr. Chairman, I said "I do."

MR. NOTLEY: Mr. Chairman, I really have to express some concern. I wasn't here for second reading, and I apologize for that. It seems to me there really is a great deal of danger. I accept the Attorney General's position that he doesn't intend to use this section to alter the role and function of the Public Utilities Board. But what concerns me, Mr. Chairman, is that this section allows the government, the Executive Council, sweeping powers.

A future government could look at this section and exempt Calgary Power from the provisions of The Public Utilities Board Act. The Attorney General, in debating this subject, said that ultimately the government is going to be accountable. That's true. But it's a question, Mr. Minister, of whether you're accountable after the fact or before. If you're going to be making any changes -- and when I say you, I mean a future government -- if the future Executive Council is going to be making any changes that relate to the basic function of the board supervising public utilities in this province, it seems to me the place to make that case is in the Legislature, before the exemption is made.

My concern with this section as it reads, notwithstanding what this government is saying today, or for the next two or three years, is that this change could be on the books for five or six years. Some future government could completely, fundamentally alter the role and function of the Public Utilities Board in the province, and use this section, very plausibly, to do it. I'm not suggesting that the Public Utilities Board is sacrosanct, that forever and a day it's going to be there, inviolate. But it seems to me, if we're going to make basic changes in its operation, those changes should form specific amendments that are placed in the Legislature and debated as a consequence.

If at some point in time a future government wants to exempt Calgary Power, Northwestern Utilities, Canadian Western Natural Gas, or any of the other companies, or fundamentally reshape the role of the board, the jurisdiction of the board, that's something that should be specifically debated and hammered out in the House before changes are made, rather than have the government come back and face the issue in question period. I realize there's always going to be an opportunity to debate it. But in my view, whether that debate is after the fact or before the fact is pretty crucial.

The former minister cited some examples, but none of the examples, as I listened to them, really dealt with the major utility companies. Why did they not at least add a section which would simply say, this section of the act will not apply to the major utility companies, then list them? That seems to me to be the most sensible thing to do. No one in this committee is going to suggest there are not going to be valid reasons for essentially private utilities, as the Solicitor General has suggested, being exempted. Fair enough -- but there's a difference between a private utility supplying gas or power to a

small company on one hand, and Calgary Power on the other.

In order to retain legislative control of this important act, why would we not at least exempt the major utility companies from the provisions of this clause? Then you would have the flexibility, it seems to me, you're seeking. At the same time, we would have the assurance that this act, as it is now set up, will continue to apply to the major utilities.

MR. FOSTER: Well, Mr. Chairman, I guess it's all a matter of definition. Where does the fish's tail begin? What is small, smaller, smallest, big, bigger and biggest, major, minor or in-between? I don't mean to be disrespectful, but I find it amusing that some members of the opposition are sort of anxious to have the Legislature pass judgment on each of the cases to which my colleague the Solicitor General has referred. Given my earlier example, it's tantamount to having the Legislature rule on each specific exemption, of which there may be 10, under the land titles reporting system.

I appreciate the point you make, and I don't mean to be cynical about it. But I really don't think you can frame legislation dealing with all 400 companies currently there, to say nothing of the various firms that, given a reasonable construction of the act, would now be bound by its provisions, that will adequately define what you're getting at. The jurisdiction rests with the board at its initiative, or with the cabinet.

If some day some government were foolish enough to exempt a major utility from regulation in an attempt, I don't know, to benefit somebody, I have enough faith in members of the opposition and the public of this province that the cabinet of the day would be hearing about it in no uncertain terms.

I guess I'm really not satisfying the members opposite, Mr. Chairman, but I read them to say that they'd like to have the Legislature pass judgment on the exemptions. That's really what it comes down to. The leader was concerned about the pressure on government, the pressure of business. I just don't think that this government or any other can function if members of the opposition are going to have to rule on exemptions under this part, or exemptions under similar parts in many other areas of legislation in the Province of Alberta.

The responsibility is here. I submit to you, Mr. Chairman, and to the House, that that's reasonable and fair enough. If we are fundamentally opposed on that, so be it. But I don't know where there's an area of common ground that will allow the opposition to achieve what it's after in the definition that, particularly, the Member for Spirit River-Fairview is discussing.

MR. TAYLOR: Mr. Chairman, I'm also having a little difficulty following the concern about this particular amendment for the following reasons. For many, many years now -- and [through] legislation which I

certainly helped to pass -- the board of public utility commissioners has had the authority to exempt, and has in fact exempted, a number of companies over the years, and properly so. But I can't recall ever seeing the names of the companies that were exempted, and I'm not even sure that every Attorney General in this province since that time has even had a list of these companies. It seems to me this is strengthening the position of responsible government, rather than weakening it.

Now, before the board of public utility commissioners, which is an appointed body, may exempt, it must be referred to the minister and to the Executive Council. So we now have ministerial and government responsibility for that exemption, rather than the exemption by an appointed board. Consequently, it seems to me this is what we're aiming at in most of our legislation, to have the responsibility placed where it should be, on the cabinet or the government of the province.

I don't agree with appointed boards having these powers. I would feel much safer as a citizen of the province, even if we had an extreme, red, socialist government, having the responsibility in the entire government [rather] than in an appointed board, because at least that government has to come out to periodically stand for re-election and report to the people through the Legislature. So I think this is strengthening the present position. I have no concern at all, really, about this, because once it's passed, the cabinet is going to be responsible for any of these exemptions. Surely, that's the way we want it in a responsible government.

That, in fact, is very much in line with what the hon. Leader of the Opposition was asking for in his resolution the other day, in general terms that the government be responsible to the Legislature and be responsible to the people of the province, and this is going to make them responsible. As a matter of fact, at the end of any year, I can't see why we can't ask a question, and get the answers of every company the cabinet did exempt during the year. It would be a proper question for a return on the Order Paper. So again I say, I'm not really concerned about that at all.

I'm much more concerned about something we did several years ago, which still is in effect. We exempted publicly owned utilities from appearing before the board of public utility commissioners. As a result, the city of Edmonton can do what it likes with its rates -- its telephone rates, its power rates, and so on -- without ever appearing before the board of public utility commissioners.

Now, I remember the arguments in cabinet and in the House several years ago when that was discussed. The argument was that the city of Edmonton had to elect its council, the council had the final word on the amount of increase or decrease in public utility rates, and therefore it seemed logical that the responsible people who were elected should have the final say. I think that carries a lot of argument.

There's a lot of sound sense in that, and it carried the judgment of the Legislature and the government several years ago. I suppose it still does, because I don't see any amendment changing it.

Many citizens feel that, living in a place where there's municipally owned utilities, they don't have the same rights as citizens who live outside. Alberta Government Telephones, for instance, when it wants to increase its rates, doesn't say, well, we're the government, we've been elected, so we can increase the rates. It goes before the board of public utility commissioners. It has to present a case, a sound argument, and I think properly so. Rather than change what is being done here, which I support, if we're going to change anything, let's give some thought to having publicly owned utilities appear before the board of public utility commissioners, for exemption or otherwise, and not simply be exempted wholesale by legislation, so they do not have to appear at all, and citizens there must accept the decision of the elected councillors.

Now, the difference, I think, is that when an application for an increase appears before the board of public utility commissioners, that board normally has a hearing. It becomes public information. Newspapermen can sit in and publish the information. This isn't always so. There's no public hearing. It's done by the appointed people in a city, then confirmed, approved, or amended by the elected aldermen. But normally, there's no public hearing before the city council.

I think people do have some legitimate reason in saying they would like to see it come before the board of public utility commissioners for acceptance or rejection. I'm sure the cities would oppose that, and I'm not particularly advocating it. But I'm more concerned about that than about having the government say which companies will be exempted, because the government must answer to the people for any exemption it makes, whereas a board of public utility commissioners could have done this, had the change not been made, without ever saying boo to anybody.

MR. NOTLEY: Mr. Chairman, first of all, I happen to agree with the proposal, or with the point that municipal utilities should also have to appear and justify their case before the Public Utilities Board.

Just going back to your response, Mr. Minister, I hope I didn't leave the impression that I was suggesting we, as a Legislature, would determine the minor exemptions. I'm not making that point at all. I can understand there has to be flexibility to make minor exemptions. What I am concerned about is the scope of the section, as it now reads, which allows the Executive Council to make major exemptions. That's what troubles me.

I have two or three questions I'd like to put. Perhaps the Solicitor General could answer some of them. The Member for Drumheller mentioned that the Public Utilities Board already had the authority to exempt companies from the provisions of the

act. In listening to your response, Mr. Minister, I was left with the impression that that in fact did not occur, and problems were created because there was not now authority under the present operation of the board to grant minor exemptions. Perhaps you could clarify that, first of all.

MR. FAPRAN: Well, Mr. Chairman, the power under The Gas Utilities Act obviously doesn't extend to power. It only refers to natural gas. That's one reason for changing it. The other was that, in the past, companies which haven't considered themselves to be utilities have not been supplying information to the Public Utilities Board as the act required, because they hadn't received an exemption. So this really tidies the whole thing up to give obvious rights to the Lieutenant Governor in Council or the Public Utilities Board to exempt these clearly deserving cases. Then, of course, as you mentioned, municipal utilities have always been exempt. We have the question of the gas co-ops, which are supplying gas to members of their organization, not to the public at large, by agreement between what in effect are shareholders of a co-operative.

So there are all kinds of different fish and fowl that seem to fall under this definition of "utilities". Some of them obviously shouldn't be regulated at all, some of them should be regulated in part, so you're checking the flow-through of a natural gas rebate plan, and some should be regulated entirely, like Calgary Power, the big gas companies, and Alberta Government Telephones. It would be impossible to write the names of the actual ones you want to regulate in the act, because there are small utilities that have to be regulated. There is one out at Bonnyville, for instance. But there were some that should never have been regulated.

MR. NOTLEY: I'd like to follow that through, if I may. I fail to follow the argument that naming the 10 or 12 major utility companies that do the vast majority, by far, of business in the province would unduly restrict anybody. It seems to me that the question of whether the smaller utilities should be regulated, could quite clearly come under this clause as presented here. It would give the Public Utilities Board and the Executive Council the latitude to decide whether that utility at Bonnyville should be regulated in the public interest, or whether it should be free to set rates as it chooses. It seems to me what is at stake here is the basic question of what we are going to do with the large utilities. I don't see where that confines either the Executive Council or the board, to simply name the 10 or 12 major utilities in this province and simply say, these utilities will not come under the import of this section.

MR. FAPRAN: I think this is the best way to do it. So much flexibility is required with the natural gas rebate plan too. You want to regulate in regard to gas. You

want to check and regulate in part. You want to check that the contracts they paid for the gas are not sweetheart deals and are proper market value for the gas, so you have validity for your degree of support under the plan. So you need to regulate for a small portion of many of these organizations which are not public utilities in the true sense of the word. But they may be supplying gas to a cement plant or an industry which consumes less than a billion cubic feet a year.

MR. NOTLEY: Mr. Chairman, if I can follow that up. Would the minister see any situation arise where part of the operation of a major utility company would not need to be regulated?

MR. FARRAN: Every part of a major utility company has to be regulated. I think that is well understood. The hon. Attorney General has said that never in the wildest stretch of the imagination would they be exempted from regulation.

[Title and preamble agreed to]

MR. DIACHUK: Mr. Chairman, I move that Bill 56, The Public Utilities Board Amendment Act, 1975, be reported as amended.

[Motion carried]

Bill 61  
The Companies Amendment Act, 1975

MR. R. SPEAKER: Mr. Chairman, in second reading I raised a number of questions. The minister indicated he would make some comments with regard to those questions.

MR. HARLE: Mr. Chairman, the hon. member raised some questions -- and I'm looking at the Alberta Hansard for November 20. He asked, "what examination has been made with regard to the extra cost of bringing on new directors?" I would advise the hon. member that there has been no specific examination as to the extra cost that might result. Basically, the only cost I could see that would relate would be if the board of directors was increased to meet somehow the requirements of the amending section, which usually entails additional directors fees. Apart from that, I wouldn't think the costs would be very significant. In fact, most of the responses I've had since the bill was introduced have not specifically mentioned the cost.

It's interesting that many of the companies that incorporate here, incorporate because of our lower fees. One was described to me. A company was incorporated here which carries on mining operations in Ontario, for example. As far as I can determine, the reason for incorporating here related purely to a lower cost, and it just happened to be easier to do that. That type of company, of course, would be directly affected, because most of the principals in the company presumably are in Ontario or the Northwest Territories, where

they are carrying on mining operations. They incorporate here and become registered extra-provincial companies in the jurisdictions in which they are carrying on a business.

The hon. member asked, "will this reduce investment in the Province of Alberta?" As the Premier pointed out in the debate on second reading, this is a growth province, and [whether] the investment here will occur is purely a question of whether the companies might decide to incorporate in another jurisdiction and register extra-provincially in Alberta.

He asks, Mr. Chairman, "by putting 50 per cent Albertans on a number of these companies, does it mean Albertans will be taking over some companies?" As I interpret those words, I would say, no. The ownership of a company is in the shareholders who appoint the directors to make the decisions for the company. I certainly wouldn't think that that amendment, which relates to directors, could be said to be that Albertans would be taking over some companies.

MR. TAYLOR: Mr. Chairman, I want to raise just one point on the bill. I strongly support the amendments to the bill which make at least one half of the directors of a company Albertans, and the majority of the meetings must be held in Canada and so on. There is one point I would like to raise for the minister's consideration. That is the injection of unions into management functions in many of our companies. This is getting to the point where, if it continues, it won't matter who the directors of a company are. The important thing will be who the heads of the union happen to be. I'm thinking of an American-dominated union, or American union, where the reports and money from Canada go back to the United States.

Particularly, I think, we have a good illustration in the postal strike now, where the union is not even acting democratically. It's holding up the entire country. It's bringing complete bankruptcy to many businesses. It's causing inconvenience to thousands, perhaps millions, of our people. The union members aren't even permitted to have a vote on whether they want to stay out on strike.

I think this is going too far entirely, when unions can start telling the country what's good for it, and telling its own members what's good for them. I don't know why the members don't stand up and be heard, unless they're completely dominated by the leadership of this union. But I don't think the people of Canada appreciate this at all. They're not doing the cause of unionism any good.

I use that as an illustration. Now it's reported -- I don't know how true it is -- that money is now coming in from the United States to keep the union on strike. If this is so, the Canadian government should be starting to take some pretty definite action, because I, for one, don't want the Americans running our unions or our country. I think we're quite able to do that ourselves.

Now I'm not going to put all unions that originate in the United States in this category. The UMWA is completely the other way. They're autonomous in Canada. They don't send the miners' money to the United States. They listen to what's going on here, and the leadership has been very responsible, not simply telling the members what they have to do. I can't remember one instance where the UMWA has not gone out of its way and endeavored to secure the wishes of its members, completely contrary to what the postal union is doing in Canada today.

My point is that if we're going to permit unions to run our businesses, it may not matter whether we have Alberta directors, if they're going to have the say about what goes on in this country.

I come from a family of union members. My brothers and dad were members of the United Mine Workers, and I believe in responsible unions. But I certainly don't believe in what we see going on in the postal union today. This is not doing the country or anybody else any good. I simply raise the point that I hope the amendments we're making now will be effective, by management saying what management should do and the powers they should have. The union should not be injecting itself into managing our businesses.

I simply raise the point that I hope we'll be able, in this province at least, to make sure that unions do not have the say whether a man can work, whether a company can act, or can make a company change its policy because some fellow at the head of the union thinks it's wrong. If the entire union body thinks there's something wrong, they should make representations the proper way, but they shouldn't be doing this by the heads of the union refusing even to let the rank and file have a vote.

I support the bill very, very strongly. I think it's an excellent move to have our companies with a majority of Albertans in them. I think it will do a great deal towards building our country and building responsibility in our country, and giving the Alberta and Canadian viewpoints. I certainly loathe the attitude we see in the Canadian postal union today, and hope that such an attitude never comes into companies in Alberta, whether they have a majority of Albertans on them or otherwise.

MR. R. SPEAKER: Mr. Chairman, to the minister. In the act, half of a board of directors must be ordinary residents of Alberta. How do you define that residency clause? Is it the intention of government to bring in a residency act to clarify that completely? Who makes the judgment on that particular term? As I look at different pieces of provincial legislation, it varies. What's the interpretation there?

MR. HARLE: Mr. Chairman, one would have to look at The Interpretation Act to see whether that particular word has been defined. I would suspect not. The word "resident" has been used in many types of legislation, and in this particular case it would have to be left up to the courts as

to what an ordinary dictionary definition of the word "resident" would mean. I think most of the legislation I've seen in this area has left it to ordinary usage of those words, and we would have to see if and when there are any court interpretations applied to this type of legislation.

MR. R. SPEAKER: Mr. Chairman, to the minister. On what basis would a court make a decision, that is, if a person has been six months or a year in the province, comes in and lives three months and lives somewhere else for the rest of the year? What's the interpretation? What are we talking about? What kind of guidance would you give to a court in a matter such as this? It's so general.

MR. HARLE: Well, Mr. Chairman, the hon. member raises a very valid point, and a point that courts over the years have had some difficulty with. As you know, The [Alberta] Income Tax Act gets down to trying to define residency on a specific number of days. If it were to become a matter of that import, then presumably by experience the only satisfactory test is perhaps to provide for so many days. However, I would hope that we wouldn't have to go that far. I think that the words "ordinarily resident" have a judicial meaning, and there are many cases that have considered those words in other legislation. That consideration would no doubt be used by the court to come to some determination on the facts that were actually presented to it.

MR. R. SPEAKER: Mr. Chairman, I note that the date the bill comes into effect has been changed from July 1, 1976 to January 1, 1977 in order to give the companies more time. During that period of time, is it up to the companies to take the initiative to go to the director of companies and say, now look, I qualify or I don't? Can you make a judgment? Is it that kind of a procedure which is going to be set up? Will there be regulations made following this act which will be sent out to the various companies saying, do you meet these regulations; if not then you must go to the director of companies, or you must bring in more directors so you meet the requirements of the legislation? What procedure will we set up for the companies in the next year?

MR. HARLE: Mr. Chairman, as yet, we haven't worked out these details. In talking to the former Registrar of Companies, he has suggested that it may need some amendments to the forms which are used for reporting, and probably will require some staff in a somewhat senior position to examine the returns as they come in to check the residency clauses.

I might say that this type of provision under our present Companies Act is handled on a fairly routine basis. My understanding of the operations of the companies branch, is that unless someone brings to the attention of the registrar specific suspected violations of the statute, they generally only check them to make sure that

the spaces are completed and that the right documents are on file in the companies branch.

MR. R. SPEAKER: Earlier in the session, the minister tabled the report, Selected Topics in Canadian Company Law Reform. My question to the minister is: was this report used to prepare this legislation? If so, prior to the presentation of the legislation in the House, did the minister refer to the recommendations of the report?

MR. HARLE: Mr. Chairman, I had the report approximately in July, and noted with interest the comments on that particular topic in the report.

[Title and preamble agreed to]

MR. HARLE: Mr. Chairman, I move the bill be reported as amended.

[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.]

\* \* \* \* \*

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following: Bills No. 48, 53, 56, and 61, and begs to report same with some amendments.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following: Bill 52, begs to report progress on same, and asks 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.

#### GOVERNMENT MOTIONS

7. Mr. Hyndman proposed the following motion to the Assembly:

Be it resolved that, when the Assembly rises at 5:30 p.m. on Wednesday, November 26, 1975, it stands adjourned to 2:30 p.m. on Wednesday, December 3, 1975.

MR. HYNDMAN: As mentioned previously, I believe in the question period, Mr. Speaker, the purpose of this motion is to provide the opportunity for the cabinet and caucus to finalize and review the temporary anti-inflation measures act and the temporary rent regulation measures act.

[Motion carried]

5. Mr. Crawford proposed the following motion to the Assembly:  
Be it resolved that,

(1) A select committee of this Assembly be established consisting of the following members:  
Chairman: T. Donnelly  
Members: J. Ashton  
E. Jamison  
K. Paproski  
G. Taylor  
J. Thompson;  
with instructions:

(a) to receive representations and recommendations as to the operations of the Workers' Compensation Act; and

(b) that the committee so appointed do meet for the purposes aforesaid at the call of the chairman at such times and places as may from time to time be designated by him; and

(c) that the said committee do report to this Assembly at the next ensuing session of this Assembly, the substance of the representations and recommendations made to the committee, together with such recommendations relating to the administration of the said act as to the said committee seems proper.

(2) Members of the committee shall receive remuneration in accordance with Section 59 of The Legislative Assembly Act.

(3) Reasonable disbursement by the committee for clerical assistance, equipment and supplies, advertising, rent, and other facilities required for the effective conduct of its responsibilities shall be paid, subject to the approval of the chairman, out of Appropriation 1909.

MR. CRAWFORD: Mr. Speaker, in moving Motion No. 5 on the Order Paper in my name, I'd just like to make a few general remarks about the importance of the select committee that is to be established by that motion.

I think it's worth noting, every once in a while in any Legislature, that the history of the rights and what is in so many respects the fair treatment of the working man is something that is of relatively recent origin. You only have to go back a matter of a few generations in order to find that so many of the complaints that were made about unfairness and harsh treatment were regrettably only too true.

It was, I suppose, in the late stages of the last century and certainly early into the 20th century when, for various reasons, that sort of picture began to change in the working community of the western world. I suppose some of the worst

abuses and excesses have been spared most of the workers in Canada, because of the relatively late development, when compared with the U.S., Britain, and Europe, of a type of society which is fairly heavily industrialized now.

So, Mr. Speaker, I just wanted to say that one of the things, that through that period has been a way of marking the progress of society in bringing about changes, has been the bringing in of the various types of workers' compensation legislation in Canada, and in particular in Alberta. By past comparisons, the progress from the period of around the First World War until the present time has actually been fairly rapid in this area, although, when one looks at it closely and examines it carefully, it never seems that it has proceeded at the pace it perhaps should have. Even so, changes have been widespread over that period.

I think it's a good thing that the tradition arose some time ago in this Legislature that each Legislature at some point in its term should have a select committee of the Legislature in order to consider various aspects of The Workers' Compensation Act. One of the advantages of having such a committee is, I think, that members are inclined to be more assured that the necessary examinations of policy are being done, and that the result should be, and has been, that policy as reduced to legislation and administration becomes more contemporary and more useful to the individual worker.

The last select committee of the Alberta Legislature did what was generally regarded to be an outstanding job in its report. That report, of course, was presented to the House some time ago, and gave rise to the new act of 1973 and to the extensive amendments I had the honor of presenting to the House earlier this year. All of those excellent developments were in a large measure the result of the work of that select committee.

One of the proposals of that select committee that was later legislated was the setting up of an advisory committee to the minister. I think I've been able to say to the House before, in the earlier discussions this spring, that the advisory committee to the minister is working very well, and I think is giving encouragement to all those associated with it, from the side of industry or management, from the side of labor, and from the side of government; encouragement for us to believe that the useful work that has been done and the contemporary views that can be had from discussion together and necessary attention to the interests of compensation and the interests of the individual worker are, in fact, being debated and discussed as required.

Mr. Speaker, the time has come again, as I think it always will, when it's appropriate to move again the setting up of the select committee of the Alberta Legislature for the 18th Legislature. It's with a great deal of pleasure that I commend to hon. members the support of this motion and look forward in due course to the

useful report that will no doubt be received from the members, under the chairmanship of the hon. member Mr. Donnelly.

[Motion carried]

6. Dr. Horner proposed the following motion to the Assembly:

Be it resolved that,

(1) a select committee of this Assembly be established consisting of the following members:

Chairman: F. Peacock

Members: W. Fuck

J. Horsman

H. Planche

L. Shaben

C. Stewart,

with instructions:

(a) to assess the adequacy or otherwise of existing regulations pertaining to the Alberta trucking industry, and to recommend such changes as may be desirable to provide optimum benefits to Alberta citizens and the Alberta trucking industry;

(b) to receive representations and recommendations;

(c) that the committee so appointed do meet for the purposes aforesaid at the call of the chairman at such times and places as may from time to time be designated by him; and

(d) that the said committee do report to this Assembly at the next ensuing session of this Assembly.

(2) Members of the committee shall receive remuneration in accordance with Section 59 of The Legislative Assembly Act.

(3) Reasonable disbursement by the committee for clerical assistance, equipment and supplies, advertising, rent, and other facilities required for the effective conduct of its responsibilities shall be paid, subject to the approval of the Chairman, out of Appropriation 1909.

DR. HORNER: Mr. Speaker, I take pleasure in moving the motion that will set up a select committee of the Legislature to look into the question of whether or we require additional regulation in Alberta's trucking industry, and to look at other aspects of the trucking industry in Alberta, more particularly, the status of the independent trucker, and whether he's protected from outside sources or out-of-province competition as much as he should be.

Over the years I think we've prided ourselves that we've allowed the trucking industry, if you like, to regulate itself. We're the only province in Canada that doesn't have a very intricate and detailed rate-structuring mechanism. Quite frankly, I'm not sure we would need one. But the representations are coming, both from



inside the trucking industry and outside, that, of course, they would feel safer if they did have a rate structure and some regulation. There are other segments of the trucking industry that feel exactly the opposite.

So, quite frankly, I'm hopeful that this select committee will be able to make valuable recommendations to the Legislature in regard to this very complex problem. While it may appear on the surface to be perhaps not that complex, I can assure anyone who wants to get involved in it that it is very complex indeed. This of course would apply only to trucking within Alberta, and Alberta's interest in extra-provincial trucking.

As I'm sure hon. members are aware, the federal government has not so far proclaimed that section of The National Transportation Act dealing with motor transport. There is also the complicating problem with regard to the anti-inflation measures that will affect the trucking industry. Whether we can do it through our motor transport board for the interim, or whether it will have to be done on a monitoring basis within the industry, is something that will have to be decided. But, in the meantime, we feel we would like to see the select committee struck, so they can assemble and organize their program to make these recommendations to the Legislature. I commend the motion to the Assembly.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, before calling it 5:30, for this evening, in order to accommodate the request of the hon. opposition leader, we will proceed immediately at 8:00 p.m. into committee on Bill 52. Following the completion of committee study, it would be my intention to ask for leave of the Assembly to move to third reading, insofar as this bill is retroactive to November 1. Following that step, we would move for a short time into Government Motion 4, to be proposed by the hon. Provincial Treasurer, regarding program budgeting. I move we call it 5:30.

MR. SPEAKER: Does the Assembly agree that, when the members reassemble at 8 o'clock, they'll be meeting in Committee of the Whole?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until the Committee of the Whole reports.

[The House rose at 5:20 p.m.]

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[The Committee of the Whole convened at 8 p.m.]

[Dr. McCrimmon in the Chair]

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

Bill 52  
The Natural Gas  
Pricing Agreement Act

MR. GETTY: Mr. Chairman, I have only one comment with regard to the amendments. I want to draw to the committee's attention that there are two amendment documents before it: Government Amendment No. 1 and Government Amendment No. 2. On Government Amendment No. 2 -- it's a single page -- the Law Clerk just advised me on my way here that the note on Government Amendment No. 2 requires a small change. The note should read this way: "These amendments replace item G(b) and item N", rather than "items G and N". Mr. Chairman, when you have amendments with amendments, and changes, I appreciate the fact that they are complicated. I appreciate the indulgence of the House.

MR. CLARK: As far as my comments are concerned, they are really twofold. We've had an opportunity to look at the amendments. On a very cursory inspection, they don't seem to change the intent of the legislation a great deal, as the minister has pointed out. So it's not our intention to hold up the bill in committee.

But I would like to say -- and I say this not directly to the minister in particular, but to the Assembly itself -- that as we approached this session, we understood the Natural Gas Pricing Agreement Act was to be one of the major pieces of legislation. As I understand the situation, nothing as far as the federal government's program was concerned would affect this basically. I am a bit surprised that we would be flooded with amendments of this magnitude right up until the second amendment, which came in this afternoon.

I have discussed with the minister, and he points out to me, the urgency of having this piece of legislation through before the end of this month. I can appreciate that. But having said that, I would certainly hope that in the future, when we have large numbers of amendments like we've had in this bill, we wouldn't have them introduced in the House one day and discussed in committee the very same day, especially to a major piece of legislation which, as I understood it, was a major plank in the government's legislative program as far as this session was concerned.

Very candidly, as far as the official opposition is concerned, we had two people spend quite a portion of a weekend going over the Natural Gas Pricing Agreement Act for us. They gave us an assessment of it. We phoned them up frantically at 4 o'clock this afternoon and said, "Look, there have been several pages of amendments. What do you think of the situation?" They said, "Can you send them down on the airbus?" We said, "No, the government wants to discuss them this afternoon or tonight."

I recognize this may be a unique situa-

tion because of the need to have the legislation passed before the end of the month. But I point out the situation to the members of the House, because it's extremely difficult for us on this side if we can't have these kinds of major amendments a great deal earlier. So I am pleased the government agreed this afternoon to holding the bill at least until tonight. But certainly in the future, I hope we have more opportunity to look at major legislation on a longer basis than this piece.

DR. BUCK: Mr. Chairman, on a point of privilege, I would ask if the hon. members of the Assembly would permit me to revert to the introduction of visitors.

HON. MEMBERS: Agreed.

#### INTRODUCTION OF VISITORS (reversion)

DR. BUCK: Mr. Chairman and members of the Assembly, I wish to thank you for reverting to introduction of visitors. I would like to introduce 26 cubs and scouts from the Hay Lakes area, which I and the hon. Member for Camrose represent. They are accompanied by Walter Besnius, Wally Schultz, Wanda Grahm, Keith Olson, and their parents. I would ask them to rise and receive the welcome of the Legislature.

#### COMMITTEE OF THE WHOLE (continued)

MR. PEACOCK: Mr. Chairman, on page 3 of the amendments [dated] November 24, maybe the minister might give me some explanation of what we mean by "price adjustment" under Section 7(1)a, "... the Alberta border price for the month plus the price adjustment for the month." What do we mean by "price adjustment"?

MR. GETTY: Mr. Chairman, [if] the hon. member will just look at the second page, "price adjustment" is explained there. The price adjustment is necessary, Mr. Chairman, as a new feature in this legislation. In order to ensure that we are within our jurisdiction to take a royalty [on] behalf of the people, we must actually adjust the price at the wellhead rather than having an export differential flowback to the wellhead price, then taking a royalty on it. Therefore, while I have used the term "flowback of export differential" in the House, it's been necessary actually to have a price adjustment. The price adjustment is the export differential flowed back to the wellhead, so the royalty can be taken. Mr. Chairman, I just wanted to respond briefly to the Leader of the Opposition. I thought he made a reasonable comment, and

again I'd express to him that I appreciate the House and the opposition moving as quickly as they have on this legislation. I'd only say to him I'd certainly like my life and the things that get in the way of it, Mr. Chairman, to be more orderly at times. But there are often outside factors with industry, legal people, federal privy councils, and things, that often don't allow us to move things along nearly as neatly as we might like. In this case, Mr. Chairman, it was certainly a fact that the legislation had to be amended very late. It was a matter of the session coming in November as it did, not wanting to change the dates of the session, and still having to get the legislation in before the end of the month. However, Mr. Chairman, I certainly appreciate the co-operation of the members of the committee in dealing with this legislation.

[Title and preamble agreed to]

MR. GETTY: Mr. Chairman, I move the bill be reported as amended.

[Motion carried]

#### Bill 55 The Livestock Brand Inspection Amendment Act, 1975

MR. MILLER: Mr. Chairman, first I would like to respond to two questions raised by the hon. Member for Bow Valley during second reading of the bill. He brought up two very good questions.

The first was whether any research was being done on methods of identifying cattle other than by the hot brand method. I would like to report there are. The one being used here by at least one rancher in southern Alberta is the freeze brand method. I had occasion to talk to Ted Hinman when he was a member of this Legislature, and he was using it quite successfully. However, there are problems with this method. You have to have a supply of dry ice and ideal weather conditions, or else it's only about 50 per cent successful.

The other method being experimented with is digital implant. This research is being carried on in the southern United States. It consists of a digital implant. By using recording machines on the animal going past, they can identify that animal by the reading on the machine. They are experimenting with six machines at this time. It's still in the experimental stage, but hopefully one of these will prove satisfactory, and they'll be able to use it as a more humane way of identifying cattle than the present hot brand method used by most ranchers and farmers in Alberta.

His second question had to do with overzealous brand inspectors. We are aware that there is a difference between brand inspectors. Some take their job more seriously than others, and at the other extreme we have those we feel are too lax.

I think by having meetings -- we have 84 brand inspectors in Alberta, and we have regionalized brand reading so it will be more uniform throughout the province. We have divided the province into 5 regions with a regional supervisor of brands, and generally speaking, we feel efforts are being made to get a uniform standard of brand reading in Alberta. We feel it's a step in the right direction.

DR. BUCK: Mr. Chairman, it's been a few years since I've been on the farm, but I would like to ask -- and the member sponsoring the bill can answer this later -- in light of the fact they do tattoo horses and stuff, I suppose that's not a practical method for cattle. The point I want to bring out, Mr. Chairman, is this. A very good friend of mine, who talks me into coming out and stacking hay with him every fall and ruining those flabby muscles of mine for about 4 days, runs about 150 head of cattle. I asked him, now Len, why would you run 150 head of cattle this close to Edmonton where rustling is quite a prevalent way of going out to get your winter meat supply? I said, why would you not have your cattle branded? I assumed that almost everybody interested in making sure their cattle get marketed and not rustled would have the cattle branded. The point he brought out was exactly what the hon. Member for Bow Valley was mentioning. He couldn't stand to see the cattle suffering while they were being hot branded. But he certainly did agree that if we're going to stop rustling, we have to make sure everybody's cattle are branded.

So, Mr. Chairman, I certainly do agree with the member sponsoring the bill that we should have as many cattle branded as possible. I would like to know if there is this alternate way of branding, the same as they do with race horses.

MR. MOORE: It's not as bad as pulling teeth, Walter.

DR. BUCK: For the hon. Minister of Agriculture, my farmer friend informed me that branding was harder on the animal than castrating. It was a real concern to him, though I'd just like to know if the member sponsoring the bill can tell me if it's practical to lip brand or tongue brand. I guess they lip brand thoroughbred horses.

MR. MILLER: Yes, this is possible, but when a lot of cattle are being marketed -- for example in the fall, a lot of these auction markets have 1,000 or 2,000 head going through the yards -- I think it would take too long to get each animal and hold it securely so you could read the ear tattoo. It's a case of easier identification by being able to look at the animal and see the brand. They use this with purebred cattle for positive identification of the specific animal. However, with large herds of commercial cattle, it's generally felt that the visible brand is the best idea other than the digital implant and the recorder, which they are now trying. As to the degree of pain the animal suffers, I'm

not sure which would be more severe, castration or branding.

DR. BUCK: Mr. Chairman, I would like to ask the hon. member a question, because I know he's conversant with the cattle industry. Can the member indicate to the committee the approximate percentage of branded cattle that go through the stockyards. Is it a low percentage, or is it a high percentage?

MR. MILLER: That's a very good question. I don't have the exact figures, but I do know that in southern Alberta the greater proportion of the cattle are branded, whereas in northern Alberta there has been a reluctance to brand them to the same degree, possibly because of smaller herds. However, it's my personal opinion that about 75 per cent of the cattle are branded for positive identification.

DR. BUCK: Mr. Chairman, another question to the hon. member. In setting up this bill, can the member indicate to us if he had discussions with the RCMP, who are responsible for the anti-rustling detail, shall we say. I know the RCMP is doing a lot of work in this area. Were there discussions with the RCMP before this bill was brought in?

MR. MILLER: I had quite extensive discussions with members of the RCMP in 1972 when I brought in the amendment. Since that time, I have discussed this with them, also with the regional brand inspectors and the brand inspectors.

MR. TAYLOR: Mr. Chairman, just two points I'd like to raise. First, I wonder how effective branding really is in preventing rustling. It seems to me the farmers in my area are convinced that doesn't stop the thing at all. The rustling is done in the middle of the night, generally in small trucks. They're taken someplace, butchered, and put in the deep-freeze. They certainly never show up at a market place. Last year I had only one instance in my constituency where a farmer felt his animal, that had been rustled, at least it disappeared, had been sold in one of the butcher shops. When I checked that, the owner of the butcher shop was very, very vehement that no such thing ever happened, that he made sure he knew where the animals were coming from, that he had their brands, et cetera, before he'd ever buy an animal.

So I'm just wondering how effective branding really is in preventing rustling. Certainly it's a method of identification and has many useful functions. But I'm wondering if the RCMP is vehement enough in stopping trucks in the middle of the night, particularly in cattle country. It seems that's the time cattle are rustled. Almost every farmer who has very many cattle is now complaining about rustling. I would think the RCMP should put on a special effort and a special campaign to try to catch the rustlers and to see if something could be done about that.

The other point I'd like to raise . . .

Before I leave rustling, I don't think there is any easy answer to it. Certainly you can't have RCMP on every lonely road every hour of the day and night. But when a rustler is caught, I think he should be given the limit, not simply a minimum fine. The whole bock should be thrown at him. It's absolute theft, and it shouldn't be compared to the man who steals a loaf of bread to feed his family, even though the man is stealing the critter to feed his family.

The only other point I wanted to mention is: is there some way of checking with butcher shops, with respect particularly to smaller areas, to find out what steps they have taken or are required to take to make sure they are not buying animals that have been rustled?

MR. MILLER: Mr. Chairman, in answer to the Member for Drumheller, I would like to point out the manifest which has come into use in the last two years. When cattle are loaded into a truck, a manifest identifying the cattle that are being carried accompanies them. This has helped considerably in reducing what you have suggested about people who are taking the odd animal, trucking it someplace, and butchering it. The police are making stops on the road and are asking to see these manifests to check the cattle out.

In regard to the butcher shops and the cattle they are slaughtering, the only check I know is being made in this regard is that where the cattle are slaughtered, the brand on the hide has to be reported. The inspector can walk in and ask to see the records and the hides of the animals that have been killed.

MR. MANDEVILLE: There are advantages, too, in not being able to brand cattle nowadays. I heard of one rancher who took two head of cattle into the auction mart. They offered him a dollar a head on them, so he decided he was going to take them home. He loaded them up, and he stopped at the beer parlor to have a couple of beers, he was so disappointed. When he came back out, he had four head of cattle in his truck. So you can't even give your cattle away. The guy got them . . .

AN HON. MEMBER: I'll take them.

MR. MANDEVILLE: He recognized the brand and gave them back to him.

On the bottom of page 12 . . .

DR. BUCK: And Moore's doing nothing about it.

MR. MANDEVILLE: On the bottom of page 12: Section 25 is struck out and the following section is substituted therefor:

25. Any person who  
 (a) slaughters livestock, or  
 (b) purchases livestock hides,  
 shall at any reasonable time permit an inspector to enter any

premises other than [the] dwelling . . . for the purpose of inspecting livestock hides.

Now, this "reasonable time", is that a reasonable time of the day, or is it a reasonable time period for inspecting the hides?

Just one other comment, Mr. Chairman. In Section 26, "custom feeding" is scratched out. In other words, in the past act if anyone was taking livestock into a feedlot, he had to call on an inspector to inspect the cattle if they were going to be put in for custom feeding. The custom feeding is going to be eliminated now. What will happen [is], anyone taking cattle to sort them in the feedlot or do anything with them will have to call an inspector to have the cattle inspected. Could I have the member comment on that?

MR. MILLER: In regard to Section 25, the time referred to is the time of day. Formerly, the section read they had to be held for seven days. During the summer, they had a lot of complaints about hides being held for seven days getting a little high. I think the fact that the inspector can walk in at any time and make an inspection will mean it won't be necessary for the hides to be held for seven days. The person doing the slaughtering will have to have his records available so they can be inspected by the brand inspector.

In regard to Section 26, removing "for custom feeding" is actually intended to broaden this section. For example, now we have some cattle being brought in not only to be sorted, but also for sale purposes. The other two parts of this section say an inspector can order an inspection or waive the inspection. In other words, it's up to the discretion of the brand inspector whether these cattle are to be read when they come into the feedlot.

For example, where a couple of brothers brought their cattle in to be sorted, there wouldn't be any inspection. However, if a lot of cattle were being assembled in this custom feedlot, I think possibly a brand inspection would be made, but it's up to the discretion of the brand inspector.

DR. BUCK: Mr. Chairman, there's a section here that bothers me a bit. I know that when an inspector goes to an area and suspects some skulduggery may be going on, he doesn't have time to rush home and get a search warrant. But on the other hand, in this section -- and for the members of the committee, Mr. Chairman, it's Section 37(1):

an inspector, upon production of his badge or certificate of appointment, may at any reasonable time search without a warrant any land, whether fenced or not, for the purpose of exercising or performing any of his powers and duties under this Act.

Now, Mr. Chairman, I can appreciate that if the inspector suspects something is going on which is not according to the rules of the game, he doesn't have time to

go back and get a search warrant. But on the other hand, we're giving this man powers police officers do not have. I would just like to know if the hon. member sponsoring this bill can justify giving these wide-ranging powers to an inspector. If the inspector suspects some rustling may be going on, he can go to that land, that farm, armed with a search warrant. We expect our RCMP officers and our city police officers to go armed with a search warrant which has been duly given to them by the powers entrusted under a judge -- you know, the proper mechanism. I'd like to know, Mr. Chairman, if the member really feels this inspector should have such wide-ranging powers of search.

MR. MILLER: Yes, Mr. Chairman, I do. The Weed Control Act and The Bee Diseases Act have a similar section whereby inspectors can go in without a search warrant. When I discussed this with the people in the department and the brand readers themselves, they said, this isn't a power that will be abused, but we have to be able to do it if and when the occasion arises.

MR. TAYLOR: Mr. Chairman, I am wondering if that section goes far enough. My vehicle stalled in the Coronation area a few years ago. It was in the early fall, and I was out duck hunting. I went up to a farmhouse to get some help. The farmer happened to be a bachelor and invited me in. In his dwelling house he had two calves, three pigs, and I don't know how many chickens and geese. He had them all right in his kitchen and living room, with a very small partition between him and the bedroom. So I'm not sure that you should leave out "dwelling house".

DR. BUCK: Mr. Chairman, the hon. member sponsoring the bill has not satisfied my concerns. I do not believe in a police state. I believe in the sanctity of private property. Let's say the brand inspector has a neighbor, who doesn't like me personally, phone him and say . . .

[interjections]

I'll inform the hon. Minister of Utilities and Telephones that more people thought I was a good guy than people thought he was a good guy in 1971.

But seriously, Mr. Chairman, I believe in the sanctity of private property. As I was starting to say, my neighbor may bear a personal grudge. He phones the brand inspector and says, I believe my neighbor has been doing such, such, and such. I can be perfectly innocent. This man comes and searches my property without a search warrant. I don't think that's right, because I know what the practical aspects of this will be: somebody will get shot by an irate farmer or rancher. If there's any individual who doesn't like people traipsing over his property, it's a farmer or rancher. For one thing, he doesn't know if it's a deer hunter, a goose hunter, or a duck hunter, because people seem to walk all over a farmer's property without asking for any permission. So we may have some brand inspector shot. The member knows

that's the way things happen sometimes when you've got some guy looking at 150 head of your cattle.

I would also like to know, Mr. Chairman, what training the inspection branch has received in how they handle this section, what the guidelines are, and what the parameters are. I think we are entitled to know this, Mr. Chairman.

MR. MILLEP: Mr. Chairman, it's not the intention that they are going to go here and there into every second farm down the road. They are not going into the dwelling. But this is necessary if we are going to have effective brand reading in Alberta. We've got to give the right to a brand inspector to be able to go into property to see the animals and to deal with it in the way it should be dealt with.

DR. BUCK: Mr. Chairman, what safeguards are there that a case such as I cited could not happen, or would not happen? The hon. former Minister of Agriculture is smiling, but he knows we have neighbors like that, who will make a point of having somebody come out and inspect your 150 head of cattle, because he's got a burr under his saddle, as they say. I think there should be safeguards, because this is very, very wideranging.

MR. APPLEBY: Mr. Chairman, I'm quite concerned with the line of reasoning being espoused by the Member for Clover Bar at the present time. When you speak about burrs under the saddle, I think he's got one right now.

I think this type of reasoning is definitely a reflection on the civil service of this province . . .

DP. BUCK: Aw, garbage.

MR. APPLEBY: . . . and the people employed as brand inspectors and to enforce The Weed Control Act, The Bee Diseases Act, and all other acts of this type. When somebody phones one of these people and tells him about this type of complaint, he doesn't charge out there and run into somebody's dwelling to investigate in that manner. They're qualified and intelligent enough to know that they make inquiries and do their own investigations. Then, if they find it necessary to go into a dwelling, they may do so. But they're not going to do it just because somebody phones them and says, go out there and look in this guy's house.

DR. BUCK: Mr. Chairman, if I have a burr under my saddle, the hon. member has a bee under his bonnet. All we are trying to do is establish the parameters these people will work under. That's all we're trying to do. The more we head [to] where somebody is looking over my shoulder all the time, where we're getting bigger government, bigger inspection, bigger this, and bigger that, these abuses lead into the system.

I think I probably admire and support the civil service as much as the hon. Member for Athabasca. As a matter of fact,

I've been here four years longer than he has, to make sure they're doing a good job. I support them when they do their good job. I'll probably be here four years longer than he will be.

AN HON. MEMBER: Agreed.

DR. BUCK: But, Mr. Chairman, the member has not satisfied my worry that these powers can be too wide ranging. I know we have to trust these people, certainly. But he also has not told me what training or what advice -- what guidelines they've had handed to them, how they handle this section. That's all I want to know.

MR. TAYLOR: Mr. Chairman, if I haven't any stolen cows in my barn or stolen pigs in my pigpen, let the inspector come any time of the day or night. I don't care.

DR. BUCK: Mr. Chairman, I won't let this die. I don't think we have the right to have somebody . . .

MR. CHAIRMAN: Order please. The hon. Member for Hanna-Oyen has the floor.

MR. BUTLER: Mr. Chairman, there's a real purpose for that being in the act. It may not apply to the north, but it certainly applies to the south [with] these big leases. The most common form of rustling is for a man to borrow a neighbor's cow, not even tell him it's there, and raise a calf off it year after year. The cow will show up some time later. Some of those searches were done in the Brooks area. Some cows were found. Soon after, five cows that had been reported missing to the police as far back as six years ago turned up on the road; they'd come home.

I think that has been put into the act with a lot of thought by the ranchers. We've recommended it. When they wrote the new act, I recommended it. I had quite a bit to do with the new act when it was written, back when the Social Credit government first passed it. We had it in there then, and it was taken out. I hope we can get it in there now, because it's necessary.

I spent 10 years as a forest ranger when that was in the forest reserves and game acts. During the years I was a forest ranger and a game warden, and that privilege was in the act, I don't know of any one time it was ever used. This may never be used in this inspection act, but I believe it's necessary to have it in there in case we do need it. There was a time or two when it would have been very helpful to have it in there. I hope you can support it, because it's necessary.

Thank you.

[Title and preamble agreed to]

MR. MILLER: Mr. Chairman, I move that the bill be reported.

[Motion carried]

# Bill 77

## The Surveys Amendment Act, 1975

[Title and preamble agreed to]

MR. CHAMBERS: Mr. Chairman, I move that Bill 77 be reported.

[Motion carried]

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

[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 55 and 57, and begs to report the same. Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill 52, begs to report same with some amendments, and begs leave to sit again.

MR. SPEAKER: Did the hon. Deputy Speaker intend to refer to 57, or was it 77?

DR. MCCRIMMON: Bill 77.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, at this point I'd like to ask unanimous leave of the Assembly to move to third reading of Bill 52, The Natural Gas Pricing Agreement Act.

HON. MEMBERS: Agreed.

## GOVERNMENT BILLS AND ORDERS (Third Reading)

# Bill 52

## The Natural Gas Pricing Agreement Act

MR. GETTY: Mr. Speaker, I move third reading of Bill 52, The Natural Gas Pricing Agreement Act.

MR. KIDD: Mr. Speaker, I'd like to make just a very few brief comments on this bill to clarify the record concerning some of the comments that have been made regarding large profits to producers. Two comments I'd like to make: I think we should note that there are producers who have negotiated contracts above 72 cents prior to this act. Therefore, you see they can be hurt.

The other brief comment I want to make is: it is correct that on November 1,

1975, there will be increased revenue in the order of \$500 million if maintained for one year through the purpose of this act. But what happens to that \$500 million is just this: \$250 million of it will go as royalties to the Province of Alberta, about \$175 million of it will go as federal and provincial corporate income tax, and \$75 million will accrue to the producers. The expenditures for development and exploration in Canada in 1975 will be something in the order of \$1.5 billion. So indeed, \$75 million will not even cover the cost of inflation. So I'd like to correct any thought in this Assembly that this was indeed a large windfall to producers. Thank you.

[Motion carried; Bill 52 read a third time]

#### GOVERNMENT MOTIONS

4. Hon. Mr. Leitch proposed the following motion to the Assembly:  
Be it resolved that this Assembly endorse the phasing-in of a modified program budgeting system to better inform citizens and legislators of government expenditures.

MR. LEITCH: Mr. Speaker, I am pleased to move Government Motion No. 4. Members of the Assembly will remember that this is the same motion my predecessor, the present Minister of Hospitals and Medical Care, had on the Order Paper during the last session. It arises out of some work he initiated two or three years ago when he asked the Treasury Department to investigate the advisability of changing from the present system of presenting the estimates to a system of program budgeting.

In 1974, when the estimates were filed, Mr. Speaker, the supplementary information filed at that time contained a number of samples of departmental estimates in the form they would be in if a system of program budgeting were adopted. I have had distributed to the House today one of the samples that were distributed earlier by the hon. Mr. Miniely. The sample deals with the Department of Environment. I should also call to the attention of the members of the Legislature that this would be the form of the estimates for the year 1976-77 if this motion were passed by the House.

Mr. Speaker, the first question we ought to address ourselves to is, why are we proposing a change? The answer is relatively short and simple. We are proposing a change because we believe that a system of program budgeting will enable the public and the members of the Legislature more easily and more accurately to assess the services being provided with the taxpayers' money. This is so because essentially program budgeting will provide more information than is currently provided, and more important I believe, Mr. Speaker, the

information will be provided in a more meaningful and, we hope, helpful form.

Having said why we're proposing a change and what we hope to accomplish by the change, I'd now like to spend a few moments outlining to the House the differences between the estimates as they now appear and the estimates as they would appear if program budgeting is adopted. The form of the present estimates, Mr. Speaker, is one of assembling a number of appropriations for each department in the government. Typically, those appropriations relate to the department's organizational structure rather than to the programs within the department, although there have been examples of the appropriations relating to statutes, activities, institutions, projects, and even in some cases a specific object of expenditure such as grants. In short, the present system of presenting the estimates by way of appropriation is one that has grown up over the years without any real uniformity of concept. I think it fair to say, in some cases at least, that it amounts to a rather unwieldy collection of expenditure categories.

Program budgeting would replace that collection of appropriations by appropriations that would reflect the programs of the department. The programs are defined essentially as a particular type of service to people. Probably it would help members of the Assembly if I went through a couple of examples of the difference between the current estimates and the estimates as they would appear if we had program budgeting.

I might take an example from the Alberta Hospital Services Commission. That appropriation represents about 17 per cent of the entire government budget and is presented under three appropriations: general administration, nursing homes, and hospitalization benefits plan. Those are the three appropriations under which that estimate is now presented. No detail further than those three headings I've outlined is provided.

Under program budgeting, the commission would have two programs plus a support services category, with the programs representing distinct services provided by the commission to Albertans. The support services would be those internal administration and other expenses which couldn't be directly associated with one of the two programs. The two programs would be entitled: Financial Assistance for Acute Care, and Financial Assistance for Long-term Chronic and Supervised Personal Care. The real benefits of program budgeting would be realized at the program level, because we would show a number of subprograms. For example, with respect to the program Financial Assistance for Acute Care, there would be a number of subprograms identifying the various types of care delivered under that program. There would be the major urban medical centres, the regional referral centres, specialized care facilities, and community-based facilities. Then each subprogram is broken down into program elements, which would identify the individual hospitals receiving the finan-

cial support.

In a similar way, the Program Financial Assistance for Long-term Chronic and Supervised Personal Care would have subprograms. Some of them would be: long-term chronic care, specialized long-term chronic care, and supervised personal care. Again, each subprogram would have as program elements the individual hospitals or institutions involved. That's an example where we would take an estimate that now contains 3 appropriations and break it into programs with subprograms and program elements.

There are other examples where we now have a large number of appropriations, and we would pull them together into a lesser number of programs. An example there would be Alberta Social Services and Community Health. In the 1975-76 Estimates of Expenditure, which were tabled on May 30, 1975, there is a total of 65 different appropriations for that department, and that, as I recall it, Mr. Speaker, does not include appropriations for the Alcoholism and Drug Abuse Commission. Under program budgeting, the entire budget for Social Services and Community Health would be presented in terms of 6 programs and 33 subprograms. If more detailed information was desirable, it would be provided in the way of 123 program elements for those various subprograms.

I think we can sum this up in a sentence by saying that with a presentation such as we're proposing in program budgeting, the Legislature will be better able to weigh and balance the priorities of spending by looking at the total program, as opposed to the situation we now have where the estimates are presented in somewhat unrelated appropriations. In addition, they'll have much more accurate information about the cost of the total program.

For example, looking at Environment and the form in which it would appear in the estimates under program budgeting, you would find each of the programs is set out with the total costs of the program. That's not so in the estimates presented to the House this spring. For example, in Environment there are two items of fairly substantial amounts under administrative services, approximately \$.75 million for general administration and nearly as much for the general services division. Now, some of the costs of those two divisions really go to support the programs or appropriations that appear later on in that department's estimates. Under program budgeting, the service portion of the program -- that is, the cost of providing the services now included, say, in general administration -- would be shown separately as a support cost of that particular program.

Within every department there would be, of course, a certain element of support services that could not be identified with any particular program. That would be dealt with by a general support services section in the estimate.

In a sentence, we would replace approximately 400 present appropriations with about 150 budgetary items which are major programs. In my view, Mr. Speaker, this

would enable the members of the House to see the forest rather than the trees, because they're going to be looking at the larger program spending areas as opposed to individual appropriations.

In an effort to ensure that the members of the House are able to assess fully the entire cost of the program, Mr. Speaker, we would include within the program the capital expenditure proposed in each budget. Of course, we would also show capital and operating budget items in a separate section, as we do now for the benefit of members of the House. But for that particular program, we would include the operating costs as well as the capital costs. There would also be a section indicating, as we now have, the number of salaried man-years and the equivalent man-years for those persons who are on wages.

There is a number of other examples, Mr. Speaker, where in my submission program budgeting will give the members of the Legislature much clearer, more readily identifiable information about the cost of the program. Just calling one to mind, I think of the Solicitor General's Department where we show each of the correctional institutions under a separate appropriation without showing in that appropriation the administrative costs, which would be contained within the general appropriations for that department. Those would now be broken out. There would be a program for correctional institutions with a subprogram for each of the institutions, with all of the support services and capital costs allocated to those programs and subprograms.

Mr. Speaker, I should refer to the wording of the motion, that the "Assembly endorse the phasing-in of a modified program", and explain why we're using the phrase "phasing-in" and the word "modified". In the final implementation of a system of program budgeting, it would give statistical data in very great detail. In hospitals, we would be able to give the number of day care beds, the number of intensive care beds, and things of that nature. So when the program is totally in place, a great deal of detailed information would be available to the members that is not now available. We won't be able to give all that additional detail in the estimates in 1976-77. We will be giving more information than we're now giving, but not as much as we hope to give when the program is fully in place. That's why we've asked that the Legislature adopt a motion for phasing in program budgeting.

With respect to the use of the word "modified", program budgeting in its widest sense would involve the presentation of estimates showing the entire costs of programs that overlapped one or more departments, so you could have a system where you showed the costs of all those programs. We do not propose to do that. We merely propose to show the total program cost insofar as it's administered by that particular department. That is the reason, Mr. Speaker, we have used the word "modify" in the motion.

I should say that this is a system of



presenting the estimates which was adopted, not in identical but in somewhat similar form, in the provinces of Quebec and Ontario, and some of the other provinces in Canada are currently investigating whether it ought to be adopted.

I don't know, Mr. Speaker, that there is very much more I can add which would be of help to the members in considering this motion. They have before them the estimates for this year, of course, and a number of examples, including the one distributed today, of what the estimates would contain and their appearance if the motion is adopted. I would simply conclude by saying we are satisfied that program budgeting, implemented in a gradual way as we propose, will assist not only the government but the legislators and the public in assessing the expenditure priorities and will make the greatest amount of information possible available to the members of the Legislature when they are approving the expenditure of the taxpayers' money. Thank you very much, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, certainly in principle I can support the concept of program budgeting. Conceptually at least, it does seem a much more understandable proposition to set out the program, set out the objective, and then compare the funds allocated to the objective.

Mr. Speaker, there are a number of questions I would raise in taking part in this debate, in hopes that when the Provincial Treasurer closes debate he can answer them. The Provincial Treasurer mentioned phasing-in and went on to say this would not take place in 1976; it would begin in 1976. I can understand that. I would be interested, however, in a little more definitive answer from him, when he closes debate, as to what he sees as a phase-in period. Are we looking at two or three years? Are we looking at five years? Is this something that's going to take a decade? What is a reasonable phase-in period? He also mentioned that it's a modified version of program budgeting. Again, I can understand that too.

I have some concerns about the crossing of departmental lines. One of the issues the hon. Member for Edmonton Kingsway raises in the House whenever he gets a chance is the question of preventative health clinics. It would seem to me, Mr. Speaker, that this is the kind of proposal which would cross departmental lines. You would have the hon. Miss Hunley's department and the department of hospitalization and medicare. I wonder how you would work program budgeting in a case like that, or whether these programs which are really in two or three departments would not be suitable for program budgeting as a practical matter.

It seems to me too, Mr. Speaker, that if we're going to be able to measure how successful the objectives have been, they have to be specific. It also occurs to me that in quite a number of government programs the review is going to be extremely difficult, to put it mildly. On many government programs, how do you put a price

tag from a cost-accounting point of view, from a cost-benefits point of view? It seems to me the guidelines for reviewing these programs are going to be rather difficult to draw up.

In general though, having raised some of those questions, it does seem to me that where it can be done, it is a rather attractive innovation. It would seem to me as well, Mr. Speaker, that there might be a lot of merit, in the modified system of program budgeting, in having the reviews from last year made available to members of the Legislature prior to the introduction of the budget. Perhaps if we finally move on an auditor general, there might be a program evaluation unit of a provincial auditor general's department, so we can have not only the Executive Council's assessment of how these programs have operated, but more important, the assessment of an independent auditor general.

Mr. Speaker, I'd like to pose one additional question in dealing with this resolution. The Provincial Treasurer mentioned that in a number of areas the capital budget would be included. That's fine. Certainly if we're going to understand the total cost of a program, it does make sense to include the capital budget. What I'm interested in, though, is how that would, in fact, be separated in the budget as a whole. For the last year and a half or two years, we've had such buoyant surpluses that we haven't had to worry about a deficit. But for the first two years of this government, I well recall pretty substantial deficits in the capital section of the budget. That day will no doubt come again.

Four or five years ago there was widespread discussion in the province which, if I'm not mistaken, the Conservative party, at that time the official opposition, supported -- looking at capital works as the kind of expenditure which is really an investment you can borrow. Then future generations would pay their share of that highway, public building, or university institution, whatever the capital work happened to be. Mr. Minister, what I'm interested in eliciting from you is how that kind of system could be worked in a program budgeting concept, if capital works are assessed along with the operating expenditures of government.

Nevertheless, having raised those questions, Mr. Speaker, it does seem to me that any step we can take which would make the expenditure of public funds more understandable -- both for the members and the public, so there can be a continuing assessment of the objectives of programs on one hand, and the real costs of programs on the other -- is certainly worth taking. So in principle I support the move toward program budgeting. However, I suspect the government will have to place considerable emphasis on the phrases "phasing-in" and "modified".

MR. TAYLOR: Mr. Speaker, I just want to make two comments on the resolution. I support program budgeting. Too often our budgets are simply a conglomeration of

figures, and the emphasis is on how many dollars are going to be spent and how large the volume of dollars is going to be. As I understand the program budget, the emphasis is going to be placed on what the dollars are doing. People are going to become more important, and dollars will be secondary. I believe that's the way government should be operating. I think to [evaluate] everything in dollars is very misleading. While we emphasize we want so many dollars for highways, so many dollars for mental hospitals, and so many dollars for correctional institutions, I'm not sure that's what we mean at all. I think what we do mean is we want highways for people, we want correctional institutions to separate violent criminals and rehabilitate those who want to be rehabilitated, and we want mental hospitals for those who are mentally ill in order that they can be better.

To the extent that this program will emphasize the services to people, I think it's a very, very excellent move in the right direction. I hope that can be done to a very, very large extent.

The only other point I'd like to mention with regard to program budgeting is something that is missing badly in present budgets and, as far as I'm concerned, all budgets that I've ever had a chance to look at. I think it comes right back to members and people. For instance, for some time I've been asking the hon. minister of community services and health about a dental program. The people of my riding are very interested in getting a dental program to start with boys and girls and gradually embrace everybody.

In our discussions in the pre-session meetings, election meetings and so on, I've endeavored to outline to the people that saying, we'll put aside \$1 million for this in a certain period, doesn't tell the story. Because once a government launches out on a program like that, to say it will cost \$1 or \$2 million in one year, doesn't really give the picture. You have to realize that two years, five years, ten years down the road, it may be costing \$10 or \$20 million. Actually, when you are starting a program like that, you're committing not only your own government but future governments and the people to expenditures they may well not be able to afford. While I favor a dental program, I would expect any government, before launching out on a program like that, to make sure it knows where it's going and know how much it's going to cost us as we move along, so that the people are not going to be encouraged into a movement they can't really afford a few years down the road.

We could point out program after program that was started -- I'm not speaking about this government particularly; I'm speaking about any government -- without proper research into what it will eventually cost. The government of the day gets lots of glory, and it leaves others to pick up the pieces further down the road. I think this is something that governments are going to have to take a look at more and more carefully. Before we launch a program, we have to know where that program

is going. It's not just knowing where it is starting from. It's knowing where it's going to end, how much it's going to cost the people, and if, at that period, it's still going to be acceptable to people, if it's doing a job that people want done.

It makes me think of a story that happened when I was at Sarcee several years ago. We were taking firing practice on the ranges, shooting at a target. One of the recruits was missing the target entirely, and a sergeant-major, in the choice of language unique to him, told the recruit in no uncertain way that he wasn't hitting the target. He gave him another round of shells to shoot again. He did it again, and not one shell hit the target. So the sergeant-major said, with all the extra words he could muster, "Where in blazes are the shells going?" The recruit said, "Well, sir, I don't know where they're going, but they're certainly leaving here with a powerful bang."

You know, too many of our programs start out with a powerful bang, but we don't know where they're going. I would hope -- and I hope the hon. Provincial Treasurer could possibly deal with this point -- that this program budgeting will now set out the objective and the ultimate cost, insofar as that is possible, of new programs that are taking place and other programs that are being expanded. I think that would be a service to the people. It will bring light to many, many people who are asking for no end of programs, thinking there's no end of money in provincial treasuries, particularly in Alberta where people now think the government has so much money it doesn't know what to do with it. [This] is a common phrase on the streets. In my constituency I endeavor to say, that's not the picture, this government doesn't have so much money it doesn't know what to do with it. I don't think any government has ever found itself in that position, because there's just no end to spending money if you want to spend it.

The thing is to make sure you get value for every dollar spent, that you're doing a service to the people, that it's not simply a spending of dollars but is providing a service that's not going to be worth while now, but is going to be worth while two, three, five, seven years down the road when the costs are going to be far heavier than when you first start a program.

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

HON. MEMBERS: Agreed.

MR. LEITCH: Mr. Speaker, I'd like to respond to some of the questions raised by the previous two speakers. Dealing pretty well in the order in which those questions were raised, I'll begin by commenting on the phasing-in period. We don't have a precise period in mind. What we are endeavoring to do is build toward the supplying of as much detailed information as the members of the Legislature find useful and helpful when debating the estimates. We will provide that added detailed informa-

tion as quickly as we can develop the capacity to do that both within Treasury and within the departments. By the nature of their programs, some departments, working with Treasury, will be able to supply a good deal of detailed information rather quickly. Others, because of the nature of their programs, will take longer.

The question of program evaluation is an interesting one, and one I'd be quite prepared to debate with the Member for Spirit River-Fairview on some future occasion. But I doubt it really is appropriate to the motion now before the House, which deals, really, with the form of the estimates and the information they ought to contain in order for members of the Assembly to deal with them, and would not, at least in our current thinking, contain any program evaluation within the estimates or the detailed information supplied in connection with them.

I appreciated the timely and appropriate remarks from the hon. Member for Drumheller about program cost and the need to assess, with respect to any new programs, not only the initial cost, but the cost that will ultimately be borne down the years as the program grows and develops. Again, I doubt that program budgeting will provide any kind of assessment of the ultimate cost or anticipated cost of those programs. But I do believe, Mr. Speaker,

that the form of the estimates under program budgeting will enable the members of the House more readily to identify those portions of the program cost that are likely to grow. I think they will tend to focus debate and attention, during the period when the estimates are under review, more easily on those issues than is the case with the estimates in their present form.

Mr. Speaker, in concluding the debate on this motion, I'd simply urge all members of the Assembly to support it. We are convinced it is going to be of help to the Legislature and to the public in assessing and considering government expenditures.

[Motion carried]

MR. HYNDMAN: Mr. Speaker, I move that the Assembly do now adjourn until tomorrow afternoon at 2:30 p.m.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow afternoon at 2:30.

[The House rose at 9:24 p.m.]

