

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Friday, May 13, 1977 10:00 a.m.**

[The House met at 10 a.m.]

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF BILLS**

MR. HYNDMAN: Mr. Speaker, I ask leave at this time to introduce amendments to two bills which are presently on the Order Paper: Bill No. 35, The Workers' Compensation Amendment Act, 1977, presently standing at committee stage; and Bill No. 49, The Election Amendment Act, 1977, at second reading. These money amendments are accompanied by the recommendations of His Honour the Honourable the Lieutenant-Governor, and are proposed at this time because they exceed the original recommendations of His Honour, presented at the introduction of these two bills.

[Leave granted; amendments to bills 35 and 49 read a first time]

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. ASHTON: Mr. Speaker, it's a pleasure, for the second time this week, to introduce a group of young men and women from Austin O'Brian High School. Although every one of the young people is important to us, I should indicate that there's one outstanding young man in the class who the Minister of Government Services has a particular interest in. They are accompanied by their teacher, Mr. Porochiwnyk. I ask them to stand and be recognized by the Assembly.

MR. NOTLEY: Mr. Speaker, it's my pleasure today to introduce to you, and through you to members of the Assembly, 31 students from Spirit River Elementary School, and 11 students from Ste. Marie Roman Catholic School from the town of Spirit River. They are accompanied by Mr. Maguire, the principal of the Spirit River Elementary School, teacher Louise Schulz from Ste. Marie Roman Catholic School, teacher Miss Wilda Baird, and three parent chaperones: Mrs. Bernadette Wlad, Mrs. Barbra Buck, and Mr. Cliff Mitchell. They are seated in the public gallery. I would ask them to stand and be recognized by the members of the Assembly.

MR. ADAIR: Mr. Speaker, it's my pleasure to introduce to you, and through you to the members of this Assembly, two distinguished gentlemen in the members gallery: Mr. Grant Moffat, the park ranger from Miquelon Lake Provincial Park, and Mr. Jim Acton, the director of park operations. I wish to point out that Mr. Moffat is wearing the new uniform of the parks division. The powder blue uniform will officially

become the uniform of the parks staff on May 20 this year. I would ask that they stand and be recognized by this Assembly.

DR. BUCK: Where's the orange piping?

**head: MINISTERIAL STATEMENTS****Department of  
Hospitals and Medical Care**

MR. MINIELY: Mr. Speaker, I am today announcing a holding pattern on active treatment hospital construction, replacement, or major renovation approvals, until March 31, 1978.

On assuming the portfolio, working with officials of the Alberta Hospital Services Commission, a four-year capital budget plan for internal management was developed. In consultation with the Department of Housing and Public Works, an assessment of anticipated annual inflation was made and included in our projection.

Review of the capital construction plan in recent months indicated substantial increases in costs, beyond that anticipated and beyond increased construction costs in other areas. For this reason, I requested an analysis and comparison for the past five years with other areas which should be comparable. Mr. Speaker, I will table a copy of the report submitted to me, entitled Health Facility Construction Cost Analysis Study.

I would highlight the following areas from this cost analysis that raise important question: while general construction indices would appear to have risen since 1971 at an average rate of 80 per cent, during the same period the cost per square foot for hospital space has risen by 175 per cent; total square footage per bed has risen dramatically since 1972; the growth in space provided for special services and allied agencies in relation to beds has risen dramatically since 1972.

In other words, Mr. Speaker, while we can recognize in our province that general construction costs in recent years have increased due to the sound economy and the great deal of economic activity prevailing, and now appears to be levelling, it appears that overall hospital capital costs have escalated to unacceptable levels. They appear to be the result of overelaborate design, excessive facilities, and inadequate project management.

Mr. Speaker, this holding pattern will not affect projects that are under construction in rural Alberta or in urban centres, or those where tenders have been approved. In addition, the following areas will not be affected: in order to reduce active treatment beds for our population to desirable levels, high priority on auxiliary and nursing home bed construction and extended care projects throughout Alberta must continue; projects which have received a maximum end-cost approval utilizing a contract management approach will be exempted; Alberta heritage savings trust fund projects will also proceed, but control will be strengthened on these projects during planning and construction stages.

Immediate steps have or will be taken to strengthen cost control during the planning and construction of all hospital, auxiliary hospital, and nursing home

projects. Local planning will be allowed to continue, but no approval for tendering will be provided, nor will we approve the initial appointment of architects. This will allow a shelf of projects to develop for gradual approval after the slowdown period.

I must, however, issue a serious note of caution to hospital and nursing home boards throughout our province, and that is: if we are to allow the continuation of local planning and the estimated project cost is excessive at final stage, we will request scaling down and redesign. Essential repairs during this period, necessary to meet safety requirements, will be made.

Mr. Speaker, during this period I am requesting officials and consultants to devote their energies to the following basic objectives: one, to examine in greater depth the specific components of increased hospital construction costs, to report on those which are justified and those which are not justified; two, to develop whenever possible maximum space and material standards guidelines for hospital construction to effect economies whenever possible; and three, to develop a new hospital construction, renovation, and replacement policy, and control procedures to more appropriately meet the existing and future needs for health facilities in Alberta at reasonable cost to Alberta citizens.

Mr. Speaker, it will be my intention to provide a progress report on this important matter to the Legislature during the fall sitting.

I would now like to table the hospital cost construction analysis document, along with a list of projects that will not be affected by my announcement this morning.

MR. CLARK: Mr. Speaker, in responding to the announcement by the Minister of Hospitals and Medical Care this morning, I simply say that this announcement is an example of this government not knowing what it is doing in the area of hospital care, especially hospital capital costs. We asked the minister in the course of committee study why the costs of hospital accommodations had doubled in this province during a period of time when, according to the Minister of Housing and Public Works, the costs of public buildings had levelled off. The Minister of Education indicated the same experience in that area.

I say, Mr. Minister, to talk in terms of excessive design, excessive space, and cost-control planning: all those capacities are presently within the jurisdiction of the Alberta Hospital Services Commission. The announcement made by the minister today is a clear indication that this portion has not been functioning properly. Why has it taken the minister this long to come to the point of announcing another study? How often in the last two years have we heard the minister and this government say they're studying further studies in the whole field of hospitalization and hospital care in this province?

I simply say, Mr. Speaker, the minister's announcement this morning is an indication of this government not knowing where it's going in this whole field. It's amazing how this announcement would be made today, the day after the government has decided that we would in fact buy Transair.

## head: ORAL QUESTION PERIOD

### Local Authorities Board

MR. CLARK: Mr. Speaker, I would like to ask the Minister of Municipal Affairs if it's the intention of the government to make any changes in the Local Authorities Board?

MR. JOHNSTON: Mr. Speaker, none that I know of.

MR. CLARK: Mr. Speaker, would the minister indicate to the Assembly what kind of consultation takes place between the minister and the members of the Local Authorities Board prior to hearing annexation requests from various municipalities across the province?

MR. JOHNSTON: Mr. Speaker, obviously we're concerned about the scheduling of some of the major annexation questions. From time to time we do deal with how the scheduling is proceeding.

MR. CLARK: Mr. Speaker, to the minister. From the answer just given, is the minister indicating to the Assembly that he only discusses the question of scheduling of hearings and those kinds of things with the Local Authorities Board, and not the kinds of recommendations that will come from the board?

MR. JOHNSTON: Mr. Speaker, the Local Authorities Board acts under three very specific legislations. They find their authority and jurisdiction under those legislations.

MR. CLARK: Mr. Speaker, then I'd like to ask the minister why the Local Authorities Board is being asked to hold a hearing with regard to further annexation as far as Vegreville is concerned. I raise the question in light of a letter that has gone to the mayor of Vegreville from the Minister of Municipal Affairs. I quote from one paragraph of the letter, which I am prepared to table.

MR. SPEAKER: The question is complete, it would seem to me.

MR. CLARK: Mr. Speaker, then I'd like to ask the minister why the Local Authorities Board is being asked to view the matter of further annexation at Vegreville, especially that portion dealing with the Environmental Research Centre, when in fact the government has already made up its mind that the research centre should be ...

MR. SPEAKER: Order please. The hon. Leader's questions clearly appear to be leading to debate. If the hon. minister wishes to supply some facts, I have no objection. But under the circumstances, it would appear the hon. minister should be entitled to answer.

MR. CLARK: Then answer.

MR. JOHNSTON: Mr. Speaker, one of the owners in the area is anxious to have the land brought into the town of Vegreville through the petition process. It happens right across the province in many jurisdic-

tions: many urban areas are applying for land to be attached to the communities because of the balanced economic growth of this province.

MR. CLARK: A supplementary question to the minister. Is it customary for the government to make up its mind as to what it's going to do — as it has done in this case — prior to the Local Authorities Board holding a hearing?

MR. JOHNSTON: Mr. Speaker, we have only indicated to the town of Vegreville that they should proceed with another petition, as the legislation allows. It will be up to the Local Authorities Board to decide whether or not that annexation is recommended to Executive Council.

MR. CLARK: Mr. Speaker, I'd like to ask the minister if he has sent a letter to the town of Vegreville indicating the government believes that in the best interests of all participants the research centre should be in the town of Vegreville.

MR. JOHNSTON: Mr. Speaker, I have indeed.

MR. CLARK: Mr. Speaker, to the minister. If the government has already made up its mind, what's the purpose of the hearing?

MR. JOHNSTON: Mr. Speaker, the Local Authorities Board acts as a quasi-judicial board. It hears its evidence, and it has an opportunity for both the petitioners and the dependants to make their views known. Through that process a recommendation comes to Executive Council.

MR. CLARK: Mr. Speaker, I'd like to direct a supplementary question to the Minister of Housing and Public Works. On what date does the minister anticipate that the research centre will be annexed to Vegreville?

MR. YURKO: Mr. Speaker, we don't anticipate any date. The Department of Housing and Public Works is dealing with the two bodies involved in terms of getting the necessary permits to undertake construction in the area.

MR. CLARK: Mr. Speaker, a supplementary question to the Minister of Housing and Public Works. Does the minister recall the comments he made on March 23, when he clearly indicated publicly that the research centre would be annexed to Vegreville?

MR. SPEAKER: Does the hon. leader wish to ask a question directly? He now seems to be attempting to plumb the extent of the minister's memory.

MR. CLARK: It isn't very great.

MR. SPEAKER: Order please.

#### **Matrimonial Properties Legislation**

MR. CLARK: I'd like to direct the second question ... Perhaps the memory of the Attorney General will be better. [Mr. Foster not in the House] I'll ask the Premier then. What is the timetable for the govern-

ment as far as introduction of legislation dealing with matrimonial properties?

MR. LOUGHEED: Mr. Speaker, I'm not sure that the government or the Attorney General, who would have the course of conduct of such legislation, has reached any final decision. I would think if that inquiry were made in the fall session, we might be in a better position to respond to the hon. leader.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Can the Premier indicate to the Assembly if it's the government's intention to introduce legislation in that area in the fall session this year?

MR. LOUGHEED: Mr. Speaker, I thought I was precise with my answer. We haven't made a final decision with regard to the particular question raised with me by the hon. leader.

#### **Senior Citizens' Dependants**

DR. BUCK: Mr. Speaker, I would like to direct my question to the hon. Minister of Social Services and Community Health. This is a follow-up to a question that has been asked several times, which has to do with dependants of people who are over 65; when the husband dies and the wife, who is under 65, is left. I would like to know if the government has reassessed the implementation of this coverage staying with the widow who is under 65.

MISS HUNLEY: Mr. Speaker, I'm not sure whether the hon. member is talking about the financial implications of it, which is a federal matter, or referring to the extended health benefits available to those over 65 and to their dependants. If it happens to be the latter, it would be more appropriately addressed to my colleague the hon. Minister of Hospitals and Medical Care. If it's financial, he might want to address his remarks to the federal government.

DR. BUCK: Mr. Speaker, to the Minister responsible for the medicare program. I'd like to ask the minister if the government has reconsidered removing the benefits from people who are under 65. In the last two years the Premier was made aware of the hardships involved when these people have their benefits removed. The dependants ...

MR. SPEAKER: The hon. member's question is complete. The P.S. isn't necessary.

MR. MINIELY: Mr. Speaker, I think the import of the question from the hon. Member for Clover Bar is that perhaps he is not aware of the fact we have made some improvements in that area. We've provided regulations that are more flexible. If I'm interpreting the question properly, it's related to the case of a spouse over 65 who is deceased and a surviving spouse under the age of 65. In recent months we expanded that for 30 days to overcome an inequity. Perhaps the hon. member would like to check that regulation. So that's certainly an improvement [over] what existed historically.

DR. BUCK: Mr. Speaker, the hon. minister indicates that the extension has been 30 days. For the enlightenment of the House I think that is still the harshest portion of it. But the question I'd like to further pursue: are the optional features also available — Blue Cross, ambulance services, et cetera? Will that be extended more than 30 days?

MR. MINIELY: Mr. Speaker, my answer was in relationship to the extended health benefits program which our government introduced in 1972 as part of a broad package of senior citizen benefits. I had indicated that with respect to medicare we recently made an amendment to the regulations which provides greater flexibility for services a surviving spouse would receive during a period of 30 days following the death of the person who was over 65. This obviously applies to the extended health benefits program introduced in 1972.

MR. MANDEVILLE: Supplementary question to the hon. Minister of Housing and Public Works. Has consideration been given to extending the \$1,000 senior citizen program to spouses who become widows between 60 and 65?

MR. YURKO: Mr. Speaker, if my memory is correct the regulations do cover this point, or permit the opportunity to cover this point. But I'd have to check the matter in more detail and report accordingly.

#### **Boomer's Birthday**

MR. TESOLIN: Mr. Speaker, my question is to the hon. Minister of Recreation, Parks and Wildlife. As I understand the minister is another year older today, does the minister think he can continue his present pace in dealing with the 'wildlife' in Alberta? [laughter]

MR. KOZIAK: Show us your new uniform.

#### **Pharmaceutical Industry**

DR. PAPROSKI: My question is to the Minister of Business Development and Tourism, Mr. Speaker. Will the minister indicate to the House what progress has been made regarding the establishment of a pharmaceutical industry in this province? The question is raised because the minister previously made this point and is active ...

MR. SPEAKER: The hon. member is also adding a post-script.

DR. PAPROSKI: Thank you, Mr. Speaker. I wonder if the minister would respond.

MR. DOWLING: Yes, Mr. Speaker. I would suggest we have made what you could term minimal progress, as a process of fact-finding. We're trying to determine the market potential for a pharmaceutical industry in Alberta. At the moment the Canadian pharmaceutical industry is basically a packaging and pulling together of components. It's not a research-oriented type of industry. Our view is that we should establish something beyond what Canada now has as an industry, so it would be a new entity.

So we are in the position of fact-finding. Over the next two years, in co-operation with the federal Department of Industry, Trade and Commerce, there will be a two-year study to determine the potential for a pharmaceutical industry in western Canada.

DR. PAPROSKI: Supplementary, Mr. Speaker. I wonder if the minister would indicate what major items of support he's planning to give to such an industry and whether he'll be tabling a report in this regard when it's completed.

MR. DOWLING: We have no report contemplated, Mr. Speaker. There's a great deal of in-house work ongoing at this time and will be ongoing over the next two years as I said, in co-operation with the Department of Industry, Trade and Commerce federally. However, we do have in place a support system in which we indicate that we will supply or provide for the entrepreneur the basic infrastructure required. That obviously means roads, and if it's a decentralized industry there would be a housing entity, a school, considerations for hospitals, that kind of thing.

However, we do have a number of things in our favor: no sales tax, the corporate and personal income tax position, our stable government, and ... I've said it before, Mr. Speaker.

MR. CLARK: Over and over.

DR. WALKER: Supplementary to the minister. Would the minister please enlarge a little more on what pharmaceutical problems he's alluding to?

MR. DOWLING: Yes, Mr. Speaker, I can. First of all, the federal Patent Act is one of the major hurdles. As I understand the terms of that act, the Canadian entrepreneur, inventor — that kind of person — is in a second position to other communities. Patent rights cannot be held as long by the entrepreneur in Canada as they can, say, in the United States. We feel that the market might be a problem. We feel that the industry will be established either by a brand-new Canadian operation or by importing the expertise from offshore.

So there are some major hurdles. Those are just two or three. There are a great number of others. The matter is under continuing examination, Mr. Speaker.

DR. PAPROSKI: One final supplementary question, Mr. Speaker. I wonder if the minister would indicate to the House whether the federal government is providing favorable support in this endeavor.

MR. DOWLING: They are in terms of Canada, Mr. Speaker. It's up to us to sell our package to the federal government when that time comes.

#### **Hospital Costs**

MR. LITTLE: Mr. Speaker, may I address my question to the hon. Minister of Hospitals and Medical Care. Would the minister be prepared to clarify or explain his reasons for the ministerial statement this morning?

MR. MINIELY: Mr. Speaker, in answering the hon. member, I indicated the two main factors involved in cost with respect to why I made the ministerial statement this morning, a substantial and dramatic increase in cost. Also, as I've indicated in the Legislature, I think it's a matter of administrative and organization and accountability that has existed — and I've been assessing from the time I've been in the portfolio — relative to a commission principle introduced by the former government. I've said several times in the House that I have been assessing that principle in terms of full accountability to the citizens of this province through this elected Legislature and the elected government.

But the major factors, as I said in the ministerial statement, in addition to the general administrative and organizational pattern to increase accountability, were the factors of substantially increased space and substantially increased cost per square foot over the years since the commission was formed. That has been part of a total review and assessment of the administrative and organizational structure of my portfolio, as I've said many times in this House.

MR. LITTLE: Supplementary to the minister, Mr. Speaker. Does this announcement therefore indicate any reflection on the effectiveness of the administration of the hospitals?

MR. MINIELY: Mr. Speaker, I'm interpreting the hon. member as referring to hospitals throughout the province. Historically, our system in Alberta has been that the hospital boards have designed the projects, working with architects and engineers. Then the projects reach a stage of design and funnel to the Hospital Services Commission. Too frequently, by that time the officials of the commission are looking at a project which is at a too-final stage. I said in the ministerial statement that in my view there is a great deal of overdesign and over-space requirement which must be looked at.

This system has been historical since the formation of the commission. Again I would say that since I've been in the portfolio I have been looking at this matter, as well as many other matters, as to whether or not the commission principle introduced by a predecessor government provides full accountability to the citizens of this province through their elected Legislature.

MR. NOTLEY: A supplementary question to the hon. minister. Can the minister advise, from the review which has taken place to date and has resulted in the ministerial announcement, whether the increase in costs due to design and space questions began to get out of line compared to other sectors over six years or whether that has been more a function of the last two years, as the minister indicated in committee?

MR. MINIELY: No. The pattern seems to have started particularly in 1970-71. That's of course the time Albertans chose to elect our government. The commission had been formed prior to that.

In fairness, I have to say that there are similar patterns in other provinces throughout Canada. But it is my view that our responsibility in Alberta is not to follow the trends of other provinces and trends that have existed throughout Canada or, for that matter,

throughout the world. Our responsibility in Alberta is to take a look at providing quality health care facilities to our citizens to meet their needs, but at reasonable cost to the taxpayers we are all responsible to.

MR. CLARK: A supplementary question to the minister. Mr. Minister, who approves the space requirements that hospital boards must function within?

MR. MINIELY: Mr. Speaker, officials of the commission have approved those since 1969, when the commission was formed. As I have indicated to the hon. leader, the commission principle, as is well known, is one that I have been assessing in terms of accountability, since it was formed in 1969. That's no reflection on senior officials. That's a reflection on the principle — which was not our principle — of a commission at arm's length that was set up in 1969 by a predecessor government in the largest public expenditure area. I'm not satisfied that it's a valid principle, but in due course that decision will be made in terms of other areas. When it is made, I will have something to say about the matter.

MR. CLARK: A supplementary question to the minister. In the course of the time the minister has been responsible for the Hospital Services Commission, has there been any occasion when the minister has given directions to the commission with regard to design or space requirements or administration, when the commission has not followed the minister's direction?

MR. MINIELY: Well, basically I've had question from the time I've been in the portfolio and I've raised ...

MR. CLARK: Yes or no?

MR. MINIELY: If the hon. leader would like me to answer the question, I will be prepared to answer.

I have had question from the time I have been in the portfolio, in this area as well as others. If the hon. leader examines the legislation structuring the commission, put through I believe in 1969, he will find on the record that the only thing that provided any accountability to the Legislature at that time was an amendment by ...

MR. SPEAKER: Order please. It would appear that the hon. minister is repeating material that has been mentioned several times and is not germane to the question that has been asked.

MR. CLARK: Mr. Speaker, perhaps I could rephrase the question so the minister could give a definite yes or no. During the period of time the present minister has been the minister responsible, has there been any occasion when the minister has given direction dealing with space requirements, design requirements, or administration of the Hospital Services Commission to the commission and the commission has not followed the direction the minister has given?

MR. MINIELY: Mr. Speaker, I answered that question. I have been asking questions for the entire two years relative to design and space requirements. One year ago I put a stop to a policy that had been pursued, again from the time the commission was formed, that

I did not feel was necessarily wise in terms of the impact on cost and in terms of priorities of where the health care dollars should be spent in the hospital system. I indicated again that some of those trends started not yesterday but ...

MR. SPEAKER: Order please. The hon. minister has referred to the distant past about five times in the course of his answer.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Would the minister be prepared to table in the Assembly before the spring session adjourns copies of directives he has given the Hospital Services Commission with regard to the questions of space, overdesign, and administration, so we could see the kind of direction the minister has given the commission?

MR. MINIELY: Mr. Speaker, the hon. Leader of the Opposition knows very well that the instructions I give to my officials in terms of my responsibility to the citizens of Alberta are internal instructions. I have indicated in general and broad terms that from the time I have been in the portfolio I have been assessing the administrative and organizational pattern, because I was not satisfied that there was full accountability in the principle under which we were operating, which has existed for some years.

MR. SPEAKER: Order please.

MR. CLARK: There's been no direction at all.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister in light of the minister's comments about excess space requirements. Can the minister advise the House by what process his assessment determined that there were in fact excess space requirements, apart from cost accounting? Was a specific consultant commissioned? What was the process of review?

MR. MINIELY: Well, some time ago I called for an assessment on the basis of trends in space requirements and trends in cost. I'd refer the hon. Member for Spirit River-Fairview to the comment in my ministerial statement where I think it raises question that must be examined in more detail, when first of all the cost per square foot — that doesn't even include the space factor — has risen by 100 per cent more than general construction costs in the province of Alberta. In addition, the space requirements over that period have tripled and quadrupled. Now, some of those space requirements may be justified. I indicated in the ministerial statement that I want a full study and analysis of those areas of increased cost which are justified, and those which are not.

But I must record on the basis of what was tabled before the Legislature, which the hon. member can study, that the trends and what exists in this study raise serious question as to the amount of cost increase as a result of both those factors that we're experiencing in hospital capital costs.

MR. CLARK: Mr. Speaker, one further question to the minister.

MR. SPEAKER: Might this be the final supplementary on this topic.

MR. CLARK: In light of the fact that the minister has issued directions to hospital boards that the minister and only the minister shall make announcements with regard to capital construction, then obviously the minister must have the final say in these areas. Why has the minister abdicated this responsibility in the last two years?

MR. SPEAKER: Order please.

MR. MINIELY: Mr. Speaker, in fairness, I think if the hon. leader is going to make the kind of comment he last made it's fair that I am able to respond to it.

The first part of the question is that I feel our government, and my responsibility to our taxpayers, as the minister in the largest public expenditure portfolio in our government, to ensure that on the one hand we have quality health care services, but on the other hand at reasonable cost to taxpayers, is one that I should expect through an administrative and organizational structure, working with hospital boards in the province — that these two objectives are achieved. I have not been ...

MR. CLARK: You're the minister responsible.

MR. MINIELY: Well, if the hon. leader is suggesting that as the minister I'm going to examine the design of every plan that comes in, then the hon. leader knows very well that that's a ludicrous question and a ludicrous response.

MR. CLARK: You're responsible to the people.

MR. SPEAKER: Order please.

MR. MINIELY: The second part of the question: one of the reasons I've assessed the commission principle — and, I would say, with no reflection on the people — has been the fact that I was concerned that perhaps the former government, in establishing a commission [at] arm's length principle, was abdicating responsibility in terms of accountability to this Legislature and to the citizens of Alberta.

MR. CLARK: If your own predecessor could handle it, why can't you?

#### **Farm Fuel Rebate**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture and ask, in light of the increase in the price of oil as of July 1 and then six months later, whether the government is now actively reviewing the question of increasing the farm fuel rebate.

MR. MOORE: Mr. Speaker, it's my understanding that an increase at the wholesale level, insofar as farmers are concerned, would not occur until at least September 1 this year. Therefore the matter of any change in the farm fuel allowance program will be taken into consideration during the course of July and August.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. If, as the minister indicates, the matter will be reviewed during July and August, will there be formal consultations on it with the farm organizations, particularly the two major provincial farm organizations?

MR. MOORE: Mr. Speaker, I've already had some consultation on that matter with Mr. Dobson Lea, the president of Unifarm, and would continue to do so. In addition to that, we've had consultation with other provincial governments that had similar programs in effect. I might advise the Assembly that in a recent budget the province of Saskatchewan completely eliminated its farm fuel allowance program.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has there been any compilation of statistics by the department, any updating of statistics as to the impact of the increase on farm production costs?

MR. MOORE: Mr. Speaker, indeed some work has been done by the Department of Agriculture with regard to total farm input costs. As a matter of fact, the report I provided to all members of this Assembly — which was based on an outlook for 1977; a projection not only for input cost but also for incomes that might be obtained from various agriculture commodities — did indeed take increased fuel costs into consideration. All I can really say is that that report determined that in fact because of, not in spite of, the Alberta farm fuel distribution allowance program, farmers in this province will continue to have the lowest priced fuel of anyone in Canada.

#### Frank Slide

MR. BRADLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Culture. Would the minister indicate what progress is being made toward having the Frank Slide declared a classified historic site?

MR. SCHMID: Mr. Speaker, a notice of intent has been sent to the CPR advising them that I will introduce an order in council to designate their right of way an historic site. Also, sometime this year we hope to designate the private property as well as the highway right of way an historic site.

#### Fluid Milk Levy

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister briefly outline the position of the Alberta government with regard to collection by the federal government of a 25 cent per hundredweight levy on fluid milk producers?

MR. MOORE: Yes, I think I could, Mr. Speaker. First of all I should say I spent almost five hours outlining it to the federal Minister of Agriculture in Ottawa on Wednesday, and had difficulty getting through to him. [interjections]

Basically our position is that the fluid milk industry in this province has traditionally been a provincial responsibility with regard to quota allocation, pricing through our Public Utilities Board, and all other mat-

ters which have related to fluid milk. In that context we think it's outside the spirit and intent of the 1972 agreement with respect to milk market sharing, signed between the provinces and Ottawa, for the government of Canada, without consultation and without recognition of our traditional constitutional responsibilities in this regard, to impose a levy of 25 cents per hundredweight on fluid milk. I advised the federal Minister of Agriculture of our position in that regard, and was informed at the end of a meeting on Wednesday afternoon that they would anticipate, at any rate, going ahead with the levy on fluid milk on June 1 of this year.

In addition, Mr. Speaker, I want to advise that our position was very strongly supported by a number of other provinces in the maritimes and in central and western Canada. What the situation is from this point forward, I do not know, except to say it would not be my intention to recommend that the Alberta Dairy Control Board play a part in the collection of the 25-cent levy on fluid milk.

I should say in addition, Mr. Speaker, that I look forward to the federal Minister of Agriculture and other provincial ministers ... [There are] a number of alternatives, in fact, but one which I think is important; that is, for the government of Canada to recognize that a reduction of from 50 million to 40 million pounds a year of cheese coming into Canada, and a consequent movement of fluid milk, or surplus milk I should say, into cheese production, as opposed to skim milk powder, could well take care of the dollars they are determined to collect through a fluid milk levy. In fact, it would not be necessary to collect those dollars to subsidize the surplus removal of skim milk power. That is just one of a number of alternatives that could be pursued if they were willing to do so in Ottawa.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Could the minister indicate what period of time the levy will be collected?

MR. MOORE: Mr. Speaker, I think I said quite clearly that it would not be my intention to recommend to the Alberta Dairy Control Board that we'd be involved in collecting the levy. Therefore, the next action with regard to how or if the levy might be collected is entirely up to the government of Canada.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Is it the intention of the provincial government to integrate production of fluid and industrial milk producers?

MR. MOORE: Mr. Speaker, the hon. member should listen carefully to what I originally said. The fluid milk production, quota distribution, and policy have traditionally been provincial responsibilities in every province in Canada. Quite frankly, our position is that they should remain that way. That doesn't mean an integration of fluid and industrial milk.

I should say, however, that in 1974 we adopted a very progressive policy in Alberta which, through our graduated entry system, allows industrial milk producers to move into the production of fluid milk if their premises and the quality of their milk meet the approved standards for fluid milk producers, and if they are willing to produce on a consistent, year-

round basis. Since 1974, in excess of 200 industrial milk producers who previously did not produce fluid milk have moved into the fluid milk market. So our objective in 1977 and beyond will be to accept into the fluid milk market every individual who qualifies in terms of meeting those standards.

So that in itself, Mr. Speaker, is a form of integration that the producers themselves are allowed to bring about. It's been helpful to a good many, and will continue.

#### **Senior Citizens' Dependants** (continued)

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Where a husband is receiving the old age security pension and his wife is receiving the spouse's allowance and the husband passes away, has the provincial government made any representations to Ottawa to continue the spouse's allowance just as if her husband had continued to live?

MISS HUNLEY: That was part of our ongoing discussions on income support and income supplementation. We're very sympathetic to the spouse who loses something [he or she] once had. It seems to be an even more traumatic experience for them. Of course, it's a little difficult to urge any other government — and it's even difficult in our own assessment of it — to consider whether or not it's reasonable for a person who has reached age 60 and received a spouse's allowance ... What about the person who is only 59? We get into the same kind of problem with an individual who is, say, 64 and feels equally entitled to old age security, but he must wait one more year.

I think it was rather sad that it was even instituted, because if you've never had it you don't miss it quite so dramatically. That's where the saddest part of all comes in. It is a matter we've been looking at, along with our review of the income supplementation program which was discussed at some length with the federal government. But it's part of that ongoing review with the federal government, and we have not yet made a firm decision.

MR. TAYLOR: A supplementary. Would the hon. minister not agree that having once approved the spouse's allowance, it puts that person in a little different category from someone who never had the pension?

MR. SPEAKER: The hon. member has made a very effective representation, and no doubt the hon. minister will take it into account.

#### **Oil Export Tax**

MR. KIDD: Mr. Speaker, my question is to the hon. Minister of Energy and Natural Resources. At the present time what is the differential between the Alberta price for oil and the export price? Or if you like, what is the per-barrel export tax presently going to the federal government?

MR. GETTY: Mr. Speaker, the federal government presently levies an export tax of \$5.25. In other

words, they are able to scalp our oil for an additional \$5.25.

#### **Pipeline Treaty**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier. It flows from a question I put to the Premier the other day concerning the pipeline treaty between Canada and the United States. Was there any consultation between the federal government and the province of Alberta before this treaty was signed?

MR. LOUGHEED: Mr. Speaker, yes there was consultation. But I think it may require further responses by both governments, perhaps over the course of this summer and next fall.

#### **Design Fees Specifications**

MR. YURKO: Mr. Speaker, yesterday I attempted to answer a question posed to me by the Leader of the Opposition. As it was rather lengthy, you suggested that perhaps I might file it. So I would like to file the answer to the hon. leader's question on Monday of this week with regard to specifications and purchase of furniture. The reply is as supplied to me by the department.

### **ORDERS OF THE DAY**

#### **head: GOVERNMENT BILLS AND ORDERS** (Second Reading)

##### **Bill 1**

#### **The Alberta Historical Resources Amendment Act, 1977**

MR. LOUGHEED: Mr. Speaker, I'm very pleased to move second reading of Bill No. 1, The Alberta Historical Resources Amendment Act, 1977.

Mr. Speaker, this act expands the conditions upon which research permits may be issued. It prescribes the standards for curators maintained in various institutions by the provincial government. It deals with the operation, maintenance, and development of the Provincial Archives of Alberta and improves upon the administrative way in which they are proceeding. It also brings forth and incorporates certain amendments to make the Alberta Historical Resources Foundation more effective.

That's the basic purpose of this legislation, presented to the Legislature as Bill No. 1.

[Motion carried; Bill 1 read a second time]

##### **Bill 24**

#### **The Election Finances and Contributions Disclosure Act**

MR. CHAMBERS: Mr. Speaker, I move second reading of Bill No. 24, The Election Finances and Contributions Disclosure Act.

To begin with I'd like to take this opportunity to acknowledge the hard work of my cohorts on the government committee which prepared this legisla-



tion: the Member for Ponoka and the Member for Edmonton Highlands. I'd also like to acknowledge the good work of our research assistant Mr. Tim Woollencroft, who worked with us during the initial phase of this project; also the good and hard work of our secretary Mrs. Margaret Pratt.

I'm sure the members will appreciate that our committee spent many hours over the course of almost the past two years in examining legislation in other jurisdictions. We looked at the advantages and disadvantages of the other legislation and arrived at what, in our view, is the best legislation for Alberta.

Mr. Speaker, if there's one overriding principle in this bill it is that of disclosure — the right of the people of Alberta to know. It's true that logical objections to disclosure can be raised. Indeed, the Ontario commission which recommended on election financing reform did express some misgivings, although they did finally recommend disclosure regardless. There were fears expressed in this report, probably unfounded, that disclosure would inhibit contributions, thereby leaving political parties short of finances. There were also fears that disclosure might create a self-consciousness among donors which could tend to minimize the amount of contributions and tend to artificially equalize these among parties. It was also thought that disclosure might create in the minds of the public suggestions of donor/recipient conflict of interest even though none exists; in fact where people are merely trying to support our free democratic system and want nothing in return, which we as members know is normally the case.

However, despite these and other possible objections I think we must remember we are entering a new and more open era in the free world, a time when we have an educated and informed public which has the right to know how and by whom parties and candidates are financed, just as it is the right of contributors to give openly and voluntarily to our political process. As members know, Bill 24 provides that all contributions over \$250 from any source — including individuals, employee organizations, corporations, trade unions, and so forth — are to be disclosed as to the amount, the name, and the address of the donor.

It is our view that the people of Alberta feel quite strongly on the subject of outside influence in our province and on our political system. Surely a political party in this province should survive on its own merits and with the support of the people of Alberta. With this principle in mind, Bill 24 will ensure that contributions to the Alberta political process are restricted to those by Alberta residents and to Alberta corporations, Alberta trade unions, and Alberta employee organizations that are doing business within this province.

For the same reason the transfer of funds from federal parties to provincial parties is also limited in Bill 24 to the sum of \$100 for each registered provincial candidate during election campaigns only. Furthermore, Mr. Speaker, it stands to reason that funds which have resulted in a tax credit on Alberta income tax in Alberta should be used within this province. Accordingly the transfer from a provincial party to a federal party is similarly limited to \$100.

Mr. Speaker, the Ontario Commission on the Legislature concluded there would be great difficulties in the enforcement of ceilings on expenditures. As a

result they recommended no limitation on expenditures, with the exception of limiting media advertising to the last 21 days of a campaign. After due consideration our committee also felt that spending limits would be too difficult to enforce and that unenforceable legislation would be bad legislation.

Furthermore, in Alberta in the next election we will have a 28-day campaign. That time constraint should provide, in our view, a practical brake on spending. Moreover, Mr. Speaker, the biggest controlling factor of all should be disclosure because after all whatever a candidate spends, whatever a party spends, as well as the source of funding, is going to be out there for the public to observe. Therefore, Bill 24 proposes no limitation on campaign expenditures.

We felt that direct funding of candidates from the public treasury was neither necessary nor desirable. Apart from the fact that such a route would perhaps direct a person's tax dollars to the support of a candidate he might not wish to support, it would also be very costly to administer and supervise. On the other hand, Bill 24 proposes that through consequential amendments to The Alberta Income Tax Act an Alberta contributor to the political process will be able to receive a tax credit applicable to the Alberta portion of their payable income tax. Now these proposed tax credits will parallel those provided for by the federal legislation. The tax credit approach, in our view, is a much more acceptable form of direct public funding.

Mr. Speaker, in view of the federal experience with tax credit and when you consider, for example, that the first \$75 of a \$100 contribution is a direct deduction from provincial income tax payable, it just has to go a long way toward broadening the base of political party support in this province.

Bill 24 provides for a limitation on the amount of money that may be contributed to a party, to a constituency organization, or to a candidate, both annually and during election campaigns. Again, our committee spent considerable time evaluating what the limit should be. The numbers we arrived at are, of course, a judgment decision. I'm sure many members may have different views as to the amounts, whether they should be higher or lower. We felt that the number should be high enough to be meaningful for a few years to come, taking inflation into account. Furthermore we wanted to be fair in this matter. To be candid, it's quite likely that a broadly-based party such as the Progressive Conservative Party could get by with smaller numbers. However, parties whose bases are less broad, perhaps parties not yet represented in this Assembly or parties even yet to be formed, obviously will depend on fewer contributors giving larger amounts. Again, Mr. Speaker, the amount of these donations — and I think we have to remember this point — is going to be public information. It's going to be out there for the people of Alberta to see and to judge.

Of course in order to implement the act it will be necessary for political parties, constituency organizations, and candidates to be registered. The qualifications for registration have been made broad and easy so as to provide no stumbling block to the registration of any *bona fide* political organization.

The position of Chief Electoral Officer will be established by an amendment to The Alberta Election Act, being Bill 49 recently introduced by the Member for Stony Plain. The duties of the Chief Electoral Officer

will include administration of both The Election Act and The Election Finances and Contributions Disclosure Act. It's visualized, and I'm sure members will agree, that this will be a full-time job.

As members are aware, this is a most important position. When researching this area, we found that approximately 50 per cent of jurisdictions utilize a chief electoral officer, or whatever name he's known by in that particular area, whereas the other 50 per cent have gone the electoral commission route. For example, our federal government utilizes a chief electoral officer, whereas Ontario has a commission. It's our view that the Chief Electoral Officer should meet all Alberta's needs in this area and be considerably less costly for the people of Alberta than the commission would be.

As I recall, the Member for Stony Plain noted when he introduced Bill 49 that the Chief Electoral Officer will be chosen by a select committee of this Legislature. He will be required to submit an annual report to you, Mr. Speaker.

Mr. Speaker, I would have to concede that we are bringing in this legislation despite the lack of great outcry for it. I have not been aware of any great demand by the public, or the opposition, or the media for such legislation. Perhaps this is because we have had an enviable history of honesty and integrity among political parties and politicians in this province. You know, we've not had the political financial scandals or difficulties such as have been experienced in other jurisdictions and other parts of the free world. Furthermore, I'm sure members don't expect any in the future. We in this House know that Alberta politicians are honest and aboveboard.

However, Mr. Speaker, this is a new era. We have an educated and enlightened public today who, in my view, are well able to accept the political process as it really is. We strongly believe that the people of Alberta have the right to know.

In conclusion, Mr. Speaker, we're bringing in this legislation because we believe it is the right thing to do. I don't think I'd be telling any tales out of school if I were to say that in our caucus the key test of what we do is: is it the right thing to do? What's best for Alberta? If we should ever forget to ask ourselves that question, the hon. Premier inevitably does. He reminds us that that should be the key test. Frankly I'm proud to be a member of a caucus and a government team that initiates legislation because it's the right thing to do, because it's best for Alberta, regardless of any other political considerations.

I look forward, Mr. Speaker, to hearing the views of the other members in this House.

MR. CLARK: Mr. Speaker, in taking part in second reading of this bill, I say at the outset it's our intention to support the bill. I think there are some good features in the bill. I also think there are some shortcomings in it.

To start with, dealing perhaps with some of the good features, I was becoming quite impressed with the debate of the mover until he got to the point in his remarks where the hon. member said there had really been no effort in this Assembly, no outcry by people, for legislation in this area. I would commend to the hon. member's reading over the weekend the resolution I had on the Order Paper — in fact the debate which took place in the House in 1974, I believe —

which dealt with this question of public contributions, to open up the electoral finance question in Alberta. I say to the member that we're pleased to note the rather changing attitude of some of the government members on this matter.

Now, it is true that during the course of that debate, one of the matters we urged the government to look at was a limit on the amount of expenditures. I noted this morning that the hon. member was quite ready to take the advice of the Camp commission from Ontario. I note on other occasions that Alberta isn't always as ready to take the advice of Ontario. I think this would have been an excellent area where the Alberta government could have done some pioneering different from the kind of pioneering done in the province of Ontario from time to time.

Seriously in that area, the biggest criticism of the bill that I would have is that there is no overall limit on the ceiling of expenditure. The member says that would be unenforceable. I don't believe it would be unenforceable, especially when we have the kind of politicians in Alberta which the hon. member indicated at the end of his remarks that we have. In fact, the hon. member was patting the members of the Legislature so heartily on the back that I couldn't understand how a question of ceiling on expenditures would be unenforceable, with such an excellent group of people involved in the political process in Alberta. I find that somewhat hard to understand.

I would say to the hon. member responsible for the bill — and as far as that goes, to the government on this occasion — I commend the government for making the position of Chief Electoral Officer full time, that the Chief Electoral Officer will have the responsibility for the administration of this bill, and that he will be picked by a select committee.

I have been in this Assembly for a number of years now. In the past I can recall that the Clerk of the Legislative Assembly was the Chief Electoral Officer. I think we have been extremely fortunate in this province in the Chief Electoral Officers we have had. I think in terms of, well initially Mr. Ray Crevolin, and Mr. Bill MacDonald. I am sure members on all sides of the House would echo those sentiments.

But this is a distinct step forward. Unaccustomed as I am to commending the government, this is an area where it deserves [commendation] as far as making the position of Chief Electoral Officer an individual to be selected by a committee of the House, with representation from both sides of the House.

Now on the question of disclosure itself, I think it's important that this legislation and the principle of disclosure be accepted. Many of us recognize what happened in the U.S. presidential election, followed by the Watergate scandal. If it did nothing else for all of us in public life, it was another black mark against people becoming involved in the political process, regardless of what their political orientation might be. I think this legislation will go some distance, at least, toward satisfying people that, for those people who made contributions over \$250, the public has a right to know who is footing the bill. That is commendable.

I also think that the idea of tax credits — once again I'd refer the hon. member to that resolution; I believe there was some suggestion in that area of tax credits — is a step in the right direction. I think it will be accepted by all members of the Assembly.

I do want to raise just one matter, and I may be a

strange person to raise it. But once we move into this area of tax credits and the public knowing who is making financial contributions to political parties, there will be the temptation on behalf of politicians — I suppose especially in the opposition, but on the government side too — for people to look at the lists of contributions and then at the list of contracts and say, what kind of comparisons are there. We are babes in the wood if we don't think this kind of thing is going to take place.

That's going to call for two things. It's going to call for governments, regardless of their political stripe, to be a great deal more open in dealing with the whole area of the basis for the selection of contracts. It's going to put additional pressure on the question of awarding contracts through public tender, and it's going to make it extremely difficult for any government not to accept the lowest tender. I suggest that's going to be good for all of us, regardless of where we sit in the House. But let's recognize that that kind of pressure is going to be very prevalent.

The second thing is that there is also going to be the temptation for politicians — perhaps I could use the words "to go off half-cocked" on occasion. When you look at contributions and then legislation which comes in or contracts which are awarded, that's perhaps going to call for some reasoned restraint. When there are legitimate questions to be asked, it's going to make it even more important to ask those questions. If we don't ask them in here, the public is going to be asking them outside and saying, why aren't they being asked in here? This is the place where they should be asked.

But the other side of the coin is that if many of us become completely irresponsible in this area we will frighten off some people who I think are prepared to make financial contributions on a full and open basis. I've had the opportunity to discuss this legislation and also the impact of the Ontario legislation with some people, and that's frankly one of the concerns that's been expressed to me: we're not going to have our names bandied all around the Legislature every day and at the same time continue to make financial contributions. That is a balance which all of us must be aware of, regardless of where we sit in the House.

So in conclusion, Mr. Speaker, we're going to support the legislation. We regret very much there's no ceiling on expenditures. We think that with the fine, upstanding group of people that the sponsor of this bill indicated is involved in politics in Alberta today that provision would have been enforceable. Thirdly, I say it's going to call upon whoever the government is in the future to ensure beyond any question that all information surrounding tenders, the awarding of contracts, consultants, and so on, is out there for everyone to see, just as the lists of the people who make financial contributions are going to be.

I think if we keep those factors in mind this legislation will make a contribution to political life in this province.

MR. NOTLEY: Mr. Speaker, rising to speak to Bill 24 I intend to vote for it on second reading. There are certain attractive features about Bill 24. There are several concerns I am going to express during the course of my remarks, but on balance one has to decide whether one supports legislation or not. In

principle, since I approve of considerably more than I disapprove of, I intend to vote for it.

Certainly the selection of a chief electoral officer is a worth-while step. While we have been served well by the clerks of the Assembly in the past, the fact of the matter is, with a province now of almost two million people, running a provincial election, particularly an election where you have legislation of this nature, is going to be a more complex obligation. Therefore asking the Clerk of the Assembly to be the chief returning officer may have been quite workable in 1905 or 1921. But in 1978, '79 — whenever the people of Alberta next ask to go to the polls — I submit, Mr. Speaker, that it would neither be fair to the Clerk, nor really workable. So I certainly approve of the determination of the government to take the route of choosing a chief electoral officer.

As to the issue of disclosure, I don't think there can be any valid argument against disclosing contributions made to a political party. And I say that, Mr. Speaker, because we have to recognize that a political party is a rather different kettle of fish from a private organization. I don't really believe that the people of Alberta have any right to know how much individual X gives to a private organization. It may be a service club, it may be a church auxiliary. That really is something that is not public business because that is a private organization.

But I think we have to recognize, Mr. Speaker, that political parties are not private organizations. They are public organizations, composed of people who are asking their fellow citizens to entrust them with the government of whatever the jurisdiction may be, whether it's a province or the federal government or what have you. As a consequence, as a public organization, there are in my view just unanswerable arguments that the public has a right to know.

Admittedly, you're always going to run into some people who feel this is unfair, that political anonymity of contribution will be taken away, and that their right to contribute will not exist. Well, Mr. Speaker, under the terms of this legislation you can of course still contribute up to \$250 and your name will not be printed, will not be reported as such. But in balancing off the rights of the individual to contribute large amounts of money against the right of the public to know, there's just no question in my mind that the right of the public to know counterbalances whatever infringement there may be on the wishes of many donors to retain their anonymity.

Mr. Speaker, the question of the whole Nixon affair has been raised several times. I'm not going to address it from the philosophical point of view, as did the Leader of the Opposition. I think it's pretty clear that that whole sorry episode has done a great deal to destroy public confidence in the political process. But, Mr. Speaker, one of the things that in my judgment stands as a reason for supporting this legislation is that because the American government had passed reform legislation, because there was disclosure legislation, much of the — not necessarily the Watergate information itself — information related to the Elect the President Committee became public knowledge. And it would never have been public knowledge had it not been for the legislation which the U.S. Congress had passed before the 1972 federal election.

Mr. Speaker, the concerns I would express on this

bill are really three. The first that I submit to the members of the House is that the ceiling on the contributions is too high. Two hundred and fifty dollars can be contributed without having to disclose that amount. I suggest that will create the possibility of a fairly significant loophole. I believe the *Edmonton Journal* had an editorial indicating that an individual could contribute just under \$8,000 in an election year, under the terms of this legislation, and not have it disclosed. I thought that a little high until I sat down and did some arithmetic. It's true. An individual or a company could contribute, a total of \$7,999.98 to a political party in an election year and not have it disclosed.

I submit, Mr. Speaker, that with that size of contribution — and the way the individual could do this is to contribute to the political party, to constituency associations, then in the campaign itself to the campaign of the central party, plus 20 candidates — you would end up, as I read the act, with the ability to contribute \$7,999.98 and not have to disclose it.

Now, that's clearly not the intent of the legislation. I suppose we would have to be a little naive if we didn't assume, however, that there will be those who will attempt to circumvent the legislation. I submit to the members of the House that the \$250 ceiling is higher than necessary, and allows that to take place.

The second concern I'd like to express is that the limits on the contributions themselves are rather more generous than I think is justified. We have an annual limit of \$10,000 plus up to \$2,500 for constituencies, and then during the election \$5,000 for the party and \$5,000 for candidates, for a total of \$22,500. Under the terms of this legislation a contributor can make available \$60,000 to the party of his choice, over four years. Contrast that with the Ontario legislation, where much lower limits are set: \$2,000 for the party and \$2,000 for constituencies; plus \$2,000 for the party and \$2,000 to the constituency associations in an election year; a total of \$8,000 in the election year compared to our \$22,500; and \$20,000 over four years contrasted with \$60,000 in Alberta.

I submit, Mr. Speaker, that the limits are too high. The member indicated when he introduced the bill that with inflation and what have you, we have to provide a little flexibility. We don't need to provide that much flexibility. If one contributor can put up \$22,500, you don't need too many contributors in that category before you have your campaign chest signed, sealed, and delivered.

By far the major concern in this bill however, from my standpoint, is that we don't have any provisions on spending limitation. I don't accept the argument that a 28-day campaign is going to police this. Nor do I accept the argument that it's going to be impossible to control expenditures, at least in the public media. It may be extremely difficult to control the types of expenditures, but I think we should even look at that. I don't accept the argument that it's not possible to control expenditures and to insist that the regulations of the act be carried out. It's going to mean a fairly heavy obligation on the part of the Chief Electoral Officer. But that's one of the reasons I support the concept of a chief electoral officer.

One of the errors is that there is no provision to publicize expenses by printing them in a newspaper. I think that sort of information should be made public.

It's one way that the public can, if you like, counter-check the contribution end of it if there is a very significant disparity between the expenses on one hand and the listed contributions on the other. It's a way of counterchecking just how effective the disclosure procedures by a political party have been.

Mr. Speaker, the fact of the matter is that massive amounts of money in a campaign can have an enormous effect. The logic of that is in the fact that political parties do spend large amounts of money. If one looks over elections, the evidence is extremely great that there is a very significant correlation between the amount of money spent — not necessarily at the constituency level. I think we have to distinguish clearly between the amount of money spent by the constituency associations and by provincial or federal parties.

I recall debating election reform legislation in this House five years ago. Various members were talking about the money their local constituency association had spent, which seemed rather modest, but had conveniently overlooked the funds spent by the provincial party on behalf of all candidates of that party in the province.

National/provincial campaigns carry a very major part of the effective campaigning. The costs borne at that level do not show up in the local financial statement, but the effects of those campaigns certainly show up in the ballot box, whether it be the now campaign in 1971, the little map of the province in 1975 or, just to change the pace a bit, the rather successful campaign of our federal Prime Minister a few months from now I suspect to "save Canada". I suspect that will have a much greater impact on electing members of that party a few months hence than the work done at the local constituency level.

Mr. Speaker, I wish to comment on one additional aspect of this legislation. That is the question of contributions from outside the province of Alberta. It seems to me that if we're going to ban the participation or influence of people from other provinces, we have to be somewhat more stringent in this act than we are. We are saying that any company that carries on business in Alberta is going to be able to make a contribution to a political party. It doesn't mean they have to be owned, controlled, in Alberta. Any international company doing any business at all is going to be able to make a contribution to the full limits of the legislation — up to \$60,000 over four years, \$22,500 in an election year.

We have the rather ironic situation that individual Canadians will find that their contribution will be restricted in an Alberta election while the president of a non-Canadian oil company will be able to have a very significant impact on the electoral campaign in this province through the mere fact that his company does business in Alberta. The same goes for unions. Someone mentioned unions. Fair ball. But I'm just saying to the members of the House that it seems to me there is a rather strange contradiction. We're so worried about outside influence, yet we leave the door open for the influence of any company, however marginal their impact may be in terms of ... Beg your pardon, Mr. Minister?

MR. FARRAN: That looks like a sore point.

MR. NOTLEY: No, it's not really a sore point. I'll come to that in a moment, hon. Minister. I make the point because it's valid: if you're going to say, okay, no outside interference, then it should be clearly defined that only those companies, associations, what have you, which are based and controlled in Alberta should be making contributions. But if you bring this legislation in as I say, there isn't a major corporation in North American which will not be able to contribute \$22,500 to the Alberta PC organization over the next few years.

AN HON. MEMBER: How about you, then?

MR. NOTLEY: Mr. Speaker, the fact of the matter is ...

AN HON. MEMBER: How about the Toronto NDP?

MR. NOTLEY: ... the government is leaving open a giant loophole. Someone mentioned the Toronto NDP. The fact of the matter is that if we had to depend on the contributions we got from outside Alberta, the party would have folded a long time ago. At the last election, I think about 3 per cent of the total contributions came from outside Alberta.

DR. WARRACK: You don't fool us. There's more money down there than there is ...

MR. NOTLEY: Just hold on there, Mr. Minister. Go back to Three Hills. [interjections] The fact of the matter is that the contributions that the New Democratic campaigns have received from outside Alberta are well within the \$7,500 limit. That's not going to be a major factor. Now the minister is yittering on as he usually does [interjections] about the question of the federal Election Expenses Act. I would just remind him that through ...

MR. SPEAKER: Order please. If for no other reason than for the sake of *Hansard* missing some gems, I would ask that hon. members who wish to contribute to the debate wait until they may do so in the ordinary way.

MR. NOTLEY: Fair enough, Mr. Speaker. I'd just like to straighten out the hon. Minister of Utilities and Telephones. As the minister should know, under the terms of the federal Election Expenses Act, all political parties including the Tory, Liberal, and New Democratic parties, have worked out arrangements that have been cleared with the federal election officer. The fact of the matter is, the contributions that have come to the Alberta New Democratic Party have been raised in Alberta, exclusive of approximately \$5,000 or \$6,000 that came from outside contributions in 1975. [interjections]

The point I want to raise is the question of principle, and I put it to members very seriously: in a federal state, should we be saying to other Canadians, no, you cannot influence an election in Alberta? This is a federal state, one country. Should we be saying that?

MR. FARRAN: Yes.

MR. NOTLEY: The minister says yes. All right, let's carry that through for a moment.

All Canadians are going to be influenced by and interested in the outcome of the referendum in the province of Quebec. That referendum will be conducted on the basis of Quebec election laws. If we ever had a referendum in Alberta, it would be conducted on the basis of Alberta election laws. I put it to members not to look at it in a partisan sense, but to question very seriously in their own minds: as Albertans who would want to contribute to the federalist cause in a Quebec referendum, should we not have that right?

I think the votes have to be counted and the decision made by the people in Quebec. But I put it to members of the House: should other Canadians not have a right at least to contribute to the forces that would be keeping that province in Confederation? If Quebec had the very same rules and regulations, our contributions would be restricted to \$100 a constituency. I ask members to think about it. We can get into a debate on it, but I ask you to think about whether or not in a federal state we should be saying, no, we're going to make sure there is no outside influence.

I must confess, Mr. Speaker, I found it rather amusing that for years we dawdled on doing anything about foreign ownership of farmland. The argument was that we didn't want to discriminate against other Canadians holding farmland in Alberta. That was the reason we didn't act in 1972, and to date that's been the reason for not doing anything. But in the case of the process of government, suddenly we say: gee, we are going to erect barriers and say, no more than \$100 a riding. I know this is now the situation in the province of Ontario. I know this legislation, this particular provision, has been copied from the Toronto Tories — not from the Toronto NDP but from the Toronto Tories. Mr. Speaker, as a Canadian I wonder.

The point I would leave with members of the House is: if we are going that route, then let's go in an honest, fair, and comprehensive way, and say: okay, if there's not going to be any outside influence, we're going to close the door to corporate donations or donations from organizations that are not controlled in the province of Alberta.

Mr. Speaker, in my view, what this government has done in this legislation is to take the easiest route for the Tory party, but one which is not necessarily logical; not one which either says, we're going to close the door on outside interference or, on the other hand, one which says, all right, we'll recognize that the people who make the judgments on the political parties will be Albertans and if money comes from outside the province, that information will be disclosed, and that will have an effect on the attitude of people toward that political party. That would be my argument anyway. That is the way we should be handling this sort of thing in a federal state.

We're not yet an independent Alberta. We may have pretensions to Alberta power and everything else, Mr. Speaker. But as a Canadian, particularly using the referendum in Quebec as an example, I would say that, by George, I want to have some influence, however small it may be, on how that referendum goes.

If the day ever comes when there is a referendum in Alberta, I'm sure people in Saskatchewan, British

Columbia, the Atlantic region, or Ontario might want to have some influence on that referendum. Should they be denied that? That's the troubling aspect of this legislation, which is not resolved. Nevertheless, in a very modest way we are stumbling towards disclosure. We have allowed rather lax limits on contributions, and no limitation on expenditures. We have at least begun to accept the proposition of disclosure and of recognizing there should be at least some, however broad, limits on contributions. Of course the major plus is the tax credit.

In closing, Mr. Speaker, I would say to the member who introduced the bill that I have several specific suggestions with respect to tax credit relating to lower income people. One is for people who do not pay income tax. If they could fill out their tax credit form and get that money back as a rebate, that would be helpful. The other is the \$25 exemption. I think this discriminates against lower income people who might only want to make a contribution of \$25. In my view that should be subject to the tax credit just as much as \$100. Not everybody goes to \$100-a-plate banquets. Some people just give \$20. In my view, their \$20 should be tax creditable just as much as the higher donations.

DR. McCRIMMON: Mr. Speaker, I would like to make a few remarks with respect to Bill 24. It has been brought out again that the history and timing of this bill is excellent. It has been brought out again that over the last number of years the history in the United States and eastern Canada — unfortunate incidents have to a certain extent, I believe, brought a certain amount of discredit and suspicion on all who are in politics, regardless of party. The public is probably more sensitive to the average politician now than at any time in history.

As far as Alberta is concerned, I think we've been fortunate. In drawing up and working on this election act — over the years there has never been any major difficulty that I know of as far as any political party in this province is concerned. I think it's an excellent and [creditable] record, and I think this bill will help to follow that record through in the future. Although we may be pure here, it doesn't necessarily mean we're not tainted to a certain extent by the actions of others in other places.

The purpose of this bill — I feel the public generally is more interested in where the money comes from and the amounts derived from the public, companies, unions, or whatever, than how it is spent. The public can judge the spending on its own. With the media — television, newspapers, radio, everything else — working and probing, looking for something at all times, it is very difficult to spend huge amounts of money in an election any more without it coming to the fore and the public being generally aware of it. I know of cases in eastern Canada where one person spent a million dollars on an election and didn't get elected. You can sometimes defeat your own purpose by overspending and trying to buy the public.

With respect to the chief electoral officer, we went to Ontario and checked out the commission basis the Ontario election is run under. It appeared to us it was a cumbersome process. I believe there were six people and a chief commissioner on the board, representing all the major political parties. It seemed to us that there could be a tendency with this type of set-up to

bring politics into the actual commission, which is the last thing I believe any responsible political party wants.

The fact that having a chief electoral officer and the name of that chief electoral officer brought down by a select committee of the Legislature, should remove any option of political affiliation or that type of thing — it's the responsibility of that committee. It's going to be quite a responsibility, too. I don't know if everybody realizes the rather large powers that this chief electoral officer will have, particularly after the writ of election has been called for the period between that and when the new government, or the government, is formed through the election. So the select committee will have a very serious responsibility when that committee is appointed.

A lot of time was spent on contributions. The hon. Member for Spirit River-Fairview felt that amounts less than \$25 should be brought under tax reduction procedure. However, when you start getting — where do you draw the line? We felt \$25 was a reasonable amount. If you get down to \$10, \$5, \$2, \$1, you get into a staggering amount of bookkeeping; you get into more problems than you solve.

So \$25 and less for just the lump sums donated; less than \$250 for the listed but not named; and over \$250 named and listed, seemed a fair and reasonable factor, in light of the fact that this bill will probably be in effect for the next election, at least, and probably the next two elections. So in the future — when you look at these numbers now — they may seem less five years down the road. I know we looked at the numbers with respect to Ontario. They were probably thought of in the same respect these are now, yet in that interim between the last two or three years, probably for the conception of that bill, there has been a considerable difference just through inflation and change in prices.

Out-of-province contributions is another factor. I don't think anybody in the province, regardless of their political party, can argue the fact that the people in Alberta should have the right, and expect to have the right, to have control of the moneys that come into the province to affect an election that elects people to this Legislature, because there is no question that if huge amounts came in, money will and can have an effect on elections. But it was the thought of the committee who drafted this bill that basically the principle [was] that Albertans should elect their own people without outside influence. I suppose — as the hon. Member for Spirit River-Fairview said — there can be loopholes. I don't think it's possible to draw up an election bill of this type that hasn't loopholes.

If somebody is that anxious to circumvent the principles of a bill, I suppose they could probably be done in certain ways. I think, however, that everybody in this House recognizes the fact that when you go to collect for your campaign, not everybody is that anxious to give a lot of money, to go to all the trouble which this bill will require to circumvent it in that amount. If they're that anxious to give money without having their names disclosed or brought in front of the public, it can happen I suppose. But I've never seen anybody that anxious to give money to any political party that they would go through [and] overcome the difficulties this bill has laid out to do so.

Now with limits, the main point of both the hon.

Leader of the Opposition and the hon. Member for Spirit River-Fairview was on limits of expenditure. I do believe now that disclosure has proven to be the main factor in the Ontario election. It was their thought down there that disclosure was the correct procedure, and expenditure limits actually take care of themselves nowadays to a great extent. Because you have the press, the radio, the media, looking for these major massive expenditures in any particular campaign, and questioning where the money comes from. It has to be shown, now, where the money does come from, and the public is much more aware now than it has been in the past, particularly over the last few years, and are prepared to judge on the information they have and which information must be given under this new act.

As far as ceilings being too high, it can go up to \$8,000 dollars. As I mentioned before, anybody who's prepared to go to that much trouble to give money — I question whether it will be much of a factor in the long run in any election coming up.

The hon. Member for Spirit River-Fairview [brought up] one point as far as the Quebec referendum is concerned. Well the Quebec referendum, for one thing, is not an election as my understanding goes. It's a completely different picture, and how bringing this act into a Quebec referendum — to me there is just no connection whatsoever, and it's just a little red herring dragged across the trail to bring a particular point into view. But I see no connection whatsoever.

I think this bill will satisfy the people of Alberta that the politicians of Alberta are prepared to live under this type of situation, and I think this is good. For all parties, I hope it brings more confidence to those who are nominated and elected. This is the purpose of the bill. I think it will. I think there is also the possibility that in the future it may prevent something happening that we wouldn't want to happen from any party, as far as election finances are concerned.

So with that, Mr. Speaker, I would ask all members to support this bill.

MR. TAYLOR: Mr. Speaker, I just want to make two short comments. It's more for information than otherwise. I believe there should be a difference between donated money and earned money. There appears to be some differences in the act, particularly if that money has been earned prior to the time this act is proclaimed. If that money is to be disposed of, there are three choices: the Crown, a charitable organization, or some other political party.

But unless I have missed the section, the act appears to be silent on what happens to the money earned by people in the constituency through debates, dances, bake sales, and so on. I realize it's earned money, and because it's earned money, if it is not spent I would think some provision should be made where that type of money could be donated rather than simply turned over to the Crown, because that would be an additional tax which was not intended.

This may be a fine point, but I think it's essential. Some constituencies earn a great deal of money through very active workers and not through straight donations. I have no argument at all about any amount of donations being disclosed. I think a donation made strictly for political purposes should be

disclosed. If it's not used or continued to be used in an election it should properly be turned over to the Crown, particularly if there's been a tax credit on it. But I put earned money in a little different category. It may be difficult to administer, but I would like to have the comments of those who drew up the bill.

Frankly, I'd like to congratulate those who have done the work on the bill. There's a tremendous amount of footwork here, a tremendous amount of detail, and I think the members who did that are certainly to be commended. The amounts are really matters of judgment. I suppose if every one of us sat down and signed a statement on what these various amounts should be, there'd probably be 75 different answers in the Legislature. So you have to settle on something, and I really have no argument against the amounts mentioned in the bill. I'm not worried about the disclosure of expenditures, because we do that now. At the end of the election we do declare and will continue to declare the amount of money spent and the items upon which it was spent. While that doesn't show how much is left, it certainly gives the general public a pretty good idea how you're conducting your election and what your expenditures are.

The other point in the act that bothers me a little is the matter of contributions other than money. I know the act isn't silent on this. The act mentions it. But I suppose every candidate has a number of people who spend hours, and sometimes days and months, working in the interest of that candidate for his or her election. From the statements in the act, are we required to place a dollar value on those hours — so much an hour — and declare that? I would like to be very, very clear on this point, because it's going to be most difficult to try to keep tab on the hours of numerous workers who may be knocking on doors, working in the office, or doing one of a dozen other things that have to be done during an election campaign. I hope we're not going to be required to keep books on the number of hours every person spends in working for the candidate and then put a dollar value against that and declare it. I think this would be a most awkward and difficult thing to do. I really don't know what the end result would be, or why we would want to have that in the end anyway. That really is the business of the person who donates his time.

Other than those two points, upon which I would like some clarification, Mr. Speaker, I certainly intend to support the bill.

MR. SPEAKER: May the hon. Minister of Advanced Education and Manpower revert to Introduction of Special Guests?

HON. MEMBERS. Agreed.

#### head: **INTRODUCTION OF SPECIAL GUESTS** (reversion)

DR. HOHOL: Mr. Speaker, I'm pleased to introduce to you, and through you to the Assembly, 60 students from St. Philip School in the constituency of Edmonton Belmont. They are seated in the public gallery and are accompanied by a senior teacher, Mrs. Soutar. I know they are interested in and attentive to the discussion here this afternoon on Bill No. 24, The Election Finances and Contributions Disclosure Act. I

should like to ask them to rise in the public gallery and be recognized by the Assembly.

head: **GOVERNMENT BILLS AND ORDERS**  
(Second Reading)

**Bill 24**  
**The Election Finances and**  
**Contributions Disclosure Act**  
(continued)

MR. KING: Mr. Speaker, my remarks will be brief this morning. Before making some comments about the bill generally, I thought that as one of the drafters of this legislation I would take the opportunity to reply to the two questions raised by the hon. Member for Drumheller.

The question of making a distinction between what he referred to as contributed income and earned income is, I think, worth while. I would just make this point to him: that in preparing the legislation, the committee considered that if we were dealing with income which had benefited the contributor via the tax credit, if and when the time arrived that that money was no longer going to be used for the political purpose which had generated a credit to the contributing individual in the first place, it should be disposed of as set out in the act; that is, since it is the Crown that has provided the tax credit, when the money is no longer going to be used for political purposes it should flow to the Crown. Notwithstanding that fact, we also acknowledged that money is going to be on hand as of January 1, 1978, which will have been raised for a political purpose without the tax advantage of this act, and at some time after January 1, 1978, it may no longer be used for political purposes if one of the hon. members, for example, stands down from his seat at the next election. Under those circumstances, since it had not benefited from the act, we allowed the discretion of having it contributed to any registered charity in the country. While there may be a problem of drafting a distinction between earned and contributed income, I see the merits of the principle you're describing and I think we would be prepared to consider such an amendment if it can be drafted at committee stage.

With respect to the question of volunteer labor, first of all I would draw your attention to the definition of a contribution which is going to be used for the purposes of this act. Whether or not we have achieved our end, it was our intention to define "contribution" in such a way as to specifically exclude the concept of volunteered labor. The definition therefore refers to money or real or personal property, but it does not deal with the question of time contributed to a political party.

This question of volunteer time is always a major problem when you're discussing the question of election expenses and income of political parties. In our view it was one of the major reasons an attempt to control expenses in a strict way on an on going basis would be impossible. For example, I would cite a constituency — which will go unnamed — where in the last provincial election the New Democratic party had a campaign managed by a field worker of the British Columbia New Democratic Party, who was

brought into Alberta for the six-week period of the campaign.

AN HON. MEMBER: Shame!

MR. KING: Her assistant was an organizer for the United Steelworkers who was given a leave of absence from the United Steelworkers for the duration of the campaign. A third person actively involved in the constituency was one of the field workers of the Alberta Federation of Labour.

SOME HON. MEMBERS: Oh, oh.

MR. KING: Notwithstanding their acute understanding of the political process and the long hours they undoubtedly put in, the New Democratic candidate in that constituency was not elected — something for which I personally am very thankful.

MR. HORSMAN: They had you worried for a while.

MR. KING: In addition to that particular case in the history of our own political activity, we've got an interesting situation in Manitoba where the incumbent government, almost at the end of its tenure — almost at the end of its rope too, I might add — has decided that it will not call a general election this spring because a general election is under way in Ontario, and they have serious questions about their ability to be re-elected if they can't call upon the manpower and talent pool of the New Democratic Party in Ontario, [interjections] A legitimate concern on their part, I might add.

So, Mr. Speaker, the illustrations are real. They are perhaps not as serious as some of the other comments made in the House, but they nevertheless demonstrate the concern we had when drafting the legislation, that to attempt to control expenses would be a partial and wholly inadequate job. Because we have not discovered, nor have we heard from anyone else, a feasible method of accounting for the many, many hours of volunteer time put in by people who have either a vocation or an avocation in politics.

That contribution is important. It is important to independent members. It is important to the New Democratic Party. It is important to the Social Credit Party. And certainly to the Progressive Conservative Party. The inability to account for those many hours of volunteer time would seriously throw into question any purported accounting of the cost of an election for any of the parties represented here in the House this afternoon.

I want to make only one other brief comment, and that is about participation in campaigns in other provinces. As both of my examples illustrate, this act does not deal with the question ... who want to cross provincial boundaries and make their contribution in terms of their own time and experience. This act will not prevent fieldworkers from the British Columbia New Democratic Party coming in to Alberta at the time of the next election.

SOME HON. MEMBERS: Hear, hear.

MR. KING: It will not prevent steelworkers coming from Sudbury to work in Edmonton at the time of the



next election. The only thing it is going to be able to prevent ...

MR. NOTLEY: Dalton Camp?

MR. KING: Again, it wouldn't prevent Dalton Camp from coming in if he wanted to. I'm not sure that Dalton Camp's interest in going from door to door in any of the Edmonton constituencies is so great as to make that a real likelihood.

MR. NOTLEY: But Joe may need him, Dave.

MR. KING: If my federal leader needs Mr. Camp, it is not in Alberta. It is not west of Thunder Bay. It's not east of the Ottawa River, and I can't speak for anything that lies between those two points.

The final point I want to make doesn't really directly relate to this bill, but it does relate to a question raised by the hon. Member for Spirit River-Fairview. I do not subscribe to the view that it is the place of Albertans to contribute money to the resolution of a referendum in Quebec.

I have strong feelings about that referendum. For my part, in any conversation or in any other way that I could, I would attempt to make my views on the future of Quebec in Confederation known to anyone interested. That certainly extends to any of the people of Quebec who may have an interest in my personal views or in the views of Albertans, notwithstanding the fact that I think Albertans should be concerned about the situation in Quebec and should make whatever contribution they can. I think it should be in a real and a more meaningful way than via the contribution of money.

I am not at all sure that the people of Quebec are going to be impressed by David King, resident of Alberta, who is so concerned about the question in Quebec that he will send \$20 to an organization there but not so concerned that he will ever discuss the issue on its merits in this province or in any way communicate with the people of Quebec in order to establish a dialogue on the merits of the case.

The same extends to political issues in any other province. That, I think, is one of the basic concepts of a federal state. I welcome a dialogue that takes place with any Canadians on the question of the future development of our energy resources. I welcome a dialogue on any issue that is of importance to federalism. But I don't welcome people who stand 2,500 miles off and contribute \$50, \$500, or \$5,000 in order that somebody else can be their mouthpiece in this province on an issue that is important to us, any more than I expect the people of Quebec would welcome someone who stands 3,000 miles off and makes a financial contribution — and nothing more — to the resolution of an issue which is fundamentally important to the province. And that, I think, is why we put the sections that we did in the bill.

MR. SPEAKER: May the hon. Member for Edmonton Calder conclude the debate?

HON. MEMBERS: Agreed.

MR. CHAMBERS: Mr. Speaker, I believe my cohorts on the committee have answered pretty adequately

most of the questions asked. However, I might try to deal with a couple. I certainly appreciate ...

AN HON. MEMBER: Colleagues.

MR. CHAMBERS: Colleagues. I certainly appreciate the contribution of the members and the fact that it appears the bill is going to get — if not unanimous — close to unanimous support on second reading.

The hon. Leader of the Opposition only really objected, I think, to the fact that he felt there ought to be a limit on expenditures. I won't take the time of the members to read what was said in the commission study done in Ontario. However they did point out, as I think the hon. Member for Edmonton Highlands did, the many problems in attempting to enforce ceilings. If you really think about it, the 28-day campaign and disclosure should surely be the real, limiting factors on expenditures. Because after all, whatever we spend in the next election campaign is going to be hung out there for the public to look at. They're going to see what we spend and where we got the money. So, I don't really think that's a serious objection, particularly when you take into account the tremendous complexity of trying to enforce something that is probably unworkable.

The Member for Spirit River-Fairview, with regard to the amounts ... the Members for Ponoka and Drumheller adequately covered that point. It's a judgment decision. As far as spreading contributions to the maximum number of candidates and parties and so forth is concerned, I think we have to remember what we're getting at and attempting to control, and that obviously is, undue pressure on politicians. If they are spread out to any great degree, the pressure aspect is obviously diluted. We hope we don't have to change these numbers for a long time to come. It's a judgment decision and I have to say we made that judgment decision. The consensus I get here from the members is that most people agree it's probably satisfactory.

With regard to the comment by the hon. Member for Spirit River-Fairview that perhaps we should be restricting — if I heard him right — contributions from corporations that are not controlled in Alberta: of course, whatever we do for corporations we'd have to do for trade unions, other organizations and so forth, because we obviously have to be equitable and fair in these matters. I don't think we would want to be in the position of handicapping the Member for Spirit River-Fairview by saying that just because a union is controlled in Chicago, New York, San Francisco, or Toronto, it couldn't make a contribution. If it has a bargaining agent in Alberta, surely it ought to be able to make a contribution. Really, I'm surprised at him taking that approach. Obviously if a trade union, a bargaining agent, or a corporation is actively doing business in Alberta, it should be able to make a contribution.

You know, even federally in Canada — in researching this material — at one time corporations were banned from making contributions. The law finally disappeared because it was totally ignored. One can think of many loopholes. For example, a corporation or a trade union could readily pass on a bonus to one or many of its key employees, which in turn could be passed on as political contributions.

So generally, this kind of control has been tried.

It's been tried in many states in the union, but they've generally dropped it. Several states we looked at had prevention of corporate contributions. Because it was unworkable, this was finally eliminated from their legislation.

With regard to the point of the hon. Member for Spirit River-Fairview — the \$25 limit — again as the Member for Ponoka said, we have to draw a limit somewhere. The bookkeeping problems increase almost hyperbolically as you get down into smaller amounts. So there just has to be a practical limit somewhere, and we thought \$25 should be it. I would say the hon. member mentioned two points to me previously, and our committee did give them serious consideration.

For example, with regard to everyone being able to file a tax and get a rebate, regardless of whether or not they pay Alberta tax, we looked at that seriously. But if you think about it, I think there are many real objections to it. For example, even though one gets a \$75 tax credit on a \$100 contribution, nevertheless there are probably quite a number of people out there who cannot afford a \$25 contribution. That might turn out to be a form of — "coercion" is the wrong word — but a way of influencing people to make donations who really cannot afford to make those donations.

So when we looked at it, we came to the conclusion that what we had originally decided and felt when we drafted the act was still valid: the people who pay Alberta income tax should be the ones who get the credit. They are the people who obviously can afford to make those donations. The people who contribute to the process should be able to afford it. We surely don't want to put anybody in a position of feeling obligated to make a contribution if they can't afford it. I think there are a number of people who probably cannot afford a \$25 donation, or a donation no matter how small.

With regard to questions raised by the hon. Member for Drumheller, I think these were adequately dealt with by the Member for Edmonton Kingsway. I don't want to get into specifics, Mr. Speaker, because I'm sure you would tell me that that should be done in committee. But I would refer the hon. Member for Drumheller to Section 20(1). There is certainly no intention of deeming as contributions for the purposes of this act the normal sort of fund-raising functions we were talking about. Perhaps we can look at those clauses in more detail when we get into committee study.

I would refer the hon. Member for Drumheller to the definition of "contribution" as being "money or real or personal property". Again, as the Member of Edmonton Kingsway I think adequately dealt with, there was certainly no intention of voluntary labor being considered a contribution for the purposes of this act.

Mr. Speaker, I hope I have adequately dealt with the points raised by the hon. members. If I haven't, if I've missed any, I would hope and expect there would be opportunity in committee study to deal with these again, perhaps at more length if that is desired.

[Motion carried; Bill 24 read a second time]

#### Bill 49

#### The Election Amendment Act, 1977

MR. PURDY: Mr. Speaker, I move second reading of Bill No. 49, The Election Amendment Act, 1977.

First of all I want to thank the various people in this Assembly and throughout the province of Alberta for the views they presented in regard to three very important amendments in this act.

I've enjoyed the debate this afternoon on the The Election Finances and Contributions Disclosure Act, especially regarding the establishment of a chief electoral officer in the province. The Chief Electoral Officer will be established under an amendment to The Election Act. It has been agreed that the member will be selected by a nine-member committee of this Assembly.

The amendment introduced this morning by the hon. Government House Leader sets forth the Chief Electoral Officer's yearly salary, \$45,000. The Chief Electoral Officer will be responsible for both bills 24 and 49. So this person, when selected, will have some pretty important responsibilities for the election procedure in the province and for contribution disclosures. The nine-member committee will be selected, and by October 1 will have to have in place the person who will fill the office of Chief Electoral Officer.

The other amendment to the act is important to the handicapped people of this province. When I introduced Bill 82 in the Legislature in late 1975, I made a commitment to the handicapped that we would amend The Election Act to allow them either a mail-in procedure for voting or a roving returning officer, much the same as municipal governments now have in place.

We looked at the two different procedures, and felt that having a mail ballot was less cumbersome and less expensive. It would be very difficult to have a roving returning officer for a constituency such as Lac La Biche-McMurray.

So with the mail-in type of ballot, the handicapped or the incapacitated person makes an application to the returning officer for the constituency. A document has to be signed by a person living within that polling division, saying that the person is in fact incapacitated and is known by the person. The application is then reviewed by the returning officer. A blank ballot is forwarded to the handicapped person. The handicapped person then can mark in either the political affiliation of the party he wishes to vote for or the candidate. The reason for that is that the handicapped person may receive the ballot before nomination day, and if he wanted to send that back he would not know who the candidate would be for any political party.

After the person receives the ballot and marks his choice on it, he has to sign a second document indicating that he did in fact use his privilege to vote. It has to be witnessed by someone else. The ballot goes into a special ballot envelope, which is placed inside another envelope which contains the document. When the returning officer receives the ballot and the document, then the ballot and the ballot envelope are placed, unopened, in the ballot box. The other document is then placed on file.

The ballot must be postmarked no later than the day of the election and must be in the hands of the

returning officer five days after the election or on the day of the official count. On the day of the official count, the returning officer opens the ballot envelopes — he does not know who they come from — and counts those ballots. I think that particular amendment will serve some 4,000 to 5,000 incapacitated people in the province of Alberta. It is another step forward to help the handicapped of this province.

Another important amendment regards a semipermanent voters' list. Through discussion with people who did the returning officers' job in the 1975 election on the decrease in campaign days from 39 to 28, we found it was just about physically impossible to carry out a proper enumeration procedure after the writ of election was issued. It takes about 10 to 11 days to get the process in gear for the returning officer to hire his two enumerators, one from the party in power, one from the second candidate in that political party. To get all this done is just about impossible in a 28-day campaign. You would have used 11 days of the campaign; only 17 days left. It would be impossible to do it and to have a court of revision and so on.

We have brought in amendments so an enumeration would be done in the month of September in the second calendar year following the last election. Returning officers would be put in place approximately March 1 in that second calendar year. Approximately August 1 they would hire enumerators to start in September. They would also divide their constituencies into polling stations and get ready for an enumeration in September. After the enumeration is completed, the month of October will be held for court of revision. This will be run by the returning officer. The returning officer will receive names of people missed during the enumeration. If an election is not held in the following year, a further enumeration will be held in the third calendar year [in] September, and a further court of revision during the month of October.

It is generally thought that in this province an election is held every four years, so we can anticipate that after the third calendar year, you would be into an election the following year. If that is the case, we would hold a further court of revision three clear days after the writ is issued. People who have moved into the province of Alberta or from one constituency to another and who can prove their residency clause, can then have their names added to the voters' list. This court of revision will be cut off three clear days before the advance polling takes place. I feel that it gives the person moving into the constituency, or who was missed in the enumeration and the court of revision in the previous year, the opportunity to have his name added to the voters' list.

The new swearing-in procedure which was amended in 1975 also helps this voter, in that previously you had to bring in a person who knew you in that particular polling division if you had to have your name added to the list of electors on election day. Because of amendments brought in in 1975, the returning officer or the poll clerk can swear in that person if he wishes to swear the affidavit.

Mr. Speaker, those are the three amendments. Just to go over them very quickly: number one, the establishment of the Chief Electoral Officer under The Election Act; two, the procedure for the handicapped

people of the province to vote; and three, a semipermanent voters' list.

[Motion carried; Bill 49 read a second time]

#### Bill 47

#### The Alberta Government Telephones Amendment Act, 1977

DR. WEBBER: Mr. Speaker, I am pleased to move second reading of Bill No. 47, The Alberta Government Telephones Amendment Act, 1977.

[Motion carried; Bill 47 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 consider certain bills on the Order Paper.

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

HON. MEMBERS: Agreed.

#### head: GOVERNMENT BILLS AND ORDERS (Committee of the Whole)

[Dr. McCrimmon in the Chair]

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

#### Bill 4

#### The Alberta Loan Act, 1977

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move that Bill No. 4, The Alberta Loan Act, 1977, be reported.

[Motion carried]

#### Bill 5

#### The Alberta Municipal Financing Corporation Amendment Act, 1977

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. NOTLEY: Mr. Chairman, I just have one question to the Provincial Treasurer. When the announcement was made, I believe in '73 or '74, to shield interest rates to municipalities, municipally owned utilities were excluded. What is the situation now with respect to municipally owned utilities? Are they able to borrow from MFC and be shielded under the terms of the announcement of three or four years ago?

MR. LEITCH: Mr. Chairman, as I understand the position, borrowings by municipal bodies for the purposes

of financing utilities are not shielded. They can borrow funds for those purposes from the corporation, but they are not shielded with respect to interest rates as are borrowings for general municipal purposes.

MR. NOTLEY: Why?

MR. LEITCH: Well they are using the money for entirely different purposes.

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move that Bill No. 5, The Alberta Municipal Financing Corporation Amendment Act, 1977, be reported.

[Motion carried]

**Bill 6**  
**The Statutes Amendment**  
**(Grant Provisions) Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

Mr. LEITCH: Mr. Chairman, I move that Bill No. 6, The Statutes Amendment (Grant Provisions) Act, 1977, be reported.

[Motion carried]

**Bill 7**  
**The Trade Schools Regulation**  
**Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. DONNELLY: Mr. Chairman, I moved that Bill 7, The Trade Schools Regulation Amendment Act, 1977, be reported.

[Motion carried]

**Bill 10**  
**The Alberta Emblems**  
**Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. SCHMID: Mr. Chairman, I would like to move that Bill No. 10, The Alberta Emblems Amendment Act, be reported.

[Motion carried]

**Bill 33**  
**The Cultural Development**  
**Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. SCHMID: Mr. Chairman, I would like to move that Bill 33, The Cultural Development Amendment Act, 1977, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration bills 4, 5, 6, 7, 10, and 33, and begs to report the same.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

head: **GOVERNMENT BILLS AND ORDERS**  
**(Second Reading)**  
*(continued)*

**Bill 43**  
**The Police Amendment Act, 1977**

MR. FARRAN: Mr. Speaker, I move second reading of Bill No. 43, The Police Amendment Act, 1977. It has two main principles. The first is that police commissions in urban municipalities that presently have RCMP contracts have formerly merely been advisory boards. This bill gives them the full powers of a police commission except for those exemptions which obviously prevail because they have voluntarily entered into a contract with the RCMP which is subject to the federal RCMP act. But it does give them the powers of being a public enquiry commissioner and full responsibility for general policies related to law and order within a municipality.

The second principle is to make provision for the summoning of witnesses to disciplinary hearings by the Law Enforcement Appeal Board and by a chief of police. The normal procedure in this province is if a citizen complains about the treatment he or she might have received from a policeman, the complaint is first directed to the chief of police who carries out an internal investigation. He has certain disciplinary powers under the regulations of The Police Act. He must notify the complaining citizen and if that citizen is not satisfied with the disposition of the chief of police he has the right to appeal to the Law Enforcement Appeal Board within 30 days.

Mr. Speaker, those are the two principles in the act.

[Motion carried; Bill 43 read a second time]

**Bill 48**

**The Department of the Environment  
Amendment Act, 1977**

MR. RUSSELL: Mr. Speaker, I beg leave to move second reading of Bill No. 48.

[Motion carried; Bill 48 read a second time]

CLERK ASSISTANT: Bill No. 52.

MR. HYNDMAN: Mr. Speaker, in the absence of the Minister of Energy and Natural Resources, I move you do now leave the Chair and the Assembly again resolve itself into Committee of the Whole to consider certain bills.

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

HON. MEMBERS: Agreed.

head: **GOVERNMENT BILLS AND ORDERS**  
(Committee of the Whole)

[Dr. McCrimmon in the Chair]

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

**Bill 17**

**The Public Lands  
Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. SCHMIDT: Mr. Chairman, I move Bill 17, The Public Lands Amendment Act, 1977, be reported.

[Motion carried]

**Bill 22**

**The Beverage Container Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. RUSSELL: Mr. Chairman, I move that Bill 22 be reported.

[Motion carried]

**Bill 25**

**The Insurance Corporations Tax  
Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions,

or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. HARLE: Mr. Chairman, I move that Bill 25, The Insurance Corporations Tax Amendment Act, 1977, be reported.

[Motion carried]

**Bill 31**

**The Companies Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. HARLE: Mr. Chairman, I move Bill 31, The Companies Amendment Act, 1977, be reported.

[Motion carried]

**Bill 27**

**The Mobile Equipment Licensing  
Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. TAYLOR: Mr. Chairman, in second reading, I raised one point which was referred to me by municipalities. Is there some reason why the amount paid back to the municipality has been reduced to 90 per cent?

MR. JOHNSTON: Mr. Chairman, I recall the hon. Member for Drumheller did raise that. I should point out that the cost of collecting this money for the municipalities is reflected in my budget as an expenditure. It has been the intention to make sure that is funded from the collection of tax dollars. In the past three or four years, we have found that costs have increased as a result of inflation and wage increases, and that in fact in 1975-76 we were not collecting the total amount of our direct costs from the collections for the municipalities.

We imagined, of course, that there would be additional costs, particularly in travelling, if we expanded the collection into the urban municipalities, particularly Edmonton and Calgary. As a result of that, we thought we'd make the amendment while we had the legislation open. We think we'll probably have enough opportunity at this point to cover the costs of collection for the next three or four years.

[Title and preamble agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 27, The Mobile Equipment Licensing Amendment Act, 1977, be reported.

[Motion carried]

**Bill 8**  
**The Alberta Opportunity Fund**  
**Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. DOWLING: Mr. Chairman, I move that Bill No. 8, The Alberta Opportunity Fund Amendment Act, 1977, be reported.

[Motion carried]

**Bill 48**  
**The Department of the Environment**  
**Amendment Act, 1977**

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. RUSSELL: Mr. Chairman, I move that Bill No. 48 be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration bills 17, 22, 25, 31, 27, 8, and 48, and begs to report same.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

head: **GOVERNMENT BILLS AND ORDERS**  
**(Second Reading)**  
*(continued)*

**Bill 52**  
**The Natural Gas Pricing**  
**Agreement Amendment Act, 1977**

MR. GETTY: Mr. Speaker, I move second reading of Bill No. 52, The Natural Gas Pricing Agreement Amendment Act, 1977.

Mr. Speaker, the main purpose of this act is to make several small changes. First and probably most

important is the fact that when The Natural Gas Pricing Agreement Act was originally introduced and passed by the Legislature, the government was uncertain as to how to handle the administration of the act. Therefore it left the administration of the legislation with the minister. We weren't sure whether we were going to create a new natural gas commission or leave the administration with the Petroleum Marketing Commission which had already been created to handle the pricing of oil. In a way, therefore, we kept the options open by holding the administration under the minister.

It has now been handled very well by the Petroleum Marketing Commission. Therefore much of the present amendment legislation passes that administration to the Petroleum Marketing Commission and removes it from the responsibility of the minister.

Another necessary change was to make sure that when there is more than one contract handling the sale of natural gas in the province, we can ensure with these amendments that the export flowback will in fact get back to the producer and not to one of the various sales agents between the producer and the final destination at the border for export.

One other minor change is that the minister was charged with the responsibility of setting an Alberta cost of service. If that seemed unfair to producers, it could be reviewed by the Public Utilities Board. It was a strange situation to have the Public Utilities Board reviewing a ministerial decision. Therefore the setting of the Alberta cost of service will now be under the Alberta Petroleum Marketing Commission, and it is now possible for the Public Utilities Board to review an appeal to the Marketing Commission's setting of the Alberta cost of service.

Mr. Speaker, I request the House to support second reading of this bill.

[Motion carried; Bill 52 read a second time]

MR. HYNDMAN: Mr. Speaker, before calling it 1 o'clock, on Monday on Orders of the Day we will proceed to Government Motion No. 2 with respect to the matter of goals and priorities in Education. That debate will carry on during the afternoon and, as well, early Monday evening. Then around 9 o'clock Monday evening we'll return to second readings and committee study of those bills on the Order Paper. The Assembly will probably sit Monday, Tuesday, and Thursday evenings of next week.

I move we call it 1 o'clock.

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 Monday afternoon at half past 2.

[The House adjourned at 12:58 p.m.]