

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, March 17, 1983 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS****Bill 206**  
**Code of Ethics and Conduct Act**

MR. MARTIN: Mr. Speaker, I request leave to introduce Bill 206, the Code of Ethics and Conduct Act.

This Bill would establish employment and post-employment guidelines for MLAs, ministers, executive staff members, and heads of Crown corporations, and would preclude the kind of patronage appointments to which Albertans have been witness over the past several months. [interjections]

MR. SPEAKER: Order please. Obviously there are a number of members who would like to accept that invitation to debate. Unfortunately the invitation was given at a time when it may not be accepted.

[Leave granted; Bill 206 read a first time]

**Bill 215**  
**Alberta Scientific Research**  
**Foundation Act**

MR. COOK: Mr. Speaker, I request leave to introduce Bill 215, the Alberta Scientific Research Foundation Act.

The Bill will provide for the creation of a foundation that would conduct scientific research. It would be modelled after the Heritage Foundation for Medical Research.

[Leave granted; Bill 215 read a first time]

**Bill 213**  
**Consumer Purchasing Power Index Act**

MRS. CRIPPS: Mr. Speaker, I request leave to introduce Bill No. 213, the Consumer Purchasing Power Index Act.

The purpose of the Bill is to give a basis for comparing consumer purchasing power to wages.

[Leave granted; Bill 213 read a first time]

**Bill 216**  
**Department of Science**  
**and Technology Act**

MR. WOO: Mr. Speaker, I beg leave to introduce Bill No. 216, the Department of Science and Technology Act.

The purpose of this Bill establishing a department of science and technology is twofold: firstly, to co-ordinate all publicly funded or partially publicly funded research

activity and, secondly, to develop a long-term scientific technological research and development strategy for the province of Alberta.

[Leave granted; Bill 216 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. HORSMAN: Mr. Speaker, it is my pleasure today to file with the Assembly, and for all members of the Assembly, copies of the 1983 Constitutional Accord on Aboriginal Rights, signed by Alberta together with eight other provinces, the federal government, and other participants in the First Ministers' Conference on Aboriginal Constitutional Affairs, held in Ottawa on March 15 and 16, 1983. In due course, a resolution will be introduced in this Assembly to give effect to the constitutional amendments which will flow from that conference.

As well, I am pleased to file with the Assembly copies of the opening statement given by our Premier on March 15, 1983.

DR. WEBBER: Mr. Speaker, I'd like to table the 1982 annual report on the inspection of animal facilities at Alberta universities.

MR. CHAMBERS: Mr. Speaker, I wish to table the annual report of the former Department of Housing and Public Works. I might add that copies were previously distributed to all members.

head: **INTRODUCTION OF SPECIAL GUESTS**

MRS. LeMESSURIER: Mr. Speaker, I am pleased to introduce to you, and through you to members of this Assembly, 16 members from the Alberta Vocational Centre, a school that has English second [language] classes and is situated in the constituency of Edmonton Centre. They are accompanied by their teacher Mrs. Ada Nanning, and are seated in the members gallery. I ask that the students please rise and receive the warm welcome of this Assembly.

MR. WOO: Mr. Speaker, on this very special day, a day which honors my patron saint, St. Patrick [laughter] I am pleased to introduce to you a class of 28 grade 6 students from Father Kenneth Kearns school, located in the green constituency of Sherwood Park. They're accompanied by their teacher Diane Pidhirniak, teacher aid Maureen Horton, and bus driver Dianne Critchlow. They're seated in the members gallery, and I now ask that they rise and receive the warm welcome of this Assembly.

MR. R. MOORE: Mr. Speaker, I am pleased to introduce to you, and through you to the members of this Assembly, 34 students from Bentley Christian school, located in the beautiful Blindman valley. They are accompanied by their administrator Don Allan, their manager Judy Cousins, and their teacher Carol Abt. They're seated in the public gallery, and I ask them to please stand and receive the traditional welcome of this Assembly.

MR. STILES: Mr. Speaker, it's my privilege today to introduce to you, and through you to the members of this Assembly, 32 grade 9 students from Cremona junior high

school, in the Olds-Didsbury constituency. They're accompanied by their teacher John Gerlach, parents Betty Ann Bosch and Donna Geekie, and bus driver Fran Kinch. They're also accompanied by Mrs. Kinch's mother, Nora McDonald, from Thunder Bay, Ontario. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. BOGLE: Mr. Speaker, it's a pleasure to introduce to you, and through you to members of the Assembly, a delegation known as the Hiway 501 Committee. The committee is made up of residents from the MD of Cardston, the county of Forty Mile, and the county of Warner. It includes councillors and ranchers from the area and is chaired by the former reeve of the county of Warner, Mr. Ed Pittman. Mr. Speaker, the members are here today ostensibly to meet with the Minister of Transportation, but they're also here to see the proceedings in this House. I'd ask my colleagues to join me in welcoming them to our Assembly.

#### head: ORAL QUESTION PERIOD

##### Leased Office Space

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Public Works, Supply and Services. In this time of restraint, is the minister in a position to explain to the House the reason we apparently have a lease on the Inglewood professional building, in the amount of almost \$41,000 a month for a period of virtually a year? What is the reason for that kind of unused office space at this time?

MR. CHAMBERS: Mr. Speaker, with regard to any specific lease, obviously I would have to check my records. I point out, though, that it's common practice, and has been, to acquire leases over a minimum term of five years, if that's helpful to the Member for Spirit River-Fairview.

MR. NOTLEY: Mr. Speaker, a supplementary question, is the minister in a position to advise the Assembly whether, in the conduct of his public responsibilities, he's aware of another lease, in the amount of almost \$31,000 a month, which apparently was to be taken out by the same department in the Fort Road centre and has been vacant now for almost a year?

MR. CHAMBERS: Mr. Speaker, the government requires a lot of leased space. I would be happy to check on any of this and report back. That would be a matter of specific record, which I'm pleased to look into.

But I point out one thing for the member's benefit. At any given point in time, even in the best of times, I think one would find that private industry anticipates about a normal ongoing 2 per cent vacancy rate because of movement back and forth from buildings, et cetera. Our current vacancy rate within government space runs at about 1 per cent, which I think is pretty satisfactory.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. I'm not talking about space that's owned by the government; I'm talking about space that's leased by the government. In view of the fact that both these buildings were leased by one department, Social Services and Community Health, is the minister in a

position to advise the Assembly whether or not the minister's department has developed any policy with respect to signing leases without confirmation from tenants as to when they will move in or if they will move in?

MR. CHAMBERS: Mr. Speaker, sometimes programming does change, and of course that does require a re-evaluation of the design use. That may occasionally result in some delay. However, obviously we attempt to keep the delay time, from acquisition of space until move-in, to a minimum.

MR. NOTLEY: A supplementary question to the hon. minister. In light of the changed circumstances which make office space much more readily obtainable, has any instruction gone out to government departments with respect to a policy for leasing space, so we don't have unnecessary, unused office space, whether it's scattered around the city of Edmonton or elsewhere in the province?

MR. CHAMBERS: Certainly, Mr. Speaker, we are keeping a very tight control on the amount of space available. As the member is alluding, the situation has changed significantly in the last several months. We're making every effort to optimize with regard to use of space, lease terms, and so forth.

MR. NOTLEY: Mr. Speaker, a supplementary question. Could the minister table in the House any policy directives the Department of Public Works, Supply and Services has issued with respect to other government departments so that we can minimize the amount of unused office space at this time?

MR. CHAMBERS: Mr. Speaker, to my knowledge at least, the instructions are essentially verbal, from me, with the deputies and so forth. So I'm not aware of any specific written policy in this regard. I think it's much more important to be on top of it on a daily basis and from a verbal standpoint. But I again underline that we are quite aware of the leasing situation and are keeping a daily watch.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to explain to the Assembly the reasons for some \$215,000 paid for the cancellation of a long-term lease on the Chevron building?

MR. SPEAKER: Order please. We're getting more and more into the area where, in fairness, this kind of question should appear on the Order Paper. Since we have a considerable list of members waiting to ask questions, I'd like to suggest to the hon. Leader of the Opposition that this might be the last supplementary on this topic.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister then advising the Assembly that in light of the radically different market situation for office space, no formalized guidelines have been written and sent to government departments, in view of the fact that we have examples in this city and elsewhere in the province of unused office space at a time when we have a \$2.5 billion deficit?

MR. CHAMBERS: Mr. Speaker, I personally think it's much more important for the minister to be on top of this sort of situation on an ongoing, day-to-day basis, rather

than spending his time drafting articulate written guidelines.

But I could answer the question with regard to the particular building, the Chevron building. It was leased some while ago for the Research Council. Until very recently, about the minimum term of lease that anybody could hope to acquire would be five years. When the space is no longer required, one is faced with the choice of using it for other purposes or a buy-out, and obviously one goes for the optimum cost situation.

MR. MARTIN: Mr. Speaker, a supplementary question.

MR. SPEAKER: Perhaps we could come back to this topic. The hon. Leader of the ...

MR. MARTIN: I've just got one question.

MR. SPEAKER: I suggested that we might end the supplementaries with the last one. Would the hon. Leader of the Opposition like to proceed to his second question.

### Sexual Offences

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Social Services and Community Health. It's a follow-up to the question my colleague raised yesterday, not with respect to the legal decision of the appellate court but with respect to the very frightening increase in the number of rapes in this province. Directly to the minister: what new initiatives, if any, has this government taken to combat the shameful increase in this crime?

DR. WEBBER: Mr. Speaker, I think the question of rapes in general may not be the full responsibility of the Department of Social Services and Community Health, as the Leader of the Opposition might be implying.

Certainly the whole area of child welfare and the incidence of child abuse has to be a concern to everyone. In terms of corrective measures, we have the Cavanagh Board of Review reviewing the whole area of child welfare, and we expect that particular report will be coming sometime in the not-too-distant future. However, we do want to initiate steps to try to improve the child welfare system, and intend to do so, again in the not-too-distant future. I'm responding to the area of child welfare as opposed to the question of rape, but I think the business of child abuse would be included in what he is referring to.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government of Alberta committed itself to any specific program at all to deal with what is really a very frightening situation: four rapes a day. Has a specific program been developed by the minister's department or — perhaps I could put it to the hon. Premier — any department of this government?

DR. WEBBER: Mr. Speaker, throughout Alberta we have different programs in the municipalities: crisis lines and programs that municipalities are responsible for and that are funded through family and community support services. The decisions as to which programs are initiated are the responsibility of the local municipalities. But again, in terms of the department and sexual crimes related to children, I already mentioned that that is an area we have under consideration and are concerned about.

MR. NOTLEY: Mr. Speaker, a supplementary question. The minister indicated the funding for the community support program. Has any consideration been given to making available additional funds so that those programs would be able to properly support rape crisis centres throughout the province, to pick up at least part of the need as a result of the unfortunate higher incidence of this form of violent crime?

DR. WEBBER: Mr. Speaker, family and community support services is an area where funding has increased dramatically in the last few years. The funding this year will be related to the overall guideline of 5 per cent that was publicly announced. It's up to the municipalities to establish the priorities in the way they see fit. As the hon. Leader of the Opposition knows, there are a good many municipalities in Alberta that see these crisis centres and stress lines as very important, and they are in operation.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. Given the widespread concern about the appellate court decision, has the government of Alberta given any consideration to ascertaining whether an appeal of this decision to the Supreme Court of Canada would be appropriate?

MR. CRAWFORD: Mr. Speaker, I think what the hon. leader is indirectly raising is the appropriateness of a sentence, which of course is a matter for the court. The Attorney General is represented in the proceedings as the prosecutor. At trial, in the case in question, the trial judge saw fit to give a certain punishment. It was the accused who appealed that, with the view that he might mitigate the amount of punishment given to his client if he could make his argument in the higher court. That was done, and the decision followed.

Mr. Speaker, I think it fair to note that in the public communication that has occurred with respect to this matter — and it has many origins and many sources. Yesterday, on the basis of stories they had covered over the past year, one of the publications in the city of Edmonton published their own assessment of the average sentence and pointed out that the sentence given by the Court of Appeal ...

MR. SPEAKER: Order please. I regret interrupting the hon. minister, but if we're going to have a rule with regard to the question period which inhibits members from asking questions asking for confirmation of what's in publications or basing their questions on what's in publications, then I would respectfully suggest that that rule would also have to apply to the answers.

MR. CRAWFORD: Mr. Speaker, of course I accept that. I only say — and I think this is properly within the guidelines of the ruling you've made, Mr. Speaker — that information is available to the effect that the sentence given by the Court of Appeal was right on the average for sentences for rape in the province of Alberta over the past year. I make that observation in order that no unnecessary pursuit of the particular question of the sentence in this case is seen to be either useful or appropriate in the sense of any role members of the Assembly play, which of course is minimal or non-existent in respect of judicial matters because of the independence of the judiciary.

I answer my hon. friend's question by saying that in light of all I've said, there is no intention to consider an appeal. I could add that the Supreme Court of Canada

does not consider appeals relative to sentence matters. They will look at an error in law. I checked that. In recent years there may be two or three cases, out of hundreds and hundreds, where they have looked at the question of sentence, but only if they can get the matter before them based on an error in law. So the situation throughout Canada is that a provincial Court of Appeal is in fact the highest court in the land for that province with regard to sentencing matters, not with respect to guilt but with respect to sentence.

MR. NOTLEY: Mr. Speaker, I have one final supplementary question I'd like to put to the hon. minister in charge of the Women's Bureau or whichever appropriate minister. Could either the minister or the government advise the Assembly whether there has been any consideration of a public education campaign which would advise women of the rights afforded them by the law? I raise that specifically in light of the Attorney General's comment yesterday that prosecution can only occur if the victims lay a complaint. What consideration had been given to a campaign which would advise women of the rights they have under the law of Canada?

MR. CRAWFORD: Mr. Speaker, I would like to respond to that. It gives me an opportunity to clarify something with respect to the victim and the complaint. What I meant to convey yesterday — and I don't know if I made that as clear as I could have — is that before acting on a potential prosecution in a rape case or any other case, the police must have some information. Now, a police officer may well end up being the person who signs the formal complaint, after investigation. But of course it is a hopeless undertaking for them if no one mentions the occurrence of the crime to them. So in that sense, a victim has a duty to bring forward information that the police could act upon.

In respect of a public information campaign, Mr. Speaker, I am not aware of, say, a specific pamphlet that is available as a result of any of the publications put out by the Attorney General's Department. It may well be that other departments of government in some form or another have covered this issue. I do not deny that with respect to rape cases, it's of value to women generally to have as much information as possible about the services that may be available to them, either as a victim or indeed in educational programs covering such areas as how to react in the fact of an occurrence of a rape or an attempted rape. There are many ways in which information could be got out that could be helpful in some way.

#### **Renters' Security Deposits**

MR. OMAN: Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. I guess it was about a year ago when this Assembly ratified, somewhat belatedly perhaps, an increase to 12 per cent on the interest rate paid on security deposits held by landlords. Now that there's been a significant change in interest factors, does the minister have any plans to initiate a lowering of that interest rate?

MRS. OSTERMAN: Mr. Speaker, in answering the hon. Member for Calgary North Hill's question, it certainly has been a matter of considerable debate and information, and desires that conflict, I might say, from the renters' and the landlords' aspects. I suppose the information crossing my desk right now would weigh more heavily

in terms of the concerns raised by the landlords. The historical evidence shows that over time the landlords have benefited to some degree from the lower interest rate that was in place. But in fairness, I think we've reached a point in time where our assessment shows that there should be an ongoing method of communicating to the public involved from both sides an interest rate that may well be set on a yearly basis. And I have undertaken that assessment.

#### **Coal Industry**

DR. REID: Mr. Speaker, my question to the Minister of Energy and Natural Resources regards one of his responsibilities other than oil and gas. Has the government recently undertaken any studies of the situation in the coal mining industry, having special regard to the current state of the world economy and its effect upon markets for coal exported from Alberta?

MR. ZAOZIRNY: Mr. Speaker, I think it would be fair to say that the government has been very closely watching the state of the coal industry in this province, in the same fashion as with other portions of the non-renewable energy resource sector. There's no question that the industry is experiencing difficulties not unlike those of other energy sectors, given the economic downturn that has been experienced on a worldwide basis.

I should add that as recently as last Monday, I had the opportunity to meet with representatives of the Coal Association. We had a very useful meeting in respect of the situation of the industry. I could also take this opportunity to indicate that while no doubt there are marketing difficulties in the coal industry at the present time, in a recent meeting with representatives of the Union Oil Company we were advised that they intend to proceed with the Obed Marsh project which, when completed, will involve an expenditure of close to \$300 million. That would be my statement with respect to the coal industry situation.

DR. REID: Mr. Speaker, a supplementary to the minister, in view of his comments. Does the government have any policies or programs to assist the existing industry in this period of marketing difficulties?

MR. ZAOZIRNY: Mr. Speaker, I think I should make mention of the present royalty structure in regard to the sale of coal. We believe that that royalty arrangement provides a very significant incentive for the industry. It is a profitability-related royalty arrangement with a base of a modest 5 per cent.

In regard to specific arrangements that our coal industry and various mines would make, it is the policy of the government not normally to involve itself in the negotiations of particular mines for contracts. However, I should mention that I am aware of one instance — and it relates specifically to the hon. member's constituency — where the government was requested to become involved in a contractual negotiation with McIntyre Mines. I am advised, and have noted from a review of my files, that prior to my coming into this portfolio, the government was requested to assist McIntyre Mines in finalizing a renewal of a contract with their Japanese customers. From a review of correspondence on that file, it would appear that in fact the government assistance in that instance was a positive factor in enabling McIntyre Mines to conclude an extension of that contract to the fall of

1984.

Mr. Speaker, having made mention of that fact, perhaps it would be appropriate for me to file with the Assembly a copy of a letter from my predecessor, the hon. Merv Leitch, to the Japanese purchasers in question. I'll undertake to do so.

DR. REID: Mr. Speaker, a supplementary. In view of that, could the minister advise the Assembly if he is aware whether or not at the end of the existing contract there will be a renewal of that contract between McIntyre Mines — or Smoky River Coal, as it's now called — and the Japanese purchasers? If not, is it the intention to keep the coal mine open when the present contract expires?

MR. ZAOZIRNY: Mr. Speaker, I wouldn't have that information. That is a matter I'm sure the company is involved in, in seeking to renew that contract when it does come to a conclusion in the fall of 1984. I'm sure they're endeavoring to finalize other contractual arrangements, but I cannot say whether or not there would be an extension.

MR. LOUGHEED: Mr. Speaker, perhaps I should supplement that answer. The hon. Member for Edson is aware that in Executive Council we have assessed the difficult fluctuations of the community of Grande Cache. Wherever possible, we want to encourage their marketing efforts. But recognizing the fluctuation in the economy of that community and to assist them in economic development, we've established a special cabinet task force under the Minister of Municipal Affairs. It includes the ministers of Transportation, Tourism and Small Business, Public Lands and Wildlife, and Manpower, as well as, on an ex officio basis, the ministers of Economic Development, and Energy and Natural Resources, with the Member of the Legislative Assembly for Edson.

#### Oil Pricing

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. As is indicated through the media, the Prime Minister has not agreed to an economic summit at this time to discuss the general economy of Canada. Could the Premier indicate whether there was any request from the Prime Minister or the federal government to conclude or clarify the present position with regard to the \$4 increase as of July 1, prior to bringing in the next federal budget?

MR. LOUGHEED: Mr. Speaker, the discussions I had with the Prime Minister during the course of my visit to Ottawa involved the discussions relative to the requests of the aboriginal peoples of Canada, and also to the first part of the hon. member's question that had to do with the question of a conference on the economy.

Quite obviously, I did not have a discussion specifically on energy. In my meeting with the Prime Minister on February 28, as I've reported, that matter was left for monitoring international conditions and other factors. When that monitoring period would be concluded, the federal minister of energy would meet with the Alberta minister of energy to discuss the matter. So I felt it was inappropriate for me to become involved in that question during my recent visit, as distinguished from my luncheon with him on February 28. I do understand that the Minister of Energy and Natural Resources is meeting with the federal minister tomorrow.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. From the Premier's answer, am I led to understand that the question with regard to a rollback or no rollback and the interpretation of the 1981 energy agreement is open for discussion at this time? Or is there no discussion opportunity available at this time?

MR. LOUGHEED: Mr. Speaker, I thought I dealt with that matter at length in this House on March 11 and specifically outlined — and I believe *Hansard* will set forth the record for the hon. member — that the position of the government of Alberta is that the agreement of September 1, 1981, stands. In our view, it is an agreement that requires it to be fulfilled by both the government of Alberta and the government of Canada. That agreement specifically does not provide for a rollback of the old oil price of \$29.75 a barrel as it now exists.

#### Economic Conference

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. Premier, with regard to the economic summit itself. Was a time established as to when that summit would take place? Would that be in April, May, or June of this year?

MR. LOUGHEED: Mr. Speaker, it was a lengthy discussion that took up most of the evening. The discussion evolved around requests by some provinces that there should be a meeting on the economy prior to the federal budget, which I believe is targeted for late April, and then by others that having regard to the time and the nature of the objective, what we needed to have was an economic conference that focussed upon particular objectives.

Together with other Premiers, I raised a first ministers' conference on the economy which would have the first ministers directing their attention towards the following matters. Number one is the concern with regard to Canadian productivity in relation to other countries. Number two is a corollary to that: the competitiveness of the Canadian economy and the various sectors in the market place. Number three is the market place itself and what could be done to facilitate the export of Canadian products. Those were the three major objectives that we agreed to as 11 first ministers.

Then it was agreed that preparatory work would be undertaken to establish, first of all, confirmation of those objectives, the nature of the process in terms of preparation, and the agenda and the timing. With regard to the timing, there was a discussion that it would occur in late spring or early summer. The Prime Minister, as he has publicly done, demurred with regard to specifically committing himself to having such a conference and is awaiting the results of the preparatory work before committing himself to meet with the premiers of Canada on this important area.

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

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. With regard to sub-topics or sub-objectives within the terms established or suggested, was there any indication by the federal government that there would be greater provision of tax incentives for the private sector of Canada, and specifically Alberta, to assist in their recovery at the present time?

MR. LOUGHEED: Mr. Speaker, that was raised by myself and other premiers, specifically the need to reduce input cost as part of the issue of the competitiveness of the Canadian economy in its various sectors.

#### Social Allowance Appeal Panels

MR. MARTIN: Mr. Speaker, I would like to direct my question to the Minister of Manpower. Can the minister advise if he's had any discussions with the Minister of Social Services and Community Health in the last two months regarding social allowance appeal panels?

MR. ISLEY: Mr. Speaker, could I ask the hon. member to repeat the question.

MR. MARTIN: I'll try to say it slower. Can the minister advise if he's had any discussions with the Minister of Social Services and Community Health in the last two months regarding social allowance appeal panels?

MR. ISLEY: Mr. Speaker, I would have to have a definition of a social allowance appeal panel.

MR. MARTIN: I'll get the Minister of Social Services and Community Health to explain it to you, but I'll go on to the next question. Can the minister confirm that on February 21 he wrote to the chairman of the Bonnyville appeal committee and raised "some serious questions about the make-up and expertise of your committee".

MR. SPEAKER: Order please. Is the hon. member asking for this information because he thinks a letter which he has before him is a forgery? Are we going to ask hon. ministers whether they in fact wrote certain letters? [interjections] Surely if the hon. minister's signature is there and there's no suspicion that it's a forgery, we're not going to spend the question period asking ministers what letters they wrote.

MR. NOTLEY: On a point of order, sir. A question would be in order if it relates to public policy. If in fact a particular communication from a minister relates to public policy, then I think it is only appropriate that we confirm that it has occurred. Then the question relating to public policy flows from it. I believe my colleague was going to ascertain, in a question, what kind of public policy this government is following with respect to a particular letter in question.

MR. SPEAKER: Then may I respectfully suggest that the second question should have been the first one. Again, if you have a letter in front of you which purports to be from a minister — appears to have been signed by or on behalf of the minister — are we going to spend the question period asking the minister whether he wrote the letter? I respectfully suggest that we should not spend the question period on that type of thing.

MR. COOK: Mr. Speaker, on a point of order. I refer my hon. friends in the NDP to citation 357 in *Beauchesne*. If the question is not dealing with the minister's direct responsibility to the House, then the question is out of order.

DR. BUCK: Read the book again, Rollie.

MR. SPEAKER: I have difficulty with that. If a minister shows a concern in regard to a certain topic, presumably at the time he's doing it — unless he's doing it as a private individual — it's part of what he's doing as a minister. Consequently, in that regard it would be an appropriate subject for the question period.

MR. ISLEY: Mr. Speaker, on the point of order. The letter the hon. member is referring to was written and signed in my capacity as an MLA, not as a minister. I just lay that out and raise the question: does that mean I should respond to it in question period as a minister?

MR. SPEAKER: I think the question answers itself, if I may say so to the hon. minister.

MR. MARTIN: A supplementary question, then, now that we have the answer. Can the minister indicate for the Assembly whether he raised these questions because he disagreed personally with the decision of the appeal panel, and did he mean to apply sanctions against the panel?

MR. SPEAKER: Order please. Are we still dealing with a [letter] that was written by an MLA? If so, it is not a proper subject for the question period.

MR. MARTIN: A point of order, Mr. Speaker. I am trying to determine how we are dealing with the social allowance panels. Surely that's a part of this government, and I'm trying to find a policy on it. [interjections]

MR. SPEAKER: May I respectfully suggest to the hon. member that he devise some appropriate way of doing that. In the meantime, I'll go onto the next member. The hon. . . .

MR. NOTLEY: A supplementary question, if I may. Perhaps I could put the . . .

MR. SPEAKER: Order please. There is no supplement to a question that isn't proper.

The hon. Member for Clover Bar, followed by the hon. Member for Vegreville.

DR. BUCK: Mr. Speaker, it's quite obvious that we don't need freedom of information in this Legislature.

MR. SPEAKER: Order please.

DR. BUCK: You're getting touchy, Mr. Speaker. We've only started.

MR. SPEAKER: I'm sure this is all very exciting. I don't wish to be oversensitive, but I must say that unless they are brought in by means of a motion on notice, reflections on the Chair are a fairly serious breach of privilege and are so regarded in all senior parliaments, including the Mother of Parliaments. So if the hon. member has a question and he would like to come to it directly, without making any reflections on the referee, would he come directly to the question.

DR. BUCK: Mr. Speaker, I have no question.

#### Missing Licence Plates

MR. BATIUK: Mr. Speaker, it may have only been a St.

Patrick's prank or maybe due to yesterday's question period, but sometime between then and this morning, the licence plates on my car were removed. [laughter] Mr. Speaker, my question is whether I could appeal through you to the hon. member: I would appreciate if they'd be returned by at least tomorrow morning.

MR. SPEAKER: May I say to the hon. member that I'll first inquire to see if that's among my duties. If it is, I'll do it.

The hon. Member for Edmonton Norwood. We're running short of time, but two hon. ministers would like to deal further with previous question period matters.

**Social Allowance Appeal Panels**  
(continued)

MR. MARTIN: Mr. Speaker, I'll direct this question to the Minister of Social Services and Community Health. Can the minister confirm that on March 3 he wrote a letter to the chairman of the Bonnyville area appeal panel, relieving him of his duties even though he had been the chairman for 12 years, and that a new chairman was appointed within a week?

MR. SPEAKER: Order please. I must confess to some difficulty in putting across what I'm trying to say. It seems to me we're back in the same situation, with the possible difference that this is not a letter by an MLA. If there is something in a letter which a minister has written, let's come directly to the topic and not ask him whether he wrote the letter.

MR. MARTIN: Thank you, Mr. Speaker. I'll make it quick. Mr. Minister, did you fire the chairman of the Bonnyville appeal board and appoint another one within a week?

DR. WEBBER: Mr. Speaker, I would have to get further information on the specific case for the House. Certainly there are a large number of appeal committees across the province, and these appeal committees consist of a cross section from the communities in which they're located. Their purpose is to deal with appeals from local social service clients who may not have been satisfied with the situations they received from their social service district office. Certainly from time to time we put new people on boards and others' terms expire and are replaced. But in terms of the specific situation, I'd have to get the hon. member some details.

MR. MARTIN: A supplementary question. Did the minister recently receive representation from the Minister of Manpower regarding the appeal board?

DR. WEBBER: Mr. Speaker, whenever appointments are made to appeal committees, representations come from a broad cross section of society, including MLAs. I'd welcome recommendations from the hon. member.

MR. MARTIN: A supplementary question. I'll say it slower. I'm talking about a specific one. Did you receive representation from the Minister of Manpower with regard to the appeal board? One question.

MR. NOTLEY: Before the firing.

DR. WEBBER: Mr. Speaker, I said that I would have to get the specific details related to this particular case. But again, representations come to me from many sources, and I get a lot of representations from MLAs.

MR. NOTLEY: Mr. Speaker, a supplementary question. In view of the minister's responsibility in this House, is the minister saying to this House that he must check his files, that he is not aware of any representation and therefore must check his files? Is that what the minister is saying?

DR. WEBBER: Mr. Speaker, I am saying — and I wish the hon. member would listen very carefully — that I intend to get further information before responding to the question.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Social Services and Community Health. Is the minister not in a position today to answer yes or no to whether he received any representation from the Minister of Manpower?

DR. WEBBER: Mr. Speaker, in answering any questions from the hon. Leader of the Opposition, it is my intention to answer fully on the basis of having accurate information. I want to get that information.

MR. NOTLEY: Mr. Speaker, a supplementary question. Is the minister in a position to advise the Assembly yes or no to a very simple question? Did he receive representation or not? [interjections]

MR. SPEAKER: The hon. leader knows that this line of procedure is not acceptable in the question period. A minister is under no obligation whatsoever to answer any question, any more than a member is under any obligation to ask it. The minister has twice made it clear that he's not going to be answering questions until he has checked his file. That's a decision for the minister to make, and neither the hon. member nor I have any right to question it.

MR. MARTIN: One final supplementary to the minister. Can he indicate if the government has any plans to introduce amendments to section 28(5) of the Social Development Act, which currently confirms that decisions of appeal panels are final?

DR. WEBBER: Mr. Speaker, in this session I have no intention of bringing in any legislation with regard to what I believe the hon. member is referring to.

MR. NOTLEY: Mr. Speaker, one final supplementary question, if I may, in view of the ministers' bringing in information at the end of question period and taking time. Will the minister give the House the undertaking that he will check his file on this important question and report back tomorrow — not next week or next month, but tomorrow.

DR. WEBBER: Mr. Speaker, I'm not going to start committing myself to a deadline from the hon. Leader of the Opposition. I'll certainly report certain information to the House. But even if I had a conversation with or received information from a particular member, I don't think it's public knowledge or should be the Leader of the

Opposition's prerogative that I had that private conversation. [interjections]

MR. SPEAKER: The hon. Provincial Treasurer wishes to deal further with a previous question period subject.

#### **Royalty Tax Credit Program**

MR. HYNDMAN: Thank you, Mr. Speaker. I'd like to clarify two aspects of the complicated royalty tax credit issue, which was discussed in the question period last Tuesday.

The first aspect relates to the arithmetic with regard to the estimated amounts of the royalty tax credit in 1982-83. On Tuesday the hon. Leader of the Opposition implied that for 1982-83 I had estimated the royalty tax credit at \$282 million and that the government estimate now was \$674 million. That's not correct. The \$282 million estimate was made in the March 1982 budget speech and was based on the then existing royalty tax credit at the 50 per cent \$2 million level and was based on a once-a-year crediting to eligible businesses by the government.

A month later, in April 1982, the oil and gas activity plan was announced, a part of which enriched the royalty tax credit from 50 per cent up to \$2 million, to 75 per cent up to \$4 million. Also the government went to a procedure of instalments on the credit, which helped the industry. This involved no increase in cost. Only the timing of the payments was changed. That new enrichment and the instalment procedure increased the '82-83 estimate of the royalty tax credit from \$282 million, as forecast in the March '82 budget, to \$888 million.

On February 10, 1983 — the budget update of last month — the '82-83 cost was revised downward from \$888 million to \$674 million, less than previously forecast. So the approximate increase in the royalty tax credit in '82-83 from \$282 million to \$674 million is not as a result of many more new recipients than previously forecast; it's due to the deliberate enrichment of the royalty tax credit benefits in the April 1982 oil and gas activity plan program and the move to a more convenient instalment system.

Secondly, Mr. Speaker, I wish to clarify any concern that may have arisen as to the continuing confidentiality of the income tax records of Albertans. The Alberta Corporate Income Tax Act precludes the public release of information obtained under that Act. Accordingly, details as to the recipients of the royalty tax credit could not be made public. However, grants to the oil and gas industry under the petroleum incentive payments program or the exploratory drilling incentive program, for example, would be listed in the supplementary information to the public accounts and made public.

This is a complex matter, Mr. Speaker, and I welcome a further, thorough review of it when the royalty tax credit amendments to the Income Tax Act are up for debate in the weeks ahead.

#### **Sanitary Sewage Effluent Irrigation**

MR. BRADLEY: Mr. Speaker, I'd like to supplement answers I gave to previous questions in the House. Last Monday the hon. Member for Calgary Currie asked with regard to experience we have in the province on irrigation with sanitary sewage effluent. At the time, I responded that there were several projects in the province. The following communities are either presently using sanitary

sewage effluent irrigation, are contemplating it, or have in the past: Medicine Hat, Taber, Bow Island, Coaldale, Milk River, Granum, Claresholm, Okotoks, Crossfield, Strathmore, and Duchess. There are several other smaller, commercial applications of sanitary sewage effluent.

I'd also like to supplement an answer I gave to the hon. Member for Clover Bar, with regard to possible water supply for a proposed special waste plant in the Consort area. There were two supply alternatives considered. One was from a small groundwater source which would require storage capacity. The other was from surface water impoundment.

#### **ORDERS OF THE DAY**

MR. HORSMAN: Mr. Speaker, with respect to the questions and motions for returns on the Order Paper, I would like to move that all of them stand for the time being.

[Motion carried]

#### **head: MOTIONS OTHER THAN GOVERNMENT MOTIONS**

202. Moved by Mr. Hyland:

Be it resolved that the Assembly urge the government to explore and work towards the development of improved private sector short-run and intermediate agriculture credit instruments for Alberta farmers.

MR. HYLAND: Mr. Speaker, it's a pleasure for me this afternoon to move a motion relating to agricultural credit. I would like to say first, though, that there is a misspelling in the motion as it's printed in today's Orders of the Day.

Mr. Speaker, one of the most important things a person involved in agriculture has to deal with today is that of credit and the cost of credit. I've put this motion forward so that we can explore possible new, innovative ways of the farmer obtaining credit. The suggestions we will put forward today might even have a way to work in businesses other than agriculture.

The total agricultural debt in Alberta is approximately \$3.7 billion. Of that debt, in 1980 approximately 26 per cent was lent by government agencies. It is my understanding that this year it is down to about 18 per cent, so the private sector is picking up more of the debt relating to agriculture. We have various government agencies involved in agricultural debt, and the majority of these agencies are involved in long-term elements relating to debt. We have the Alberta Agricultural Development Corporation, with its various policies. We also have the Farm Credit Corporation, with its various policies. The Farm Credit Corporation is often quite cyclical in nature in the amount of funds that it has. It seems like it's either a feast or a famine. There's either money there to borrow or you have to go back six months hence when the new budget comes around. The Agricultural Development Corporation has a number of programs, the majority of them related to medium- to long-term purchases on equipment, land, et cetera, but not a lot of programs relating to short-term moneys.

About two-thirds of agricultural credit in Alberta is tied up in the purchase of land, and the remaining third is



for other purposes. In the last few years, agriculture has become a heavy borrower simply because farmers are trying to substitute capital, buying bigger equipment; for example, in the area I represent, where there is substantial sprinkler irrigation, getting more automated systems so one farmer can look after more land, thus cut down his labor. To do that, high capital borrowing is required. Needless to say, that has dramatically increased the cost price inputs, especially those related to financing, as we have seen in the past years — interest rates getting up in the 20 to 25 per cent range, down to what they are today.

The idea I'd like to talk about this afternoon, Mr. Speaker, is the production credit association. This is an instrument that was started in the United States about 1933. These production credit associations are set up on a national basis, with various divisions in the states or a group of states. They also have smaller organizations in each county or each couple of counties, where the larger, umbrella organization does a number of things to obtain the funds — I'll get into that later — and then it's passed to the organizations below, and they distribute the funds. It's my understanding that the majority of the decisions are made by a group of local farmers from the area, who would be on that board and would be familiar with the people involved in the system, and thus would have a very good hold on understanding if the person can pay it back, what kind of an operator he is, et cetera.

This production credit association has been something that the Alberta Cattle Commission has been promoting for some time. I'd like to commend them for that. They've got a lot of people out there thinking about it and about the possibilities of a self-help type of credit — something where there'd be extremely limited government involvement, which would be the best. They would carry on the operation of these production credit associations themselves. The Cattle Commission and members of its executive have done a great deal of work — I know the vice-chairman personally — and they have met with various people from the States who are involved in these production credit associations, to talk to them, to see how it works down there.

Mr. Speaker, the information I have is that the cost of operating a production credit association — that is, the cost differential between what it costs for the money and what they have to charge the farmer — from the years 1976 to 1980, the difference varied from about 2.55 per cent to 2.47 per cent; it's slightly down in the latter years. That's not a lot of administration costs. I believe that also has built into it a certain amount of insurance, so that if they do end up with some bad loans, they can recover them from a fund.

Mr. Speaker, we've heard a lot about credit, related to agriculture and various other businesses, because of the problems in the economy. I believe all members of the Legislature have been sent letters from banks, the latest one coming around a number of days ago from one of the major banks in Alberta, outlining for us their credit ideas and terms available for farmers.

But I'd like the majority of my discussion this afternoon to hinge on short-term, operational credit. A bank or lending institution may well lend the farmer the money to buy land, machinery, et cetera. But I've heard of cases in the last few years where one may have had an operating line of credit, short-term line of credit or operating loan — let's use the figure \$50,000 — and then have the bank manager notify him that because of instructions from head office or various other problems not relating to his pay-back ability or his net worth, his line of

operating credit had been cut, maybe by 50 per cent.

I'm sure any members in the Legislature involved not only in farming but any kind of business — if your operating line of credit is severely cut like that, with one fell swoop and without a lot of notice, it makes it pretty difficult to operate. It's almost like not lending you the money to start with. This is where a thing such as the production credit association type of idea could find a place in the Alberta agricultural finance market, or indeed in the Canadian market relating to agricultural finance.

Funding for these projects is obtained in various ways, Mr. Speaker, the majority through bond sales from the central or national organization, where they put bonds out onto the bond market and they are purchased by investors. The investors purchasing the bonds may not have as high a return on their bonds, but they know that, through history, agriculture and people involved in agriculture are good payers. That is to say, the rate at which agriculture loans are paid back is by far the highest number of loans paid back than various other businesses. So these bonds seem to be a popular item for investors. Indeed I understand that at times even banks buy these bonds from production credit associations.

Mr. Speaker, another way to fund something like this — and in this case we might even get into the medium to longer term credit — is a change to the Income Tax Act. When a farmer sells out, he could turn the money obtained from his farm back into these bonds and only pay the tax on the money when it's paid out to him, thus cutting down on capital gains. I believe the U.S. has a substantial amount of its funding that way. Also, farmers sell to other farmers — maybe neighbors, maybe nephews, maybe sons. When they don't have to pay the total capital gains like we do here, it keeps the price of land down substantially, so you're not looking at paying out a third of the value of your farm to capital gains.

Ultimately you would get the tax from the money as it's paid back. Figures I'm supplied with suggest that upon retiring, the average farmer would pay \$31,000 or thereabouts in capital gains. With about 1,300 farmers retiring each year — these are figures for Alberta alone — there would be substantial amounts of money possibly available, somewhere in the neighborhood of about \$40 million in various areas. That might not be a total loss or cost to the government, because many farmers are already purchasing some type of annuity to extend this capital gains tax payment over a longer period of time.

If we say some of it was invested, the most that I believe it could cost would be \$4 million, assuming it's all turned back into these bonds and these bonds are then lent out to other farmers. The income would come back at the rate of approximately \$3,000 a year, and that's just taking an example. So when I talk about the money that would be lost, that money would be over a long period of time. It wouldn't be over a short term or over a year. The cost to the provincial or federal Treasury would not be that great.

As one option as a provincial government, we might forfeit our 38 per cent of that, which would indeed help. If we can't get the federal Treasury to agree to develop an operation like that, we could indeed, as I've said previously, turn our 38 per cent over — I believe that's about our share of capital gains — and allow the farmer to invest it in agricultural credit type bonds.

Mr. Speaker, I'd like to say that to substantiate my suggestion that agriculture is one of the highest repayment businesses, all one has to do, for example, is look at

the number of bankruptcies in either Canada or Alberta in the last number of years. You'll find that among the lowest percentage of bankruptcies are those involving farmers or agriculture and agricultural business. It seems that farmers do their utmost to repay their loans. For example, in Alberta in 1979, which was one of our better years, there were 16 farmers that filed bankruptcy, at least according to the figures I have. The total number of bankruptcies for farmers in 1982 which, obviously — we've just been through it — was not one of our better years, was 24. That's 24 out of a total of 22,865 bankruptcies filed in the province. So the percentage of people involved in agriculture that file bankruptcy is quite a bit less than a fraction of 1 per cent.

Mr. Speaker, I have just briefly covered the idea of production credit, production credit associations, and the need for such associations because of the cost of farm credit. That doesn't mean to say that the banks aren't doing the job, because these two organizations can work together and work together well. They work together well in the U.S. Both compete. As I have said, sometimes production credit has an advantage of a couple of percentage points or more in the cost of your money, and that can be a very important factor. Any percentage you can save and get into your pocket is going to keep you a viable and healthy industry. I suggest, Mr. Speaker, that our next step in looking into whether this kind of a system would work in Canada — I think we have to put a lot of detailed study into it. People who understand the system and who use the system have to be involved and do a very detailed study to indeed see if this kind of system would work in Canada.

I was pleased to note that a couple of weeks ago, the city of Medicine Hat decided to sell bonds on their gas purchase. I heard on the radio that they offered the first \$20 million worth of bonds on the market. In a very short time, approximately \$5 million was picked up in eastern Canada in two or three days. So this system can work here.

In other parts of the world, not only agriculture or businesses, even municipalities have to put bonds on the market to obtain their funding. Here we may not see that as much because we are funding, for example, municipalities — that would be close to all members here — directly out of the Heritage Savings Trust Fund. So most of them have not had to go to the market place to obtain bonds in the last few years. There's the possibility with this system that when the bonds are put in the market place, they could be bought by the Heritage Savings Trust Fund and return a profit to the people of Alberta. There are a number of possibilities.

I'd like to recommend in conclusion, Mr. Speaker, that the Assembly support and pass this motion and, once it's passed, that the Minister of Agriculture appoint a task force to develop and implement a plan to see if indeed this operation would work. As I said, I hope that such a task force could be composed of the expertise required and that we could ask them to report and tell us if indeed this could work. As I said when I started, Mr. Speaker, once the start up would be completed, with such a proposal there would be extremely limited government involvement. I say to members of this House that that's the kind of system we need, one that's self-run. We may have to supervise as far as you do with any bank or any credit institution, but that would be the limit of our involvement. Let the people run it, and let it be run right.

I ask the members to support that motion, Mr. Speaker. Thank you.

MR. KOWALSKI: Mr. Speaker, I'm pleased to rise today and participate in the debate on Motion 202, the resolution calling on the government of Alberta

to explore and work towards the development of improved private sector short-run and intermediate agriculture credit instruments for Alberta farmers.

At the outset, I'd like all members of the Assembly to know that I'm speaking in favor of the motion. In fact, I would like to begin by offering my congratulations to my hon. colleague from Cypress for placing this motion on the Order Paper. It's one that has been discussed in various sectors of the agricultural industry in the province of Alberta in recent years, and of course it essentially comes out as a result of the consistently and constantly expanding need of Canadian agriculture for new forms of credit, perhaps innovative types of credit, that we in Canada have not had the impact or the benefit from in recent years.

This is a topic, Mr. Speaker, that should be of interest for all members of the Assembly, be they urban or rural, as the production of food is one of the keys to the economic well-being of this province. While we may be in a short-term economic downturn in the province of Alberta, the one aspect of our economy that really was caused in the original years of the settlement of this province, will be here in decades to come, is the agricultural industry. It is, without doubt, the largest employer of people in the province of Alberta and, no matter if you live in Edmonton, Calgary, Drayton Valley, Brooks, or Barrhead, agriculture is and has been key to the economic well-being of this province. Without doubt, Mr. Speaker, it's our most important renewable resource industry. In fact, there are more people living in urban Alberta who are dependent on the prosperity of agriculture than there are primary producers living in the province of Alberta.

Credit, Mr. Speaker, is crucial for our farmers, as it allows them to purchase goods when prices are low, in order to reduce costs. It allows ranchers and other producers to hold animals or their grains off markets in expectation of future rises in prices. But most basically of all, credit is a means by which an agricultural producer can manage his cash flow over an entire year and operate his budget through the 12 months of the year, from January through December.

Agriculture is changing in this province, Mr. Speaker, as it is changing in Canada. It continues to intensify in its aspects. Technology is increasing. Mechanization is increasing. Specialization has become further developed. Our Canadian and Alberta farmers have been expanding their operations in order to remain competitive with other farmers worldwide. As a result of all these things, because of the international competition as well as the competition within our country, there has tended to be increasing concern for the amounts of capital that are required.

It should be no surprise to anyone in this Assembly, that our agricultural producers indeed have an increasing dependency on lending institutions in order to secure their needed capital, whether it be in the short term, the long term, the intermediate term, or any kind of term. In that regard, the statistics with respect to capital requirements should be of considerable interest. I'd just like to point out to all members of the Assembly that if you take a look at several comparative years, and if you look at the year 1970 as compared to 1980, in terms of Canada, statistics provided by Agriculture Canada indicate that in 1970 there was a requirement for some \$2.2 billion worth of farm credit.

Of that \$2.2 billion, only about \$200 million was essen-

tially required in the long term; \$400 million was required for the intermediate term; and the vast majority of those funds, \$1.6 billion, in essence were short-term requirements, the type of dollars that were alluded to already by my hon. colleague from Cypress when he referred to it as operating capital. By 1980, Mr. Speaker, that requirement of \$2.2 billion had risen to \$9.1 billion. When you look at the comparative figures in terms of the long term, the intermediate term, and the short term, nearly \$2 billion of that \$9.1 billion was long-term money, \$2.5 billion was intermediate term, and some \$4.5 billion was short-term credit.

Those are figures provided by Agriculture Canada. Oftentimes individuals, perhaps in the Assembly and throughout the various communities in our country, suggest that government figures perhaps may not be quite as correct as they might be, so I'd also like to make all members aware of statistics that were put out by the Royal Bank of Canada in February 1983. The figures they provide, in terms of total bank loans to farmers at the end of 1971, stood at \$1.4 billion. By the end of 1981, Mr. Speaker, that figure had increased by an annual compound rate of 18.7 per cent to some \$7.7 billion.

Also of interest, in terms of bank loans that were outstanding: in 1981, 6.5 per cent of them were outstanding; in 1971, 7.2 per cent were outstanding. In fact the record of repayment over the decade had improved from a percentage point of view, despite the enormity of the capital requirements, to allow farmers to repay debt and to operate in the short, intermediate, and long term.

Mr. Speaker, there has been an increasing dependency on loans. Along with that increasing dependency on loans in the past decade, of course, there have been various and varied fluctuations of the interest rate. But one thing is very clear: if you look over the 10-year time frame, there has been a clear increase in the cost of borrowing money in our economic climate in Canada.

We have had high, unstable prime interest rates. The farmer, for the most part, has been locked into a short number of credit alternatives that he really has. I think it is extremely important that we take a look at improvements in the availability of credit, the availability that would in fact assist in lowering the cost of credit. There is no doubt at all that every consumer in the country and in the world would be pleased to have lower interest rates at any kind of term. In the case of agriculture — that is the subject we're talking about today — it's of particular concern because of the enormity of the debt load and the enormity of the short-term operating aspects.

Farmers are, I suppose, one of few individuals anywhere in the world who rely almost totally in terms of their production and their economic well-being on climatic conditions which no one has any control over. When they go to the fields in the spring of each year and put their capital or their operating investment into the ground, they have no knowledge, no certainty, and no assurance that in four, five, or six months there in fact will be a crop from which they can obtain a return.

The indices, Mr. Speaker, of actual farm operating expenses over the past decade show us something else that's very, very important and really amplifies the incredible cost of interest in terms of the total aspect of farm operating expenses. I want to share with all members some figures and statistics which use 1971 as the base. I want to provide figures in terms of what has happened to a number of items, in terms of farm operating expenses from 1971 through to 1976 and through to 1981. I want to look at five different aspects.

The first is wages to farm labor. If the base in all these types of indices is 100 in 1971, wages to farm labor rose to 207 points by 1976 and 339 points by 1981. Fertilizer costs, with a base of 100 in 1971, rose to 358 points in 1976 and a whopping 791 points by 1981, nearly an eightfold increase in basic fertilizer costs over one decade. Total machinery expenses, again with a base of 100 in 1971, doubled to 201 points in 1976 and by 1981 rose to 381 points. Total farm operating expenses, again with a base of 100 in 1971, rose to 239 points by 1976 and some 483 points by 1981.

But interest is the most interesting index of all, Mr. Speaker. With a base of 100 in 1971, by 1976 interest rose to 277 points and by 1981 to 834 points, over an eightfold increase in one decade with respect to this one very important aspect of farm operating expenses. Interest itself, over that 10-year time frame from 1971 to 1976 through to 1981, as a percentage of total operating farm expenses — again, extremely interesting. In 1971, interest as a percentage of the total operating farm expenses was 11.9 per cent; 1976, 13.8 per cent. Then of course the economic time frame, 1977, that had gone to 13.5 per cent; 1978 to 15 per cent; 1979 to 17.9 per cent; 1980 to 18.3 per cent; and by 1981 reached a whopping 20.5 per cent.

Mr. Speaker, those figures are very dramatic, because what they do is outline the cost of interest as a percentage of the total operating farm expenses, something related totally to the cost of borrowing money for both operation and capital purposes. In fact on a Canadian basis, when you look at total operating and depreciation charges for producers and when you look at Canadian statistics — but, more specifically, Alberta statistics — operating and depreciation charges now account for some 78 per cent of farm cash receipts. That compares with some 69 per cent in the early 1970s, 65 per cent in the early 1960s, and 56 per cent in the early 1950s. Most producers have been dramatically impacted in a very negative way. Their cash flows have been dramatically impacted in a very negative way by the high cost of money, the high cost of borrowing money, and the high cost of servicing that money.

Of course, high interest rates are only one aspect of the many concerns that have been affecting producers in this province and other parts of the country over the last number of years. Because that very high interest rate, until the last few months, went along with high inflation and of course with ever expanding input costs, be they in the energy area or other aspects.

Mr. Speaker, we have to take a look at innovations in credit systems for agricultural producers. The proposal put forward by the Member for Cypress is an interesting one. I want to spend a few minutes more talking about the concept put forward. But in doing so I think it's important, when we stand here in this Assembly, that we also recognize the very excellent response that has already been made by our government in dealing with the concerns of agricultural credit in this province over the last number of years. All members will know that prior to 1972 in the province of Alberta, there did not exist an institution or instrument known as the Agricultural Development Corporation. It was part of the mandate, part of the objective of the Progressive Conservative Party as it entered into a major competition in 1971. At the successful conclusion of that competition, in 1972 there was created an Agricultural Development Corporation with one specific objective in mind; that is, to provide new alternatives to agricultural credit for producers in the province of Alberta.

Over the decade, a very positive, significant approach has been taken, and I think our producers have benefited significantly from it. The need for the government itself to get involved in a new kind of credit organization was unfortunate. But in retrospect — and I think history proves it very well — there was a dearth, a shortage, a lack of risk capital that many of the chartered banks in this country were prepared to provide to agriculture, not only in Alberta but in other parts of the country.

Some of the programs of the Agricultural Development [Corporation] that have been established in recent years need to be highlighted. Mr. Speaker, there are just a few that I think are important, that we should not forget about. Direct farm loans: a type of loan that is essentially available to a primary producer who is unable to obtain long-term credit from other sources. The dollars can be used for purchasing land, permanent improvements, consolidating debts, and a whole series of purposes. The basic maximum for a loan is approximately \$150,000, with a 30-year repayment period. Essentially, 20 per cent equity is required, and interest rates are essentially 12 per cent, with an incentive program that will allow that interest to drop three percentage points in the first five years for full-time farmers. It is a positive program.

In the last several years, Mr. Speaker — and all members will not forget — one of the major new directions assumed by this government was the creation of the beginning farmer program. That's a direct loan from the Agricultural Development Corporation provided to a young person with farm experience, or a young person with an equivalent aspect or background in college, who has some 10 per cent equity that he can provide for his loan. A beginning farmer loan is essentially for all types of agriculture that a young person might want to get involved in. The loans generally are for a maximum of \$200,000 for a maximum term of some 30 years. While the interest rate in the original five years is a maximum of 12 per cent, with good farm management, meeting his commitments, a positive approach, economic benefits, and everything else, that young person can in fact receive a rebate of six percentage points. So for the first five years, his interest could be no higher than 6 per cent in any one given year.

In addition to that, Mr. Speaker, we have disaster assistance programs and loans which go to a maximum of \$150,000. We have financial restructuring loans, a direct loan again, to another maximum of \$150,000. There are specific guaranteed loans that are provided by the Agricultural [Development] Corporation. No maximum is really specified, but it is expected that the borrower will have some 20 per cent equity. Of course, we also have other types of loans which are made available to more specialized types of agricultural producers; namely, the vegetable production loan program, the dairy development incentive program, and the Alberta farm development loan. That's been very positive.

We have just recently received the annual report of the Agricultural Development Corporation for the fiscal year 1981-82. That year, the Agricultural Development Corporation provided by way of direct loans and loan guarantees some \$316.2 million. Those moneys were distributed in the following ways: 1,290 beginning farmer loans were made available, for a total of \$193.5 million; there were 260 direct farm loans, a total capital cost of \$31.4 million; 37 direct agribusiness loans, \$11.9 million; 35 specific guaranteed farm loans, \$1.8 million; 20 specific guaranteed agribusiness loans, \$13.9 million; and a whopping 4,546 Alberta farm development loans, at a capital cost of

\$63.7 million.

Be that as it may, Mr. Speaker, despite what the enormity of the record of this government has been in the area of agricultural credit, we have to explore new alternatives. The concept put forward by the Member for Cypress — the production credit association, which is essentially a concept that comes to us from the United States — is one that I strongly believe can be modified and endorsed by this Assembly and by the agricultural community of this province. Essentially, it's a concept that would bring about a new form of credit mechanism. It could be established here with a minimal amount of red tape and bureaucracy. In fact, there shouldn't be any, according to the outline provided by the Member for Cypress, as it in fact would be run by those who would benefit to the greatest degree from the loan availability.

The scheme is a very simple one, Mr. Speaker. A retiring farmer, or any other individual in this society, might advance or invest their money in the production credit association. The association, an Alberta-styled one, would then loan out the money to individuals who might want to borrow it. The key to the whole thing — and there's one important key to ensure that it in fact becomes viable in a way that would create a whole new reservoir of capital for agriculture — is that we need to convince the federal government that those who invest their money in a production credit association would not have to pay income tax on the interest they earn from the investment of their money. If that could come about, the production credit association would be in a position to loan that money at a substantially reduced interest rate to new farmers because of the lack of need for the original investor to have to pay income tax on the interest earned.

Of course, the only loser in all of this is the federal government. However, a review and analysis of what the federal government is currently investing in agriculture across Canada through the Farm Credit Corporation suggests that there is an enormous cost on behalf of the public to run that particular institution and facility. There has to be a trade-off and a buy-off. If individuals can get involved in investing money and can realize that they will not have to pay income tax on the interest they have earned, then in essence they are prepared to receive a substantially smaller return for their investment than others. I would very strongly suggest, Mr. Speaker, that the bottom line in all of this is that in the short, intermediate, and long term, the benefit to agriculture as one community would be greatly enhanced.

There is another point that I think has to be advanced and promoted. It deals, in my view, with one of the most unnecessary taxes that exists in the country of Canada. That's the capital gains tax. Mr. Speaker, what has happened in the last decade to agricultural land prices has been very significant. Today there is not one farmer that I'm aware of who upon retirement is prepared to sell his land for what is basically the market value of the land. When he gets an offer for the sale of his land, he immediately takes that offer down to his lawyer and chartered accountant and asks them, how much capital gains must I pay? When he receives that dollar figure of the amount of his capital gains, he adds it on to his selling price. That then becomes the selling price of the land. What that has done, over the past 10 years, is significantly increase the price of land. There's been no benefit to the seller of the land, and it's been an added burden to the purchaser of the land. What it has done is caused farmers to be caught in an increasingly tighter and tighter cash-flow situation.

There is need, Mr. Speaker, for us to do all that we can to have the capital gains tax removed in this country. It's also very difficult for me to appreciate and understand how a federal government — or, for that matter, any other government — can reap any benefit from the capital gains tax when we have an economic downturn. In this kind of an environment, people aren't buying or selling. If people aren't buying or selling, then there are no profits to be made by government as a result of the capital gains tax. Perhaps now is the time, in the short term, just as an initiation approach, to have that tax removed and to see what the impact would be in stimulating more economic growth.

Mr. Speaker, the one point that has to be amplified very, very clearly is that the production credit association of the type put forward by my colleague from Cypress, and the one I'm speaking to right now, would not necessarily apply solely to the agricultural sector. It could just as easily apply to forestry, men's clothing, machinery, or any other sector. It is a concept that is extremely important.

The motion raises an issue. Other members will speak on it. I sincerely hope that by having the issue raised in the Alberta Legislature today and in ensuing weeks, in essence the concept will allow for continuous feedback from financial institutions and farmers. There is an advantage to all of us in the economy of Canada today to see if we can search out new and more positive alternatives.

In concluding, Mr. Speaker, I repeat that I am totally supportive of the concept. I want to amplify my appreciation to the Member for Cypress for the initiative in raising the concept. I strongly urge all members of this Assembly to support the motion. Thank you.

MR. JONSON: Mr. Speaker, in speaking in support of resolution 202, I anticipate that there will be some criticisms of this particular resolution. I would like to anticipate some of those and reply to them.

No doubt there will be some concerns from other lending institutions, notably the chartered banks, about this particular initiative. However, this is designed essentially to establish another privately funded alternative for obtaining farm credit. It would look at the ways and means by which individuals in farming could be directly involved in the management of credit. If we can find an alternative which will result in the need for less government involvement and more involvement of the private sector, I think that's the direction to go. As well, I don't see anything wrong with a bit more competition with the other private institutions involved in providing credit in this province. The hon. Member for Cypress alluded to a recent document from one of the chartered banks in which they are advertising their service to farmers. That is well and good. I think that is an excellent move on their part. The competition should be rewarding for all if some initiatives can be taken in this direction as well.

Another concern would be that this would require government funding and more government involvement. While it is true that some proposals to be considered require seed money from government — directly or in terms of sale of bonds or debentures to, say, the heritage savings and credit fund — so be it, if this is what's necessary to get such a scheme going. It would be my view that it's a very worthy project.

However, it also must be noted that the thrust of such credit organizations would be to become self-sustaining and move as rapidly as possible away from the need for

direct government help. Such has been the experience of the United States and Denmark, to name two of the nations in which production credit or credit co-ops have worked successfully. As I foresee it, the government's role, if some of these proposals were to become a reality, would mainly be one of providing the guidelines, structure, and regulations for such organizations to operate.

Mr. Speaker, some will worry about the time required for farmers to take part in advising and managing such credit institutions. Further, they'll say that a great deal of education will be necessary for farmers to operate effectively as the managers of such funds. In many ways, this is the easiest criticism to deal with. The farm community manages its time rather well right now. I'm sure that as private entrepreneurs, they will organize their time and find the time to contribute their expertise to the successful operation of such enterprises. One of the great advantages of private-sector and farmer involvement in providing short- and long-term credit arrangements, as I see it, is the fact that their input will result in credit provisions in tune with the needs of the farming industry. This has certainly been the case in places where such schemes have operated.

On the matter of education being needed, to a degree it looks to me that this is not something to be too concerned about. At the operative level, agricultural producers are quite knowledgeable now of their needs. Several well-thought-out proposals have already come from farmers or farm groups, and the economic forces of the last few years have forced them to become more and more knowledgeable about the whole credit picture. Where very specialized expert financial knowledgeable is required, that can be hired or retained as other financial institutions already do.

Mr. Speaker, since presentations on this topic to date involve changes in capital gains taxes, corporate taxes, and income taxes, there will be a concern about implementation of such schemes involving preferential treatment to farmers. However, farmers have a good case for some tax changes and benefits, at least for the provision of attracting funds for farm use. The hon. Member for Barrhead has, in a very thorough fashion, outlined the increasing cost spiral that is besetting the farm industry. I might just add that the farm industry is unique in Canada in that it is an area in which in the past decade costs have gone up some four and a half times, and prices are going down. Certainly some aid in that direction cannot be quarrelled with too much. Further, current tax laws discriminate to a degree against farmers when it comes to reinvesting funds. The farming industry is not accorded the same investment opportunities that it seems are available in other areas. Right now, as I understand it, the federal government provides tax incentives or tax breaks if you want to invest in the movie industry, the construction business, or in oil exploration. Certainly the key industry of Canada should have the opportunity to have such a break accorded to them as well, particularly if it will help in this way.

In further countering this argument about preferential treatment, I'd like to point out that farmers are very, very heavy users of credit. They operate on very narrow margins as far as their farming operations are concerned, and any slight improvement in this area can be of tremendous help. I think it's better to attract capital back into farming with some type of tax incentive rather than have it invested elsewhere in Canada or exported. Billions now sit in savings accounts, where the depositors would be happy to have their money more active in short- and

long-term investments, particularly if they help a key industry such as agriculture.

In relation to this anticipated criticism regarding tax incentives, I think it's also important to note that the Canadian agricultural industry is competing in a tough world market, where in many cases there is bottom-loading — call it whatever term you want, but there are incentives being put in by government to a much greater degree than is the case in Canada. The United States has a rather complicated and extensive network of credit provisions — they have a land bank purchase scheme, and on and on it goes — and so do many of the other countries we compete with in the food marketing business.

Mr. Speaker, it's also thought that credit agencies of the type foreseen in this resolution could not cope with declining interest rates as they usually involve fixed-term and fixed-rate loans. Preliminary investigations show that where this type of institution is operating, this is no more so than it is a problem for other lending institutions. Of course it's a concern, which is the very reason for the study that we're talking about here in this particular resolution. I might add that stability and reliability in credit arrangements are something often more important to farmers than a half per cent swing in the interest rate one way or another.

I also anticipate a claim that this particular resolution only results from a proposal of the Canadian cattle commission, because we have already referred quite frequently to their particular scheme, which is the production credit proposal. But this is not so. We have formal submissions on this from the Canadian cattle commission and also from Unifarm with their particular view of the associated problems. I think no other topic is raised as frequently — well, perhaps there are a couple of others. There is the problem of prices first, and the problem of cost second. But third is the problem of obtaining adequate credit for the agricultural industry. The resolution is purposely worded to cause a wide-ranging study and the consideration of all submissions and ideas on this particular question.

Mr. Speaker, I hope the recent difficulties of the farmers home administration in the United States as recounted in a recent *U.S. News & World Report* article will not be interpreted by anyone to mean that this particular type of initiative is not viable. The article I am referring to is entitled, *Is farmers' bank really a bail-out for the rich?* When you read the article, Mr. Speaker, the difficulties referred to therein deal solely with misadministration. I think that can happen to any operation. However, in that particular article, there is no questioning of the viability of the whole concept. In fact as you go through the article, you find that the original objectives are still very, very much thought valuable in the United States. But I must say that we can learn from the experience of our neighbor to the south and perhaps avoid some of the difficulties they've run into as shown in this article.

In conclusion, Mr. Speaker, I'd like to emphasize that the resolution asks for an investigation of all possibilities of private investment in short- and long-term credit for farming. There's plenty of evidence of advantages, and I've tried to show that the anticipated criticisms are really no basis for defeating this particular resolution. I think we owe it to the farming industry — an industry which, if my figures are correct, is currently utilizing something in the neighborhood of \$3 billion worth of credit — to go forth and do work in this area and, hopefully, in the not-too-distant future, bring such concrete proposals

forth for approval.

One other concluding remark, Mr. Speaker, would be that in all of this, as well as working on it ourselves, I think we have to pressure the federal government, as the hon. Member for Barrhead mentioned, to look at their tax laws to see if advantages can't be gained there to make some of these proposals more attractive. Although some of these tax incentives might cost the federal government some loss of revenue, a healthy farming industry would be of a tremendous advantage in the long run to the federal Treasury as well as to the total country. I think they would be well to move in that direction and to apply that kind of example to many other areas of the private sector.

Thank you very much.

MRS. CRIPPS: Mr. Speaker, since the Member for Barrhead has already given us one math lesson and I have another one prepared and would hate to spoil it by having to stop before I give you the answer, I beg leave to adjourn the debate.

MR. SPEAKER: If hon. members can figure out that motion, do they agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

head: **PUBLIC BILLS AND ORDERS**  
**OTHER THAN**  
**GOVERNMENT BILLS AND ORDERS**  
(Second Reading)

**Bill 202**  
**An Act to Amend the**  
**Blind Persons' Rights Act**

MR. SZWENDER: Mr. Speaker, as mover of Bill 202, An Act to Amend the Blind Persons' Rights Act, I have the privilege to open debate on second reading. I think all members of the Assembly would be more than willing to support this Bill, as it accords equal rights to many handicapped people of the province. I'm sure we will hear many supporting views on behalf of the Bill.

This Bill has a bit of history that I would like to go over briefly. It's an amendment to the Blind Persons' Rights Act. Originally the Bill was introduced in 1976 by the hon. Member for Calgary McCall, Andy Little, and it had to do with introducing the Blind Persons' Guide Dogs Act. This Bill was intended to allow the same rights and privileges to people accompanied by seeing-eye dogs as all other citizens in Alberta in entering public places, seeking accommodation, et cetera. This Bill was reintroduced a second time on March 1, 1977, by Mr. Little, was made a government Bill on November 3, 1977, and was finally given Royal Assent on November 10, 1977. So actually, Mr. Speaker, this is an amendment to add "and deaf persons" wherever the Bill states "blind persons".

As I stand here, speaking before you, I am representing approximately 20,000 deaf people in Alberta, people who have increasing problems, if not deaf, then partially deaf or with a hearing handicap. These people have become more and more dependent on what we call hearing-ear dogs. Again, the general purpose of this Bill is to provide the people who depend on the hearing-ear dogs the same rights of access to accommodation as is presently ac-

corded to blind persons with guide dogs under the Blind Persons' Rights Act. And it prevents discrimination against any person using such a dog.

Mr. Speaker, most of the members of this Assembly are very fortunate in not facing any handicaps. I think some of the speakers supporting this Bill will go into further aspects of it concerning handicapped people. But I've had the privilege to know some very talented deaf people, and it's a different world when you're shut off from the sounds around you. I guess if we take an analogy of a television set before you turn it on — you don't see anything, you're obviously blind to the picture; if the sound isn't on, no one is hearing anything. The world is a quiet place that doesn't allow full participation.

I have a very close friend who is deaf, Mr. Speaker, and even the simplest things are difficult to express to him. We go through countless pads of paper trying to communicate. I don't know sign language, although I do fully understand our Prime Minister when he uses sign language. Other than that, when my friend was visiting me over the past winter and he left the home, even before the door closed I realized he had left his gloves behind. How do you yell out, hey, you forgot your gloves? So I had to quickly put on my winter boots and chase him out to his car before I made him realize he had forgotten his gloves. That made me realize more fully how really handicapped these people are, and any assistance that we as a government can help provide them with would surely be appreciated.

Hearing-ear dogs have been widely used in the United States for quite some time. A number of state legislatures have enacted the Bill that I am presently proposing and have found it to be extremely useful to the people involved. What exactly do hearing-ear dogs do? Maybe I could just represent to the members. There are a number of services that these dogs could provide. As I was mentioning before, the hearing handicapped are limited in their capacities, but these hearing-ear dogs are specially trained and easily accessible. Most of the training of these dogs occurs in a relatively short number of weeks. These dogs aren't expensive. They're usually saved from animal shelters. If they're intelligent and fairly young, they can be trained very easily. However, that's another aspect which the hearing handicapped society of Alberta would undertake.

The uses of the dog: a baby crying, for example. A deaf mother has no way of knowing whether her child has awoken during the night. In the past, deaf people have had to sit throughout the night next to their babies, anticipating movement before they realize that they are in need. A hearing-ear dog would, upon hearing the crying, automatically awaken its master. These are movements that are co-ordinated between the master and the dog. A smoke alarm detector — extremely important. We can all hear these alarms; the deaf cannot. Lives are at stake. A hearing-ear dog would make it possible to alert its master that there is danger, and he could respond accordingly. An alarm clock, just simply getting up on time or meeting appointments, security buzzers, a ringing telephone, a knock on the door or other unfamiliar sounds of intruders or passers-by: all these are extremely important services that the hearing-ear dog would provide for the hearing handicapped.

Before I conclude, I would like to read a letter from an instructor at the Glenrose hospital here in Edmonton — she is a teacher for the deaf at the school for the hearing impaired — encouraging us to consider this Bill very seriously with the preamble, and it goes on:

As you will see, the existing American legislation groups Hearing Dogs with Seeing-Eye Dogs. You may decide that the two types of dogs and their purposes are not synonymous: Seeing-Eye Dogs are trained to assist mainly in a blind person's mobility while Hearing Dogs are trained to alert a deaf person to sounds of danger or everyday sounds of communication. Further, breed or size of dog is not important in a Hearing Dog.

I, myself, as only a moderately hearing-impaired individual, would want such a dog to alert me to a building's fire alarm (I know of three certain occasions when I have not heard the alarm in my own apartment building and once in a hotel, and this worries me very much) and to my smoke [detector], alarm clock, front door and telephone when I am asleep. Other, more severely afflicted people, might want a dog for alertness to a baby's cry, traffic noise or to a mother's call (in the case of a young child).

It would be important that a Hearing Dog be legally accepted in all housing accommodation that normally restrict pets, in hotels and motels, as well as on airlines and other public transportation. It might not, however, be necessary to include places of entertainment, restaurants or other places where warnings of danger would not be of prime importance.

At present, there is no cost to the individual receiving a Hearing Dog. Training and delivery expenses are totally covered by donations to the training centre.

MR. SPEAKER: Might I bring to the hon. member's attention that when people are looking for precedents in *Hansard*, they don't distinguish between first-term members and members who've served for a longer time. There is a rule that perhaps the hon. member has overlooked with regard to reading in argument during debate.

I would not acknowledge that the arguments put forth in that letter could not have been put forth equally well by the hon. member on his own behalf. The principle of course is that we are here to debate with each other, and people who are not elected as members are not entitled to take part in debate in the House, even indirectly through the form of letters they may have been written to members, acknowledging at the same time that such letters are very valuable and we all welcome receiving them.

MR. SZWENDER: Sorry, Mr. Speaker. I wasn't aware of the rule of bringing additional outside written information and will refrain from doing so in the future.

I would like to conclude by saying that with this amendment there is not going to be that major a change with the law presently in place. I think it's going to tremendously help a large number of the hearing handicapped, as I mentioned before, and I think it's a duty and a responsibility for this government to make all the facilities and privileges available to all the people of Alberta.

MR. JONSON: Mr. Speaker, I'd like to rise in support of this private members' public Bill and offer a few comments — perhaps somewhat disjointed in themselves but, I hope, all related to the Bill. First of all, I'd like to mention that I think a Bill such as this is in keeping with the philosophy that many previous speakers in the throne speech debate, to this particular point in time, have alluded to. That is that here we certainly have a group of people that are handicapped, that are disadvantaged in our society, and we certainly should act with legislation in

that regard. Secondly, the critical thing here is a matter of equal rights and equal treatment. We have accorded the same legislative protection and facility to the blind, and in many ways the difficulties faced by the deaf are very, very much the same. The dangers are the same, the inconvenience is the same, and the challenge in facing life is the same.

Thirdly, I'd like to mention that the use or the support of man's best friend as a hearing-aid dog would be particularly essential in a rural area such as I represent. I think some of the technological advances and communication aids — they're more easily accessible in the urban areas — are just not there in the rural areas. I also find it somewhat unusual that often we identify the concerns of the blind and the services to them, and also those of the deaf, with urban areas. Perhaps we do have a disproportionate number of people with those difficulties in the urban centres just because of the difficulty in accessing adequate facilities. But certainly, if I might make a country type of comment, I think the dog is very, very well accepted in the rural areas, and there would be no objections of some of the usual kind to having dogs around if you had them for the deaf people who still exist and operate farms and other businesses in the rural areas.

A fourth point that I think is always relevant when we talk about introducing legislation is that of cost. As I see it, this particular legislation need not have any direct costs to government, except perhaps for periodic enforcement. As I understand it, we have the Lions Club, we have the School for the Deaf, we have the Association for the Hearing Handicapped, and there would probably be many other service organizations that would come forward with providing the necessary financial support should this be found to be necessary.

I imagine that at some time in the future, or perhaps at the present, the argument might be advanced that we should have qualified German shepherds instead of dogs taken from dog pounds, but I think we will have to face that difficulty should it arise. That should not be an objection which would cause us to defeat this particular Bill.

Mr. Speaker, I know that this legislation will perhaps cause some inconvenience to some sectors, some awkwardness for people. It will be something that people will have to get used to. But I think this is something the government has to take a leadership role in, and people should get used to coping with the deaf and the aids they need to live a more comfortable and viable existence. And really, with the passage of time, I think this will become a routine part of life and people will find deaf individuals with whom they come in contact to be the great and valuable individuals that they very much are.

I would like to conclude with just a couple of cautions about this particular matter, Mr. Speaker. One is that I note that in the province of Alberta there are some 200,000 people who are judged to be hearing handicapped, and some 20,000 that are judged to be totally deaf. I feel that in the implementation of this particular legislation, we should be careful to advise those concerned that access to this service should be only for those who absolutely need it, and that other measures would be adequate for perhaps a good portion of the 200,000 that I previously mentioned. The other caution I would have — which is the major one and my major reason for rising to speak this afternoon — is that a measure such as this should never be taken as a substitute for or the end to the need to provide an increased effort to providing educa-

tion and services for the deaf.

There is a great deal coming forth by way of advance technology right now that promises great help to people in this particular category with this difficulty. There are advances in the whole area of educating and training people who have the disability of deafness, and I feel that that effort has to go forward and be increased. This particular Bill will be just one small part of what needs to be a total thrust to continue to help this group of handicapped people.

Mr. Speaker, this Bill has been debated before, and I hope that . . . I don't know if the passage of one previous private members public Bill is a tradition, but if it could be two, I think we should go ahead and pass this particular private members Bill this session.

Thank you, Mr. Speaker.

MRS. EMBURY: Mr. Speaker, I wouldn't want anybody in the Assembly this afternoon to think that this is the three musketeers speaking, or the beginning of a chorus line over here — that we happen to be sitting in a row and have chosen to speak on this particular Bill. I think it does point up an interesting point of view that the Bill was introduced by a member from Edmonton, and we've now had a person from a rural community speak. So I might bring a different point of view from southern Alberta.

I'd like to commend the Member for Edmonton Belmont for bringing this Bill before the Assembly. While the issue is not one of contention or in the foreground today as a major concern, I think it does focus on a select group of handicapped citizens, and this provides members of the Assembly an opportunity to reflect on the needs of our constituents that are handicapped by virtue of a hearing impairment. Part of this reflection is to think also about the families that cope day by day in assisting a family member. It is quite beyond our individual comprehension to appreciate the hurdles that are overcome. It takes a special love, caring, and devotion to tackle day-to-day routines and special circumstances. As Thoreau stated,

could a greater miracle take place than for us to look through each others eyes for an instant.

As has already been stated this afternoon in the Legislature regarding this Bill, historically — and I find it interesting that the mover of the Bill in his youthful age has felt this has been around for a long time, and I'm afraid in relating to my age I must admit that I felt it was a relatively new concept — in 1968 in Denver, Colorado, parents sought the first formal training of a hearing dog to assist their deaf daughter. Years later there was a three-year pilot program to determine dog training techniques and placement methods. Over the next few years, what happened in the United States was primarily the dissemination of this information across the country. There has been an increased awareness and a slow growth in activities related to this topic. In Canada at the present time, there are no training centres for these dogs, and there are very few hearing dogs. Also, as has been mentioned before, there are 200,000 Albertans that have some sort of hearing impairment, and 20,000 of those are totally deaf. I understand that there are three hearing dogs in Alberta. The Alberta Lions Club is studying the idea of establishing a training centre for western Canada.

This in itself might be enough impetus for us to pass this Bill. However, I'd like to suggest one or two other reasons why I think the members of this Assembly should support this Bill. First of all, the precedent for this legis-



lation is the Blind Persons' Rights Act. As mentioned, in October 1976 a former colleague — the member at that time for Calgary McCall, Mr. Andy Little — introduced a private member's Bill, the Blind Persons' Guide Dogs Act. Reasons for supporting the legislation then are basically applicable today, and I'd like to mention these. Number one, this gives people with this impairment the opportunity for legal recourse. Secondly, it provides a sense of security for these people. As these people are out and about more and more today — adapting to the environment wherever they be, at home, school, work, or downtown — I'm sure that sense of security would be important to them.

The purpose of this legislation was also to develop public awareness and, hopefully, the development of positive attitudes. Another reason for supporting this Bill is that there's certainly no doubt that this government has always been empathetic to the handicapped. The record of services since 1971 speaks for itself. We have been leaders in many of our specific programs. Last year alone, services to the handicapped cost over \$300 million. This was 30 per cent of the total annual budget.

Public interest has certainly grown over the last few years, primarily due to the international year for the handicapped. This was followed by printing the book called *Obstacles*, the federal report of the Special Committee on the Disabled and the Handicapped. This was released in February 1981. It was followed in June 1982 by a progress report. These documents brought a focus to both government and citizens at large on the many needs of the handicapped, with special references in the book to the services required by the deaf. More recently, The Klufas report, which was prepared by The Alberta Task Force on Services to Disabled Persons for the Department of Social Services and Community Health in January 1983, identified the needs of sensory-impaired individuals. One of the seven recommendations in that book suggests hearing dogs for the deaf.

While identifying issues and making recommendations, these reports do not necessarily indicate that the government can meet all the needs or solve all the problems. As more and more handicapped individuals are integrated into the mainstream of society and functioning at their optimum level, these individuals — with others such as their families and organizations that are there in the community — can work toward their own solutions and meet the ongoing challenges.

Another reason for supporting this Bill has basically been presented by the mover in describing some of the services the dog can perform and the types of dogs necessary. This particular handicap, deafness, has a very unique feature in that it doesn't manifest itself by outward signs. A deaf person is not distinguishable from a normal person. For this reason, it has not received the same amount of attention as more apparent disabilities. These people can become very isolated, even within the environment in which they live, because there are many activities they cannot perform. Also, society is unaware of how to communicate or interact with these people.

As I mentioned, one reason for this legislation is that hearing dogs can basically be any type and size of dog. All they need is to be healthy, intelligent, and have the proper temperament for training. This is not to say that the hearing dog for a deaf person is the entire solution to barriers. They can be trained to alert deaf persons to many everyday situations that we take for granted, besides providing companionship to people isolated in their own environment.

It's difficult to contemplate today that there will be any opposition to this Bill, particularly to the overall concept. One might argue that possibly it is premature at this time. If there are not a lot of problems or reported concerns, one wonders if the Bill should proceed at this time. In the debate so far, we've not heard of many specific indications where these people have been refused admission with a hearing dog, so I will listen with interest to see if this point of view does come out in our debate today.

I'm also wondering if actually passing a Bill in this Legislature really does increase public awareness sufficiently that the problem, or any discriminatory actions, will not occur. I somehow doubt that. While the change in legislation might be desirable, it may not be necessary because possibly the public already has an increased awareness from the original legislation that discriminatory action is not occurring. If many of my colleagues in the Legislature were out where I suspect they were last October, one would certainly find that there isn't a problem with dogs anywhere in the communities. There are certainly enough of them around, in and out of many of the homes and in the areas, so it's hard to imagine that there would be anybody that would object to a dog that has been specially trained to help a handicapped person.

One of the other points of view I would like to raise in speaking against this Bill is in regard to the timing of when it is appropriate to pass it. Is the need growing in the province? We haven't actually identified or heard specifically how many people would be able to use hearing dogs if they were available and could be trained. We did have the statistics about the number of hearing-impaired people there are, but I still question the total need or if the legislation would be necessary.

I would also like to hear a little more specifically from associations associated with children or adults with this problem, again to see if they have identified the need. I believe there was one example given about the provincial association, that they would be involved in either the training schools or look for these dogs. It was interesting that the Member for Ponoka spoke about advanced technology and how this will no doubt help people who do have this problem with deafness. I believe his point was not to say that all advanced technology could replace the dog. I don't think it would be as much fun to pat and hug a little machine as it would a nice, furry animal. I believe he was just illustrating ...

AN HON. MEMBER: How about E.T.?

MRS. EMBURY: I think I would still prefer man's best friend, the dog. So I don't really think that technology, as we know it, will totally replace it. I believe the point was being made that it would be another supplement. However, looking at the cons of passing this Bill at this time, one still cannot help to accept the principle that if only one method of assisting some — maybe not many, but some — impaired hearing people, then doesn't it behoove us to assist by extending blind persons' rights to the people who are deaf? So I would urge the members of the Legislature this afternoon to give careful consideration to this Bill.

Thank you very much.

DR. REID: Mr. Speaker, in rising for the first time in this 20th Legislature, first of all, I'd like to offer my congratulations to you on your re-election to that august position. I've developed considerable respect for your wisdom, and I expect that in this Legislature, as in the

last, there will be occasions when you'll have to call me to order and will do so with your usual . . . I don't know what the word is; perhaps diplomatic capability.

In rising to speak on Bill 202, the first thought that struck me was that looking at it, it may seem to be a minor matter and, to some people, a very insignificant and not major concern, and one might wonder why the Legislature of the province of Alberta might debate it. But for a significant — a small number, but significant — number of people, this is not a matter of insignificance. It's not a minor matter, and is well worthy of our debate. I'd like to juxtapose the situation as regards the seeing-eye dog and the hearing dog by discussing the effect of the seeing-eye dog for the blind person with that of the hearing dog for the deaf person.

First of all, of course one has to address the different types of visual loss. When we use our eyes, we use them in many different ways, and we often don't realize what an asset they are to us. We can look at mountains or rainbows or babies' smiles, and they're all well worth looking at. For the person with short sight or astigmatism or long-sightedness, we can correct that with glasses and give them essentially normal vision. For the person who has color-blindness, we cannot replace it. They can see everything, but they see it in distorted colors or, indeed, if they are monochromatic color-blind, they only see in shades of grey, so the Canadian flag or the rainbow has no color vision capability and they don't see it.

The completely blind person — whether it's congenital or acquired from disease or injury — cannot have a correction by glasses. The only way they can get around is with the aid of either their white stick or their seeing-eye dog. When one compares that situation to deafness, there are certain close parallels. We can listen to Tchaikovsky's 1812 Overture or to a Chopin étude, very different kinds of classical music. You can compare that with the Rolling Stones, and one can discuss music as opposed to noise. [interjections] Well, there are people who are tone-deaf, and a Chopin étude or the Rolling Stones — neither of them is music; they are both noise. There are those of us who are not tone-deaf and who feel that we discriminate in the proper meaning of that word. One is music and the other is noise, and I'll leave it to members to decide which is which for them. Also, of course, one can hear a baby's cry or a telephone bell, a smoke warning from a smoke detector. Those are other uses of hearing; they are warnings.

Just as visual defects are of varying degree and varying type, so are hearing defects. I've already mentioned one, tone-deafness. But hearing loss can also be partial or total. For the partially hearing impaired we can help considerably, very often with surgery, which will give sometimes permanent and sometimes temporary relief. But we can also help with hearing aids, which work with varying success. They are quite successful with some forms of hearing loss and not so much so with others. They work best with the acquired hearing losses of the person who is aging, who has had disease in the ears, or who has lost part of his hearing from noise. But even then, they don't give perfect hearing. Just as the person who is losing his hearing — and especially the person who is losing hearing from noise exposure — will have difficulty in picking out a given sound, picking out one voice in a room, so the person using a hearing aid has that same difficulty. But they still can hear.

For those who are effectively, totally deaf — whether it's congenital, whether it's from injury or disease — the hearing aid and surgery offer almost nothing. One cannot

keep turning up a hearing aid if one has 1 per cent hearing until one has functional hearing. If your ears are absent congenitally, no hearing aid is going to help. For that small percentage of those who are totally deaf, the hearing dog provides the same escape into the open world as the seeing-eye dog does for some visually-impaired people.

We often talk in this Legislature about freedoms and rights, and responsibilities. There are certain freedoms that are not available to the totally deaf. Legislation such as that introduced today by the Member for Edmonton Belmont can do the same for those people as the seeing-eye dog legislation has done for the totally blind. Just as the seeing-eye dog cannot get over the disability of blindness, it can reduce the handicap from it. The hearing dog can do the same for the totally deaf person. It doesn't remove their disability in one way, but it does reduce their handicap.

One of the things we often don't realize about the totally deaf — it was mentioned by the hon. Member for Calgary North West — is how much deaf people become isolated from the world. I think we all know people — usually senior citizens — who have moderate hearing loss where it becomes a difficulty in ordinary conversation and who may well have a hearing aid. They either don't use it, let the batteries go down, or don't turn it on. Those people don't take part in an ordinary conversation unless one reminds them of it, and sometimes one has to remind them fairly frequently. But those people at least have a visual reminder of the fact that they are deaf. They either have glasses with a hearing aid installed in them or have a hearing aid in their ear. In even the most skilful development of modern electronic hearing aids, there is still a visible attachment to it.

But for the totally deaf for whom that hearing aid is no benefit, there is no visual reminder to the rest of us at all that those people have a disability. That can be socially unfortunate for the person concerned who is deaf. But it can also be highly dangerous, because we don't realize that they are not hearing warnings or hearing us tell them. So the visual reminder of the hearing dog with its very visible collar, as well as being a reminder, can be a considerable safety factor.

I mentioned earlier the concept of freedoms, rights, and responsibilities. It would seem odd to me that the freedom or right of one individual to not have a dog in a public place should be allowed to impinge on the freedoms and rights of a small group of people who are deprived of access to some public places if we do not pass legislation of this type in this Assembly. There is at the moment no protection under the Public Health Act for a deaf person to take a dog into a food store or into a food handling establishment where dogs are not allowed. That protection has been given to blind people, and I think it would be very suitable if this legislation was passed to give the same right and freedom to the deaf.

For that reason alone, Mr. Speaker, I highly commend this legislation to the Assembly and hope that it will get the same treatment as eventually the legislation did that was introduced in this Assembly by the previous Member for Calgary McCall. Thank you.

MRS. KOPER: Mr. Speaker, I support the amendment to Bill 202, proposed by the Member for Edmonton Belmont. This to me is an example of the type of legislative action that enables a group of needy people to live a more normal life than would otherwise be possible.

The Klufas report that was recently submitted to the

Department of Social Services and Community Health states that wherever possible our society has an obligation to provide these services that facilitate an equal participation in the work of our everyday life. However, I believe — and I believe all disabled, as well, endorse this position — that this social obligation, usually expressed through government action, in no way diminishes individual responsibilities.

I also believe that another point to remember when discussing any type of disability is that relatively few needs of disabled persons lend themselves to a simple or a universal approach. This makes this Bill a very important step in the delivery of a complete range of services to Albertans with an auditory handicap.

In order to address this fully, I think of a young mother when her children are born. Very carefully you check your child for every sign of perfection. In the case of deafness, it's not apparent. You have a perfect child, and only you know the child is deaf. Even the child does not know. It is hard as a parent to fully relate to this type of sensory deprivation. When we think of the normal child and how they learn to communicate, how they learn to receive and transmit sounds, and eventually how to read and write, how difficult it is for parents who are fully aware of the sounds around them to handle this disability. It must be extremely difficult.

I believe that a hearing dog will provide a greater impact on deaf adults in our communities who, for example, must use public transportation and, as the hon. Member for Edson has said, go shopping. It also provides two things that mechanical warning systems such as lights, smoke alarms, and visual teletype connections for telephones cannot supply. The hon. Member for Edson and the hon. Member for Calgary North West have already mentioned that the dogs can help us attract attention and our consideration, and make us more aware and helpful to the individuals. The dogs can also be trained to

interact between danger and the disabled person, so that the deaf can also live in a normal environment. The dogs can help us in just the ordinary tasks that we take so much for granted, like cooking, driving a car, going shopping and, most of all, parenting. I couldn't have survived as a mother if I hadn't been able to hear my children cry. I needed ears, and I needed eyes. I needed everything to attend to my children. I couldn't follow them everywhere.

By enacting this enabling legislation, Mr. Speaker, we would not be looking at great numbers of hearing-ear dogs that would suddenly appear in our public places and be offensive to anyone. I think we would purely be facilitating the meeting of individual needs of a group of Albertans perhaps not quite so fortunate as we here today.

I believe that deafness limits the world to what you can see in front of you. I have experienced a few days of being very deaf, and I know that this would help. It would help to enable them to extend their interaction with the world. I am in full support of this Bill.

Mr. Speaker, I have a few other things to say. Since it's fast approaching time, I beg leave to adjourn debate.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

MR. HORSMAN: Mr. Speaker, in view of the hour, I would like to advise members of the Assembly that tomorrow morning we will be considering estimates of the Alberta Heritage Savings Trust Fund in Committee of Supply following Orders of the Day.

[At 5:16 p.m., on motion, the House adjourned to Friday at 10 a.m.]

