

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, April 26, 1973

[The House met at 2:30 o'clock.]

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF VISITORS

MISS HUNLEY:

Mr. Speaker, may I introduce to you and through you, sir, to the members of the Assembly the members of the Alberta Girls' Parliament. There are 75 of these Girl Guides from all over Alberta and they are here sitting in the members gallery, anxious to learn more about parliamentary procedure.

I am sure all hon. members would wish me to congratulate them on their interest and hope that some day their interest will be great enough that they may indeed take their place in some Legislature.

I would ask them to stand now and be recognized by the House.

FILING RETURNS AND TABLING REPORTS

MR. MINIELY:

Mr. Speaker, I would like to table replies to Written Questions Nos. 136 and 178.

MR. PEACOCK:

Mr. Speaker, I would like to file Returns for Sessional Papers 147 and 151.

DR. BACKUS:

Mr. Speaker, I would like to table a report on some research carried out by the Department of Public Works on timber piles and their advantages in building.

ORAL QUESTION PERIOD

City of Edmonton Tax Assessment

MR. HENDERSON:

Mr. Speaker, I would like to address a question to the Minister of Municipal Affairs. I wonder if the minister could advise the House as to whether he has had the opportunity as yet to meet with the Edmonton MLAs to discuss the concerns that are being expressed by the Mayor of Edmonton about the assessment problem relating to the City of Edmonton?

MR. RUSSELL:

Well, Mr. Speaker, I've had many meetings and discussions with the Edmonton MLAs concluding with another meeting this morning [with them] as a group. We are meeting with Edmonton city officials and Edmonton school board officials tomorrow morning at 8:30. I can assure all hon. members of the House that there has been concern and interest and a great deal of discussion by the Edmonton MLAs and myself with respect to this problem.

MR. HENDERSON:

A supplementary, Mr. Speaker. Does the minister intend inviting members of the opposition to the meeting?

MR. RUSSELL:

Do I intend to? No, Mr. Speaker.

MR. SPEAKER:

The hon. member for Lethbridge West, followed by the hon. Member for Olds-Didsbury.

Alberta Labour Act

MR. GRUENWALD:

Thank you, Mr. Speaker, my question is directed to the Minister of Manpower and Labour. Will Bill No. 35, The Alberta Labour Act, 1973 be dealt with at this spring session of the Legislature or will it be held over until the fall sitting?

DR. HOHOL:

Mr. Speaker, it will be dealt with during the spring sitting.

MR. GRUENWALD:

A supplementary, Mr. Speaker. Has the minister received requests from interested groups requesting the bill be held over till the fall sitting?

DR. HOHOL:

Mr. Speaker, I had one request from one interested group to hold it over till the fall.

MR. GRUENWALD:

A further supplementary. Would the minister care to tell us the name of that group?

MR. SPEAKER:

This is entirely discretionary. As a matter of fact, on quite a few occasions, ministers are asked to identify people who have made submissions to them. In each case the possible question of privacy arises.

MR. GRUENWALD:

Accepted.

MR. SPEAKER:

The hon. Member for Olds-Didsbury, followed by the hon. Member for Spirit River-Coronation.

MR. CLARK:

Mr. Speaker, unaccustomed as I am to waving my hand this early --

MR. SPEAKER:

-- Spirit River-Fairview; I didn't mean to create a new constituency!

Bow Valley Pipe Lines

MR. CLARK:

--I'd ask the hon. Minister of Mines and Minerals if he has had an opportunity to check on the takeover of Bow Valley Pipe Lines.

MR. DICKIE:

Yes, Mr. Speaker, I've just received that information and I was going to either advise the hon. member of it, or I could give him the information tomorrow in the House, whatever his preference is.

MR. CLARK:

I prefer that you give it to us in the House.

Oil Marketing in Ontario

MR. HENDERSON:

Supplementary to that, Mr. Speaker. I wonder if the minister has also had an opportunity to check on the information he was supposed to provide to the House on oil marketing in Ontario and the other matter of his notes on the question of declaring TransCanada PipeLines a common carrier.

MR. DICKIE:

Yes, Mr. Speaker, I'm pleased to say I have all that information, and perhaps if the hon. member would agree I could also bring that to the attention of the hon. members tomorrow when I bring the other information for you.

MR. HENDERSON:

Is that a promise?

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Calgary Bow.

Shareholders PAP Holdings and Cosmopolitan Life

MR. NOTLEY:

Thank you, Mr. Speaker. I'd like to direct this question to the hon. Attorney General. Can the Attorney General advise the House whether he has received an invitation from the committee of aggrieved shareholders of PAP Holdings and Cosmopolitan Life Insurance to attend a meeting of shareholders on May 4?

MR. LEITCH:

Yes, Mr. Speaker, I did receive an invitation, and I responded to it by saying I would be unable to attend that meeting. But I am inviting a delegation from that group to get in touch with my office and arrange a time when I could meet with them at their convenience.

MR. NOTLEY:

Supplementary question for clarification. Can I take it, Mr. Attorney General, that you will be able to meet with the committee in the foreseeable future, in the next week or ten days?

MR. LEITCH:

Mr. Speaker, that matter is in the hands of the committee. As I said, I have written to them suggesting that they meet with me and that I would make myself available at their convenience.

MR. SPEAKER:

The hon. Member for Calgary Bow, followed by the hon. Member for Wainwright.

Employment Advertising Practices

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Consumer Affairs. Would the hon. minister advise what action is being taken in the matter of promotional organizations allegedly guaranteeing employment in their advertisements?

MR. DOWLING:

Yes, Mr. Speaker, and I would like to thank the hon. Member for Calgary Bow for giving me notice of the question by furnishing me with a copy of the ad in question.

By way of explanation, Mr. Speaker, an organization by the name of Sales Training Unlimited is advertising a training program and guaranteeing employment according to the ad. We had the Consumer's Affairs Branch direct a letter to the organization immediately I had word that the ad appeared in the Calgary paper. As yet we have had no answer, but the moment we receive an answer I will furnish a copy of that answer to the hon. Member for Calgary Bow.

MR. SPEAKER:

The hon. Member for Wainwright, followed by the hon. Member for Sedgewick-Coronation.

ARDA Range Improvement Program

MR. RUSTE:

Mr. Speaker, my question is directed to the Minister of Agriculture. It relates to the announcement late last week of the ARDA range improvement program. My question is as follows: what happens to the agreements entered into by municipal authorities and farmers in cooperation with the Department of Agriculture relative to range improvement based on the assumption that this money would be available on a shared-cost basis?

DR. HORNER:

The original agreements are scrapped, Mr. Speaker, because doing it that way, very few farmers would have gotten any assistance whatsoever.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation, followed by the hon. Member for Vermilion-Viking.

Reduction of Traffic Fatalities

MR. SORENSON:

Mr. Speaker, my question is to the hon. Minister of Highways. My question stems from a recent NATO meeting which requested the different countries to reduce their traffic fatalities by 15 per cent in the next 15 years. What considerations have been given by the government to joining in Canada's target of reducing traffic fatalities by 15 per cent?

MR. COPITHORNE:

Well, Mr. Speaker, that's a broad question to answer when it hasn't even been answered properly at the NATO level. I think probably we are maybe doing as much or even more, and maybe we have attained the 15 per cent reduction in accident deaths through the policies we have incorporated in the province with the demerit system --

MR. CLARK:

Hear, hear.

MR. COPITHORNE:

-- in driving habits concerning which we have legislated in this province.

MR. LUDWIG:

Supplementary to the minister, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Edmonton Strathcona with a supplementary followed by a supplementary from the hon. Member for Calgary Mountain View.

MR. KOZIAK:

Has the hon. minister or his department considered the legislation which would make seat belt use compulsory with the view to reducing automobile deaths and serious injury -- as has been tried, I understand successfully, in Australia?

MR. COPITHORNE:

Mr. Speaker, the compulsory use of automobile seat belts is one [area] that is being considered. Safety experts claim that if everybody used seat belts instead of sitting on them they would get results similar to those they are now receiving from the use of air bags. But, there is a problem in enforcing the use of safety seat belts because first, there would have to be a complete revision of all of the seat belts so they could be visible from the outside -- as to whether a person was wearing one or not. This would have to be made a standard requirement of the Safety Standards of Canada.

MR. LUDWIG:

Mr. Speaker, the hon. minister mentioned that the demerit system was one means of reducing accidents. I would like him to tell us what specific policy he has implemented in the last year and a half that would tend toward the reduction of accidents on the highways.

MR. SPEAKER:

Put in that fashion, the hon. member is obviously debating.

MR. LUDWIG:

Mr. Speaker, may I re-word the question please? What has the minister done since taking office by way of setting policy or guidelines for the people of the province which would tend to reduce accidents on the highways?

MR. SPEAKER:

The hon. member's question involves a considerable review of what the minister may have done in the last year and a half. If the hon. member would refer to 171 of Beauchesne he would find that that type of question dealing with general matters of policy is out of order in the question period.

MR. LUDWIG:

Mr. Speaker, with deference to the Chair, the minister is known to be a man of few --

MR. SPEAKER:

Order please! The hon. Member for Sedgewick-Coronation followed by the hon. Member for Vermilion-Viking.

MR. SORENSON:

Mr. Speaker, I just gave my question.

MR. SPEAKER:

The hon. Member for Vermilion-Viking followed by the hon. Member for Calgary Millican.

#### Law Reform Commission

MR. COOPER:

Mr. Speaker, my question is directed to the hon. Attorney General. Mr. Speaker, has the hon. Attorney General received a copy of a working paper on the protection of an accused, which paper has been recently released by the Law Reform Commission of Canada? Did you get it all?

MR. LEITCH:

Mr. Speaker, I have received the paper, which I believe has that heading. I haven't yet been able to study it.

MR. COOPER:

A supplementary. Does the department of the Attorney General, Mr. Speaker, receive all these reports from the Law Reform Commission of Canada?

MR. LEITCH:

Yes, I expect we do, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Olds-Didsbury.

Export of Gas

MR. DIXON:

Mr. Speaker, I would like to direct my question to the hon. Premier. It has to do with the major bid to export gas from Alberta by Pan-Alberta Gas Company. As Pan-Alberta Gas Company has exceeded the government guidelines as far as field price is concerned, is the government giving consideration to having a different price system for gas going to the United States compared to gas going to the Canadian provinces to the east?

MR. LOUGHEED:

Mr. Speaker, with regard to the opening portion of that question, I believe it would be inappropriate to respond because the procedure and the proper practice in this province is to have these matters heard first by the Alberta Energy Resources Conservation Board and then, without any interference by the government, to have their recommendations. Since the Pan-Alberta organization has now, before, made application to go before the Alberta Energy Resources Conservation Board, I think it would be inappropriate for me to answer specifically any question that deals with their application as such.

MR. DIXON:

Mr. Speaker, I would like to ask the hon. Premier a question which I think it would be in order to answer. It has to do with the replacement of Alberta gas, if it is exported, by Arctic Gas, and this is one of the proposals. Does your government favour the replacement of Alberta gas, gas that has been taken ahead of time, by Arctic Gas at a later date?

MR. LOUGHEED:

Mr. Speaker, again I feel that is in the nature of a question that is rather fundamental to the application of Pan-Alberta, and since Pan-Alberta has applied to the Energy Resources Conservation Board of the province, I again think it would be inappropriate to respond.

MR. DIXON:

Well, Mr. Speaker, my final supplemental then to the hon. Premier is this. Have you had any discussions with the provinces of Quebec and Ontario which favour higher prices being charged to export outside of the country, compared to prices in eastern Canada? Have you had any meetings with them or discussions, either yourself, Mr. Premier, or --

MR. SPEAKER:

Would the hon. member address his question to the Chair please.

MR. DIXON:

Yes, I am sorry, Mr. Speaker. Mr. Speaker, to the Premier, I wonder if either he or the Minister of Mines and Minerals has had any discussions with Ontario and Quebec regarding this pricing, the two-price system, as between the United States and Canadian users?

MR. GETTY:

The answer is yes, Mr. Speaker.

MR. DIXON:

I wonder then, Mr. Speaker, in view of the answer by the hon. Minister of Federal and Intergovernmental Affairs, if you can enlighten the House as to whether they agreed with the suggestions that were put forward by Quebec and Ontario. What is the government policy?

MR. GETTY:

Mr. Speaker, this was one of the subjects that the governments of Ontario and Quebec in their meeting, which included by the way the federal government, discussed and put forward as a possible alternative or position. The Government of Alberta did not take a position of agreeing or disagreeing with it. One thing we did say was that we would be interested in them pointing out to us how the interests of Albertans, whose resources we are responsible for, would be adequately protected under that alternative. They were unable to do it at the time but felt they might be able to in the future. In any event, we are prepared to listen.

MR. SPEAKER:

The hon. Member for Olds-Didsbury followed by the hon. Member for Calgary Mountain View.

Alberta Health Care Plan

MR. CLARK:

Mr. Speaker, my question is for the Minister in charge of the Alberta Health Care Commission. I would like to ask the minister if she could give the House some idea of the number of Alberta doctors receiving more than \$10,000 a month from the Alberta Health Care Plan -- just a ball park figure?

MISS HUNLEY:

No, I can't, Mr. Speaker. I am not able to do that right at the moment. I could get my annual report out and perhaps do some fast arithmetic to give him an idea.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. I would like to ask the minister if she has given any consideration to the proposal that has been put forward by the Ontario College of Physicians and Surgeons, whereby those physicians earning excessively high incomes from the Alberta Health Care Plan would in fact get a smaller remuneration as their income increases?

MISS HUNLEY:

Mr. Speaker, I also read that article and I believe that Ontario is following our lead, because it is the same kind of thing we did, effective last November, in rescheduling of fees in what we called a "correction of disparities."

MR. CLARK:

Mr. Speaker, then will the minister tell the Government of Ontario that?

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Calgary Bow.

Bighorn Dam

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Lands and Forests. It relates to the Bighorn Dam. Will there be any restriction, so far as the recreational use of the Bighorn Dam is concerned, from your department?

DR. WARRACK:

Mr. Speaker, I think that I would respond to that more as Acting Minister of the Environment than as Minister of Lands and Forests, since of course the

water bodies are directed by the Water Resources Division which is in the Department of the Environment.

At this point, with the water build-up taking place, it is a matter that all suggestions for consideration can be taken into account with respect to use of the dam waters themselves and also the adjacent land areas. If the hon. member wants to make a suggestion in that regard I would be happy to take it under consideration, and if appropriate, also refer it to the Minister of the Environment.

MR. LUDWIG:

Mr. Speaker, supplementary. Could the minister advise when it is anticipated that the dam will reach its maximum level? Will it be before summer?

MR. SPEAKER:

Unless the hon. minister has the answer available perhaps he would like to accept the question as notice or the hon. member might put it on the Order Paper.

The hon. Member for Calgary Bow.

Native Juvenile Delinquents

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Attorney General. Has the hon. minister's department done any research on the incidence of Native crime, and in particular juvenile delinquency, before Alberta courts?

MR. LEITCH:

Not any research that I am aware of, Mr. Speaker, on that particular question.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. the Premier. Is the hon. Premier's government giving consideration to proposals by the President of the Metis Association of Alberta that special programs and institutions be established for Native juvenile delinquents?

MR. LOUGHEED:

I refer that question to the hon. Attorney General.

MR. LEITCH:

Mr. Speaker, I think primarily that falls within the responsibilities of the Minister of Health and Social Development. However, I have indicated to the House on other occasions in other areas where I thought we needed some changes in our programs, but they were dealing more with the adult Native population who were encountering difficulty with alcohol and as a result were being sent to the correctional institutes. But I think, with respect to juvenile delinquents and programs for them, that is an area within the Department of Health and Social Development.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview, followed by the hon. Member for Calgary Mountain View.

Rural Development Programs

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister Without Portfolio in charge of Rural Development. Has your department taken any steps to obtain an inventory of rural development programs as well as an evaluation of these programs established elsewhere in Canada?



MR. TOPOLNISKY:

Mr. Speaker, we do have a program directory and we are reviewing it and bringing it up to date together with the provincial and federal programs.

MR. NOTLEY:

A supplementary question to the hon. minister, Mr. Speaker. With great respect, Mr. Minister, I think you misunderstood my question.

MR. SPEAKER:

Would the hon. member please address his question to the Chair.

MR. NOTLEY:

Mr. Speaker, could I rephrase the question to the hon. minister? My question was: does the government have an inventory of programs for rural development developed in other provinces in Canada, and do you have any evaluation of these programs?

MR. TOPOLNISKY:

We have a few of those, Mr. Speaker.

MR. NOTLEY:

A supplementary question, Mr. Speaker. Has your department --

MR. SPEAKER:

Would the hon. member please address his question to the Chair in the third person.

MR. NOTLEY:

A supplementary question, Mr. Speaker, to the hon. Minister Without Portfolio in charge of Rural Development. Can the minister advise the House whether his department has given any consideration to convening a province-wide conference representing the farm organizations and rural municipalities on the question of rural development to gain new ideas for rural development programs?

MR. TOPOLNISKY:

That certainly would be a good idea, Mr. Speaker.

MR. SPEAKER:

The hon. Member for Calgary Mountain View, followed by the hon. Member for Medicine Hat-Redcliff.

Reduction of Traffic Fatalities (Cont.)

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of Highways. Can he advise whether he or his department is considering any programs which may be implemented to reduce traffic accidents in this province?

MR. SPEAKER:

The hon. member's question is his previous question under a different guise. Possibly if the hon. minister feels that the question may be answered very briefly it might be answered now, otherwise I would respectfully suggest that the hon. member put something similar on the Order Paper.

MR. COPITHORNE:

Mr. Speaker, I would almost accuse the hon. Member for Calgary Mountain View of having funnel vision from the narrow end out. We are always reviewing the possibilities of having greater safety measures on our highways without hindering the transportation of people or commodities from one point to another.

MR. GRUENWALD:

Mr. Speaker, could I have this supplementary?

MR. LUDWIG:

Mr. Speaker, a supplementary to the minister with blurred vision. Can he tell us whether he is in fact -- has he given any directives in his department to implement policy that would, in fact, reduce traffic accidents in this province? I don't mean a general statement, but has he done anything whatsoever in this area?

MR. SPEAKER:

The hon. member is asking the same question in effect for the third time. I would respectfully suggest that he put it in proper form on the Order Paper. The hon. Member for Lethbridge West with a supplementary.

MR. GRUENWALD:

Thank you, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, on a point of order, if the hon. minister had answered my question while you were ruling me out of order --

MR. SPEAKER:

Order please! The hon. member is not entitled to comment on the minister's answer in the question period. He may do so properly if he brings the matter up in debate at the proper time.

MR. LUDWIG:

Mr. Speaker, may I put another supplementary to the minister?

MR. SPEAKER:

I have already recognized the hon. Member for Lethbridge West with a supplementary.

MR. GRUENWALD:

Thank you, Mr. Speaker. My supplementary to the minister is, does the minister have any statistics that would indicate the percentage of accidents in the Province of Alberta or in Canada that are caused by automobiles exceeding the posted speed limits?

MR. COPITHORNE:

Mr. Speaker, I would have to take that question under advisement, particularly related to speed limits.

MR. SPEAKER:

The hon. member for Medicine Hat-Redcliff.

Flax, Rye, Rapeseed Marketing

MR. WYSE:

Yes, Mr. Speaker. I would like to direct a question to the hon. Minister of Agriculture. In view of Mr. Lang's announcement regarding the forthcoming vote on the marketing of flax, rye and rapeseed through the Canadian Wheat Board, has the provincial government had any input as to what the qualifications of a voter should be? Should it include all farmers? Or limit it to the rapeseed growers?

DR. HORNER:

Mr. Speaker, we have had some discussions with Mr. Lang on previous occasions with regard to the question of the marketing of rye, rapeseed and flax under the Canadian Wheat Board.

In our view, we would like to see some changes made to the Canadian Wheat Board prior to that vote being taken and prior to them being given additional grains to look after. I refer specifically to the problems we have in Alberta in relation to processing grain in Alberta and getting that value added. I refer again, specifically, to the problem that we have in malting barley where

the farmers in Alberta have lost on an average \$5 million in each of the last several years because of the actions of the Canadian Wheat Board.

We want some changes in the Canadian Wheat Board in relation to producer representatives on that board, and then we would like to discuss the question of what grains they should be allowed to handle for export.

Again, Mr. Speaker, it becomes more important every day that if we are going to reach the objectives we have set for ourselves --

MR. SPEAKER:

The hon. minister is going considerably beyond the scope of the question. The hon. Member for Olds-Didsbury.

MR. WYSE:

He still didn't answer my question.

[Laughter]

Has the provincial government had any input as to what the qualifications of a voter should be?

DR. HORNER:

Mr. Speaker, the qualifications of a producer are the same as [for] those who obtain permit books in relation to the sale of grain. All of these are qualified producers in our view.

If I could just complete the statement that I was trying to make, Mr. Speaker -- it is that prior to recommending to this Legislature that we abrogate our rights to allow the Canadian Wheat Board to have jurisdiction over those grains within the Province of Alberta, we would like to see those changes made.

#### Canadian Wheat Board

MR. NOTLEY:

Mr. Speaker, could I put a supplementary question to the hon. Premier? Can the Premier advise the House when, or if, representations were made to Ottawa with respect to the suggestions of your party in the change of the structure of the Canadian Wheat Board that there be provincial representatives on the Canadian Wheat Board?

DR. HORNER:

Yes, Mr. Speaker, representations have been made to Mr. Lang, to Mr. Whelan and to the Canadian Wheat Board themselves, not only for representation by the Alberta government to the Canadian Wheat Board, but perhaps more important than that, that the producers of western Canada should have a much more prominent role in the functions and operations of the Canadian Wheat Board.

#### Official Voice of Alberta Farmer

MR. WYSE:

One supplementary question, Mr. Speaker. What organization does the provincial government consider to be the official voice of the Alberta farmer, the NFU, Unifarm, or neither?

DR. HORNER:

Mr. Speaker, that is pretty obviously a naive question from a pretty naive member. The question of farm organization, surely, is a matter of choice of the individual farmer and he can choose whatever organization he likes to belong to.

We have listened to all the organizations and there are a number of them in Alberta, including the new one, the Christian Farmers Association that has been recently formed. So there are a number of organizations and we as a government listen to all of them.

Canadian Wheat Board (Cont.)

MR. NOTLEY:

I'd like to direct a supplementary question to the hon. Minister of Agriculture. Can the Minister of Agriculture advise the House what mechanics the government has suggested to the Canadian Wheat Board to allow for producer representation? How these people will be chosen and on what basis?

DR. HORNER:

Well, Mr. Speaker, we haven't suggested the actual mechanics of the way this can be done but I'm sure that all hon. members wouldn't be straining their imagination to find out suitable ways if the federal government and the board will agree to provincial representation and producer representation on the Canadian Wheat Board.

Mobile Homes Insurance

MR. CLARK:

Mr. Speaker, my question is to the Attorney General. It's a follow-up question to one I asked sometime ago dealing with fire insurance rates on mobile homes in the province.

The question was, is the Attorney General aware that these insurance rates have gone up as much as 300 per cent? He was going to have officials of his department look into it and report back.

MR. LEITCH:

Yes, Mr. Speaker, I'm glad the hon. member has raised that question again. I did look into it and my failing to respond was an oversight on my part. As I recall it, the information we obtained was to the effect that the insurance rates on mobile homes, in particular the situation the hon. member was referring to, had gone up something in the order of 250 to 275 per cent. We did some checking and found that despite those rates the loss ratio was running in the order of 90 per cent whereas an acceptable loss ratio is something in the order of 70 per cent.

We also checked with the Saskatchewan Government Insurance Office and found that they were experiencing a similar loss problem and that they had raised their rates on the same type of mobile home, in the same area, 300 per cent in the last few months or year.

ORDERS OF THE DAY

## WRITTEN QUESTIONS

242. Mr. Taylor asked the government the following question:

- (1) With reference to the provincial correctional institutions and the forestry camps operated therefrom in Alberta:
  - (a) What was the total number of staff at each institution and each camp as at December 31, 1972?
  - (b) What was the total number of inmates at each institution and each camp as at December 31, 1972?
  - (c) How many inmates were given day passes at each institution and each camp during 1972?
  - (d) How many inmates were given day passes more than once at each institution and each camp during 1972?
  - (e) How many inmates were transported or chauffeured to universities, colleges or other places of learning during 1972 for instructional purposes?
- (2) (a) How many persons were apprehended bringing drugs or liquor into the said correctional institutions and/or camps during 1972?

(b) How many persons escaped from police or guards after their entry into the said correctional institutions or camps during 1972?

(c) How many home-brew stills were located in each said institution or at forestry camps during 1972?

MR. LEITCH:

Agreed, Mr. Speaker.

#### MOTIONS FOR A RETURN

241. Mr. Barton proposed the following motion to the Assembly, seconded by Mr. Cooper:

That an Order of the Assembly do issue for a Return showing:

Copies of all research studies, as well as related correspondence, done by or commissioned for the Government of Alberta, its departments, agencies or boards under appropriation number 1419, Northern Development and Native Affairs in the Estimates of Expenditures for 1972-1973.

MR. ADAIR:

Mr. Speaker, with the following amendment I agree to accept Motion No. 241. The amendment: "exempting inter-departmental memorandums."

MR. SPEAKER:

Did the hon. minister say "intra" or "inter"?

MR. ADAIR:

I said "inter".

MR. SPEAKER:

It has been moved by the hon. Minister for Northern Development, seconded by the hon. Minister of Consumer Affairs that question 241 be amended to read as follows:

Copies of all research studies, as well as related correspondence, done by or commissioned for the Government of Alberta, its departments, agencies, or boards under appropriation number 1419, Northern Development and Native Affairs in the Estimates of Expenditures for 1972-73 exempting inter-departmental memoranda.

[The question as amended was carried.]

243. Mr. Henderson proposed the following motion to the Assembly, seconded by Mr. Dixon:

That an Order of the Assembly do issue for a Return showing:

One copy of the loan agreements or mortgage documents relating to each loan made during the period January 1, 1971, to September 10, 1971, under the Commercial Services Act for tourist development projects.

DR. HORNER:

Mr. Speaker, I would like to ask the hon. Leader of the Opposition if this motion could be allowed to stand until Tuesday so that we can check out the question with regard to the particular Act noted here.

MR. HENDERSON:

Yes, Mr. Speaker.

MR. SPEAKER:

I take it then that it is agreed Question No. 243 will stand over until next Tuesday?

HON. MEMBERS:

Agreed.

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Fluker proposed the following motion to the Assembly, seconded by Mr. Cookson:

Be it resolved that the Government of Alberta investigate the feasibility of selling by public auction those items of government surplus which are currently disposed of by advertised tender through the Alberta Opportunity Company.

MR. FLUKER:

Mr. Speaker, Private Members Motion No. 1 asks the government to consider the feasibility of selling by public auction those items of government surplus which are currently disposed of by advertised tender through the Alberta Opportunity Company.

Mr. Speaker, I want to review the existing situation with respect to the sale of government surplus goods by tender. First of all, Mr. Speaker, the existing situation allows the Alberta Opportunity Company to sell government surplus goods by advertised tender generally in two periods throughout the year.

The equipment is gathered mostly in two major cities; then tenders are advertised in all major newspapers for a period of approximately one month. Bids are submitted by the general public, and the lowest or any tender not necessarily accepted. But generally, any reasonable tender is accepted, unreasonably low bids are rejected and the equipment involved is held for another sale.

Mr. Speaker, the existing situation leaves much to be desired in that it does not create a competitive kind of bidding that is necessary to obtain the maximum value for the surplus goods sold.

Persons bidding by advertised tender very often submit tenders which are unreasonably low, in hope of getting that piece of equipment or machinery at below actual value.

On the other hand, the argument could be made that the Alberta Opportunity Company in fact will not sell at an unreasonably low price. But that creates a situation wherein it does, in fact, cost a considerable [amount] to carry over equipment from one year to the next. The cost of carrying over, for example, \$1 million worth of equipment from one year to the next could be conservatively estimated at between \$70,000 to \$80,000 just for the interest costs alone, without taking into consideration the cost of storage and the risks that are involved in storing machinery in buildings and yards throughout the province.

In addition, Mr. Speaker, we find that many items of government surplus are sold in the fall when they are actually items which are used only during the summer months. I refer to such things as scrapers and other road-building equipment. It goes without saying that the best possible price for items nature is obtained just prior to the season in which they are used.

Mr. Speaker, my suggestion is that we institute a system whereby all government surplus goods are sold by public auction. In this regard, auctioneering firms from throughout the province could be prevailed upon to hold auction sales in different areas throughout Alberta. Under this operation, the cost of advertising for the auction would be completely borne by the firm involved in holding the auction. There would be no requirement for the expensive kind of advertising that presently exists and no requirement for personnel from the Department of Highways or the Alberta Opportunity Company to be available at yards to show people the equipment involved.

In addition, Mr. Speaker, a lot of residents throughout Alberta are watching equipment which is made available for sale and are willing to attend auctions in their locality [in order] to buy this equipment. On the other hand,

when equipment is moved from that locality to the major centres, they simply don't get involved in submitting a tender. In addition to that, the cost of moving equipment into the major centres is sometimes greater than that which the equipment is actually worth.

Mr. Speaker, in order to satisfy ourselves that returns in selling equipment by public auction versus tender are higher, we need only look at the situation with private enterprise where we see major equipment companies and retailers having auction sales periodically throughout the year. It is a known fact, Mr. Speaker, that the return from goods sold by auction as opposed to goods sold by tender is much higher. The people who submit tenders on specific items usually submit the tender for somewhat less than the item is worth. However, if they are in attendance at a public auction and are able to bid competitively, they will go to the maximum on what they feel that machine is worth, and on some occasions, quite a bit higher.

In addition to these factors, Mr. Speaker, it is without question necessary to promote private enterprise within the different areas of the province. What better way to promote private enterprise than to allow local auction firms to be involved in the disposal of surplus government equipment? In many instances we could be creating a situation wherein some small towns having auction firms would be allowed to continue in their business of auctioneering in their respective areas if they, in fact, had just a little more work to do. The extra income that may be obtained from the sale of surplus government equipment could very well allow them to continue in existence for a number of years.

Mr. Speaker, in conclusion I wish to suggest that at the very least we should have a trial period of two to three years when we sell government surplus goods by public auction in various areas throughout the province, and that during this trial period the Department of Industry and Commerce evaluate the difference between the costs of selling by public auction and the returns obtained by the opportunity company for the people of Alberta.

MR. COOKSON:

Mr. Speaker, in rising to second the motion of the Member for St. Paul, I appreciate the intent of the former government in attempting to dispose of these materials. It's rather surprising to me that a government supposed to be right of the middle would get involved in setting up these sorts of organizations within government to dispose of materials. Perhaps that leads into just a little bit of a review of the background of disposal of surplus materials in the province.

Around 1940 or prior to that, according to the information that I have, there seemed to be very little, if any, system for disposal of surplus materials. It seemed to be haphazard. It appears to me as though everyone went his own way. I give the former government some credit for attempting to rationalize its way out of this dilemma and come up with some presentable procedure for disposing of these materials. As the years progressed the sums of money involved became tremendous, and the amount of material being disposed of mounted into the millions of dollars in the province.

In 1962 or prior to that, a corporation, as I understand it, was established called Marketing Services Limited apparently under the supervision of Mr. Picard, who I understand has done an exceptionally fine job in this work of disposal and who has followed the procedures through the years. He probably has more background in the disposal of these materials than anyone else in the province.

However, in attempting to get some kind of information as to the money and materials involved, I can't find statistics or information, even through the Alberta Opportunity Company. They have become so confidential, probably due to some of the things that have gone on in this Assembly over the past while, that I even find it difficult on my side of the House to get any information.

You think you have troubles on the other side, Mr. Speaker, we have troubles on this side too.

MR. CLARK:

Why should it be any different?

MR. COOKSON:

So I have no statistics, Mr. Speaker, to offer to the members of this Assembly as to the volume of dollars. I do know this, that it amounts to millions of dollars in a year.

It became mandatory around 1969 to dispose of all these materials through the two large centres, specifically the centre here at Edmonton. Here again I must put in a pitch for the decentralization the new government has initiated because obviously the former government had no concept of decentralization. We have seen this throughout past years.

So we arrive then at the point where there are two large warehouses in the City of Calgary and the City of Edmonton. It might surprise the members of the Assembly to know that people even fear driving through these two large cities. So what happens in effect when an advertisement is put out for a particular sale is that it never gets far beyond the boundaries of the cities. Many people hesitate even to come into the areas to review the kinds of materials that might be available for sale.

So I am making a pitch for more decentralization, more even distribution and disposal of these materials throughout the province. These sales apparently are held every two to three months. Quite likely they are held at the time when most of rural Alberta is either busy putting in a crop or taking off a crop, which automatically eliminates any opportunity at all for them to be involved in the sales.

As I said, I have no figures on the cost of operation, on the amount of advertising that is carried on, and on the taxation paid on the lots and the warehouses to the two big cities. You know, I don't know where these figures are buried but I can't find them.

So we have these two large centres into which the materials are transferred by truck, and there are no figures apparently available that I can find on what it costs to bring these materials to these centres. They are assembled and supposedly prepared for sale.

The heavy equipment, fortunately, is still left out in the surrounding areas and the purchaser has an opportunity to go into these yards at certain times and look over the equipment. Tender prices are put on the equipment and it is offered for sale.

The volume, I know, is growing. It involves great fleets of used cars, trucks, heavy equipment, graders, cats, all the heavy equipment for road construction. It involves masses of material coming from the Department of Public Works through the tearing down of used buildings: desks, shelving, all these sorts of materials. It certainly involves millions of dollars.

My feeling, Mr. Speaker, is that all people of Alberta should have an opportunity to be involved in the purchasing of these materials. Being a right-of-the-middle party I think we should involve some of the really independent private operators in the province and these are the auctioneers throughout the Province of Alberta.

If you look at the distribution of auction marts and disposal points possible throughout the province, you can practically locate an auction mart or a disposal point with an auctioneer just about anywhere you want to go in the province. You can cite places from Lloydminster right clear down to, I suppose, Lethbridge and there may be even a few between. Lacombe is quite a likely place to assemble material and dispose of it and there may even be some of these facilities in the area of Pincher Creek, Mr. Speaker. So the opportunity is there.

These people always seem to be able to squeeze the last dime out of somebody. It is a great challenge to try to beat the auctioneer and most people lose. But really what it amounts to is that there are more dollars involved, perhaps twice what there would be if you tender and have someone going around observing this material.

I remember a case at Lacombe when I was on the municipal government where we tried for two years to dispose of a building. We put it up for tender and there would be one bid or two at the most, in this case all below what would be acceptable for a bid on a building. So finally someone suggested that perhaps the best answer would be to auction off the place. The result was that the person who made the low bid initially and didn't receive it, got caught up in



the excitement of the day and paid three times what his initial bid was. It simply points out that auctioneers have this unique ability to sell a product.

I would put in a pitch for these people. Their operations involve hundreds of thousands and millions of dollars a year. They are specialists in the field.

By decentralizing you could certainly reduce the assembly cost of transporting these materials. You could put the onus on the auction marts to do the advertising. Why should government get involved in this area? We don't know how much is involved in the costs. These are all hidden costs which eventually the taxpayer has to pay out of his own pocket.

These people are experienced. I think it would give them and everyone in Alberta an opportunity to participate in the purchase of these materials and I think it would be a step in the direction the government is going toward decentralization.

[An auction chant ensued.]

MR. WILSON:

And do I hear the \$5, \$5; now, \$6, \$6, \$6 and \$7. Now the \$8, \$8, \$8, \$8, will you go? The \$7 now the \$8. Now the \$7, now the \$8, \$8, \$8, \$8. Sold out! \$7 to Mick Fluker!

[Laughter]

MR. FARRAN:

Mr. Speaker, on a point of order. Would the hon. member care to read that back from Hansard to us tomorrow?

MR. SPEAKER:

I would respectfully ask the hon. member if he might render that quotation to writing for the assistance of Hansard.

MR. WILSON:

Mr. Speaker, it is indeed a pleasure to rise and participate in the debate on the resolution today that the Government of Alberta investigate the feasibility of selling by public auction those items of government surplus which are currently disposed of by advertised tender through the Alberta Opportunity Company.

Well, I don't think there needs to be a great deal of investigation on the feasibility of selling surplus goods, government-owned goods, by auction. I think it should be done and I am fully in favour of the resolution if it says, let's get on with the job and sell the surplus merchandise by auction.

You know, there are many benefits from selling by auction, and one I think this government might particularly appreciate, Mr. Speaker, is that it wouldn't be secret. You know, they would have no trouble in disclosing who the buyer was and how much he paid. Public auctions would be open to the public and the property, merchandise, or whatever, would be sold to the high bidder and it would be public knowledge. That would eliminate a lot of the problems the present government seems to be having in some regards.

Now, Mr. Speaker, we must keep in mind that selling by auction is a very satisfactory method of disposing of surplus merchandise, whether the economic times are good or bad. Regardless of economic conditions, you sell all the merchandise and you get the best dollar possible for it.

I would like to draw to the attention of hon. members that in recent years the auction business, particularly in Alberta, has done a great deal to upgrade their own services. They have done a great deal to upgrade their own business. Alberta auctioneers have been among the leaders in Canada and even in North America, and I think we should recognize that we have great talent amongst Alberta auctioneers.

Now contrary to the uninformed, the auction business is an honest business and it has been recognized as such all over the world in good business circles and so on. It is an ideal way to turn surplus merchandise into important cash. Everything is sold at once when you call an auction sale.

Another facet of this resolution, Mr. Speaker, with which I think we should concern ourselves, is that it would be an opportunity to sell government merchandise wherever it may be throughout the province. There would not be the necessity to haul the merchandise into the major urban centres to sell it. I think it would provide an excellent opportunity to use the services of those individual private entrepreneurs, the auctioneers, in their local communities throughout the province where they are operating. I think it would also be beneficial to the members of the public in those areas.

When there are large items to sell, big items that are not in great demand I think it would be a good shot in the arm for some of our smaller communities if the local auctioneer was to advertise far and wide these large items and draw new people into their communities for the purposes of the sale. It would help give an economic burst to some of these local communities where this large equipment may be.

There are all kinds of precedents, Mr. Speaker, in selling things by auction. All commodities -- for example, tobacco, eggs, cotton, vegetables, furs, grain -- have all been sold by auction. War bonds have even been sold by auction. Entire city blocks and farms have been sold by auction. Fleets of ships, cattle, horses, of course all kinds of livestock, heavy machinery, antiques, furniture, just anything of value can be sold by auction.

Now the word "auction" is taken from the Greek word "auctio" which means to advance. In the auction business there are no tricks. It is simply advancing bids given by buyers. It's an honourable business and competitive buying is the key to success of selling by auction. In auction sales you find a mix of professional dealers and the general public and that sort of mix assures that nobody is able to steal anything at an auction sale.

An auction is a convenience to the public, Mr. Speaker, and I think we should keep that in mind. So in discussing this resolution I am enthusiastically in favour.

I would just like to point out a few things, Mr. Speaker. If the government does go this route I think they should be sure to let the auctioneer do the advertising and publicity. Generally speaking, they certainly know best how to publicize the sales, how to get the crowds out. And I think the government would be well advised to turn over to local auctioneers the sale of much surplus merchandise it has on hand and let them handle it the way they are accustomed to and in their capable manner.

Now in looking at the regulations of the Alberta Opportunity Company I see they have left out the Alberta Government Telephones under Section 15 in the list of government departments or agencies which have entered into agreements or can enter into agreements with the Alberta Opportunity Company.

I would just like to point out that used telephone poles, for example, are in great demand. But how does the public ever find out about it? There are all kinds of people who want to buy used telephone poles and they have a hard time finding out about it. By cracky, you turn that over to an auctioneer, he will publicize it and he'll sell your used telephone poles for far more money than you have been accustomed to.

I would also suggest that the Department of Lands and Forests, for example, when they open up a new recreation community and are going to lease lots to the general public, quite a lot of hard feelings are created under the present system. But if they had an auction sale where the public would bid the rents they wanted to pay on individual lots, there would be no criticism and I'm sure the Department of Lands and Forests would end up with all of their lots being taken and the public would be much happier with the system. They also might consider the same approach to surface leases for grazing lands and things of this nature.

Mr. Speaker, I would just like to close and say I think it's high time we got on to selling by public auction the surplus merchandise the government wants to dispose of.

MR. BENOIT:

Mr. Speaker, I have been listening with great interest to this debate and I'm beginning to wonder whether we are selling government surplus or whether we are selling auctioneers. When I listened to the hon. Member for St. Paul I began to wonder whether there might not be a conflict of interest arising out of this situation. If there isn't now, I would hope there wouldn't be whenever the decision is made to sell everything by auction.

I thought quite highly of auctioneers myself because of my acquaintance with some of them, including the hon. members in the House. But when I heard the hon. Member for Little Bow trying to bolster them up -- how good they were -- so many times, I began to wonder whether there was some question as to the veracity of the auctioneer's ability.

Anyway, I wanted to say two or three things in this respect, Mr. Speaker. One of them was that I hope that if the time comes when this motion is implemented by the government, when everything is sold by auction, I would hope some exceptions might be made.

Under the present circumstances, if small communities or municipalities which don't have much money -- I am thinking of villages and small towns -- need some of this extra equipment, there is simply a possibility whereby they could have a prior choice. Because going from one government to another it would be an advantage for them to get some of this equipment cheaply. It would be an asset to them to do so. So if everything went by auction, it would sometimes be difficult for them to get it as cheaply as they could, either by tender or by special consideration because they were another government.

The other aspect I wanted to mention, Mr. Speaker, was the fact mentioned by the hon. Member for Lacombe, that sometimes these times for tenders to be in were in the spring or the fall when it wouldn't be convenient for the farmers to come in to an auction. But they could send in a tender and there would thus be a greater convenience to tender because people wouldn't have to go to the place where the auction was being held. This would be particularly true, of course, if the auction, as we pointed out, was going to be in either Calgary or Edmonton.

On the other hand, if the auctions were going to be held all over the country then it would be quite evident that there wouldn't be the large variety of equipment available at the auctions because there would only be small quantities in the smaller areas. So it is a question of what advantages there would be.

I am not opposed to the resolution at all, providing that if it were implemented by the government, consideration were to be given to some of these factors: that it is easier in many instances to send in a bid than it is to travel to the place of the auction; that there is a greater variety if it is done by tender rather than by auction, because if the auctions were spread over the country we would have a smaller variety to choose from.

So I think that will conclude my remarks, Mr. Speaker. Thank you.

MR. DRAIN:

I've got to get in on this sale too, Mr. Speaker. There are certain advantages, of course, in public auctions and also some disadvantages.

In the matter of the disposal of heavy equipment, according to the Red Book, there is a great difference in the price, even between the two cities of Calgary and Edmonton. Heavy equipment is trucked from all parts of the province to Edmonton, and the reason is that it is one of the recognized disposal points in western Canada for this type of equipment. In fact, equipment is brought in to this particular city from Saskatchewan, British Columbia and the Northwest Territories.

I think one of the considerations that allow this is the simple fact that this is a very good selling point. This is an area where you get the price for the item, whereas even in the City of Calgary, despite all of the great dedication of the Calgary members, it seems to be off the beaten track for this particular method of disposal.

Now I can see the disposal of trucks or small pieces of equipment having general local use being sold in the area where they come from, but I would have great doubts as to whether, say, a scraper, or a packer, or a roller, or a grader, or any of these particular items would have very much demand.

Generally, by the time any government equipment, other than trucks and a few pieces of office equipment, reaches a point where it gets to disposal by the Alberta Opportunity Company, it's about third or fourth or fifth-rate equipment. Government generally in the Province of Alberta believes in keeping the good stuff for themselves, wearing everything out and then selling off the rest for the widows and orphans.

I can think of a measly shovel any contractor with any principles at all would have been ashamed to haul to the dump, that was sold to a village and it happened to be a village in my constituency -- a 1932 Ainsley shovel that wasn't any good when it was manufactured, Mr. Speaker. And after the government held this -- this is the former government incidentally, in case you fellows were feeling bad -- after this former government cherished this vital piece of equipment to its bosom for 25 or 30 years and found that they could no longer operate it, it was sold under a bid by the former method of disposal which set an upset price of \$1,500. And these poor councillors thinking, well, if the government sells something it must be something good, doubled the ante and it cost them \$3,500 and as I understand it now, they put one culvert in in five years. The delivery cost and so on was \$5,000 so this is something that even the worst of all contractors would never carry on their conscience.

There is one thing that enters my mind when we talk about disposing of government surpluses in this particular manner. It is regrettable, but a fact of life that governments cannot dispose of materials in the same way private enterprises and individuals can. Because the answer to all the problems, as even the sophisticated auctioneers who have spoken on this resolution are aware, is that there are times when sales do in fact go sour because of weather conditions, poor attendance, or a glut on the market, or a wrong season and so on. So it would be pretty difficult to rationalize to the general public selling their equipment -- remember it's their equipment, it's the people's equipment you are talking about -- without an upset price for whatever particular price it would bring on the open market.

I notice the United States government, which sells at a fantastic rate in relation to what Alberta sells, uses pretty well the same system as is in operation here. They have the sealed bids and generally depots which are scattered around the United States. And they also sell by sealed bids in foreign areas such as Berlin, Singapore, Viet Nam and so on, also in the manner of an advertisement plus a sealed bid. But to some degree, in relation to vehicles and fast moving lines of equipment with a broader market base they also go in for public auction. Hence it would appear that they are taking their choice of the best of two worlds.

Generally I favour the idea of a trial in this particular thing. I don't think it is an end all to end all. I do not feel that the people of Alberta have been 'had' in any particular degree through the method of disposal they have thus far had, insofar as the disposal of this type of equipment is concerned. However, there would be no harm done in trying the other way and so for this reason I would endorse the motion.

MR. LUDWIG:

Mr. Speaker, I certainly feel that the experiment is worthwhile but I also believe that some of the equipment the government sells is not in demand by the public generally. There might be three or four people in the whole province or someone beyond the province who might be interested. Some heavy equipment just does not lend itself for that reason to the auction system of selling and I am thinking of very heavy bulldozing equipment or ditch-digging equipment the government may have, specially equipped heavy machinery. Maybe three or four people in the whole province who might be interested in buying it, and to haul one of those vehicles -- of course you could keep it in one of the cities for an auction sale -- the odds are that this form of machinery would not be sold and perhaps they would still have to resort to the tender system in some respects.

But I don't see any conflict in perhaps experimenting with the lighter equipment and attempting to see whether there is any advantage to the public so far as price is concerned. Because the only concern the public has is, can they realize more for their equipment. So this is not a serious matter. I don't believe it would take much by way of adjustment in the manner of disposing of equipment if they did try selling perhaps surplus automobiles by way of auction and try a similar block of equipment by way of tender system to see if there might be an advantage. Perhaps this would be very simply achieved.

But outside of those few points and the fact I also favour, as the hon. Member for Highwood has stated, where there is good equipment that the government is selling, if municipalities or villages want to look at it and want to bid on it, then perhaps they should be permitted to tender rather than exposing it to the competition of the market in certain respects. But this would be a favour from one level of government to another. I believe that this has been done, and although sometimes when the purchasers are not too well acquainted with what they are buying, by and large they should be able to make good purchases.

I believe, Mr. Speaker, that the motion has merit and I am prepared to support the motion.

MR. DIXON:

Mr. Speaker, in rising to support this motion I just have one or two points I would like to raise. I feel that the motion has a lot of merit and I am going to cite an example of why I think it has. But before doing that, I would like to refer to some of the remarks by the hon. Member for Lacombe and maybe I can help him out a little bit in his research.

The problem the former government had back in the war days was the fact that we had a lot of criticism, if I remember rightly -- I wasn't a member of the House at that time, but I was interested in equipment -- and the feeling then was by a lot of Alberta people, in particular farmers, who felt that with machinery, cars, trucks and equipment of that sort which was very hard to come by in the war years, that the government should put it out to tender in the local areas and in particular in the major cities of Calgary and Edmonton as far as the heavier equipment was concerned. Because the government of that day was having complaints from the citizens saying, well, if it went back to the dealers they would have to pay a bigger profit on it if they could get it at all. There was a risk that the equipment would go out of the province whereas it should remain in Alberta. That was the argument then used. And I think that had a lot to do with the type of tender sale originally set out by the Alberta Commercial Corporation.

I'm pleased, too, Mr. Speaker, to find that we have support from the other side regarding secrecy of the Alberta Opportunity Company because this is what we have been talking about for the last two or three months -- the problem of secrecy -- not that we're opposed to the opportunity fund program, but I think where huge sums of money are being loaned out secretly with no way of finding out who is getting the money, this is what we're opposed to rather than the program itself. And I would like to make that clear.

The other point I would like to bring out -- I notice the hon. Member for Lacombe said, Mr. Speaker, it was pretty hard to beat the auctioneers. I guess the saying is if you can't beat them, you join them. This is what's happening here today.

I believe, though, that the auctioneering field has been growing rapidly in Alberta. It is becoming more and more accepted by the public, not only in the rural areas but in our city areas. There is a tremendous interest in auction sales and I would agree with the mover and the seconder of the motion that the government should take advantage of the fact that people are interested in auction sales, interested in what the profession has to offer. And it certainly wouldn't hurt this government, or any other government for that matter, in disposing of equipment, to give auctioneers in the particular provinces, such as here in Alberta, an opportunity to offer their professional services and then compare whether it is better than what we are doing at the present time.

I would just like to refer to one case which I feel makes a strong point for the auctioneers and has to do with the Alberta Opportunity Company. And I can't understand how the Alberta Opportunity Company ended up in it because I have here a Sale By Public Tender Of Boats And Accessories:

Notice is hereby given that Peat, Marwick, Mitchell & Co., Receiver of the assets of Small Craft of Canada Ltd., pursuant to Debenture Deed and Floating Charge in favour of Wachovia International Investment Corporation dated 19th November, 1971, hereby offers for sale by Public Tender the following assets of Small Craft of Canada Ltd.:

It goes on to list the assets for sale. Further on it says that the bids close on February, 1973 in the offices of Peat, Marwick, Mitchell & Co. The solicitors are Nesbitt, Beaumont, Proctor, Church, Scott -- and so on.

Anyway, this notice appeared back in December in the Calgary Herald and in other papers throughout the province. Then on April 6, the Alberta Opportunity Company sent out a letter inviting people to bid on the same equipment:

The Alberta Opportunity Company has for sale, on a first come, first served basis, the following new sail boats, without masts or sails, manufactured by Small Craft of Canada Ltd.

So I imagine the debts were not satisfied and the Alberta Opportunity Company had to take over.

My point is, Mr. Speaker, that this would have been a good time for the government to auction off this equipment. Apparently, for example, there were 23 boats called Fireballs, and they only sold 2 of them. There are still 21 for sale. The same with a boat called the Solo. There were 39 offered by public tender and apparently they only sold 2 because they still have 37 for sale under the Alberta Opportunity Company. I believe, Mr. Speaker, that if the government did look seriously -- and after the House if it feels so inclined to pass this motion -- this type of selling could be taken over by Alberta auctioneers. I'm certain they could probably do a better job than what was realized from the public tender originally given to this equipment.

I want to bring this one particular case to the attention of the House to show that public tender in many cases does not result in the sale of a great deal of equipment. I think that if we advertise the sale more and get the auctioneers into this field, as the hon. Member for Calgary Bow mentioned a few minutes ago, Mr. Speaker, we would probably do a better job for the citizens of Alberta in disposing of the assets declared surplus by this government.

The hon. Member for Lacombe pointed out too that we'd like to diversify. I'm sure we're all in favour of that. But I think we have to pay attention to what the hon. Member for Pincher Creek-Crowsnest mentioned; that there are certain types of equipment which sell much more readily in certain locations in Alberta than they do in others. He mentioned, for example, heavy equipment. I can imagine the sale of heavy equipment would be much better in Edmonton, say, than it would be in Medicine Hat or Brooks or any such location. Although we might be anxious as government members and members of the Legislature to have the sales carried out in some of these small areas, sometimes it's not practical, and sometimes even beyond that, it doesn't get the best terms or the best sale price for Alberta citizens who are in effect the owners of the equipment.

Well, Mr. Speaker, I feel that it is a good motion. It's a motion worthy of consideration by the Legislature. I intend to vote for it, and if the government does use the process of having auctioneers sell equipment I intend to follow it very closely. I am sure they will do a job for the citizens of Alberta in disposing of surplus equipment in our province. Thank you, Mr. Speaker.

MR. SPEAKER:

Are you ready for the question?

MR. APPLEBY:

I'd just like to give some views regarding the impression left, in particular by the Member for Calgary Mountain View, about selling goods by public auction.

I think the attitude there and the knowledge indicated was really quite naive, because he said that at some sales you might have only three or four people who are interested in buying this particular type of goods. I have seen people go to farm sales as much as 200 or 300 miles away in the Province of Alberta. I know people interested in purchasing heavy equipment who would readily go to Regina or Vancouver or North Dakota, and I think the key to the whole situation is the matter of publicity.

In this particular case the auctioneers are the people who have the knowledge to spread the information, and the interest, because the more people they can attract to their sales, naturally the better prices they will be able to get for the goods. When you turn this sort of thing over to the auctioneer he will see that it is advertised in areas where people are who are interested in this type of goods, and these people will come to the sale.

You will notice that on the auction bills or in the advertising for this type of sale, quite frequently they will indicate the type of accommodation available in the area, the airline services, the availability of private landing strips and this sort of thing. This is why I think it is very important that the government should give serious consideration to selling in this manner, because when the auctioneer goes into the business of selling goods he wants to obtain the greatest revenue possible for himself on a percentage basis, and naturally the province, at the same time, would benefit because of the better price obtained from the goods.

I never could understand myself, Mr. Speaker, why, when the government had something to sell in the way of surplus articles, there would be a small insertion in a daily newspaper tucked away in some corner where, if you didn't

scrutinize the paper very carefully, you would probably not see it at all. And maybe there would be only one insertion in the daily paper. In this way I would have to agree with some of the members who have already said, Mr. Speaker, that very few people would know these goods were for sale.

Therefore, it is essential the sale of such goods be given greater publicity, and the people who have the knowledge and the connections to spread this type of publicity certainly are the auctioneering faculty. I would like to support the motion because I think the revenue to the province would certainly be increased.

MR. SPEAKER:

Are you ready for the question?

[The motion was carried.]

2. Mr. Wyse proposed the following motion to the Assembly, seconded by Mr. Ludwig:

Be it resolved that this Assembly give consideration to extending premium free Medicare to persons forced to retire before the age of 65 years because of ill health.

MR. WYSE:

Thank you very much, Mr. Speaker. Because of the time that is left I will be very brief in moving this motion this afternoon. As you realize, the motion points out and suggests that consideration be given only. Possibly what we are asking in the resolution in the motion is not feasible at this time -- I don't know. But I think the motion is in keeping with the government's own policies, its own statements and philosophies, if we go back to the Speech from the Throne, February 15, 1973, where it says:

It appears timely at this stage in my government's progress to pause and re-state some of its basic goals and objectives in accordance with the mandate it received. My government's new policies, priority emphasis and long-term planning are all directly related to these longer-term goals and objectives.

(1) A priority for government programs which help citizens least able to help themselves.

Now I think, Mr. Speaker, that we are doing an excellent job in assisting our senior citizens today. I think we are doing a wonderful job. But I don't think we are going far enough in assisting another class of people. We still have an obligation to the people in this province who are unable to help themselves.

I am not sure how many people this would involve. But checking with the Canada Pension Plan, there are approximately 150 people in the Province of Alberta who are receiving pensions for the totally disabled under the Canada Pension Plan. But many do not qualify for the Canada Pension simply because it came into effect too late. How we could work this, how we enact it I am not sure at this particular time, but I think an application could be made out by the people involved.

Now what I am going to do is simply read two letters I received from people in my constituency who are concerned about this and I think it pretty well sums up what I would like to say. The first one:

In our group there are several persons who have been obliged due to disability to accept early retirement. Consequently these people receive a substantially reduced pension from previous employment. They do not benefit from the progressive legislation which provides tax abatement on homes of older citizens, nor do they enjoy the advantage of free health care insurance, nor the income tax age-exemption feature which was recently improved.

In many cases, the disability makes it necessary for them to pay for snow removal, lawn cutting and minor property repairs which normally can be done by other home-owners of their age.

I am sure you have received a number of requests for help ...

Our feeling is that the problem deserves a sympathetic and effective response from government. It is for this reason that at the recent general meeting of our association I was requested to address this letter of appeal to you indicating our concern in the matter and our hope that some legislation will ensue.

This is from the CPR Pensioners Association in Medicine Hat.

Another letter I received from a private individual, and I will table these letters if you desire:

As a permanently disabled person, and on behalf of other disabled Albertans, I am writing this letter to you with the hope that it will assist in your presentation of our case to the Legislature. I am sure that every member must be familiar with and have sympathy for the difficulties and hardships of disabled persons in their own constituencies. I do not feel that the plight of these citizens will receive very much publicity as we do not constitute a very large segment of the population or fall into any large category.

MR. SPEAKER:

Order please. There is some question whether the reading of letters in debate is appropriate. I would respectfully draw the hon. member's attention to Rule No. 144, the principle being that members debating in the House are debating themselves as elected members and that the House is not a forum in which those may debate who are not members of the House.

As I say I would respectfully refer the hon. member's attention to Annotation No. 144 of Beauchesne.

MR. LUDWIG:

Mr. Speaker, I rise on a point of order. It was only a couple days ago that some hon. members in the House, particularly the Premier, read letters into their debate and I feel that perhaps that would be a precedent sufficient to permit that kind of debate in other instances.

MR. SPEAKER:

I don't recall the instance referred to by the Member for Calgary Mountain View and certainly there would be no objection to reading, possibly within reason, excerpts from letters which contain facts. But when the letters are used as a means of argument so that the arguments of those correspondents are being put into the debate, then I would suggest that goes beyond the spirit of Annotation 144 of Beauchesne.

MR. WYSE:

Mr. Speaker, are you inferring that I can't refer to --

MR. SPEAKER:

The hon. member is certainly entitled to refer to the letters and say that he has letters. But to read them fully and at any length, I submit that is going beyond what would be ordinarily acceptable in debate, particularly if he goes beyond using the letters as a basis for citing facts.

MR. WYSE:

I would just like to refer to three other short parts in the letter where it states that all three levels of government in our country and many companies and institutions in the private sector of our economy have recognized the desirability of providing benefits for senior citizens. And it points out the number of benefits that the senior citizens, the ones over 65, receive.

I'm sure that our Government, which has already demonstrated its compassion with respect to senior citizens, will give the resolution a favourable reception, and may even wish to use their good offices to persuade the other levels of government to extend their senior citizens benefits to those citizens who, because of their disabilities, are not able to participate in the productivity of our country.



MR. LUDWIG:

Mr. Speaker, I would like to address a few remarks in support of this motion. I believe this motion is very timely, particularly by following in the footsteps of previous changes made by the government of providing free Medicare to all those over the age of 65.

It's a very commendable move, but at the same time what has happened is they have provided financial aid to many people who, in fact, did not need it. Many did, but many received direct government aid who are very wealthy and did not perhaps request it. But they received it notwithstanding that perhaps the government would have to tax it away from them in some other respects. So the principle of providing help to a certain age group whether they need it or not has been established. I stress that many do need it but many people in the 65 and over group are quite well-to-do and would not have felt any hardships if this benevolence had not been extended to them.

So it behooves the hon. members now to argue that we must, since we can afford to, give people in a certain age bracket who may not have needed it, financial help. And it behooves us to argue that there are many in lower age groups than 65 who need it. I'm not saying they are not getting this help now by the welfare route and that they are not getting some assistance even if they are under 65 and they can't make ends meet.

But that is not the principle here. The principle of this motion is that we reduce the age of people who may receive free Medicare to below the age of 65 on a general policy basis. It would be because of retirement for medical reasons, or for other reasons they could not make sufficient money to retain a suitable standard of living and therefore need help.

I know some hon. members will get up and say this is being done now. But I'm objecting to saying that they can receive welfare if they need it. That is not the kind of adjustment that I'm arguing in favour of, so far as free Medicare is concerned. There are many people who receive welfare for many reasons. But those who are in need ought to be given consideration and given free Medicare on a permanent basis because of the peculiar circumstances and not primarily because of the age factor.

So I believe for that very specific reason, Mr. Speaker, I urge the hon. members to support this motion.

MR. KOZIAK:

Mr. Speaker, in rising to participate in this debate I would like to indicate my support for the motion. I think it is an excellent motion. I look upon my contribution to The Alberta Health Plan as a true insurance program and I pay premiums to that plan.

I wonder perhaps if in considering this motion the hon. Minister Without Portfolio in charge of this commission might consider another aspect. I know that in certain policies of insurance which I have on my life, provision is made that in the event I am disabled, by paying an additional minimum premium the company would then waive collection of future premiums from me. So by the addition of a further insurance program, I can insure against the possibility of being disabled and not being able to pay these premiums in the future. I would imagine that the cost of this would be almost minimal when borne by all the participants in the plan. Whether it be an extra 5 cents or 10 cents a month, I am sure that almost all members here would be more than willing to see an increase in their premiums by a very minimal rate if that increase were to cover the cost of those premiums which people now cannot afford to pay because of their disability, and thereby give them the type of benefits this resolution foresees.

I might also point out that Position Paper No. 10 on income security in Canada which was tabled yesterday -- I think it was -- to a certain extent supports the resolution and I refer particularly to the comments which appear in that paper under Income Maintenance for the Unemployable, and specifically, "The Physically Handicapped and Disabled."

The paper states,

However, there are handicapped and disabled people who have never had the ability to participate in the labour force, and who never will. It is Alberta's view that this group should be provided for as adequately as are those persons aged 65 and over who have been unable to provide for their own needs. At the present time they depend largely on social allowance for

their income support. Alberta favours the extension of a program comparable to the existing Guaranteed Income Supplement to this special group to help assure them a dignified and respectable standard of living. Any difficulties in defining who are handicapped or unemployable, should not hold back the development of more adequate benefits for handicapped and disabled Canadians.

This, Mr. Speaker, is very important. I disagree with any program which suggests that disabled individuals who cannot receive support should rely on social assistance or on welfare. I disagree with that proposal, that suggestion and that type of a program.

Mr. Speaker, my feeling is that where people through a handicap are unable to look after themselves their circumstances should be covered by pension or by some program which does not smack of social assistance, and a program which would perhaps be covered by, say, additional premiums like I suggested earlier in this debate, or as suggested by the hon. member who proposed this resolution, [which] would cover that particular situation. In other words, the people who find themselves today, because of their physical handicap, unable to contribute to the Alberta Health Plan, unable to pay their premiums to this program, would have their premiums paid for by a program which would be established somewhere along the lines that I suggest, Mr. Speaker.

In closing I would like just to reiterate and commend the member for bringing forward this resolution, and again state that I support it wholeheartedly.

MR. HENDERSON:

Mr. Speaker, it really hadn't been my intention to get into this debate for I think often resolutions are put forward which are well intentioned and everyone gets up and speaks in favour of them. Maybe there are some negative sides to the resolution which really should be examined.

I can say the resolution certainly is in keeping with the government's present philosophy which says that anybody who is over 65 is automatically unable to pay their Medicare premium. Theoretically, in the eyes of the government, they all become paupers when they reach that magic number. Presumably the motion is an extension of the philosophy that because somebody is unable to work therefore they are automatically unable to pay the premium. To that extent the motion, I suspect, should be endorsed by the government members because it is in keeping with their philosophy.

I would just like to point out a couple of things relating to Medicare which seem to be overlooked in a lot of arguments. There are two Acts covering Medicare. One refers to the provision of service, and the other relates to premiums. The Medicare Act of the Province of Alberta says every citizen in Alberta is entitled to the benefits. All they have to do to collect them is register. Unless there have been some regulation changes I'm unaware of, that principle still stands.

Then there is another Act which relates to the collection of premiums. The provision of service and the collection of premiums are completely unrelated. The Medicare premium has nothing to do with whether a citizen gets benefits or not, nothing whatever. I think the question of the premium relates basically to a tax, which is a token amount contributing towards a small portion of the cost of the Medicare service. But when arguments are presented which lead one to believe that people are denied medical benefits because they can't pay the Medicare premium, of course, that is not at all in keeping with the way the legislation exists today to my knowledge. I would appreciate the Minister Without Portfolio correcting me if I'm wrong.

Even today the Medicare commission has the authority in special circumstances to waive the premium without any action on the part of the Legislature. I feel certain without delving into the matter that in cases outside of welfare where it has been demonstrated that the premium is a hardship, the commission has probably waived the premium, written off some bad debts and been able to treat the case on its merits without any concern about the question of welfare.

But members assessing the relative merits of the motion should not relate the provision of medical services under Medicare in any way, shape or form with the question of premiums because to my knowledge they are still two distinct separate pieces of legislation. And when you talk about premiums, you are not talking about service, you are talking about the question of paying the tax which relates to the service and to the ability to pay.

Now when the age 65 change was made the government said that with everybody over 65 ability to pay becomes irrelevant. I'm not certain in my own mind that that was really a sound principle to proceed with. One could argue on the other end that a juvenile under the age of 18 isn't earning anything and maybe one could argue that payment of premiums for those particular circumstances is also irrelevant. But the government having taken an initial step toward departing from the principle of the ability to pay as a factor involved in determining the level of Medicare premiums, may well look favourably on this particular motion. My concern is that if one accepted in principle the original action of the government, then I presume he should accept this amendment.

I for one am not particularly convinced that the original decision of the government in the long run was the right one. I agree it is politically popular. As I have said many times in this House, nothing makes politicians more popular than telling people they don't have to pay taxes or giving some of their taxes back. It was popular in that sense. But one wonders, when one starts exercises such as that, just exactly where the thing is going to end. Maybe the message coming through is that we're on the road to complete elimination of the Medicare premium. Maybe before one goes any further down the road, they should reassess the implications of whether they wish to do that. Quite frankly, we looked at some of these things as the previous government. The Medicare premium at that time as I recall it was collecting somewhere around \$50 million, something like that. You know that was about a 50 per cent increase, maybe that's the figure I'm looking for. Elimination of the premium represented about a 50 per cent increase in the Alberta rate of income tax.

So I really wonder whether the Legislature shouldn't consider the implications of the original principle of eliminating premiums for everyone over age 65 on the idea that they no longer had the ability to pay. I think there are other factors involved in that. I know with the elderly people there is a lot of confusion over the paper work associated with collecting the premiums. It creates a lot of difficulties in that regard.

But I still suggest to the members of the House before they go further down the road of eroding the question of premium to finance the cost of Medicare, before they go down the road of voting on the motion, they should really assess where the government should be heading philosophically in the question of using Medicare premiums at all to pay for Medicare, because once one takes step number two, there are going to be pressures to take steps three and four.

And I pose the question, what alternative form of taxation is the government going to introduce to replace the premium revenue which actions such as this erode? I say in my own mind again, I question if step number one was correct or not, and this leads me to question whether step number two should be taken. But again, if one endorses the original philosophy, a member should stand up and vote for this particular motion.

MISS HUNLEY:

Mr. Speaker, on first reading the motion I was a little startled, seeing that it came from members on the other side. And having heard at some length the discourses about the madness of giving free Medicare to all those over 65 without a means test, I was a little concerned at the wording of this resolution because it doesn't say that free Medicare should be given only to those who are in need.

However, as the debate has developed, I realize now that what the mover and the seccnder were indeed trying to say in their motion was that they wished -- at least I am now interpreting it this way -- they wished this consideration to be given only if they were in need. As has been pointed out by the hon. Leader of the Opposition just now, there may be those who retire before age 65 because of ill health, but they are not in need.

Having listened to comments from the hon. Members for Cardston, Macleod, Calgary Bow and Calgary Millican in last year's debate over this removal of the premium from those over 65, I wondered what was going to happen with the hon. members from the other side.

So let us now assume then that what they really meant to say was that they wish free Medicare to persons forced to retire before the age of 65 because of ill health who are in financial need. And I don't always agree with the hon. Leader of the Opposition, but he happened to be quite correct on the numerous comments he finished making. Indeed there is assistance for such people and indeed it is not called welfare.

The first thing, of course, is the availability of subsidy, available for those who are of low means and probably would be helpful to those for whom the hon. members are expressing concern.

Also in the last session we brought in an amendment to the Act, which we called a "waiver premium". Mr. Speaker, on the waiver premium an application can be made to the Alberta Health Care Insurance Commission which would permit a waiver of premium.

We have not as yet instituted or proclaimed that section of the Act, although we anticipate doing it before too much longer. The waiver of premium would indeed be of great assistance and fill the need. I share the concern for those who wish to pay and who find it financially a very difficult circumstance. And surely this is when such a waiver would be necessary and indeed most welcome.

The hon. Leader of the Opposition was also correct when he said that receipt of benefits does not depend on the payment of premium. This, I think, causes some concern and I am sure, is why we have premium arrears. Because it is quite possible to continue receiving benefits under Alberta Health Care without having paid the premium, until such time as the collection process takes effect and we indeed collect the premium or write it off when it appears in the best interest to do so.

Premium arrears will continue, I'm sure, to be a problem as long as we permit health services to be obtained without paying the premium. So you see it is already possible for people having financial difficulties to receive medical care without having to pay the premium. I know that probably they are concerned. They likely -- and if they are thinking of the kind of individuals to whom the hon. member referred in the letters -- are people who have paid their way and who feel if they can't pay the premium it becomes a debt. And this causes them some concern. So when the waiver of premium is enacted, then they would be the automatic candidates to apply.

I think we have to look down the road and wonder just how far we can go in this particular instance. If my memory serves me correctly, our estimate on premium revenue was about \$53 million for the coming year, which is a fair amount of money in the provincial coffers. So it would not probably be in the best interests to waive all premiums, and certainly I would be reluctant to see this happen. But I am not reluctant to see assistance go to those who are in dire need and who have great financial difficulty.

I think perhaps if all hon. members would check on the regulations and read the Act, they would find that perhaps they can be of assistance to their constituents and to the people of Alberta who have financial problems by making use of the subsidy, if they do have some income, and then making use of the waiver of premium when it comes into effect. Thank you, Mr. Speaker.

MR. ZANDER:

What I have to say is going to take more than five minutes and I see there are only about five minutes or four minutes left.

But I certainly have to agree with the minister that we have the option open to us now to give assistance to those people who are below the age of 65 years and, because of ill health and who have not the means of paying the premium, are forced to look on the situation as welfare.

I also have to agree with the Leader of the Opposition that to waive the premiums of Medicare entirely would be, at this time, not in the best interests of the Province of Alberta.

However, in the area we find many people who are afflicted by some disease such as cancer and are unable to meet -- although they are sometimes in the age group of about 40 or 35 years of age -- they are already creating a hardship on the family trying to struggle along on the basis of perhaps having the bread earner of the family having this affliction. Many times, Mr. Speaker, I have been in homes where people of the age of 50 or 45 are afflicted with various types of diseases and are incurable. It moves anybody to walk into a home of that kind where they have already received two or three notices that their premiums are overdue. They are trying their best to struggle along and trying to make these payments.

I think the resolution in itself is good, but I believe, as the hon. minister has mentioned, that when we will enact the waiver of premiums, I think this will probably relieve some of the uneasiness on the part of those, the

unfortunate who are unable to pay their premiums. Many times, Mr. Speaker, we have looked at welfare -- at least some recipients do, and not because they wish to receive welfare, and many times I have seen these individuals who are under 60 years of age in some of the local stores, trying to hide the cheque they received as welfare because they are offended. I think it is no offence and certainly not beyond their dignity to receive this money, because of the state of their financial affairs, not due to their own fault but perhaps due to illness or other afflictions in the family.

I sometimes wonder why we attack, even at this time, the people, the senior citizens 65 years of age and over who are now receiving the Medicare premiums prepaid by the people of the Province of Alberta. We have to look at the "deserving" factor of these people, whether they are millionaires or not. But I would hate to see the day, Mr. Speaker, when we are going to have people empowered to check into the bank accounts of every individual citizen over the age of 65 to see whether he is capable of paying. To me this is an injustice and an insult.

If we look at the costs of administering this secret work done by the people we would have to hire and the costs involved, the administration costs alone would certainly offset anything that senior citizens beyond 65 would receive. I am sure the hon. Leader of the Opposition did not really mean that we should actually be going after the few who are going to be caught, the wealthy over 65 years of age, that we should get them to pay the premium by whatever means.

I am certainly not objecting to the resolution, but I do believe there is room in the new bill that is going to be put ..[Inaudible].. the Medicare premium, the bill by which we can waive the premiums of that nature.

Mr. Speaker, may I beg leave to adjourn the debate.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

I take it the hon. member has the consent of the House to adjourn the debate.

HON. MEMBERS:

Agreed.

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

Bill No. 209 The Prepaid Consumer Contracts Act

MR. YOUNG:

Mr. Speaker, I have pleasure today in moving, seconded by the hon. Member for Calgary Buffalo, The Prepaid Consumer Contracts Act, Bill No. 209 for second reading.

Mr. Speaker, I would like to commence by outlining the points it was my intention to include in this particular bill. First of all, Mr. Speaker, the bill provides a safeguard for the consumers who place down payments on purchases. The safeguard is provided by requiring the retailers or the sellers, if the transactions are of a certain size and the down payments are \$100 or more, to treat the moneys so obtained in trust until there is a delivery or fulfilment of contract.

Secondly, the bill provides for fines and other remedies in case of violation. The bill would be of simple application. Mr. Speaker, the bill is in one sense preventative and in another sense I suppose it could be called curative. It is not preventative in the sense that it would [not] be possible, generally speaking, to take action before a misdemeanor had occurred, but it would permit us to take action rapidly once a misdemeanor or a misuse of funds has occurred. It would, do so because it would in fact, define a different or new type of illegal business procedure.

Mr. Speaker, I would like to illustrate some of the ways and some of the transactions which might be affected by this particular bill. There has been a great deal of discussion concerning its application to the housing industry, both the mobile home and the prebuilt industry, the industry that assembles on site, and also the homebuilding industry as we know it in the traditional sense.

The bill goes far beyond that kind of transaction. It would cover, Mr. Speaker, a number of situations, and perhaps rather than try to relate them all I can give a few illustrations.

I have before me a case, Mr. Speaker, brought to the attention of the Department of Consumer Affairs before it was a Department of Consumer Affairs, in connection with the loss sustained by a consumer who placed a \$200 down payment on drapery fabric which was never received. The reason for the failure to receive it in this particular instance was that the company providing the service went bankrupt, in this case I think four weeks after the downpayment was made prior to delivery, and the goods which were in process were caught up and never delivered because of commitments to other creditors.

In my own constituency, Mr. Speaker, I have had my attention drawn to the case of a family which placed an order for a garage with a construction company which was advertising last year in The Journal. They placed a down payment of \$1,200 on the garage and to date have received, I believe it is, two loads of gravel and had some gentlemen in with jackhammers for a couple of hours one afternoon breaking up some old cement. On checking, they find out that there is just about no way that action can be taken against this company. The \$1,200 appears to be down the drain.

I have had another case brought to my attention, through a friend of mine, of involvement with the same construction company, this time a much smaller amount. I believe it was a \$300 down payment on a small project, because the company engages in cement work, and that consumer will not be able to gain satisfaction.

I have in front of me, Mr. Speaker, another case brought to the attention of the Department of Consumer Affairs concerning a prefabricated house, one of the cedar-type dwellings for which some \$3,000, I believe it was, was paid as a down payment, and for which no fulfilment of contract has been received to date and it would appear none will be forthcoming.

Mr. Speaker, this particular bill will not deal with and specifically excludes certain types of transactions which bother a lot of people, the tie-ups with record clubs, with subscriptions for papers with smaller amounts of money. I realize that these kinds of problems arise but my concern, and I think our primary concern here, must be with the larger injury that occurs to the individual consumer, not necessarily that we should overlook the smaller type of injury. But let's face it in practical terms. A \$2,000 loss or a \$3,000 loss is much more significant than a \$50 loss.

Mr. Speaker, in trying to decide what kind of legislation to advance to overcome some of the problems I discovered on exploring a little bit, I took into account the situations we see daily in the newspapers, failure to deliver on contract after a down payment. This is the one I have directed my attention to.

Bankruptcy, and in this sense, Mr. Speaker, I am not aware of any system which would be possible to preclude bankruptcies. Bankruptcies arrive from a number of sources and I know of no way, unless the state as such would guarantee all businesses to be successful, that they would not occur and some people would not get harmed.

The matter of warranties is one which has been quite current lately. This is a matter of guaranteeing the product. It's one which is extremely difficult to deal with and probably cannot be dealt with on a generalized basis with one type of legislation. I'm not sure about this but I am aware that in the house building industry there is some discussion now on a national basis of legislation or at least a plan to provide both bonding and warranty for house builders. It's too early yet for me to know exactly the direction and I gather for anybody to know, that particular scheme will go, but it is being pursued actively and perhaps will bring some relief to this rather major area. What it means in cost is another matter and I'm speaking now of cost, not to businessmen so much as I am to consumers. Because every time a safeguard is built in it's obviously going to add something to cost.

This bill will not deal with unethical business practice except to define one kind of unethical business practice as being illegal. I know of no way to

legislate ethics in all types of business practice any more than legislating ethics in family relationships. It just isn't possible.

Mr. Speaker, to be very specific about the objectives of legislation as I see them. One, we need legislation that will effectively protect the legitimate purchaser. When I say "legitimate" I mean the person who buys in good faith, not the person who buys and then looks around for a way to gain something for nothing. Mr. Speaker, in any barrel of apples there always seems to be one bad one and I submit that among consumers there are some who try to do business men out of money just as there are among businessmen a few who are unethical and try to do consumers out of money.

Secondly, I think the provisions we should be concerned about should be such that they do not add unduly to the expense of conducting business. Most businessmen try to deal honestly and fairly. I think whatever legislation we look at should be capable of being administered with a minimum of bureaucracy, that it should be capable of being interpreted with a minimum of difficulty and trouble for the businessmen as well as for the consumers. I think it should be legislation capable of being administered in terms of the ongoing day to day operations of the business firm in a manner which does not increase unduly the cost to be passed on to the consumer.

Finally, in connection with expense, I think it should be legislation sufficiently clear so that it does not provide a channel for a lot of nuisance claims by consumers. I submit again that there are some consumers -- and that particular aspect has been brought to my attention too, Mr. Speaker, -- some consumers who deliberately try to cheat on payment for the goods and services which they receive.

Thirdly, Mr. Speaker, I think one of the objectives should be to prevent abuse. In saying that, I am saying that one has to look pretty carefully at the level of achievement or attainment one wishes to attain through a piece of legislation. It is for this reason, Mr. Speaker, I have chosen to omit the smaller transactions, the transactions which people get themselves into through record clubs, et cetera. These may be hurtful but they don't mean, generally speaking, the sacrifice of one's way of life which may occur in the case of a larger purchase.

Also, Mr. Speaker, by omitting this particular group of purchases and transactions, I think it possible to eliminate a great deal of administrative cost because if government sets out to monitor all of the smaller transactions we will have a bureaucracy that will be the size of a small army.

Mr. Speaker, in that same vein I don't think it reasonable that we can hope to legislate cut of existence poor business procedures and practices. We may be able to define dishonest or unethical business procedures and practices and remove some of those. But we cannot, I think, remove poor business practices. Neither can we legislate cut of existence bad business fortune. Some of that happens and it happens to some good businessmen from time to time.

Mr. Speaker, I have already mentioned my concern about the cost to the public, that it must be something that can be legally enforced. It must be something that is reasonable in terms of the size of the administrative task. I think in that respect it must be something that is simple enough and logical enough that consumers, generally speaking, will understand without having to resort to legal assistance every time they are in trouble.

Finally, Mr. Speaker, it is not my intention, and this bill certainly doesn't do it, to legislate cut of existence the possibility of consumers who are trying to get a deal even though they realize deals like that just don't happen. There is no way we can remove the possibility of gullible consumers.

Mr. Speaker, before I mention some of the alternatives I looked at in advancing this proposal I would like to insert one other thought. It has been brought home to me on several occasions in listening to the responses from various groups who have contacted me with respect to the bill. That is, our legislation in this whole area has grown somewhat like Topsy. The Legislature has added statutes from time to time to deal with specific new, or at least specific acute problems.

Generally speaking, I think it fair, and I don't intend to criticize the old government, to say we haven't stopped to look at the total package of the statute in the area of consumer protection, if you will, or of business protection. I think -- I hesitate to toss this challenge in the direction of the Minister for Consumer Affairs -- there will come a day when we might well

consider the total ambit of the legislation as it has a bearing on retail and business practice.

It has been brought to my attention that there is now some legislation which gives the consumer a very unfair advantage in certain types of dealing. In fact I understand that currently at least two businessmen in the city have been hamstrung by the actions of consumers proceeding unethically, and may well be forced out of business simply because there are loopholes which work to the unfair advantage of consumers. It may well be that eventually rather than just adding layer on layer of legislation, we ought to step back and take a good look at the total package as we have it at that particular point in time.

Moving on then, Mr. Speaker, to some of the solutions I looked at. The first possibility is licensing, and it's a possibility that has been advanced to me by many people who are critical of the inadequacies of this particular bill. They suggest that licensing is a cure for all things. With licensing it would be possible to control all unethical businessmen or businesses. I submit to you that this, in fact, is not so. If we move in the direction of licensing business -- and maybe this is desirable for certain reasons -- if we move in that direction, we probably hold out the hope to a lot of people that because government granted a licence to a business that business is going to operate ethically and honestly, it will not go bankrupt, it will back up all warranties, et cetera.

Mr. Speaker, the only evidence the grantor of a licence would have would be the evidence of a historic nature accumulated to the date and time when the licence was granted, and there is no guarantee that, in fact, the businessman would not change his method of operation subsequent to the granting of the licence. It would be possible, of course, to remove the licence. But removal on what grounds? One would have to have a definition of a series of offences for which it would be possible to take remedial action by removing the licence. In the same manner, Mr. Speaker, granting of a licence would require a series of criteria the businessman have to meet in order to receive the licence. And again I say that simply would provide an indication of the practice and status of that business to a point in time.

I believe it might also have the effect of closing the door to new entries in business, and that in fact might be detrimental to consumers. That would happen if the entry fee, the licence fee, were so great as to weed out businesses or to require considerably more cash background than is currently required for entry into certain types of businesses.

Secondly, Mr. Speaker, I looked at the possibility of bonding. Right away, when we start discussing bonding, we have to consider the additional expense incurred. A bond requires the payment of a fee -- it may not be very much, but then if the fee is not very much, the bond is not likely to be very large either. And it is possible, and we have seen illustrations in the province in recent years, that a business can run debts of \$500,000. These are debts which just are not met even after bankruptcy proceedings are cleared and it would, I think, be very difficult to know what size of bond would be required to completely protect people who purchase from that business. Also, we run into problems of administrative expense, which would be greater because there would have to be some evaluation of the size of the business in relation to the bond. We would also, I think, have problems with the bond in the sense that bonding for what purpose? Bonding against bankruptcy? Bonding to guarantee warranty? What would the bond achieve? These are problems which, I think, the people who very quickly recommend bonding should stop to think about.

Mr. Speaker, I chose the trust route knowing that it has certain imperfections. But some of the advantages it does have are the following:

One, it is very simple for businessmen to do. The proposal as I have tried to develop it would not require a lot of legal arrangements to set up the trust, but would simply require that the businessman be able, if called upon, to identify the down payment as money which would be available until the contract of service had been completed. It would be possible, Mr. Speaker, in the event of complaint against that businessman or an employee of government charged with the responsibility for administering this, to check very quickly to determine whether the money is there or is not there. If it is not there, it is possible, if necessary, to remove the permission to operate the business immediately. And that, I think, is the control we currently do not have.

It is very difficult in the present circumstances to demonstrate fraud. There is, Mr. Speaker, a very simple, a very efficient and a very effective method involved here. The consumer need only complain and the department can



follow it up quickly. The mere lack of record would be sufficient here to put the business out of operation, at least on a temporary basis.

Secondly, Mr. Speaker, the requirement in terms of funds for the businessman would not be that great. I submit that in most instances the down payment required is not that large that it should be necessary as a means for business operations to finance themselves. When a business, for instance in the drapery business, in the upholstering business, or roofing business or, for that matter, the cement sidewalk business, when these kinds of operations must depend upon down payments for their operating capital, then I submit that they are on pretty thin ice and maybe they should be closed down. I doubt that very few of the legitimate operators are in that position.

There is, I think, perhaps a different kind of case here which I should comment upon. And that is the case of the house-building industry, which quite frequently, and I think normally as a form of their operation, deals with progress payments. It is not my intention in this bill to consider progress payments as down payments. Progress payments, Mr. Speaker, are something which are paid in recognition of services which have been performed.

It may be that the bill needs some slight adjustment in this respect to define a progress payment, or regulations under it perhaps to do this -- define what is a progress payment. But I think this is a special situation and may occur quite apart from the home-building industry. But progress payments need to be recognized as payments for services which have indeed been rendered.

Mr. Speaker, I want to make it perfectly clear in my discussion of this bill that I would be very much against the legislating out of existence of down payments. Because that would open certain types of business practices and business people to all kinds of abuse by consumers. There are many forms of goods and services which require that material be specially ordered and specially prepared for the particular consumer, and if it cannot be then sold or delivered to that consumer it is of very little, if any, value. In that case, the only protection the businessman has is, indeed, the down payment because it is, if you will, a seal of the contract beside the signature. And I think it's absolutely essential for that purpose that we have down payments. I think, on the other hand, that it is not necessary that they should be used in terms of the day-to-day financing of the operation, and I think further that most business people do not rely on this kind of financing.

There is an interesting question brought to me rather recently, Mr. Speaker, and it requires a legal interpretation. Perhaps my seconder will provide that. But I have had it brought to my attention that it may be, by having the down payment put in trust, the down payment would then rank higher than other creditor claims in the case of bankruptcy. I'm not sure about that but he may wish to comment on it.

Mr. Speaker, in summarizing then, I can advise you quite candidly that I have been criticized strongly by some business people on the one hand for going way too far and proposing something which would practically put them out of business. I have been criticized equally strongly, if not more strongly, by representatives of consumers who claim it doesn't go nearly far enough. It doesn't go nearly far enough, they say, because it eliminates certain types of transactions, transactions which require a small down payment, et cetera. As I explained, Mr. Speaker, in my comments, I wanted to achieve something which is effective for the major type of transaction which really does the most hurt to the consumer.

I think, Mr. Speaker, that I have covered the main points of concern. I have not tried to dramatize this particular bill by introducing a whole lot of illustrations of the kind of abuses which undoubtedly exist. But I have some before me and I could read you the gory details and the hardships they have wreaked upon various householders. But, Mr. Speaker, that would deprive my seconder of an opportunity to speak and furthermore, Mr. Speaker, it would deprive the members of Her Majesty's Loyal Opposition of the chance to put on record some of their positive contributions which I know they will advance to this particular debate.

MR. LUDWIG:

Hear, hear.

MR. YOUNG:

Mr. Speaker, there was practically a mini-debate on this bill back on the night of March 26 or the morning of March 27 -- I'm not sure which it was and it

may have occurred across that time zone. At any rate, Mr. Speaker, in reading through it, I was struck by the urgency of concern the opposition feels for consumers. I was impressed by their insistent demands that something be done. I was very much disillusioned by the lack of positive suggestions other than just do something, please, now -- even yesterday would have been better. I hope in the contribution they will undoubtedly make that we'll have some really positive input from them.

MR. LUDWIG:

If you want our support, sit down.

MR. GHITTER:

Mr. Speaker, in rising to address a few thoughts with respect to this bill, I think I should set the record straight for the hon. mover of the bill who was asking for legal advice. My hours are 9:00 o'clock to 5:00 o'clock when we are not in session and that is a prepaid contract of services well within the ambit of the legislation he has suggested --

MR. HENDERSON:

It's illegal advice.

MR. GHITTER:

I hope not, Mr. Speaker.

I wish, at the outset, Mr. Speaker, to commend the hon. member, my colleague, for what I think to be a piece of legislation we should all very seriously consider. I think we are dealing here with one of the areas of the greatest abuse in consumer contracts in the Province of Alberta, an area, unfortunately, where I think there is an appalling lack of legislative controls; and an area that I think all members of this legislature should seriously consider from the point of view of where consumers should rightly be protected and where such protection may well be in conflict with the rights of free enterprise -- entering into the free negotiation of contracts and business in the normal course.

My main concern, Mr. Speaker, deals with the area of the prepaid contracts for services particularly, for it is in this area you see the greatest amount of abuse. It is in particular in this area that you find the greatest degree of gimmickry, of advertising, of the desire to manipulate and take advantage of people's problems and fears and suspicions. It is in this area that you find the gimmickry that we see by some fly-by-nighters in problems dealing with, for example, dance studios, weight reducing areas, combative and sports studios dealing with karate, judo and self-defence. We see this in motivational schools, in modelling schools, in sewing schools, in hair dressing schools, handicraft courses and health spas.

This is the area where the fly-by-nighter comes into our province, sets up a very expensive advertising campaign -- which frequently the fly-by-nighter doesn't even bother paying for -- but comes to the public and says to the public, I am going to offer you all these wonderful things. I am going to turn you into a Carnegie or someone like this, we are going to give you all kinds of confidence, we are going to turn you into a new person and all it is going to cost you is \$540.00 in advance.

MR. HENDERSON:

Peter Lougheed?

MR. GHITTER:

No, no, that's something that comes naturally, that's not something --

[Interjections]

I'm sorry, Mr. Speaker, if the hon. members wish to address, is it not customary that they address the House through your auspices?

In any event, Mr. Speaker, I think it is very important that we look in terms of these particular areas of concern, because it is here the law is manipulated; it is here that money is taken in advance; it is here, frequently, that service is not rendered and the consumer is left without any protection whatsoever. I think anyone who has looked into past problems in this province

of abuse in this area can see many examples of tremendous amounts of money that have been lost in fairness by Albertans who have been taken undue advantage of and to whom the legislature in the past, unfortunately, has not offered any protection.

A few of these examples that have come to my attention that are somewhat interesting, Mr. Speaker. In 1971 in the City of Lethbridge, a gentleman came to that city and offered some reducing clinics. And apparently Lethbridge, being a very overweight area in the province of Alberta -- some 920 contracts were entered into at approximately \$50.00 each. Shortly thereafter this business closed down --

AN HON. MEMBER:

And went to Calgary --

MR. GHITTER:

-- and then went to Red Deer and some 375 of these contracts were not fulfilled. The individual who was behind this business also had opened up in Red Deer and in the still of the night had merely closed down the two locations, walked away with the loot and taken all of his assets with him. It is estimated he left approximately some \$30,000 to \$40,000 on the table of Albertans who had entered into contracts in good faith and the contracts were never properly serviced.

Another example that was seen in Calgary was a travel service gimmick. In 1972 a group of Americans came to the city of Calgary and they opened up an operation in a Calgary business with 10 girls on the telephone. They systematically telephoned almost every residence in the city of Calgary and advised anybody answering that they were the winner of three nights' accommodation in various Nevada hotels. All you had to do was answer a skill question, like who was the Premier of the Province of Alberta -- and I'm sure all Albertans know that, particularly in 1972 -- and then the individual would come around with a travel certificate which provided that upon the payment of \$12.95 he would receive the travel certificate and he could take it and go down to Nevada and enjoy himself.

The thing was they closed down this operation in two weeks. They took the money and a lot of travel certificates were left in the city of Calgary which were totally valueless. And again no protection for the consumer who was duped, indeed, but still there was no protection of any nature in legislation with respect to these people.

Another example is Lola Main Enterprises Ltd. This particular company was a national dating service which may interest the hon. Member for Drumheller --

[Laughter]

-- I'm sorry. In this particular case, this business collected \$200 from each of the individuals who wished to enter this dating resource. Apparently they worked for a considerable portion of time and some 2,000 Calgarians joined Lola Main Enterprises Ltd. which was right across Canada. It is estimated that approximately \$100,000 a year was collected by this dating service. Then all of a sudden they closed their doors right across Canada and that was the end of that particular enterprise. Again, many Albertans were left with a lot of dollars on the table and no services presented back to them.

[Interjections]

I might add there is another one in business now.

As a result, Mr. Speaker, I think that we must become concerned with things of this nature. I don't think it is in good business practice. I know that there are a lot of business enterprises that are opened up on a bona fide basis, that are set up on the basis that they will offer a service and contribute properly to whatever their obligations are. But unfortunately there are many unethical and scrupulous individuals who come to this province who feel they can make a quick buck and put a lot of dollars in their pockets and leave a lot of Albertans scraping for some recourse and sending letters to the hon. Mr. Dowling saying, "What can I do?" and there is nothing that can be done.

And that is why, quite frankly, I am impressed with the suggestion of the hon. mover of this bill when he suggests that in any case where a seller is offering services and is requesting a deposit in advance that that money should be held in trust until the service is performed.

I don't think that is unfair and I don't think that is onerous on a business. I know very few businesses that in a proper, ethical way can call upon having money in advance, can spend the money and then are not required to perform the service. Even the world's oldest profession, the legal business, is one which is highly regulated --

[Laughter]

-- it is the legal business, I think.

[Interjection]

He is doing it again, Mr. Speaker.

But even in that case, Mr. Speaker, where the legal profession requires retainers, it is a requirement of the Law Society, that the retainers be held in trust and that these moneys not be allocated to the lawyer until the service is performed and until an account is rendered. So within the controls of the professional ethics of the legal profession, it is indeed a requirement that those moneys may not be allocated or distributed to the lawyer until such time as the service is performed. That is as it should be, and that is right.

For businesses to come in with little money and just an idea and a lot of gimmickry, to come in and accept money and be able to spend it and not provide the service, I think that this is improper and I think that the suggestions of the honourable mover of this bill are very sound in that area.

There is another area as well that this bill deals with and one that is indeed of greater concern and has been expressed in this House on other occasions. Many of us have seen the problems of prefabricated buildings. Many of the members in our rural communities have experienced the city slicker coming down and selling those metal buildings for granaries and such, putting \$2,500, \$3,000 down and then getting a few sticks of metal delivered out to them and then not knowing where the individual, the seller got to. And there again there has been a tremendous amount of money lost in this province by the sale of prefabricated building by unscrupulous individuals who had no intention whatsoever of delivering those buildings but were merely trying to pocket the downpayment and cleverly enough trying to avoid their criminal responsibility by delivering a portion of the product, a few sticks of metal and a little labour, so that if criminal charges were laid they could then get into our criminal courts and merely argue in their defence that they intended to deliver the products but something intervened to stop that from happening.

As a result, the criminal law has been very ineffective in dealing with this area because the people that are taking advantage of it know enough about the criminal law to overcome any potential criminal responsibilities and the law is ineffectual. Hopefully this law if it were to become the law of this province, would indeed endeavour to overcome that situation.

We saw a terrible situation in the City of Calgary very recently, the situation of Sidorsky's Mobile Homes Ltd. in the spring of 1972 entered voluntary liquidation with a net deficiency of approximately \$199,000. Some of the creditors of this company included at least 9 persons who had made down payments for the purchase of a mobile home, the deposits being from between \$500 and \$16,500, all of which were lost. Now certainly we cannot as legislators tolerate this type of occurrence in the Province of Alberta. Certainly there are things we must do, and it's not enough to sit back and debate. I think this bill is one which, to a certain degree, alleviates these problems.

I don't quite agree with the hon. mover of the bill about the bonding provisions. I think bonding could be very useful. The main thing that bonding would do would ensure that if anybody defaults in the holding of the trust moneys, in other words takes the trust moneys and skips, there would at least be protection from the point of view of those moneys that were to be held in trust. I'm not as concerned about the bond as I am about the performance of the contract, but the bond can be used if anybody steals those trust moneys and doesn't perform under the contract. I personally, as one member, would like to see some bonding provisions required to protect the moneys which are on deposit.

Other than that, Mr. Speaker, I am very pleased to have the opportunity to commend this bill for the consideration of this Assembly and look forward to further debate on it. Thank you.

MR. SPEAKER:

The hon. Leader of the Opposition, followed by the hon. Member for Edmonton Strathcona.

MR. HENDERSON:

Mr. Speaker, my comments will be very brief because I am quite frankly hoping that the House can see fit to approve the bill in principle today. I think it's a good piece of legislation. I compliment the mover and seconder for the introduction of it for a number of reasons. But before touching on those, I want to come back to one of the remarks of the Member for Calgary Buffalo about the simplicity of naming the Premier of the province. Judging from the last two months in this Legislature, it gets a little confusing at times as to whether it's a gentleman named Lougheed or a gentleman named Horner. So I wouldn't write that one off as being so simple.

But coming back to the questions --

[Interjections]

I'm just strictly speaking on the basis of the Legislature itself. But fortunately in that regard I am really not too convinced that the average person knows too much about what is going on in here anyway, notwithstanding the TV coverage, and that may be in the best interests of the party seated opposite.

But seriously, I compliment the mover and seconder for bringing the bill in. I think it's well-timed legislation and I compliment them on the obvious forethought that has gone into the preparation of the bill. I only wish that a little bit more of their forethought, planning and consideration had been given to some of the gentlemen seated in the front bench. Because I come back to the Throne Speech which says:

Today's consumer must receive adequate information and, where appropriate, greater protection in the market place. Legislation to achieve that end will be presented to you, as will plans for expanded and better coordinated government guidelines in this area. Sharply rising food prices are a matter of concern to my government.

Quite frankly, I think if the mover and seconder hadn't introduced the bill the record of the government in the spring session in living up to that one little paragraph would look rather dismal, and so I compliment them. I think they got their colleagues in the front bench off the hook a little bit because thus far in this area it looked like the government, as an afterthought, decided to set up a Department of Consumer Affairs. I got the impression that there had been so much forethought to it that the minister who was appointed to it actually read about it on the front page of The Journal. I don't think it was quite that bad, because I think he was in the House the day the Premier made the announcement. But obviously the record of the government sort of takes second place to the record of the backbenchers on the opposite side of the House in the matter of some action in this regard. Because the government's action obviously has been very little, particularly in regard to forethought on their part when they make an announcement that they are setting up a department of Consumer Affairs and then follow it with an announcement that they are not going to bring any legislation into the department until next fall. It is very obvious that there has been very little forethought by the government in this regard. So I think actions of the mover and seconder are very timely. I hope some of the gentlemen seated in the front bench, and particularly the empty chair directly opposite me, will take cognizance of it. Maybe we can get the bill into committee, maybe we can doctor it up a little bit and, in effect, turn it into the legislation that is necessary for the Department of Consumer Affairs.

Having got a dig or two in at the government in the matter on a serious vein, I would urge all members to support the bill in principle. I have no doubt it needs some examination in some areas of it and I am sure it is going to present some problems, but I think some of the problems that have come to the attention of the House in this session alone, indicate there is some urgency in some areas in particular, I think the matter of housing is very definitely a critical one.

If this will help plug some of the holes that existing legislation does not deal with, then I think that alone would justify this House giving serious consideration to adopting this bill as a matter of a public bill, and adopting it as a matter of public policy. Maybe we should move to the final stages in this spring session, but at least we should proceed to approve the bill in principle, hopefully getting it into committee for some committee examination.

It will, if nothing else, serve as a stop-gap measure while the Minister of Consumer Affairs is starting to figure out what on earth his department is supposed to be all about.

MR. SPEAKER:

The hon. Member for Edmonton Strathcona, followed by the hon. Member for Calgary Mountain View.

MR. KOZIAK:

I too would like to be on record as supporting the principle of the bill, although I have some reservations in certain areas.

I am firstly concerned, Mr. Speaker, with the area of housing. I know the hon. member who introduced the bill suggested that perhaps this might not affect the housing industry. However, I have some grave doubts in that area.

Under the provisions of the bill, a sales contract includes an agreement for the sale of goods or services. Goods are defined in the bill as including things that are intended to be affixed to the buyer's land. Now that to my mind indicates that I, as an owner of a parcel of land who wishes a contractor to build a house for me, would then be in the position under this Act, of having that contractor put all the money which he receives from me into a trust account.

Now, we all know how the house building industry works. If I want a house built on my particular parcel of land, I enter into a contract with a contractor and I either provide my own financing in stages, or else I execute a mortgage -- quite often with Central Mortgage and Housing Corporation or with some other lender -- and then assign the proceeds of that mortgage to the contractor. What happens then, is as the contractor progresses with the construction of the home he is entitled to receive certain progress advances. With these progress advances he pays his suppliers and he pays his workers. Without these progress advances he would have to wait until completion of the home for payment, and it is highly unlikely that his suppliers of services and his workers would be prepared to wait that long. And this would create a real mess in the housebuilding industry.

So I place that reservation. I feel that as the matters sit it covers it and if it is not intended to be covered, some reservation should be included in the bill, perhaps in Committee of the Whole, which would definitely state that the bill does not apply to that particular type of contract.

Now, Mr. Speaker, we also received some examples of the tricks of the trade from the hon. Member for Calgary Buffalo in areas where the consumer has been duped, but let us not rush headlong into passing this bill to correct the dating school situation or the Nevada air trip situation because none of those would have been covered under this bill since the bill has a \$100 minimum. Any contract under \$100 would not be covered, or is it \$200? I'm sorry, \$200.

I'm also concerned, Mr. Speaker, about the enforcement provisions of the Act and the way in which the Act would be managed. Most of those areas in which the consumer finds that he is without a remedy are where he is dealing with a shell corporation. A company is incorporated and sends sales people out into the field, obtains deposits; and even though the Act requires those deposits to be paid into a trust account, the only result of a failure to do so is a fine. Now, a corporation that is bankrupt can't pay a fine. You can't take money out of a stone so really we haven't protected anybody.

I think if we might draw the comparison of what happens with a lawyer all the way through. As you are well aware, Mr. Speaker, a lawyer is required by The Legal Professions Act to maintain a trust account and deposit funds that are not his into that account. The hon. Member for Calgary Buffalo more than adequately explained the matter of fees with respect to a lawyer and his trust account. However, there is a remedy in the event that a lawyer fails to put those moneys in a trust, or having done so removes them before he is entitled to them. He can be disbarred, he is an individual that the client can seek.

Whereas in this particular case all we may be left with is a shell. We don't have any individual who might be responsible. The normal course of doing business in these areas is to incorporate a shell company and then, if you are going bankrupt, fine. But if you haven't placed the money in a trust the fine provisions of this bill won't help the consumer.

So if we are going to cover that situation, Mr. Speaker, we've got to go further and perhaps impose some sort of liability on the directors of these companies to ensure that these provisions of the Act are, in fact, complied with. Otherwise, even take for example the situation that my learned friend suggested in Calgary, Sidorsky's, I believe. That wouldn't be covered by this Act because that company, in fact, went bankrupt. If that company failed to place these moneys in a trust account there would be no remedy. A fine of \$2,000 would be of no use because you can't get blood out of a stone. If the company is bankrupt the money isn't there.

Now the last particular reservation I feel I should bring to the attention of the House is one I had voiced during the debate the hon. member alluded to earlier in his presentation. That is the cost to the consumer. We're concerned with the consumer nowadays.

Just the other day I received a letter from an organization which had suggested that the amount that the producer of food gets in relation to the total price has dropped drastically, something like 60 per cent of the total price in 1946 or 1947 to something like 37 per cent of the total price in 1970, '71 or '72. Now when you look at those figures it immediately concerns you, Mr. Speaker. But I think we have to look behind those figures. Because today I can still obtain products, I can still obtain food, I can still obtain the necessities of life at a price in which the producer is getting 60 per cent of my dollar. If I wish I can buy half a beef or half a pork, place the half a beef or half a pork in my deep freeze and the cost of that half a beef or half a pork, I can say, is fairly close to the situation where the farmer is, in fact, getting 60 per cent of the dollar that I've paid. But if I wish to have each piece individually wrapped and handled by three or four inspectors, if I wish, as in the case of cheese, each individual slice of cheese wrapped and then placed in another package containing eight slices of cheese, and then sixteen and so on, the costs increase. What happens is that the consumer then is paying for something and this is a service. If he wants that service, that service costs money. The decision then is up to the consumer. Does he want to pay for those added services? Because if he wants the added services, those added services cost money.

The same applies to this particular bill. This particular bill is one that would protect the consumer. It's there in order to catch the one bad apple in the whole barrel. And then all the other apples in the barrel have to comply with the procedure with an increased cost in their particular operations.

That increased cost has to be passed on. If the consumer is prepared to bear that increased cost, then all well and good. We should proceed with this legislation. But before we proceed with consumer protection legislation, the consumer should know what that protection is costing him so that he can make the decision as to whether or not he is in favour of that. Nothing comes for nothing. And if the consumer realizes that there is nothing that you can get for nothing, probably a lot of the deals he has been duped into, in which he has lost his deposit, wouldn't have arrived. But it is that idea that the people still feel, still hope there is something for nothing that ends in the contracts that we today are concerned with in this legislation.

MR. LUDWIG:

Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until 8:00 o'clock this evening.

[Mr. Speaker left the Chair at 5:29 o'clock.]