

LEGISLATIVE ASSEMBLY OF ALBERTA

Tuesday Evening, March 19, 1974

[Mr. Speaker resumed the Chair at 8:00 o'clock.]

MR. DOAN:

Mr. Speaker, on a point of privilege. I wish to correct a statement made earlier today. In the introduction of The Municipal Statutes Amendment Act, I said it contained a repeal of The Municipal Tax Exemption Act. That Act is being amended, not repealed, Mr. Speaker.

GOVERNMENT BILLS AND ORDERS
(Second Reading)Bill No. 23 The Attorney General Statutes Amendment Act, 1974

MR. LEITCH:

Mr. Speaker, there's an advantage in starting off the evening.

AN HON. MEMBERS:

Overwhelming.

MR. LEITCH:

Mr. Speaker, I move second reading of Bill No. 23, The Attorney General Statutes Amendment Act, 1974. This bill, Mr. Speaker, amends a number of statutes.

The first is The Clerk of the Court Act. The amendment there is to change the present situation which specifies that the clerk's offices be open at certain hours to permit the offices to be open at such hours as may be fixed from time to time by the Attorney General. The purpose of that, Mr. Speaker, is to enable us to operate the clerk's offices at different hours where it appears that doing so will provide a better service to the public.

The second act amended by this bill, Mr. Speaker, is The Execution Creditors Act. The amendment there is one that is made necessary because of the change, some time back, in the monetary jurisdiction of judges of the district court.

The bill, Mr. Speaker, also amends The Franchises Act in a number of ways. Most of the amendments are designed to tighten up, if one may use that phrase, the operation of the Act, and there are amendments which, in the discretion of the director, enable him to relieve certain requirements of the Act.

The first amendment to that Act, Mr. Speaker, is one that is of a tightening-up nature and provides that in the fee for the franchise there cannot be an inordinately large requirement for the purchase of goods and services. That was occurring under the existing legislation where, in effect, the intent of the legislation was being circumvented by the person who was selling the franchise, requiring the purchaser to take an inordinately large quantity of either goods or services.

The second amendment, Mr. Speaker, gives the director some discretion to exempt certain information requirements in a prospectus or statement of material facts, where in his view it is in the public interest to do so. There is another requirement that an exemption under the Act must be renewable annually, and a further requirement of the bill,

Mr. Speaker, is for the purpose of requiring the consents of certain professional people, auditors and so on, when their reports or opinions are filed in support of a prospectus.

There is another amendment, Mr. Speaker, which enables the commission to deal with the sale of franchises before the prospectus has been filed.

The bill also amends The Judicature Act, Mr. Speaker, by increasing the number of Court of Appeal judges from six to seven, and I should perhaps here draw to the attention of the hon. members of the Legislature that we may at the committee stage be introducing an amendment increasing the number of trial judges by one also.

There are amendments to The Securities Act which enable witnesses who appear on hearings before the commission to be paid witness fees in the same way as if they were appearing on legal proceedings, and an amendment which enables the commission to prescribe the terms and conditions that shall be contained in all escrow or pooling agreements, rather than merely in those agreements where the securities are issued for consideration other than cash.

The last two Acts to be amended, Mr. Speaker, are The Trust Companies Act and The Trustee Act, and in both cases the amendment is to permit investments in securities issued or guaranteed by the Inter-American Development Bank or the Asian Development Bank. These are companion amendments to some that were made during the last session, Mr. Speaker, with respect, as I recall it, to either The Alberta Insurance Act or The Investment Contracts Act.

[The motion was carried. Bill No. 23 was read a second time.]

Bill No. 24 - The Social Development Amendment Act, 1974

MR. ASHTON:

Mr. Speaker, I move second reading of Bill No. 24, being The Social Development Amendment Act, 1974.

As the hon. members are aware, the former family allowance program provided \$6 a month for children ages birth to 10, \$8 a month for those 11 to 15, and \$10 a month for those 16 to 17. As the hon. members are also aware, Mr. Speaker, the Parliament of Canada last summer passed legislation providing that these amounts would now be increased to an average of \$20 per child in Canada.

Now the provinces negotiated with the federal government the right to vary that average amount of \$20 based on the age of the child, the size of the family or a combination of the ages of the children and the sizes of the families. As the bill provides the new rates would be: up to age 7, \$15; age 7 to 12, \$19; from 12 to 16, \$25, and from 16 to 18, \$28. The hon. members of course recognize that these varying rates take into account the fact that the older the child the more expensive the child to raise. I'm sure several of us are painfully aware of that.

Of course, a very significant feature of the new legislation is that the incomes from the family allowances are now subject to income taxation. As an interesting sidelight, Alberta will receive over \$11 million in income taxes as its share under this new family allowance program. This means that the new program will have its main impact on the lower-income groups who either pay no income tax or are in the very low rates of income taxation. That is of course where the main impact of the bill should be, and I believe it is the bill's most significant feature.

I did some calculations myself to find out what effect this would have on me, and I find that I'm going to be paying approximately \$50 a month more income tax. It has been suggested that this is rather a transfer program because my wife is getting the family allowance and I'm paying the income tax. So I might pass on that Mrs. Ashton does ask all hon. members to vote for this bill.

MR. RUSTE:

Mr. Speaker, I'd like to throw out another thought on this bill. The hon. member has outlined the intent of the bill. I would look at it in this way - and I have discussed this matter with some of my constituents - a young couple is just married a short time and they get their family of two or three children, certainly that individual ... no, that's a little too fast for me. I'm getting into a matter of years. But certainly that individual breadwinner, shall we say, in the family which is in the lower income brackets, who is a labourer or in the civil service or whatever, is usually in his younger years in the lower income bracket.

I would submit, Mr. Speaker, that we should look at increasing the amount to those individuals. I think the hon. member who introduced second reading of the bill pointed out the fact that as a person progresses in his income earning years, gets into higher income brackets, what is actually happening is it becomes a transfer program.

I would submit, Mr. Speaker, that we should look at having the larger payments for the younger children and for the ones who are in the lower income brackets, as I submit that for those of us who have families that are up to teen-agers, I would certainly hope we would be in a better position to look after them than many, many people who are just starting out in life and have young children.

MR. TAYLOR:

Mr. Speaker, since bachelors and spinsters generally advise people how to raise their families, I would like to say a word or two in connection with this bill. I base what I have to say on experience with many, many families over the years, none of them my own.

As I have never been able yet to draw family allowance, and I may still have hopes but hope is gradually going away, I like the ...

[Interjections]

MR. HENDERSON:

I think the hon. member should be aware that he won't draw it anyway. His offspring will get it.

MR. TAYLOR:

In regard to the comment by the mover of the bill that his wife got the money and he paid the income tax, I thought of, I think it was Longfellow, who said, "Not thine and mine but ours." And when I get married that's the way it's going to be.

Mr. Speaker, I know I'm out of order because I should be speaking about the bill, and I intend to.

I like the provincial set-up better than \$20 going to each child. I think this variation is good, and I suppose it doesn't matter what way you arrange this money. Based on the age of the child, you could argue a different arrangement having in mind certain families and so on. Family allowance isn't based on the income of families. I think the federal government found that the people of Canada were not interested in basing family allowance on a means test or the amount of money that the father and mother have. A child is a child. I for one was glad to see the federal government come back to the theory that the family allowance was going to apply universally across Canada. While there may be some argument that this will help the rich more than the poor, I doubt that very much, because generally the rich get richer and the poor get children. Large families in this country are normally not families belonging to rich parents. It's those in the lower income brackets and the middle income brackets that have the larger families, and the largest families.

Consequently I think the family allowance rates being based universally is a sound procedure if we are going to have family allowance at all, and I think it's good.

Now when it comes to basing it on a means test, while I think that is wise in many forms of social activities and social payments, I doubt very much if that should be applied where there are boys and girls involved. I think a boy or girl, irrespective of the amount of wealth their parents may have, should consider themselves as equals with other boys and girls. I think any child - or any boy or girl probably would be better than child - any boy or girl coming from the very poorest family in Canada or the very richest family in Canada can feel they are getting the same amount of money, the same allowance and that they are considered by the governments of the country to be of equal value. I think this is the way it should be.

I believe there is a greater amount of expense involved as a child grows older, and this is only logical. They get into high school - involve a young man from 16 to 18 years old who will be able to make some earnings, but certainly not the amount equal to the cost of his education, the cost of his clothes, the cost of his social activities, the cost of his vehicle et cetera, all of which are considered quite essential in this day and age. About the only advantage a parent of a child - of a boy - of that age now has, over a parent a few years ago, is that there is not nearly so much involved in haircuts, but perhaps that will change over the years too.

Well, the point I was wanting to make is while many people may argue with the \$15 for a 7 year old child, \$19 for over 7, \$25 for over 12 and \$28 for over 16, I frankly think these amounts are quite realistic, and more realistic than saying each child of whatever age will have exactly the same amounts.

So, Mr. Speaker, I'm very pleased the Canadian government has continued family allowances. I think our people who have families, particularly those who have large families, and those in the lower or the middle income brackets have found this to be a real blessing and a real help. I know very few parents who don't make wise use of the family allowance. There was a cry at one time that parents would drink it, smoke it and so on but I find that most parents are scrupulously careful in keeping this allowance for the good of the child, now or in the future. The amounts that have been set out will enable the parents to spend it now, at the age of the child, or to provide a nest egg for that young man or young woman as he grows a little older, or to give him a start, perhaps in university life or in some industrial school, to better his education.

I support the bill and I frankly like the arrangement that the province has taken in setting out the amounts per child.

MR. KOZIAK:

Mr. Speaker, the Member for Edmonton Ottewell, who introduced the bill and spoke to it on second reading, indicated that he represented the point of view of his wife. I feel that at this point I could perhaps, in view of his modesty, add some points on his behalf.

It has been brought to my attention by some of my constituents, and I am sure some of the other members of this House have also received representations in this regard, that perhaps the government of the Province of Alberta might consider - insofar as that portion of the income an individual receives by virtue of the family allowance receipts - that that portion not be taxed provincially from the point of view of income tax. That might be a consideration the Provincial Treasurer could take into account when drafting his budget and presenting it to us on Friday.

It may be a little late in the day. However, I am sure a number of Albertans would welcome this particular approach. In other words, take that portion that is received because, as the hon. Member for Edmonton Ottewell has indicated, he doesn't receive the moneys but he pays the tax on them. Perhaps what we could do in the Province of Alberta is reduce that tax, reduce the incidence of tax on that amount at least to the extent of the provincial income tax that would be paid on the family allowance that is received, or deemed to be received, by the main wage earner in the household.

MR. BARTON:

Mr. Speaker, seeing we have covered the full family unit, I would like to talk of the foster parents and especially on behalf of the wards of the province, and follow the continuation that all excess federal government money that has been passed on to the province has actually gone back to the people.

I have been waiting patiently for the Minister of Health and Social Development to pass this on to the foster parents, or in most cases it's actually to the ward of the province. The parents actually pass this family allowance money as his or her spending money. During the last increase, the Department of Health and Social Development took the option to deduct this from their monthly contribution. I was hoping that the minister would consider bringing an amendment in and making it retroactive to January 1.

MR. HENDERSON:

Mr. Speaker, I have only two brief comments to make. My first one is, I think we should examine the rule book as to the propriety of using the floor of the Legislature for communication with one's wife. I think this may have some real dangerous pitfalls. I don't think the rules condone it, and they don't necessarily condemn it. I have enough difficulty communicating with my wife privately without using the floor of the Legislature to talk about money.

MR. SPEAKER:

The hon. member might wish to avoid discrimination by substituting the word "spouse" for the word "wife".

MR. HENDERSON:

Well, I use the word wife, Mr. Speaker, because I am married to her. I think the other is just a friendly arrangement.

MRS. CHICHAK:

On a point of order, I wish to say that it is not a friendly arrangement.

AN HCN. MEMBER:

It's not?

MRS. CHICHAK:

But it ... [Inaudible] ... legally consummated.

MR. LUDWIG:

... [Inaudible] ... a friendly arrangement.

MR. HENDERSON:

I was going to say, Mr. Speaker, on the other hand - I was going to attribute it to you, but if the member who has just spoken prefers friendly arrangement, far be it for me to object to it. But ...

MR. KOZIAK:

Would the hon. member permit a question?

MR. HENDERSON:

By all means, Mr. Speaker, I am always available ...

MR. KOZIAK:

Mr. Speaker, the hon. member suggests that it would be improper to use the floor of this Assembly to communicate with one's spouse. I wonder if he would also consider it an improper use of this Assembly to indicate one's availability for marriage.

MR. HENDERSON:

I think in that regard, Mr. Speaker, the argument is, in my experience at least, ten years late. The Member for Drumheller - and I refer only to my experience because the Member for Drumheller has been here since about 1945. I don't know whether he picked up that habit before 1963, but in the ten years I've been here he's always used the floor of the Legislature as a place to ... ah, well ... the one remarkable affair I remember was with Judy LaMarsh, but we won't go into that.

MR. TAYLOR:

Keep my private life out of this.

MR. HENDERSON:

Mr. Speaker, I think the point I really wanted to get to is that I would hope the member introducing the bill and the government don't take seriously the proposition put forth that the income from this source should not be taxable. It makes me think of one year when the baby bonus cheques came out with the slogan on them that recreation pays dividends. I don't know why it shouldn't be taxable.

MR. SPEAKER:

May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. ASHTON:

Mr. Speaker, I am here to represent my constituents, and my wife happens to be one of my constituents. I would have to say with regard to the debate between the hon. Member for Wetaskiwin-Leduc and the hon. Member for Edmonton Strathcona, and I would have to agree with the hon. Member for Wetaskiwin-Leduc - I firmly believe that it should be taxable, and I feel that that is one of the most significant features of the new bill.

Commenting with regard to the hon. Member for Wainwright, I would suggest he talk perhaps to some of his low-income constituents who have teenage children and would get much less under the plan he proposes, even though with teenage children the expenses to that family in raising the children are much greater than those families with young children.

The hon. Member for Drumheller very accurately caught the point that the amounts are related to the cost of raising the children. In fact, some rather extensive studies were made to make the amount directly relate to the cost of raising the children of the various ages.

The comments by the hon. Member for Slave Lake with regard to the foster parents - I have to suggest that that is always under consideration.

Thank you very much, Mr. Speaker.

[The motion was carried. Bill No. 24 was read a second time.]

Bill No. 31
The Alberta Art Foundation Amendment Act, 1974

MR. GHITTER:

Mr. Speaker, I move second reading of Bill No. 31, The Alberta Art Foundation Amendment Act, 1974.

Mr. Speaker, in September of 1972 The Alberta Art Foundation Act was proclaimed. The Act, I think, expressed the wish of this Legislature to foster and to promote works in all forms by artists in the Province of Alberta and to collect such works of art to preserve and to display. I think it could be said, Mr. Speaker, that since September of 1972 the members who compose the Alberta Art Foundation have carried out their duties in such a manner that would indeed make each of us as members of this Legislature very proud, from the point of view of the work they have performed so diligently in carrying out the objects of this Act. I think, with respect to the amendment before the House, that it would be useful to all hon. members if a slight background were presented to them from the point of view of just what has happened with the Alberta Art Foundation since it was proclaimed in September of 1972.

As hon. members will recall, this foundation was given \$100,000 to be utilized for the balance of 1972 and 1973 in the hope that it would endeavour to acquire works of Alberta artists. Since that time, through donations and through acquisitions, some 500 pieces of art are now owned by the Alberta Art Foundation.

I think it would interest members, Mr. Speaker, to know that the first donation that was given to the Alberta Art Foundation was given by the hon. Minister of Culture, Youth and Recreation, when, with great ceremony, he gave to the foundation a beautiful portrait of Don Getty as it is described on a bubble gum wrapper.

This was the first acquisition, and I might say that since then the acquisitions have improved considerably, Mr. Speaker, and the ...

AN HON. MEMBER:

Did that use up the whole million?

MR. GHITTER:

... on the individuals who were posing - no, that was an acquisition by donation.

It should be noted, Mr. Speaker, that the total value of the donations which have been received by the foundation during the year amounts to some \$32,000. The foundation now boasts the ownership of many of Dr. A.Y. Jackson's sketches and paintings, and a number of individuals through their wills have bequeathed their art collections, including the collection of Dr. Alexander Calhoun who is certainly well known to all of us.

During this period the foundation has expended some \$70,257 on acquisitions of some 350 pieces of art, and has also conducted two major exhibitions in the Province of Alberta and is expanding this point of view. I think, indeed, that the ten members of the foundation deserve the congratulations of all of us for the work they have performed.

However, one of the areas of concern, Mr. Speaker, was the inability of the foundation to carry forward one of the objects which is in Section 3 of The Alberta Art Foundation Act. That is the one of assisting artists who are resident in Alberta from the point of view of encouraging them in their work.

Mr. Speaker, quite frankly, artists probably have the poorest credit ratings of any profession within this province or anywhere else. And certainly anyone who has examined and enjoyed the books that have been written about the lives of the Van Goghs, the Lautrecs, the Michaelangelos and the Rodins of this world certainly has had brought to their attention the suffering and the deprivation that these artists suffered during the years of their development - something that, if it could be avoided in this day and age, would certainly be laudatory.

Now, Mr. Speaker, the real principle and purpose of the amendment to The Alberta Art Foundation Act is just this. It is to try to assist artists with their financing so that

they can carry on and conduct the examination and study of their particular art from the point of view of obtaining assistance.

It should be emphasized that this amendment is not a granting amendment. It is merely by way of assisting artists resident in the Province of Alberta in conducting and carrying on their profession and their work. The government, from the point of view of this amendment as proposed, would have the ability to guarantee loans of artists and businesses which are primarily involved with art, up to a total of \$1 million. And the purpose, Mr. Speaker, is to provide a guarantee in connection with financial assistance in all forms of loans required by artists of Alberta, businesses and concerns involved with art.

The benefits, I think, with respect to this important amendment, would be as follows: first, it would enable the individual artist-craftsmen to obtain materials, equipment and supplies in advance of anticipated exhibitions and sales of work. It would enable the individual artist-craftsmen and such to obtain studio space and to work in their specialization under proper working conditions, for now they would have the financial ability to obtain the funds required from that point of view. And even more important, Mr. Speaker, it would enable individuals, firms and organizations who are involved, for example, in art studios, involved in the selling or display of art, to obtain loans guaranteed by the fund from the point of view of conducting their business endeavours which hitherto have really been unfortunate and difficult credit risks from normal lending institutions.

In general I think it could be said, Mr. Speaker, that assistance of this type should be viewed in a business sense and shouldn't be confused with grants and awards. The main purpose is to provide a backing by way of guarantees to these various groups. I think the benefits that will result from the point of view of this program will certainly be appreciated by the art community, but more important, all Albertans will benefit by the encouragement of our young artists and our older artists in their endeavours, so that the cultural life of this province and the achievement of our artists, as indeed has been encouraged by our hon. Minister of Culture, Youth and Recreation in many of the things he's been doing, will be perpetuated. I'm sure in future years we will all be proud members of the Legislature when we view the exhibits that will be presented by the Alberta Art Foundation.

MR. WILSON:

Mr. Speaker, in rising to participate in the debate on Bill No. 31, The Alberta Art Foundation Amendment Act, I would just like to confine my remarks to the principle engaged in the first section of the bill. Therein is a new principle that the hon. Member for Calgary Buffalo outlined in the guaranteeing of loans. I thought that the speech given by the hon. Member for Calgary Buffalo was most useful in explaining how the Alberta Art Foundation has functioned and the successes that it has met to date. But in the role of the Alberta Art Foundation previously, we understand that it is to collect, preserve and display the works of Alberta artists and to encourage Alberta artists to buy and sell works of art.

But this principle of guaranteeing loans and incorporating that in The Alberta Art Foundation Act led me to ask a few questions that perhaps the hon. Member for Calgary Buffalo would respond to.

He mentioned the things that this amendment would enable the foundation to do on behalf of artists, the things that they could buy with the loans and so on. He itemized those things so well, I am wondering if the regulations are already prepared, and if they are, if he would be so kind as to make them available. If not, then for the purpose of the guaranteeing of the loans, we would still be in the dark other than the fact that the hon. member mentioned what it would enable the artist to do with the fund.

So then I asked myself, is there really any difference between guaranteeing loans for tradesmen, manufacturers, doctors or lawyers? If not, then why is this new function not carried out by the Alberta Opportunity Company?

The guarantee aspect of Bill No. 31 suggests the building of a new bureaucracy to process these guarantees. It seems to me that the interests of Albertans might be better served if the guarantee part of the bill is handled by the Alberta Opportunity Company. Guarantees, after all, should be handled, as the hon. Member for Calgary Buffalo mentioned, on the basis of a cold, hard business decision, rather than on an emotional basis. He did point out that some artists do have poor credit ratings. But he also reassured us that this is not to be a grant in disguise. At least that's what I read into - the way I understood - the comments by the sponsor of the bill.

So I do not see the need to set up a new bureaucracy to handle the guaranteeing of loans by the Alberta Art Foundation when we have already got the Alberta Opportunity Company set up to do that. Presumably they are doing a competent job, presumably they don't make decisions on an emotional basis and presumably the loans they guarantee are done on a cold, hard, business basis.

It seems to me, Mr. Speaker, that by leaving the guarantee aspects of the bill in the hands of the Alberta Opportunity Company we could eliminate forming a new bureaucracy. Also, by having the Alberta Opportunity Company look after the guarantees, there would be less opportunity for different standards to be applied in guaranteeing loans by the provincial government. Also, judging by the scope of the regulations envisioned, the Provincial Treasurer is not equipped to process the guarantees without this increased back-up bureaucracy.

So, Mr. Speaker, I was wondering if the hon. Member for Calgary Buffalo, when he is closing the debate, might comment on the suggestion of leaving the guaranteeing aspect in the hands of the Alberta Opportunity Company.

MR. DIXON:

Mr. Speaker, just one or two remarks to the hon. Member for Calgary Buffalo regarding this act. I agree with the hon. Member for Calgary Bow that when it comes to guaranteeing loans for business, whether it be for artists or for anyone else, they should at least turn first to the Alberta Opportunity Fund, because their legislation under the Act, the Alberta Opportunity Fund, is very broad and almost any reasonable request can be considered.

While I am on my feet maybe the hon. minister - I should say the hon. Member for Calgary Buffalo, or the Minister of Culture, Youth and Recreation - would inform me as to how many paintings we have from such artists who spent most of their lives in Alberta, such as Mr. Gissing.

Some of the papers - and in particular I noticed one of the Calgary papers - are getting a little concerned about the big spending in Alberta. It lists the Deputy Premier as the biggest spender of government in Alberta, and low and behold, it says the second is the culture bug, Horst Schmidt, who buys paintings.

So you see, there is some concern by the public as to the type of pictures we are buying. They maybe leave you with the impression, Mr. Speaker, that we may be buying the wrong type of pictures or buying too many of them. But, of course, maybe the minister can - oh no, the hon. Deputy Premier, Mr. Speaker, said he hasn't bought any pictures, but I refer to him as they say that he strides around rural Alberta like a medieval noble distributing all these wonderful grants and things.

SOME HON. MEMBERS:

Hear, hear.

MR. DIXON:

He doesn't mention the pictures.

The only thing I'd like to remind the cabinet and members opposite is that really you should keep in mind that governments are the stewards of public money, not the owners of it. They should not spend it unwisely or unnecessarily.

Getting back to my first objection to the hon. Member for Calgary Buffalo, this is that I believe the Alberta Opportunity Fund should look after that part of this act where an artist finds he is in need of money to carry on his business or to get established in a business. I have no objection whatsoever to any artist getting assistance, but I think he should use the present facilities that are available. I think we have made loans to some people who have already - they may not be painting pictures, but they are manufacturing articles that could be sold, such as pottery and the like, which in my estimation is an art. They can do that without referring to this Alberta Art Foundation.

I commend the government for buying and preserving for posterity some of the art work of many of our Alberta artists or those who have resided in Alberta for some length of time, and I think that is a good thing. I think we will appreciate it over the years. But as far as dealing with someone established in business, I don't think we should put him or her, Mr. Speaker, on any different footing to what we do with any other businessman. If art is going to be their particular chosen profession then they should be able to qualify under the Alberta Opportunity Fund, and it would be a much more practical way, I think, of meeting the situation if there are problems with artists finding money to carry on their particular profession in this province.

MR. TAYLOR:

Mr. Speaker, I'd like to say a word or two in connection with the bill. I support the bill, but I feel that it does not go far enough. As a matter of fact, in one sense of the word it is very discriminatory.

When the culture of the present age is decided on by those who come after us, much stress will be based on paintings to decide that culture, and to that extent I think this is an excellent bill. But when we provide this type of assistance to only one group of artists, with no assistance to other types of artists who will have just as great an effect on the culture of this country now and in the future, then I think we're being unfair. I mentioned this when the original bill was passed, and I would have hoped that this bill today would bring in an amendment. Remember, the original bill excluded musical and literary compositions.

I remember one time when I was in Quebec City at a road convention and one evening I was walking down one of the very narrow streets in Quebec City which is dedicated to artists of all types. There I found people painting and selling their works, and scores of people around watching and buying and enjoying the culture being developed by those young people. There was also a section where they were selling their writings, poems and literature, which were being purchased almost as much as were the paintings. And in another section of that little crooked street there was a chap singing folk songs, songs that he had written depicting the spirit of the present age. I couldn't escape the thought that here we had a total of artists of various cultures depicting the culture in a different manner, but each one in his own particular way, and each was no less an artist than the other. Some were able to paint, some were able to sing, some were able to write, but all were artists and some were good and some were bad. The same as in paintings and in sketches, some were good, some were bad and some were mediocre. The same with musical compositions and literary compositions.

I think it's rather bad in this province for us to set out one group of artists and say, this group is going to receive special consideration and special help. And those who happen to be artists in the spirit of writing or in composing music are not going to receive a similar type of help. I think this is very unfair.

I notice some of the newspapers of the province encourage writing, periodically, through contests and prizes being awarded for stories of various kinds. Some of our organizations such as the Canadian Legion and the Alberta Safety Council have encouraged boys and girls to write on certain topics such as Remembrance Day, safety and so on. Some school festivals encourage young people to compose music, but in no case are the artists of musical and literary talent encouraged in the same manner as those who are painting pictures. This is very, very unfair in my view.

I'm not opposed in any sense of the word to the artists who paint pictures getting this type of help. There are some people who are - I had one chap stand up in one of my professional meetings and criticise me severely, as the member, for not taking a definite stand against the government giving a grant to the orchestras of Calgary and Edmonton. He said, we still haven't got water and a sewer in our hamlet and you have thousands of dollars to give to an orchestra for the long-hairs. Perhaps the criticism was justified, but I feel there's a place for art and there's a place for culture. There's a place for music and there's a place for water and sewers too, and you can't say, we will spend all the money on one or the other.

But here we are going to the other extreme by saying we are going to help culture, but only one branch of culture, only one branch of artists. If this was extended so that section (d) of the Act was taken out so that musical and literary compositions received comparable treatment, then I'd be very, very happy with the bill. I want to make it very clear that I support this as far as paintings, sketches and artistic work of that nature are concerned. I would like to see it extended at the earliest possible time to include literary compositions and musical compositions.

MR. HENDERSON:

Mr. Speaker, I would just like to make one or two brief comments on the bill.

I am afraid I must question in principle the validity of using the question of guaranteed loans in an application of this sort. As the mover of the bill has stated, artists are notoriously poor credit risks and, as a married man with a wife who paints, I would agree with him. By his own words, I think that most of the guarantees are going to be exercised in the form of the government having to come forth with the cash to cover the loan.

As the Member for Drumheller, I think, has pointed out, the government does make grants - for example, to the Citadel Theatre. Why don't they make a loan to the Citadel Theatre, a guaranteed loan instead of a grant? They make grants to the symphony orchestras. Well, why don't they use guaranteed loans instead of grants in those cases?

I think, in the case of the type of artist that the bill is intended to reach, they are probably in greater need of a grant, being a poor credit risk, than the number of institutions to which the government is now making grants. The question that comes to my mind is whether the question of guaranteed loans really doesn't beg the issue, that it really isn't going to add anything appreciably to the programs that exist now. It would

seem to me the only merit in the prospect of guaranteed loans is they can use the commercial lending institutions to appraise the relative non-merits of the people who are requesting guaranteed loans, and relieve some of the pressure on government on the part of those who are requesting loans.

On the other hand, I think if the government is really sincere in this matter, then the money would be handled in the form of grants as opposed to guaranteed loans, because on the basis of what the mover said on introducing the bill, most of the people or a significant percentage of them are going to be extremely poor credit risks and the government is going to have to make good on the loans anyway. Why go through this exercise? I don't question the objective of trying to promote this particular aspect of our social endeavours but I really question the desirability or the appropriateness of using the questions of loans to meet this need. Why not make it another \$100,000 or \$200,000 in the form of grants and be done with it?

MR. RUSSELL:

Mr. Speaker, I'd just like to say a few words in support of the bill because I think the principle embodied in it is excellent. And particularly in responding to the last speaker, I think there is a great difference, in dealing with the developing artists in Alberta, whether or not they are given grants and encouraged to live on that basis, or whether or not they are given guaranteed loans, like other businessmen, and encouraged to establish businesses. I think there is a very important difference there if we look at it. Traditionally, I think we can say that man has not lived by bread alone. If you go back a few centuries in the world of art you used to have the patron system whereby the doges or some other wealthy segment of society would in fact take under their wing emerging artists, support them and encourage them to do works of art which were of general benefit to all their community.

This century there are some industries which have taken over that role. I think of the Rothman's tobacco people as being one good example. But there is no question that there is a gap there. Many of these artists are not looking for grants on an annual basis. They're asking for a chance, and they recognize in many instances that they are probably poor credit risks if they walk into a bank and try to sell ideas, canvasses, stories or whatever to a hard-nosed bank manager. Perhaps it's more difficult to get loans to establish businesses in that way.

I think we have to be prepared to follow through with the program we have under way. We have an excellent Alberta College of Art - a new building just opened, it's on the SAIT campus - and we put substantial funds into training young Albertans or young Canadians to be artists and presumably to earn their living in the field of art, just as in other parts of that campus we're training welders, cooks, bartenders or whatever. I think, insofar as the collection of the Alberta Art Foundation that's been assembled so far, if the members care to dig out the reviews of the first showing of the original collection, they'll find they were most favourable. I think the critics were pretty well unanimous that a very good representative collection - representing traditional, old, new, contemporary, you name it - had been assembled by this group of Albertans who serve on the foundation board.

I think we should be willing to take this business risk, and the point of my getting up is that I would like the members to think that it is a business risk we are being asked to take by supporting this principle, and not merely another grant. Because we can pick out so many very good examples, Mr. Speaker, and I am sure all of us know, on a personal basis, Alberta artist-citizens whom we would be glad to support in that way.

A couple of examples come to mind just here in Edmonton. It was a very few years ago, within my experience in this Legislature, that a sculptor called Roy Leadbeater, who had been commissioned to do a piece for one of our new university buildings here at the University of Alberta, was having difficulty, I know, in getting together the necessary capital and facilities in order to have the sculpture cast that he had been commissioned by the government to do. This is the kind of encouraging legislation that I think could help a fellow like that. He has since gone on to establish an international reputation, and we would have done well in those days to have given him some encouragement by way of this kind of legislation.

I think of a constituent of mine, a man called Buck Kerr, who paints from the living room of his house in my constituency. One of his paintings hangs in the lobby. It's the official portrait of the last Premier of this province ...

MR. STROMBERG:

Are you sure you recognize it?

MR. RUSSELL:

and there's another great example of an Albertan who has developed and become good. Maybe in his younger days he could have used this kind of encouragement too. So I could go down

the list, I am sure we all could, but I think it is an excellent idea. I commend the sponsor of the bill and the Minister of Culture, Youth and Recreation for putting this idea before us.

MR. LUDWIG:

Mr. Speaker, I support the principle of the bill, but I think we should realize, as has been admitted, that we are going into an area of help, and I believe much needed help, where conventional loans would not be available. These people are - some of them are - generally poor risks, and the hon. minister just mentioned some of the more outstanding artists in this province who at one time or another had serious difficulties in obtaining financing. I am sure that in any business we can't expect, when the government guarantees loans, that people will go there when they have exhausted any possible hope of getting a conventional loan. So we have to expect a fairly high percentage of write-off.

As long as we let the public know that we are doing this and that we manage very carefully, and manage sincerely, I believe, as a representative of a constituency, that we are prepared to take the stand that perhaps we have to take some of these risks. If we can't evaluate some of these matters in dollars and cents, we could, for the want of help sometimes lose a very outstanding person to our society. But we also have to watch to make sure that we don't become a sort of mecca for all the arty types who are drifting throughout Canada - this is the place, this will become a promised land. Let's check out and see what other provinces are doing. I am sure that other provinces are also very culturally-oriented and are helping, and this province can afford to help.

I am not at all objecting to the principle of this bill, but we have to be careful here that we not only help people develop their talents but that we also encourage them to make this a good place to perhaps practise their talents when they have acquired and experienced greater skills.

I believe that as a province, society has gone a long way in providing facilities - I believe the finest in Canada. The College of Arts at SAIT is going to mean a lot. It already has attracted all kinds of people who will benefit the province. We are doing much directly in other respects, not through direct loans. We have provided facilities. We are attracting talented people in the arts. So we are doing a lot in this province now. Our whole educational system is geared towards encouraging people in the field of art and other activities of a similar nature. We must recognize that we have provided rather well in that regard and have taken the lead in the past and now.

So the bill is a good bill, in my opinion. I think that we would require to be especially careful in administering it because this is the type of thing that can be taken advantage of. We must make sure because if we feel that this is a step in the right direction, as some hon. member has stated, then why stop here? There are other forms of art that perhaps are just as greatly in need of financial help as this. So if it is a good thing and works and isn't abused, then I would even favour extending it in due course. But I think that we have to administer this type of fund extremely cautiously lest some people take advantage of the generosity of the people of this province.

Thank you, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, just a very few comments on this bill.

First of all, I think that the points made by the hon. Member for Drumheller are certainly worth noting, that is, if this is a good principle with respect to aspiring young artists then we should perhaps consider the extension of the principle. I would ask the mover of the bill or perhaps the hon. minister, if he cares to take part in the debate, to advise the Assembly just what the present policy is with respect to poets and writers and playwrights.

I think what we're really talking about here, Mr. Speaker, is what reasonable steps we can take as a Legislature to encourage an indigenous Alberta culture, that is, encouraging artists, poets, playwrights and those people who can help to develop that part of our society which goes into the total cultural development of our community.

So Bill No. 31 is fine in that sense. I would suggest that perhaps we may be looking at this as an interim step. I notice the Minister of Municipal Affairs mentioned that in years past artists used to depend on patrons. That, of course, is true. The difference, of course, is that when they depended on patrons, the patrons paid the bills and it wasn't the case of paying back loans. I suspect that if we really are interested in developing an indigenous western Canadian culture, at some point we may have to go beyond guaranteed loans and provide a system of 'out-grants', providing, of course, we have the ground rules nailed down so that we don't have people simply taking advantage of them and abusing the scheme as the members can certainly find evidence of in other areas. But nevertheless, I think what is important here is encouraging the arts.

By and large then, Mr. Speaker, I think that Bill No. 31 merits support. I see it as an interim step. I think the points made by the hon. Member for Calgary Mountain View are nevertheless valid. We have to try to make sure that this program of guaranteed loans is not abused. But in the long-term, if we're really serious about encouraging aspiring young artists in Alberta and people in the other cultural pursuits as well, we may have to take a pretty close look at how important we consider an indigenous culture as a priority for society as a whole. In my judgment, Mr. Speaker, encouraging pursuits of this nature is well worthwhile.

MRS. CHICHAK:

Mr. Speaker, I would like to make just a very few brief comments in support of this bill and just draw attention to some of the questions that I see raised. The answers are, I believe, to some extent existent within the current legislation under which the Alberta Art Foundation has been established. And that is one with regard to the matter of the objects of the foundation itself.

In looking back at The Alberta Art Foundation Act of 1972, it very clearly spells out that the object of the foundation is to provide means whereby artists resident in Alberta may be encouraged in their work. And so in the amendment under Bill 31, where it gives an ability for these artists - it is not restricted to artists of paintings but artists more generally. The connotation of the word "have" enables these talented individuals to obtain assistance from lending institutions where ordinarily these individuals would perhaps not qualify for a number of reasons.

I think the reasons we are particularly concerned with are in relation to a credit rating which, as a result of the inconsistency of income, is based on where this income is derived solely from the profession within the arts. As well, if the credit rating is determined by the intervals at which the individual obtains his income and is then not able to qualify for loans, I think that these are the basic kinds of things that we are concerned about; that an artist not be deprived from being able to carry on his work and being able to contribute of his talent to the general public simply because of his very real kinds of problems because his income is determined by the acceptability or the immediate availability of the consumer market at a regular interval of time.

I see a great deal of merit in Bill 31 where we are now making provision for guaranteeing these incomes. I believe that the membership of the art foundation would be very prudent in its consideration of applicants where the matter is determined on the credit rating basis. I feel very confident that guarantees would not be given to applicants who have demonstrated, over a period of time, an irresponsibility of management of finances or resources, or an irresponsibility in the application of their energies to put forward their talents to the benefit of the general public.

I think that the questions raised with regard to applying the Alberta Opportunity Fund, in having that area deal with applications for loans by artists, is directly encouraging that the government provide the initial moneys for the loans rather than just guaranteeing the repayment of such loans. I think that the merits in the amendments on the bill, as they are contained here, are a far wiser application of the assistance that government wishes to those artists who truly deserve some assistance and have the talent to bring forward to the benefit of all Alberta citizens or Canadian citizens.

Thank you.

MR. DOAN:

Mr. Speaker, I had not intended to speak to this bill, but I because it is different from most money bills presented in this Legislature, it aroused some feelings I developed on a recent tour I was privileged to take in Europe.

In travelling through Italy I was inspired by the art, the paintings and the sculpture that you see in that old country, particularly in Rome, Venice and Florence. I was impressed in being conducted through a lot of these old castles with the sculpture and the paintings that invariably almost completely adorned the ceilings of these buildings.

One wonders today, Mr. Speaker, where in this country this talent is. For this reason, I would like to add my support to this bill.

MR. SCHMID:

Mr. Speaker, while I am very sure that the hon. Member for Calgary Buffalo will reply to all the questions that have come up during the debate, I would be remiss if I did not express my sincere appreciation to all the hon. members who have participated in the debate with a sensitivity which I am sure will be appreciated by the artistic community of this province.

My feeling is that a light has been kindled in this Legislature. A first for Canada, for which our children and our children's children will be grateful.

I would like to take this opportunity also, of course, to express appreciation for the outstanding efforts and unequalled dedication of all the members of the Alberta Art Foundation for their work in the past.

MR. SPEAKER:

May the hon. member close the debate or do you wish to proceed?

MR. GHITTER:

Thank you Mr. Speaker. Mr. Speaker, I feel that I must briefly respond to the suggestions made by the hon. Members for Calgary Bow and Calgary Millican relative to the Alberta Opportunity Company, and that this institution should be utilized for a process which we're discussing tonight under the principle of this bill.

I think for a moment, Mr. Speaker, of young artists whom I have known. I think in terms of one in particular, a very fine writer, who went to southern Alberta and isolated himself for some three years as he developed his first manuscript. By the time he came out of the woods, Mr. Speaker, he was bearded, blue-jeaned, kind of out in left field a bit from the point of view of his relationships with the community.

But he was a very talented young man. I think in terms of this young man with his manuscript that was that thick - that I have seen - that he has tried to get published. I see him hitch-hiking to Ponoka, knocking on the door of the Alberta Opportunity Company and saying to the directors of the Alberta Opportunity Company, I would like you to guarantee my loan; here is an example of my art.

I can see the directors of the Alberta Opportunity Company who are imbued with the industrial strength and problems of this province sitting back and looking in judgment at the manuscript to determine whether or not this gentleman should have his bank loan guaranteed.

To me it is probably an expression, as I hear it from the Members for Calgary Bow and Calgary Millican tonight, of really what we're trying to overcome by our appreciation and our endeavour to encourage the arts in this province. It is not the area of involvement of the Alberta Opportunity Company to sit back and determine what is art that should be supported and what is art that shouldn't be supported.

We are not just talking of the cold, black and white, debit and credit, balance-sheet analysis of the bill this evening, Mr. Speaker. The thought of the Alberta Opportunity Company judging what is a proper art form and what isn't, is to me so patently absurd I can only think that the hon. members were tickling my funny bone, as they stood here this evening, if they were seriously suggesting that art forms should be analyzed by businessmen who are concerned with the industrial strength of this province.

May I also suggest, Mr. Speaker, ...

MR. WILSON:

Mr. Speaker, would the hon. member permit a question?

MR. GHITTER:

Sure.

MR. WILSON:

To the hon. Member for Calgary Buffalo, could not the existing art foundation make recommendations as to the value of the product that was being put up for the reasons of the loans?

MR. GHITTER:

Mr. Speaker, of course that is what is happening. Surely there are so many different guarantee programs administered by the Department of the Provincial Treasurer, that that is exactly how this will function.

The Alberta Art Foundation will accept the applications. They will process the applications. They will determine the validity of this art form or the individual from the point of view of the art in which this individual or firm is endeavouring to obtain training and development. They will then recommend to the Provincial Treasurer who will merely guarantee. The Provincial Treasurer does this in many forms of our legislation.

The suggestion that the Member for Calgary Bow made, Mr. Speaker, that it is just another example of increasing bureaucracy, just isn't so because all it would mean is the Alberta Art Foundation that this Legislature created in 1972 would process the applications - it is already in existence - and then the bank loan would merely go to the Provincial Treasurer for a guarantee. I doubt that it would take one more employee to administer this program, so why encumber the Alberta Opportunity Company with an analysis of the art form when they are not men who are really qualified in that area?

Mr. Speaker, the other point that was raised by the hon. Member for Drumheller and the hon. Member for Spirit River-Fairview should also be explained, because I believe they are under a misapprehension from the point of view of the legislation.

The hon. Member for Drumheller refers to the restriction in the act pertaining to a work of art which does not include a musical or literary composition, and that, indeed, is true. This, of course, means that the Alberta Art Foundation cannot expend public funds from the point of view of acquiring any musical or literary compositions. And indeed the hon. Member for Drumheller may be correct when he suggests that in the future this should be considered from the point of view of expansion. But may I refer the hon. member to the amendment which does not in any way restrict the Alberta Art Foundation from recommending the guarantee of a loan of an artist resident in Alberta. It doesn't restrict the form of the art. Granted, this will be dealt with by the regulations, but the "work of art" definition merely refers to the area where an acquisition may be made by the foundation.

I would submit that the intent of this legislation is not in any way to inhibit the Alberta Art Foundation from agreeing to allow the government to guarantee a loan of some writer, like the gentleman to whom I briefly alluded in my debate, or someone who is dealing in terms of the musical form of art. I certainly don't believe that that is the intention, and I agree totally with the hon. members from the point of view that there should not be that restriction if a musician or a writer, resident in the Province of Alberta, who is practising art, feels that they have financial restrictions and needs a loan guarantee.

I think, Mr. Speaker, that is the main area I would like to respond to. I would thank the hon. members for their participation in the debate. I think that as the hon. Minister of Culture, Youth and Recreation has stated, this is a first in Canada. This is an expression of this government's point of view toward a very important and vital segment of our community, and I would certainly welcome the support of all hon. members.

[The motion was carried. Bill No. 31 was read a second time.]

Bill No. 34 - The Municipal Election Amendment Act, 1974

MR. BATIUK:

Mr. Speaker, I move second reading of Bill No. 34, The Municipal Election Amendment Act.

The purpose of this bill is to remove a few inequities in the present legislation, and also to provide some uniformity, with proposed amendments to The School Election Act.

When we realize that local governments' - whether they are school trustees, town and village municipal councillors, or municipal district or county councillors - obligations are much the same, I feel there is no reason why elections and nominations should be held separately.

There are a couple of sections that I am really concerned about which I am going to mention. There are a few minor amendments which, in case the hon. members want to question or show concern, I would be willing to reply to.

Sections 4, 34, 39, 42, 54 and 99 are amended to provide the resident requirements for an elector from 12 months to 6 months. This conforms with the proposed amendments to The School Election Act.

Another amendment is to sections that establish the third Wednesday in September as nomination day for general elections for all the municipalities except summer villages. Presently, rural and urban municipalities have different nomination days.

Of particular significance is Section 12 of The Municipal Election Act. One area is going to give the judge the discretion to determine the period of a disqualified member of the council and how long he shall be ineligible for re-election. And I just think of one municipal councillor, for example, somewhere in the Province of Alberta, who was in default of taxes of \$50 and was disqualified shortly after election. The judge had no other choice but to disqualify this person for two terms, which would be six years and the

almost three years that he lost on his term. He would not be able to seek re-election for almost nine years.

Now whether it was intentional or not, I understand the gentleman didn't even realize that he was \$50 behind. Yet when we look at the Act, it has had the provision for a good number of years that anyone resident in the area would qualify to be elected. Even a transient could set his tent in somebody's back yard or any farmyard and within 12 months he would be eligible to run for a council. Yet the person who may have paid hundreds and thousands of dollars in taxes was disqualified just because he was \$50 behind.

Furthermore, in particular I am very concerned that in the village of Holden in my own constituency - and this I think is a real example - three or four councillors and the mayor were disqualified. This village of 500 people was adding on an area to its recreation centre and was short of approximately \$4,000 that it could not raise. The three councillors and the mayor had borrowed, and signed promissory notes to the bank to provide the almost \$4,000 they borrowed for the village. This was all right. They completed their recreation centre and within a year they had realised from the recreation centre the almost \$4,000 to return to the bank, which they did. However, they recovered from the village the little bit of interest that was involved which was charged against them. This was a technicality and the four of them were disqualified.

Now, particularly the Chamber of Commerce saw that they had lost four very fine people of good calibre who worked in the interests of their village and approached me on numerous occasions to see what I could do for them. However, the amendment in this Section 12 will also provide for persons such as these elected municipal councillors, or others in the province, to appeal to the judge; that he may now even lower their sentence.

I would actually ask the members to support this bill, particularly the members from the other side. I would like to say that one of these members who was disqualified was a strong supporter of the Social Credit party. Just a few years ago he lost out for his candidacy by one vote. Probably with just another vote he would have been one of your colleagues. So I would ask that all the hon. members support this bill.

Thank you.

MR. BUCKWELL:

Mr. Speaker, I would like to ask a question of the hon. member; that in this Municipal Election Amendment Act, and in The School Act, rather than try to get uniformity throughout the province of who is an elector and who is not an elector, in Bill No. 29, The School Election Amendment Act, a person is eligible:

who

- (A) has resided in Alberta for the six consecutive months immediately preceding nomination day, and
- (B) is resident in the district or division in which the vote is to be held on nomination day.

Now in amendments 6(i) and (6.i.1) of this act he has to be a resident of Alberta "... for the 12 consecutive months immediately preceding nomination day, ..." and a resident of the city, town or village "... for the six consecutive months immediately preceding nomination day ...". I think in the interest of uniformity and the interest of elections - because I feel there is just as much lack of interest in municipal elections for councillors as there is for school boards, I can well imagine an election this fall where a person is eligible to vote in the school election and he is not eligible to vote in the municipal election. I think in the interests of trying to get uniformity where you could use the same list of electors, that it would be far better to get this ... who is an elector with the same criteria. If it is 12 months for one, it should be 12 months for the other. If it is 6 months or whatever it is - but it should be the same, because you are going to cause a tremendous amount of confusion. You actually have a person who could be nominated for a school board under the one act and as yet can't even vote in the municipal election under the other. I think we should take a look at it to try to get these things as uniform as possible so the same elector has an opportunity to vote in either election or in either council.

MR. FRENCH:

Mr. Speaker, I just have one or two comments I would like to make with respect to Bill No. 34, and they are really in the form of a question. I would like to ask the hon. Member for Vegreville who's piloting the bill through the Legislature. These amendments are the result of recommendations from the urban and rural municipal associations. I think we realize that these organizations represent the councillors, whether they be at the urban level or the rural level, from all over the province, and I think we should recognize that when they make recommendations at their annual convention we should pay some regard to them and have a look at them.

And secondly, Mr. Speaker, I am a little concerned that we continue, year after year, to restrict the qualifications for a person to be a councillor in some of our rural areas. I think we realize today that we are encouraging the farm population to stay in the area when they retire. Some of these people have been municipal councillors for many years, they retire from the farm, they move into the little town where they know everybody and then we say to them, because you don't live in the municipal district, because you live in the town we disqualify you from being a member of the council.

Many of these people have given many valuable years as a member of a municipal council. Their interests are still in the municipal council and I am convinced many of these people would have many years of useful service in the interests of the municipality. Just because they live in the town and the farm where they use to live is maybe five miles out, then we say to them you can no longer be a councillor, yet the council meeting was probably held in that same town. I would ask that some consideration be given in view of changing conditions, that we make it easier for some of these people to give further service as members of the council. Certainly, Mr. Speaker, I support the bill as far as I can see. I may have some further comments to make in committee.

MR. PURDY:

Mr. Speaker, I welcome the opportunity to say a few words on the Municipal Election Amendment Act and especially the sections in the act which pertain to summer villages. The amendments in the act to allow summer villages to hold an election every three years instead of on an annual basis will certainly be welcomed by all summer villages in the province. This is going to be more pertinent to my area, as I have about 22 summer villages out of the 34 which are situated in the Province of Alberta.

This will, in essence, save the village the expense of running an election every year and will give the council elected greater stability to set forth better operating for the village concerned. At the present time they have to hold an election every year. They get into situations where councillors may be trying to do an excellent job for the village, but because of the first year people are not satisfied with what they have done and they are voted out of office the next year.

One question I have for the Member for Vegreville who is sponsoring the bill, is in regard to the nomination date being changed to September instead of October. I am of the opinion that this may be an hindrance to rural councillors in the area because the election would be held the third Wednesday in October. This would cause some hardship. As all hon. members know, we are usually deep into the harvest by October 25.

I would question the member why this change was made to September instead of leaving October as a nomination date?

MR. ANDERSON:

I have just one concern with The Municipal Election Amendment Act. It was brought to my attention that with these elections a person has to be resident only for one day in the summer village and that has to be on nomination day, and he is eligible to vote. I was wondering, if he was only a resident for one day would he be eligible to vote in a summer village election?

MR. RUSTE:

Mr. Speaker, the point I was going to raise has been raised but it certainly deals with the involvement of people. I think it goes back to The School Election Act as well, where you want to get the involvement of the ratepayers or those who are eligible to vote. Certainly, having nomination day on the third Wednesday in September, after the experience we had last fall I think a lot of us who were involved in agriculture won't be stopping for any nomination day whether it be September or the election day in October. I would ask that they seriously consider moving that a bit later to get uniformity and to get as many people involved as you can, because, as I mentioned, with the experience we had this last year, I think those of us that were around will remember that a long time, and if we can harvest there is no nomination and there is no voting going on.

MR. TAYLOR:

Mr. Speaker, I would like to make two comments. One was made by the hon. Member for Lethbridge East - I guess it was - a few moments ago in connection with summer villages. I rather think it is a mistake to permit anyone in a summer village who happens to be there on nomination day to vote. The other requirement, of course, under this act would be six months in the province. But this would certainly make it possible, if someone wished to do so, to abuse the act, and to carry out an election that was certainly not in accordance with the thinking of most of the people of the village.

I think that this is leniency going to far. Surely there should be some requirement other than he happens to have his tent or happens to be a resident in the summer village

for one day and nomination day. I frankly think this is not sound. It may be fine if absolutely everybody was honest - most people are, but there are always a few who are not. It could lead to abuse.

I think we should try to avoid avenues of abuse if we can see them, before the legislation is written. Surely it is not asking too much that the people who vote in a summer village will have to live there, be resident there, will have to put up with who they vote for. If somebody's going to vote because they are there nomination day, and leave, they don't have to be subjected to whom they voted for or whether they are a good or bad.

I think one of the principles of democracy is that when we exercise our franchise we've made our bed and we sleep in it for a while, at least until the next election comes around. If we made a mistake, we can correct it at the next election, but when anyone can vote having been resident only one day, even in a summer village, and some of these are fairly large, I think we're going too far towards modernizing or liberalizing the Act. I think the hon. member who's sponsoring the bill and the minister concerned should take another look at that requirement.

The other point that I want to just simply mention is this matter of disqualification. The hon. member in introducing the bill did not mention the nature of all disqualifications.

If the disqualification is because the man happens to owe money that he borrowed legitimately and was unable to pay through no fault of his own, I think that's one thing. If it was using money illegally that belonged to the ratepayers, I think that's a horse of a different colour entirely.

I think we have to look at the nature of the disqualification. If an elected member uses his position because he has information not available to other people to feather his own nest, then I have no sympathy at all for having him qualified to continue on a council, whether it's a summer village, a village, a town or a city. That type of person should not be there if he can't get information without using it for his own personal advantage or the personal advantage of his relatives or very direct friends. That information should be made available to everybody at the same time. That's the strength of democracy. If we start weakening that type of thing, then we're weakening the very structure in which we believe.

I emphasize again, I make a great difference between borrowing money which can't be repaid because of economic conditions and so on, but with the full intention of repaying it. That is something any one of us, whether we're in a position or not, can get into. But to use position for personal aggrandisement or personal advantage, I think is something else entirely. If you're disqualified on that basis, then I frankly support a very long disqualification. I think it's in the interests of the people in a democracy to have that. So I wonder if the hon. member would enlarge on the lessening of disqualification and on the nature of the disqualification to which he refers.

MR. KOZIAK:

Mr. Speaker, one of the points which was brought up in second reading of Bill No. 34 by the hon. Member for Drumheller interested me. The hon. member suggested that the provisions with respect to summer villages are incorrect in that a resident of only a day would be entitled to vote, and used in support of that suggestion the fact that in a democracy one is required, once he has made his bed, to sleep in it.

Well, Mr. Speaker, I know of no provision, of no statute, of either the Province of Alberta or the Dominion of Canada, which requires an individual, once he has voted in either a municipal election, a school election, a provincial election or a federal election, to remain a resident of either that city, that town, that province or that country. The only requirement is what, in fact, that individual was immediately prior to the election and at the time of the election, but there is no requirement whatsoever upon an individual that once he has voted in an election he remain a resident of that city, a resident of that province or a citizen or resident of that country. I fail to see the argument that was put forward by the hon. member on that particular point.

MR. BENOIT:

Mr. Speaker, I rise to speak concerning the principle of this bill, not speaking for or against, but with mixed emotions thinking in terms of the nature of this bill as well as the one that pertains to the school elections.

We live in a changing time, a changing age, changing circumstances and I know that we can't stay in the same rut forever. We have to change, but by the same token change for change's sake or change just to be in style is not good either.

This bill is like some other bills that we have before us. It looks like a sort of permissive bill and we're shortening the period of time of residency, we're making provision for shortening the penalties for violating the Act. It looks like we're trying to make it easier and easier. I'm not objecting to making things easier, providing it doesn't water down the strength of our society when we do it.

If a man had to live 12 months in a community before he could vote, he knew something about the community and you were pretty well assured that, everything being normal, probably he would be staying there for awhile and would feel a sense of responsibility. If a man had to live in a community for 12 months before he became a councillor or was elected for some other office, he felt he was a part of the community, he knew the community and the community knew him, and they knew the type of person they were voting for.

But now we reduce the time of residency for the voters and the elected representatives to six months in the particular area where the transaction is going to transpire, and we have a situation where we could have a number of people who hadn't been in long, voting for a man who hadn't been there long, none of whom may have felt a particular degree of responsibility for the community. In fact, it's a short enough time that a number of people might have some ulterior motives as far as their actions in electing a person in this way.

So with that in mind I'm not against the bill but I'm only suggesting that we ought to give some of these things some considerable thought. I'm thinking also in terms of the judges having the permission to reduce the length of time of penalty of those who were in office who have violated the law. The hon. Member for Vegreville, in speaking to this second reading of the motion, has pointed out some specific incidents, however many or few they might be, as examples of reasons why there should be some leniency in cases where people did not intentionally violate the law. I have to agree that there is room for that.

On the other hand, giving this kind of latitude makes it possible to reduce the time of penalty for any kind of situation, and that leads me to say that I would be speaking against my own suggestions if I were to say that this couldn't be. Because I have suggested, on other occasions and even in this session, the magistrates should have latitude in their judgment and the authority in rendering their judgments to give a judgment according to the circumstances. They ought not to be bound by legislation to a certain type of penalty regardless of the circumstances.

And so, Mr. Speaker, in rising to speak to this bill, I have only intended to utter a word of warning; that we caution, that we be careful and not become too permissive because we do live in a permissive society and we are trying to make things easier and, in so doing, we may take the vitality out of our society.

MR. SPEAKER:

May the hon. member close the debate?

SOME HON. MEMBERS:

Agreed.

MR. BATIUK:

Mr. Speaker, in closing this debate I would like to thank the members for their participation.

In replying to the hon. Member for Hanna-Oyen, to allow town people to serve as representatives in a rural area, I think, is not right. If a person resides in a town he has the privilege of being a town councillor. I don't think that one individual should serve on the town council and also on the county council or municipal district.

The hon. Member for Stony Plain and the hon. Member for Lethbridge East wondered why the people won't have to stay longer. The hon. Member for Stony Plain suggested maybe elections once in three years in the summer villages. Now I just wonder if we had the elections every three years, whether there would be somebody to elect from. As you know, the residents in the summer villages, most of them anyway, stay there for two, three and four months. I just wonder if the requirements and qualifications of the electors would be that they should be resident for one year or something that would be hard to choose somebody from.

Also, I would like to bring to your attention that this was the request of both the Alberta Union of Municipal Associations and the Alberta Association of Municipal Districts and Counties in their 1971 conventions, and realizing that we are a government that believes in local autonomy, I think we should give them that privilege.

With regard to the statements that the hon. Member for Drumheller made, when I brought this out I made it very clear that it is in the judge's discretion. Previously, it was mandatory for the judge to suspend a person or disqualify him for two terms. I realize that if anybody had any pecuniary interest or monetary gain, maybe even two terms isn't enough. I think that every case deserves its own merit. This is giving the judge the discretion to use the penalty he decides.

I mentioned some of the examples of people who were disqualified and made no monetary gain, but they were disqualified just because of a technicality.

Also, the hon. Member for Macleod mentioned uniformity. I think that maybe this is worth considering. If there is a place maybe for future amendments and so forth that may be one, that it takes a twelve month residency qualification rather than six for school.

Also, the hon. Member for Wainwright stated that an early election may make it a little difficult for the rural people. I can agree to some extent. I have been a municipal councillor for some eleven years myself. However, if the weather is good usually harvesting should be over by the end of October. The elections are going to be carried on. If it is a wet and bad year like this past year the people are available to go to election at all times also.

Maybe this would give some incentive. If they use their franchise, maybe they will get somebody who will bring better weather.

I would once again like to thank all the members for their participation.

[The motion was carried. Bill No. 34 was read a second time.]

Bill No. 35 The Common Parties Contracts and Conveyances Act

MR. MCCRAE:

Mr. Speaker, it is my pleasure to move second reading of Bill No. 35, The Common Parties Contracts and Conveyances Act.

Mr. Speaker, this is a seemingly complicated but really very simple bill. It deals with one's right to contract with one's self. And as I searched my mind to come up with some example of a situation, for an explanation of where a person might want to contract with himself, I thought I heard the answer to my prayers tonight. That was to do with the debate on Bill No. 24 and the apparently fruitless quest for a spouse of one of the members opposite. I thought, lo and behold, he may enter a matrimonial contract with himself, pursuant to this bill.

Sir, after studying this bill deeper, I find that that isn't the explanation to the bill. Let me offer you another one.

Mr. Speaker, this bill results from the recommendation of the Law Research and Reform Commission report No. 11, dated October, 1972, following a study of a problem posed by a number of oil and gas practitioners. This study arose in 1970, when a group of oil and legal practitioners referred to our Attorney General, a problem of the question of enforceability of joint covenants where there is a common promisor and a promisee. The problem arose because of situations in the oil industry where oil operators contract with themselves in different capacities and where the enforceability of the type of contract is in doubt.

An example of this type of situation would be where a number of operators agree to operate an oil or gas field without regard to lease boundaries, treating the field as a separate entity or unitized area, and contract with one of their number to operate the field on behalf of all of them. Then the operator who is operating for all of them might enter into a contract with himself or one of the other operators to furnish certain services or supply certain things for the unit. It is quite often necessary or expedient for the operator in such a situation to enter into a contract for the general benefit of the unit operation, for the operation of a well or a flow line owned by him or for some other service which he might be qualified to perform, so that in fact he, as unit operator, would be entering into a contract with himself in his personal or corporate capacity.

There was considerable doubt as to the legality or enforceability of such a contract, and hence these lawyers referred the question to the Attorney General to request a study by the Law Research and Reform Commission.

Other situations where a person might wish to contract with himself might be a partnership situation where the several partners want to contract with one of themselves for the performance of certain services or certain structures - rental premises for

instance - or an executor performing a service beyond those of his executorship or conveying a property to himself as an individual.

The very excellent report of the Institute of Law Research and Reform states, "It is well established at common law that a person cannot make a contract with himself and if such contract is made it is void." The common law also held invalid a conveyance to oneself of property, whether real or personal, and recommends this bill in the general form in which it is before us today.

This bill will make valid and enforceable agreements by one person and himself, and another person or persons. It makes valid conveyances in which there is a common grantor and grantee, and allows an owner of land to grant an easement or restrictive covenant for the benefit of land he owns. It also allows a trustee or executor to validly transfer properties to himself individually.

MR. TAYLOR:

Mr. Speaker, I just have one comment dealing with the principle involved in the application of the act insofar as The Land Titles Act is concerned. In this section the Act provides that a company may place an easement or restrictive covenant on any land it owns. Now I have no objection to that. This has been done for quite a number of years.

The point about which I'm concerned is that sometimes a land company will place an easement on land it owns, separate that land and sell one lot which contains the easement, and then the easement remains on the title. At the time it doesn't seem very serious because the people know what the easement is all about, but the years have a habit of flying by, the company becomes defunct and the land changes hands maybe 30 or 40 years later. The easement is then there on that title, and there is no one to legally remove that easement. This is the part to which I object. When an easement is placed on land and that land is then - because it happens to belong to one company, I have no objection whatsoever - but when that land is sold, then I think at that time steps should be made to have that easement removed. If the purchaser of the land has no objections to the easement, of course it's not done. Then I think that either the assurance fund or some other means should be provided because 30 or 40 years later when the company is defunct, an innocent purchaser or the owner of the title at that time, through no fault of his own, must then remove an easement that has no meaning and that should have been removed by the company before it became defunct.

That is the point that I am asking about in this Act. I have no objection to the company having permission to put the easement on, but surely we should have some consideration given to the removal of that easement at some time in the future while that company is still active. And I am asking the mover of the bill, and possibly the Attorney General, to give that point some consideration before the bill comes to Committee of the Whole.

[The motion was carried. Bill No. 35 was read a second time.]

Bill No. 36 The Students Finance Amendment Act, 1974

MR. FOSTER:

Mr. Speaker, I move second reading of Bill No. 36, The Students Finance Amendment Act, 1974.

As I stated on first reading, the purpose of this bill is to give to the Students Finance Board the power or the authority to grant a remission on the Canada Student Loan Program.

In order to understand the matter of student finance, Mr. Speaker, it may be necessary for me to back up and give the House some facts and figures in detail about student finance, which is a matter of some considerable interest to students and parents, at least from my visits to post-secondary institutions.

At the current time there are some 23,700 loans out to students in this province. The loan program is really composed of two parts: the Alberta Student Loan Plan and the Canada Student Loan Plan. Under the provincial plan there were some 10,300 loans granted this past year, and under the Canada plan some 13,300. In total, Mr. Speaker, there are just slightly over 19,000 students in this province who have benefited from the loan program. I should point out that the Students Finance Board administers the Canada Student Loan Program in the Province of Alberta.

The total amount loaned out in this past fiscal year is almost \$20 million. These are funds which are loaned by credit institutions, primarily chartered banks, to the individual students guaranteed by the province. In this past year some three-quarters of

a million dollars has been written off in remission. If this bill were to pass, and if the Students Finance Board were to incorporate regulations which granted a remission on the same basis as Alberta money, an additional \$2.5 million would be eligible for remission during the repayment by those 19,000 students.

As a condition for remission, Mr. Speaker, a student must reside in the Province of Alberta, have been a resident of this province for at least three years prior to enrolment, and must be able to show there has been some suitable contribution to his post-secondary education by his parents or by those who are responsible for him if he is not independent.

The Canada loan program provides a maximum of \$1,400 per year for a normal academic year. However, it can go as high as \$2,100 or a maximum for the total program of the student of \$9,800.

I would emphasise that the student must first borrow the all-Canada money up to the maximum of \$1,400. If he needs to borrow funds in addition to that to supplement his costs of post-secondary education he then borrows Alberta money.

In other words, Mr. Speaker, the provincial student loan plan is supplementary to the Canada loan plan. Only after a student has borrowed the full amount of the Canada loan program does he become eligible to borrow Alberta funds. Under the Alberta Student Loan Plan he may borrow a maximum of \$2,500 a year. Therefore in the total program it's possible, although entirely improbable, that a student would borrow at the maximum \$19,800. There are fewer than 1,000 students or fewer than 5 per cent who have in fact at this time an indebtedness that exceeds \$5,000.

Now, the average loan, Mr. Speaker, for students in the province at the moment is something like \$1,200. However, it is going up. It is our intention to assist the student in keeping tuition fees at a constant level, at least for the moment, and as well provide this additional opportunity to help him or her reduce the cost of post-secondary education.

I am sometimes asked, what are the criteria or how does one become eligible for the Canada Student loan program. It is very simple. One, you need only be a resident of this country for a year. There was a discussion in this House a while ago about non-Canadian academic staff and non-Canadian students, and there was some discussion about foreign students and financing. Only those students who are landed immigrants and who therefore for all intents and purposes, in my judgement, should be considered Canadians are eligible for funds under the Canada program. I repeat that students here from foreign countries who are on student visas are not eligible for Canada funds.

There are some 20,000 files or 20,000 student loans currently outstanding. Twelve thousand of these have an indebtedness of roughly \$2,000 or less. As I indicated before, some 1,000 students are in excess of \$5,000. Students who are in excess of that amount ranging up to \$10,000 and beyond, Mr. Speaker, are students, usually married, who are in long programs like medicine, dentistry, law, and graduate studies. It has been found that two-thirds of these warranted the funds. The other third is causing us some concern and I can assure the House that we are placing those students on a tight control. Each of them is interviewed personally by the board and by the appeal people to insure that the funds are needed and they have the capacity to accept the high degree of indebtedness to which they are being put.

For those who may be interested, Mr. Speaker, the loss experience situation in Canada with respect to Canada loans which all provinces save Quebec participate in - and theirs is a modification of the Canada loan program - the loss experience is roughly 10 per cent of the funds outstanding or 6 per cent of the students participating in the program. The Alberta experience, although it is not easy to calculate, is approximately the same.

Now, in considering the advantages of this amendment other than the ones to which I have already referred, I should say that this really completes the legislative package as proposed by the previous government when the amendments were brought forward in 1971 to amend the student loan program at that time. The Minister of Education then is the Leader of the Opposition. The Province of Alberta shifted its student finance program from a grant program to primarily a loan program. I think I can say on behalf of all of us that that plan is working quite successfully. However all of us, I think, have some concern about the amount of indebtedness to which men and women are being placed in the course of getting their post-secondary education particularly those who have very long programs.

So while we are completing, in fact, the package that was begun then, we are also allowing students to participate more fully in the Canada loan program. In one sense, Mr. Speaker, to be somewhat selfish about it, we are ensuring that more Canada funds are being loaned than Alberta funds. That is to say, we have discovered that a great many students will borrow the maximum of Canada money, which is \$1,400 a year, just to borrow some Alberta money on which they get a remission.

Now that the remission is payable on Canada money, hopefully when we can establish a tighter budget control and audit we will be able to ensure that students do not borrow more funds than they absolutely need, do not increase their indebtedness beyond that which they can handle - and some say in the fact that they are being successful in their program, are not spending year after year in an institution running up debts which none of them can handle.

The Students Finance Board has not yet dealt with the question of the regulations and how the matter of the remission would be handled. At the moment, some current thinking is that students should continue to be residents of this province and, once more, the remission should be conditional upon students successfully repaying their loan. That is to say that the remission would operate as an incentive, and if the student successfully repaid the loan and kept his payments in good standing the remission would be paid.

I very much suspect, therefore, Mr. Speaker, if that were accepted by the board, the loss experience situation on Canada loans would in fact go down. We may find in the next year or two, if this is acceptable, that we are in fact saving Canada money, because the loss experience on the Canada loan program will go down. If that does in fact happen, I intend to approach the federal government with a view to proving the fact that we are saving them money, and possibly propose some compromise arrangement whereby they might care to reimburse the Province of Alberta for their contribution on behalf of our students.

I think we should remember that the students who are participating in the Canada loan program are usually those who have made a greater contribution to their own costs. And in some sense you can argue that this policy change is something of a reward for those who have worked a little harder and made a little greater contribution towards the cost of their education.

It is also, Mr. Speaker, as some members of the House will realize, a move to reduce some of the inequities which exist, or appear to exist to students, with the several different kinds of student support systems that are currently functioning in this country. I cite as an example the vocational training allowance which this department pays, and which was the subject of some question in my absence while in Medicine Hat yesterday; the manpower training allowances that are provided by the federal government, certain training allowances provided by the Department of Health and Social Development, and others. In other words, there are several different support systems for students. I believe this to be another step in the process of rationalizing these in the hope that in the long run we will have one authority, or at least not more than two, responsible for student support systems so that we can better serve the interests of the individual student and not have him in a classroom situation where there are four or five different students all in the same course, each being supported a different way, from different funds, on different conditions - some of them paying their own way, some of them being there on a grant, some of them having to pay it back and some of them having to borrow funds with no remission at all.

If one wanted to debate the disadvantages to this, I think, frankly, one should say it costs money. If the same policies are administered with respect to the Canada remission program as are administered with respect to Alberta money, it could cost as high as \$800,000 a year, which we can argue is a direct contribution to student activity and to students in this province. It does raise the question which is not yet settled, to be very frank, on the matter of retroactivity. Will this, as a matter of policy, apply to all Canada loans outstanding at the moment? This decision has not yet been taken.

With respect to tomorrow, Mr. Speaker, I might conclude by saying that some new directions of the Students Finance Board in addition to this new policy will involve increased public participation in their appeals committee and in other committees established by the board. We hope to establish a little more effective control over the disbursement of funds; possibly creating trust funds around the province, and with those who have incurred high debt and who are borrowing substantial sums of money. Rather than advancing funds once or twice in the course of a year, we may develop a system where we advance these funds to students monthly. I think we can all see the benefit in that.

We will no doubt, in the course of the year or the years ahead of us, get somewhat more closely involved with respect to finance counselling for students. This is not being done in the institutions. At least if it is being done, it's not being done well. I'm not looking for new functions of the Department of Advanced Education or for the Student Finance Board, but with 20,000 students on the rolls of student finance, and with 20 odd million dollars being loaned annually under this program, I think all of us who know something about credit and the use of credit can understand that the need for some solid financial counselling will be important.

It is our hope that in the very near future we can impress on students and parents the need for some financial contribution from the parents and some increased savings by the students. We are finding, from time to time, that students are coming in to us who have not made an effort in the course of the summer to find jobs or gain employment to save

funds to contribute to their post-secondary education, all of which is reflecting itself in increased borrowing, which is of concern to all of us. This will not be a very popular situation with some students perhaps, Mr. Speaker. However, with the current economic climate in this province and, I think, the high availability of jobs in the summer season for students intending to go on to post-secondary education, we can afford to become somewhat more strict with respect to students' savings and their contribution to their further education.

In conclusion, Mr. Speaker, it's our hope that in the future and beginning now we will work more closely, as we have begun to, with other departments of government, federal and provincial, which are involved in student activities and student support services, not only within this government and my colleagues who are on my left and right, but at the federal level as well.

In conclusion, Mr. Speaker, the principal of this bill will be to allow the board to grant a remission on Canada funds on terms and conditions and regulations which have not yet been established. In the course of the debate on second reading and in committee stage, I very much look forward to the observations and comments of members of this House on the matter of student finance.

It is not a subject which we have had the opportunity of debating or discussing in this House and I hope that if you have alternative suggestions or proposals, you will air them on this occasion and you will approach, not only my office, but the Student Finance Board which is ready, willing and able to serve your concerns as MLAs. Because I know that you all have students in your constituencies who have problems ...

MR. SPEAKER:

Would the hon. minister address his remarks to the Chair, please?

MR. FOSTER:

Thank you, Mr. Speaker. In conclusion I, as I said at the opening of my remarks, move second reading of The Students Finance Amendment Act, 1974.

MR. LUDWIG:

Mr. Speaker, I have a question for the hon. minister.

I wonder whether, from the 10 per cent default in student loans, there's any kind of pattern developing to see whether this can be, at least partially, avoided. I'm just curious to know whether, in making loans to students, there are any particular faculties - or faculty - in which there appears to be perhaps a tendency for more defaults than others. I'm just curious to know this because certainly when we lend money on such a large scale, perhaps some pattern ought to be able to be ascertained from what's happening. There appears to be a sort of constant level of defaults in loans.

I'm saying this, bearing in mind the fact that in this province in particular the level of employment and of prosperity of the parents of many students is quite high compared to other provinces. So I felt that if anything, our levels of default ought to be somewhat lower. There are some instances where it's understandable that a student just simply either didn't get employment or something went wrong, he became ill, and perhaps we should even look at writing some of these off. But I'm wondering if some of these defaults are coming in from other parts of the country. Is any close contact or close tab being kept on all these loans to see if something can be done to minimize the losses that we appear to have incurred in this program?

MR. HINMAN:

Mr. Speaker, this is an act which interests me a great deal. I understand that the principle of this bill, this whole program, that no student will be stymied in his anxiety to get a higher education because he does not have the funds to carry him through. I think this is a very sound principle.

I also quite agree with the minister that we ought to do everything we can to encourage both the young people and their parents to contribute all they can. However, I've had a case or two, particularly one which was most difficult, I'm sure, for the board and for the young man. The board has seen fit to declare that a young person leaving high school is, for three years, a dependent on his parents. Now I don't know by what arbitrary authority we can make such a decision. These young people are able to vote, they are on their own in a great many ways and, though I understand the welfare department has a somewhat similar ruling, many of them do qualify for welfare.

My concern is that we have a few parents who sometimes choose not to be as cooperative as they could. Sometimes it is because the boy or girl doesn't bow to their wishes in other things and sometimes they simply take the attitude, we have carried these children

through high school, my dad only carried me through public school, and from now on the young person is on his own. When the parents take that awkward attitude we can blame them all we want to but it doesn't help the young person. I think when those circumstances arise - as they did arise with one of my constituents, where they took the attitude that the department was prying into their private affairs a lot further than they had a right to. I was unable to persuade them to be cooperative and the young fellow was at school and out of money. Finally, through an appeal procedure he got just a fraction of what it took to carry him through. Had he not had personal friends who assisted him, he would have had to leave school.

I'm quite concerned that this should not happen. I'm concerned that, as the minister says, we ought to encourage them to work in the summer. This particular young fellow had worked in the summer. He had a situation which had been difficult for him in that he had bought a car which proved to be stolen. He still owed \$1,400 on it which he had to pay, even though he lost the car. He had planned to use the car during the summer to conduct sales, he lost the car, he couldn't conduct the sales and it took his summer earnings to pay off this particular loan. All I'm pointing out is that I think we have to make sure, in our efforts to see the parents and the child contribute all they can, that we don't unfairly penalize some young fellow who needs assistance just because his parents choose to be uncooperative.

I'm a little bit concerned too about the appeal procedure. In effect it appears that the board appoints the appeal board. I think perhaps that's a wrong concept because then the appeal board feels it's responsible to the board. I think if there is to be an appeal procedure it would be well for the minister to appoint the appeal board and that they at least, can make a very independent recommendation, directly to the minister if necessary. I'm not criticizing the individuals because, in my experience, they were trying very hard to do two things; make sure they weren't making an unnecessary loan and at the same time evaluate fairly the information before them.

There are two criticisms I have: one, that we mustn't penalize the child because of an uncooperative attitude on the part of the parents, and two, that the appeal procedure should be such that those people who hear an appeal are not appointed by the board and are not responsible to the board for the recommendations they make; but make them directly to the minister.

Thank you Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, first of all I agree with the point raised by the hon. Member for Cardston. I too have had several cases brought to my attention where, for whatever reason it is irrelevant here, the parents and students simply went their separate ways and there was a hardship to the student in that particular case.

I raise that point and underline it because, as hon. members know, in the Worth Commission Report a good deal of attention was given to the financing of universities. The suggestion, as I recall the report, was that the share that comes from tuitions should rise from approximately 10 per cent to 25 per cent. But in turn, there should be a different approach towards funding students. That different approach seemed to be based on the assumption that the student would still be at least close enough to the family that there would be some parental responsibility.

With the passing of The Age of Majority Act, and due to the fact that we really have a somewhat more mobile society these days, I think that there is a real danger of unduly penalizing the students involved by being overly restrictive in this particular question.

That really leads me to the second point I want to make, Mr. Speaker. I would ask the minister and the government to carefully consider just what incentives are required to encourage people to attend university in the Province of Alberta. I submit that it is important that we should try to encourage as many as possible to go on to universities and obtain the broadest type of education available.

But I think we have to recognize that in the boom period that is almost inevitable, if we proceed with pretty substantial tar sands development, there really is going to be an incentive not to go on to university. The incentive, if you like, especially when you look at the various training programs available, will be to go into other fields.

Frankly, rather than handing out money unnecessarily, I think our problem is going to be quite the reverse. In Alberta we are going to have to be trying to provide incentives to get people to attend our university institutions. Because if you can earn \$8 or \$9 or \$10 an hour as a welder in the tar sands for the next 10 to 15 years, the thought of going into dentistry or medicine or teaching or whatever the case may be - even the legal profession, although lawyers are not in any really serious problem as far as finances are concerned - but we may well find ...

AN HCN. MEMBER:

Agreed. Parasites.

MR. NOTLEY:

... that we have to provide some incentives. Therefore, the point of remission is well taken.

I would have been a little happier if the minister had been able to give us more clear-cut details as to what the rules of the game are going to be with respect to remission. I just quickly calculate he thinks this is going to cost us \$800,000 but we have some \$20 million out in loans. I was out for the first part of the speech. I don't know whether he, in that portion of the speech, outlined whether the government is thinking in terms of remission, whether it is going to be 10 per cent, 20 per cent, 30 per cent, 40 per cent or whatever the case may be. If he did, I apologize for not being present. But if he didn't I would ask him, when he summarizes his comments at the end of the debate, perhaps to give us some idea as to what the thinking of the government is in terms of remission.

Now, I know that there are always concerns of course, in that any program of this nature we are handing out money to professional students who are going to be abusing the system. Well, that's an argument that can be made with respect to almost any government program, and when one looks into the alleged abuse, more often than not you find that the vast, the overwhelming majority, of people are not abusing the program, whether it is with respect to social allowance or for that matter with respect to students' assistance.

This is particularly true when we are talking about loans, Mr. Speaker, because students at the end of the road are still stuck with the difficult problem of paying back these loans. I know a number of graduate students who find that after borrowing eight, ten, twelve or fifteen thousand dollars they have a pretty substantial debt load to carry and to try to pay back as they start out in their careers. Especially troublesome is the problem faced by many of the students in the humanities, Mr. Speaker, who suddenly find that the job opportunities which might have been available in the early sixties aren't there any more. A person who went through political science in the late fifties and early sixties had a very good chance, once he or she obtained their doctorate, of being able to teach in a Canadian institution. But the chance of doing that now - while it's not impossible, the competition is so much greater and you have an awful lot of unemployed Ph.Ds in the humanities who are forced to do other things like researching for political parties and what have you. That's fine for political parties, but not necessarily the basis of a long-term career which is related to a reasonable income.

So the real point I would like to close on, Mr. Speaker, is simply to suggest that all the members of this House have to ask themselves just what steps we can take to make sure we encourage sufficient numbers of young Albertans, in a boom time when other jobs are readily available, to take advantage of the excellent facilities we have and the first-rate teachers at our university institutions. I suspect that when we review this carefully in our own minds, we're going to have to come to the conclusion that some kinds of incentives are required.

MR. DRAIN:

Well, Mr. Speaker, this has been a very interesting debate. I wonder if it's all that difficult for young people today. Frankly, I doubt it. You know, a 17-year old boy can go out to work for one year and make \$15,000. So how much effort should he make for himself and how much effort should be made by the state? This is the question that arises in my mind. Should the state do everything for everyone?

I can talk about a girl student who went through the University of Alberta without one bit of assistance from her parents who felt that possibly because of the class which they belonged to she had aspirations beyond what she could possibly achieve. But, without any help from her parents, this girl today is a dentist practising in British Columbia. She did this on her own. The sum total of students' loans she took was \$1,000. So I have very little sympathy in 1974 for people who cannot do their own thing. It's so easy. All you have to do is work. I know this is a reprehensible idea and that it's difficult for some people to accept, but it's good for you.

There is another thing that does occur, Mr. Speaker. You establish the equilibrium of the real world when you get cut and get your hands dirty. I recommend this. So I don't believe the furtherance of education, as such, will be enhanced by mollycoddling or any other particular theme.

With due respect to my honourable friend on the left, Mr. Speaker, I'm concerned about the direction our society is taking, that the state in fact should do every ... [Inaudible] ... thing for every one. Well, if we are going to go in that direction, I can assure the hon. members that you have to go whole hog or nothing. You are not going to

straddle down the middle of the road, you are either going to go right or left. Now, I know where my position is going to be in this cruel old world - that of a hewer of wood and a drawer of water, so I'll draw water on the left or I'll draw water on the right.

Thank you, Mr. Speaker.

MR. EARTON:

Just adding a few words to this bill. It comes to my mind that in the north we have quite a problem, and I am sure the hon. Minister Without Portfolio responsible for northern development is familiar with it, getting professional people. I was wondering if there is an area of this 10 per cent that we could maybe twist a little bit to come north. I'm sure they'll stay. If the hon. minister would keep in mind, a little bit of incentive in the north would be a real asset. We still are the fastest growing area in the province, barring Edmonton, Calgary, Red Deer or whatever you want.

MR. RUSTE:

Mr. Speaker, just a few words on second reading of Bill No. 36 to express some concerns, and this deals with the young people in one-parent homes where through some misfortune a parent has passed away or so on. The youngster may not be the brightest of students at school but he struggles on and then decides to go out and work on his own. Well, I think he goes out for a while, realises the opportunities he has missed and is willing to go back to school. I would hope in the regulations and so on that provision is made for this.

Because I realise there are many people today in pretty senior positions who started with little. They have taken night school, they have taken different upgrading courses, and today they are playing a pretty prominent part in our society.

So I would ask the minister to look at these people specifically. They might not be the brightest of students, but certainly when they had the experience of going out into the world and then decided to go back into education they may, with a little help, make some of the best citizens we have in the years to come.

MR. CLARK:

Mr. Speaker, in making a few comments with regard to Bill No. 36, I think there are four points I would like to make. I am surprised though, Mr. Speaker, before I get involved in those four points, that my colleague to my right didn't remind the Minister of Advanced Education that as yet there have been no defaults of student loans for people of the law faculty of the University of Calgary.

Now to get on, Mr. Speaker, to the matter at hand. The minister touched upon one of the most perplexing problems in the field of student assistance when he made reference to the different levels of support that are available to people taking a variety of training programs. His colleague, the Minister of Health and Social Development, through his department, is involved in making financial assistance available to some people taking training programs. The federal government, through the manpower training programs, is involved in financial assistance to students taking programs. Then we have a large number of students, as the minister indicated, something like 19,000 students last year, who are getting assistance either through the federal or the provincial programs.

And it is extremely difficult for students to understand in any way shape or form how you at least have the federal government involved through the manpower training program, where in fact students are involved in no repayment at all. On the other hand - students who are getting assistance from the federal government or the province through the student loan program.

So, Mr. Speaker, I would hope the minister would have put forward some additional legislation in Bill No. 36 which would have removed a number of these inequities.

The second point I would like to make, Mr. Speaker, deals with the question of negotiations with the federal government. It seems to me that as a result of this amendment, Mr. Speaker, the province is, I think rightfully so, moving into remission of the federal program or a portion of the federal program.

But I would remind the minister, as I have done on one or two other occasions, that there have been some rather serious negotiations with the federal government through the Department of Finance, looking at the possibility of a national program so that through income tax changes students on a national basis would pay back additional tax or a surtax as far as income tax is concerned.

It seems to me, Mr. Speaker, by the amendment that's before us, we are saying that that isn't a possibility on the horizon at all, when we are moving in the direction that we are here.

The third point I'd like to raise, Mr. Speaker, deals with the question of parent contributions. I would like to ask the minister very straightforwardly, is it the intention of the student assistance board, and in fact of his department, to remove parent contributions in consideration for student loan applications from here on? It's my understanding from talking to students at both the University of Calgary and the University of Alberta that there is some indication from the student assistance board that in fact parental contributions will no longer be a factor of consideration.

And the fourth point, Mr. Speaker, deals with the question of remission itself. I would hope, if the minister can't do this on second reading, that either during the estimates of his department or committee work on this bill, the minister would be able to be considerably more explicit on what he is thinking of as far as regulations are concerned. So that if we are looking at \$800,000, \$2.5 million dollars - or in fact, what amount of money are we looking at in the regulations the minister is going to draw up? We're really being asked in some regards here to buy somewhat of a pig in a poke. We are being asked to let the minister move in the direction of remissions, which I think is a reasonable direction, but at the same time with no indication of what financial commitment this is going to leave on the people of the province.

MR. SPEAKER:

Can the hon. Minister conclude the debate?

SOME HON. MEMBERS:

Agreed. Adjourn.

MR. LUDWIG:

Think it over. Sleep on it.

DR. BUCK:

We haven't got all night.

MR. LEE:

Walter, you're just going to have to tough it out a little longer.

I just want to make a few brief remarks on this bill, Mr. Speaker, and to a certain extent they echo some of the expressions that have been made by the minister and members of both sides of the House. I'd like to express just a couple of concerns about the whole area of student finance. I'm encouraged by the minister's statement that the entire area of student finance, along with various other acts within his jurisdiction, are at this point being reviewed. This particular amendment then, I would view as just one that is being undertaken at this time, but not as a complete revision of student finance kinds of legislation.

The Leader of the Opposition has pinpointed one particular difficulty which is that - at the operational level of student finance, at the point where loans are granted, at which allowances are established - has proved to be quite a difficulty. That's the point where one class of student is required to go through their education through the loan kind of route.

Simply because they are enrolled in a program that takes more than two years or is of a university degree nature, they are required then to undertake loans; whereas those individuals who take a course less than one year, even though they may become more employable than those who take a diploma or a degree over two years, are eligible for allowances and the payment of fees. Their books are paid for, and very often their student fees. It provides a problem of equity between students and it's one I have hoped the minister would look at in the review of this legislation.

One of the things that perhaps would respond to this particular difficulty is simply an integration within one particular jurisdiction, whether it be the Students Finance Board or some other jurisdiction within the department, of all those areas of student assistance, whether they be training allowances, whether they be loans or whether they be grants or remissions. This kind of coordination, just by placing them in the same department, would perhaps provide some kind of equity.

Another difficulty that does arise in student finance is in the actual administration of the acts themselves. This was brought out by the Member for Cardston. He referred to some of the difficulties in appeals. I'm of the feeling that the more we can come to placing the administration and the actual granting of loans and allowances to the point at which the student is registered, the more equity we will have in the system itself.

The fact is that each one of the post-secondary jurisdictions do, within their administration departments or within their student service departments, provide some kind of service, some kind of screening of student loans and allowances. I would suggest that perhaps there be more decentralization of the total administration of loans down to the institutional level. This would perhaps speed up the granting of loans and provide for more of an appeal procedure right within the institution itself.

Another one that was mentioned was the idea of repayment, and I would recommend - as I am sure the minister has looked at this, because I have spoken to him about it - his looking at the whole idea of a contingent, repayment loan, using income tax repayment which would take some kind of repayment proportional to the amount of income an individual is making after graduation and use this as a repayment, perhaps as a substitution for a lot of the remissions we would be making.

One final comment, which relates to fees. Although this doesn't relate to the student finance loan itself, it does relate to the amount a student must pay upon entering an institution. There is a certain inequity of fees between the different institutions, and I would hope these could be placed on a more uniform basis. For instance, a person can go to the technical institutes for, I believe, \$80 a year for the total fee package, whereas if they go to a university or a junior college it is something like \$450. This appears not to be equitable, and I would hope that some uniformity could be established.

I would like to point out just in closing that my study, and the study of the task force, that horrible word, was involved in this with the Task Force on Training and Retraining. I would direct the minister's attention to Chapter 8 of the task force report for his possible consideration of these recommendations.

In closing, I would state one last feeling; one of the problems we run into in student finance is that individuals, in order to gain a degree or in order to gain a diploma, are required to undertake what we call lump-like kinds of training. They are required to go for up to seven years, and I would hope that within our educational systems we could move to more of a modular approach to education, where individuals could enter educational institutions at the point which they require and not be required to go straight through for seven or eight years - but perhaps at a point when they can afford to come back at the point where they need this kind of training. I just wanted to mention these for the consideration of the minister.

MR. SPEAKER:

May the hon. minister close the debate?

MR. FOSTER:

Mr. Speaker, I have not heard any serious dissent to the principle of this bill, therefore I propose, having made notes on the hon. members concerned, dealing with those concerns in detail at the committee stage and concluding the debate at this point, if that's agreeable.

[The motion was carried. Bill No. 36 was read a second time.]

MR. HYNDMAN:

Mr. Speaker, I move the House to now adjourn until tomorrow afternoon at 2:30 o'clock.

MR. SPEAKER:

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

HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow afternoon at 2:30 o'clock.

[The House rose at 10:40 o'clock.]