

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, April 25, 1974

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF VISITORS

MR. WILSON:

Mr. Speaker, it is my pleasure to introduce to you 35 students from the Bowness High School in Calgary Bow.

The student's activities today included a tour of the Provincial Museum before their attendance at the Legislative buildings. They are accompanied today by teachers Linda Marshall, Stu McMillan, Rick Hamilton and Donald Quinn. I would ask them now, Mr. Speaker, to rise and be recognized by the members of the Legislature.

MR. COOKSON:

Mr. Speaker, Lacombe constituency is not only noted for being one of the major beef-producing areas in the province, but has some of the finest senior citizens in the province.

It is a pleasure to introduce to you and to members of the Assembly, some 45 senior citizens from Lacombe proper and district. They are seated in the members gallery. I would ask that they rise and be recognized by the Assembly.

MR. CRAWFORD:

Mr. Speaker, I also take great pleasure in introducing to you and to members of the Assembly, members of the Lendrum Grade 6 class, located in the constituency of Edmonton Parkallen.

There are about 63 students accompanied by their teacher, Ray Rust. They have already had a tour of the building and will be watching our proceedings here today. I believe they are in the public gallery. If they would rise the House will acknowledge them.

MR. TAYLOR:

Mr. Speaker, it is my pleasure to introduce to you and through you to the hon. members of the Legislature, two very well-known people from the Drumheller area.

Mr. and Mrs. Jack Adie who are in your gallery, have farmed in the Drumheller area and the Verdant Valley district for many years. Mr. Adie is also president of Alberta's REAS. Both are very active in worth-while community affairs. I am sure we're happy to have them in the Legislature today.

MR. MINIELY:

Mr. Speaker, I have the rather unique pleasure to introduce a group of 30 students from Oliver School who come from two constituencies, mine from Edmonton Centre and my colleague's, Mr. Hyndman, from Edmonton Glenora. Unique, I say, Mr. Speaker, because I have the pleasure of commencing the introduction and my colleague has the pleasure of concluding it.

MR. HYNDMAN:

And, Mr. Speaker, they are accompanied by their teacher, Miss Slemko. They are in the members gallery and I must say they are going to a good school because I recall going to Grades 7, 8 and 9 in Oliver School. I vividly recall it because that is where I got the strap in Grade 8 for some questionable conduct.

They are in the members gallery and I would ask that they stand and be recognized by the Assembly.

MR. YURKO:

Mr. Speaker, I consider it a very distinct pleasure to introduce to you and to the Assembly today, two very distinguished visitors, members of the clergy, from the United States of America. The first are Dr. and Mrs. Charles Emerson Boddie of Nashville, Tennessee where Dr. Boddie is the President of the American Baptist Seminary. I would also like to introduce the Reverend Carlos Gruber, whose home is in Nacogdoches, Texas. He is a Baptist musical evangelist.

They are here with the Reverend Darling of the McLaurin Baptist Church. They are seated in the members gallery and I would ask them to stand and be recognized by the House.

TABLING RETURNS AND REPORTS

MR. LEITCH:

Mr. Speaker, because of its great importance and timeliness, I am very pleased to be able to table today, a report just released by the Institute of Law Research and Reform entitled, a Working Paper: Matrimonial Property.

MR. CLARK:

Mr. Speaker, on a point of privilege. I would like to ask the Attorney General if copies will be available for all members?

MR. LEITCH:

Yes, Mr. Speaker, as I say I will be able to table it, and as I recall the new rules, that involves distributing a copy to each member. There will be one available for each member this afternoon.

ORAL QUESTION PERIOD

Human Rights Commission - Nursing Aides

MR. CLARK:

Mr. Speaker, I'd like to direct the first question to the Minister of Manpower and Labour and ask what progress has been made, either by his department or by the Alberta Human Rights Commission, on the complaints laid before his department and the commission by certified nursing aides in the Royal Alexandra Hospital in Edmonton?

DR. HOHOL:

Without going into the long history of this particular circumstance, Mr. Speaker, I would say it is presently before the consideration of the Human Rights Commission.

MR. CLARK:

Mr. Speaker, a supplementary question to the minister. Does the minister recall that five weeks ago he indicated to the House he hoped to have a progress report to this Assembly in three weeks time? Could we now have the progress report?

DR. HOHOL:

Yes, I just gave it, Mr. Speaker.

[Interjections]

MR. CLARK:

Mr. Speaker, I would like to ask a supplementary question to the Minister of Labour, responsible for the Alberta Human Rights Commission. Is the government committed to the concept of equal pay for equal work?

DR. HOHOL:

Mr. Speaker, this is the kind of thing I anticipate we will discuss in debate on the Estimates. There is no question about the government being committed to the principle of equal pay for equal service. I remind the House, Mr. Speaker, that the consequences of bargaining in a collective way by two parties who legitimately do this under The Alberta Labour Act or the Crown agencies or whatever statute of the Province, is the final result you have in terms of the agreements.

I might mention too, in partial response to a question a day or two ago, that in comparing male and female it is often a comparison of the occupation rather than the matter of the discrimination or the unequal pay for equal service. There are these considerations which have to be examined pretty carefully.

MR. LOUGHEED:

Mr. Speaker, with regard to the matter raised by the Leader of the Opposition directing the question on the basis of, to the minister responsible for the Human Rights Commission, I would not want that to go without it being cleared in the record. The minister has responsibilities for administrative purposes by way of liaison only for the Human Rights Commission. There is no direct responsibility in the sense it was implied.

MR. CLARK:

A supplementary question to the Minister of Labour, Mr. Speaker. I would like to ask the Minister of Labour who makes the funds available which are paid to the certified nursing aides at the Royal Alexandra Hospital? What is the appropriating authority?

DR. HOHOL:

The same as for all staff in hospitals, Mr. Speaker. It's done through the approach that has commonly been referred to as global budgeting, and the funds assigned to the hospital are then at the discretion of the hospital administration in terms of their use for equipment, space, research and allocation of funds for employees.

MR. CLARK:

Supplementary question to the minister, Mr. Speaker. Is it true that the Government of Alberta supplies all the funds for the Royal Alexandra Hospital in Edmonton?

MR. CRAWFORD:

Mr. Speaker, I don't mind answering that. If the hon. member had been present, as well as physically present, last year when we made the announcement in regard to final dollar support for hospitals in Alberta - it is very apparent that we provide hospital funding for all of the [hospitals] in Alberta, including the Royal Alex.

MR. CLARK:

Supplementary question to the Minister of Manpower and Labour or the Minister of Health and Social Development. In the funds made available to all hospitals, but namely the Royal Alex Hospital, is there provision for funds for certified nursing aides on an equal pay for equal work basis?

MR. CRAWFORD:

Mr. Speaker, that question is much more to the point. It shows the hon. leader does not follow the principle that has been explained of how global budgeting works. Although the various inputs to the budget, being the requirements the hospital has for various purposes, are of course taken into account at the time that the totals are run off and the proposed budget is allotted, it is nevertheless a global budget. By that, upon receipt of the budget, the administration of it is in all respects - in any respect that I can think of in any event - in the hands of the board and the administration of the hospital.

MR. CLARK:

One last supplementary question, Mr. Speaker, to the Minister of Manpower and Labour. Will the Minister of Manpower and Labour undertake to check with the Human Rights Commission this afternoon as to what progress is being made on the complaint from the certified nursing aides of the Royal Alexandra Hospital and report back to this Legislature tomorrow morning?

MR. LOUGHEED:

Mr. Speaker, I want to respond to that because the hon. Leader of the Opposition seems to be of the view that the minister's responsibility involves a nature of direction implicit in that question that does not simply exist.

MR. CLARK:

No way.

MR. LUDWIG:

Not true.

MR. LOUGHEED:

There is no direction of that nature ...

MR. LUDWIG:

Wrong again.

MR. LOUGHEED:

... if there is a careful perusal of the Act. Certainly an inquiry can be made by the minister ...

MR. LUDWIG:

No one said anything else.

MR. LOUGHEED:

... and I'm sure he'd be prepared to do that along the lines of what the Leader suggests, and that will be done. But it should not be taken that the Minister of Manpower and Labour has other than administrative liaison responsibilities with the Human Rights Commission. He's not in any position to direct them under the Act.

If the hon. member on the other side would like to have an amendment proposed, let him bring it forward to the House.

MR. LUDWIG:

Nonsense.

MR. CLARK:

Mr. Speaker, a further supplementary question then, to the Minister of Manpower and Labour. I can appreciate the Premier's touchiness, but will the Minister of Manpower and Labour check with the Alberta Human Rights Commission today and report back to the Legislature tomorrow, indicating to the members of the Assembly in session what progress is being made by the Alberta Human Rights Commission in dealing with the legitimate complaints by the certified nursing aides of the Royal Alex Hospital?

MR. LOUGHEED:

Mr. Speaker, on the very matter that the hon. leader raises, it's quite open for him to make an inquiry of the commission directly and we would encourage him to do so.

MR. SPEAKER:

The hon. Member for Drumheller followed by the hon. Member for Hanna-Oyen.

Coal

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of Mines and Minerals. Having regard to the report that was tabled yesterday which indicates coal reserves for 900 to 1,100 years, is it the intention of the government to adopt a policy to prevent exports of coal from the plains area as recommended in that report?

MR. DICKIE:

Mr. Speaker, it's the intention of the government to look at all recommendations of the Energy Resources Conservation Board and review the complete picture in respect to coal. By that we'll also take into consideration the Crump report, and then come in with further recommendations following that review.

MR. TAYLOR:

Thank you. One supplementary. Is there any thought of increasing the royalty on coal in the immediate future, and I refer particularly to domestic coal which is not dealt with in that report?

MR. DICKIE:

Mr. Speaker, the Crump Commission as well as the Energy Resources Conservation Board report did deal with a review of the royalty on coal. As all hon. members are aware, we were in the process of reviewing the coal but we withheld further consideration of the review of the royalty on coal pending the two reports. We now have those and the committee, again, will start considering the question of coal royalty, but no decision has been made as to when and whether they will distinguish between thermal coal and metallurgic coal.

MR. SPEAKER:

The hon. Member for Hanna-Oyen followed by the hon. Member for Edmonton Kingsway.

Provincial Income Tax

MR. FRENCH:

Mr. Speaker, my question is to the hon. Provincial Treasurer. Is the minister aware that some Alberta residents are finding themselves liable for provincial income tax, though they are not liable for federal income tax?

MR. MINIELY:

Mr. Speaker, that's an interesting suggestion the hon. member has made since provincial income tax is only payable upon an amount of federal tax payable. So, I think he should give examples, as my knowledge of the situation would be that, based on what I've just said, creation of that situation is nigh impossible.

MR. FRENCH:

Mr. Speaker, could I have a little latitude to explain my question?

SOME HON. MEMBERS:

Agreed.

MR. FRENCH:

Looking at the detailed tax calculation, after you get down so far you come down to an item called Basic Federal Tax - X dollars. Then there is a reduction of \$100 below that. So those people who have a basic federal tax which is under \$100, by taking the \$100 off then you have nil basic federal tax. So, in other words, they are not liable for any federal tax. But the provincial tax is based on the original basic federal tax. So we have the situation where we do have a group of people in that category. I trust, Mr. Speaker, that I have not gone too far.

MR. MINIELY:

Mr. Speaker, I must reply to that because the hon. member is indicating something which leaves, in my view, a misleading impression. The only reason that that results is

because of the fact that the federal government chooses to recognize certain things which are valid from the federal policy point of view as deductions [for] arriving at the federal tax and the basic tax.

On turnabout the provincial government, of course, recognizes certain things beyond the calculation the hon. member has indicated. A good example is the provincial tax credit related to renters in the province that the federal government does not recognize, but we, as a province, do. The hon. member is pointing out certain things that are deductible between the federal tax and the basic tax which are deductible as valid federal policy. And you cannot compare, Mr. Speaker, on that basis.

MR. FRENCH:

Supplementary question, Mr. Speaker. Last year the item I referred to, I believe, was the 3 per cent. This year owing to new legislation last year, there is a difference. Could I ask the hon. minister if he could look into this matter and give it some consideration?

MR. MINIELY:

Mr. Speaker, I'm happy to look into the matter.

MR. TAYLOR:

A supplementary that might bring the matter to a head. Since the provincial tax is based on the basic federal tax and the provincial tax is based on the basic tax rather than the amount paid to the federal, it would consequently, would it not, be possible to pay a provincial tax and not a federal tax?

MR. SPEAKER:

Possibly this rather complex matter might be pursued outside the question period. We have, perhaps, gone beyond the limits of that sort of thing for the question period anyway. What we really have is an exchange of representations.

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

MR. NOTLEY:

Mr. Speaker, I wonder if I could pose a supplementary question to the hon. Provincial Treasurer which doesn't deal with the details. But rather I would like to ask the Provincial Treasurer whether or not he can advise the Assembly what normal steps are taken at meetings of finance ministers and provincial treasurers to try and synchronize tax arrangements?

MR. MINIELY:

Well, Mr. Speaker, the provinces basically - we have historically in Alberta - and I would ask some latitude perhaps by the hon. members to raise this question since it is timely, it's April and April 30 is the income tax filing deadline.

Mr. Speaker, historically the provinces, as all hon. members know, have tax collection agreements relative to personal income tax. One of the requirements of the tax collection agreement is that there is harmony in the basic tax system in Canada. So whereas provincial governments might, in certain areas, feel that a policy would be suitable for their citizens, but the federal government doesn't feel it is suitable for Canada, we have had limited flexibility in terms of the income tax system in the province as a result of the tax collection agreement.

At every finance ministers' meeting I have attended, we have indicated to the federal government the basic policies which we felt should be incorporated in a tax system in Canada. Some of those have been accepted and some of them, Mr. Speaker, have been rejected. We feel sorry that some of them have been rejected but it simply points out the fact that one of the prices of a harmonized tax system is the fact that we are not able to achieve everything we would wish to pursue in a Canadian tax system that might be suitable to Alberta. So, as a result of course - last year was an excellent example of our needing to achieve something for renters in the province of Alberta; because there was no way of ensuring that renters would receive a direct benefit from their province, we did design a particular and unique Alberta renter tax credit. We were able to convince the federal government to administer that.

As long as we are on the tax collection agreement with the federal government, and I think that relative to personal income tax there is a good deal of administration involved, we will have to express our views to the federal government. We will have some successes and we will have some failures, but on balance we are able to do such things as

specifically react to a particular need in the province of Alberta. We have examples [such] as, I say again, the renter tax credit which we were able to convince them to administer on our behalf.

MR. SPEAKER:

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

Alberta Teen Challenge

DR. PAPROSKI:

Thank you, Mr. Speaker. A question to the hon. Deputy Premier, the Minister of Agriculture. What is the department's present position regarding the Alberta Teen Challenge proposal which I believe is very worthy of support?

DR. HORNER:

Mr. Speaker, this is a proposal by an organization in the Edmonton area to purchase a dairy farm and operate it with young people as a method of giving them job training and something to do besides those things they have been doing wrong in the past.

Our department has had a look at this. We have some concerns with regard to dairy management and we are willing to assist them in that. In addition to that, they have made some approaches to the Agricultural Development Corporation for a loan to purchase the dairy farm. It's presently under review and an answer should go to the principals involved very shortly.

DR. PAPROSKI:

One supplementary, Mr. Speaker. The Deputy Premier, I presume, is aware that the option may be running out in short order?

MR. SPEAKER:

The hon. member is making a representation in the clearest possible way.

DR. PAPROSKI:

Another supplementary question then, Mr. Speaker. Will the Deputy Premier assure that the option will not be lost on this property?

DR. HORNER:

Mr. Speaker, we are aware of the situation and we are dealing with it.

MR. SPEAKER:

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

University Budgets - Law Faculty

MR. LUDWIG:

Mr. Speaker, my question is to the Minister of Advanced Education. Has he had any discussion recently with the university authorities and in particular with the Faculty of Law concerning staffing problems in the faculty?

MR. FOSTER:

With respect to The University of Alberta?

MR. LUDWIG:

Yes.

MR. FOSTER:

I am aware, Mr. Speaker, that a representation has been made by, I believe, certain members of the Faculty of Law to the Board of Governors of The University of Alberta

concerning the salary schedule and benefits that the faculty receives as a decision of the Board of Governors. I don't have any personal information other than that, however.

MR. LUDWIG:

Mr. Speaker, would the hon. minister advise whether the question of remuneration to the faculty is a problem resulting from restricted budgeting for the university by the government?

MR. SPEAKER:

It may be clearly a matter of opinion as to what the causes might be of a certain thing, but if the hon. minister wishes to answer briefly he might do so.

MR. FOSTER:

Mr. Speaker, thank you for your ruling. I wish to emphasize that the decisions to hire, fire, promote, discharge, advance or otherwise including personnel decisions for remuneration are in-house decisions and solely the responsibility of boards of governors of universities and public colleges. The Department of Advanced Education does not play any role in that area of decision-making in those institutions whatsoever, other than to be responsible for the global funding for universities and colleges which was discussed in the course of my estimates and which was, of course, approved by this House.

MR. LUDWIG:

Mr. Speaker, is the hon. minister advising the House that he has no responsibility in the event of a break down in the staffing of a faculty of the university?

MR. SPEAKER:

The hon. member is debating and making a representation.

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

Provincial Park - Edmonton

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Lands and Forests. Can the hon. minister advise the Assembly whether any definite decision has been made yet with respect to the location of the Edmonton provincial park? I refer specifically to the proposed Hermitage location.

DR. WARRACK:

Mr. Speaker, we're in the late stages of decision on that very matter and we would be very pleased to bring that forward to the House at the earliest opportunity.

MR. NOTLEY:

Mr. Speaker, a supplementary question. Can the minister advise the Assembly whether it's true that an alternative site is being considered in the Gold Bar constituency at the moment?

DR. WARRACK:

Mr. Speaker, it will be clear [to] all members of the Legislature, who have taken advantage of the opportunity to look at the report that I tabled, to note that we have been looking for some period of time at a very large number of locations.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Can the minister advise the Assembly whether or not a meeting has taken place or whether a meeting is planned between Edmonton MLAs and the Edmonton City Council concerning this question?

DR. WARRACK:

Mr. Speaker, as a matter of fact I have been having a number of meetings with the Mayor in the consultative process that we regard as very important in this matter and all other such important matters that might have interjurisdictional concerns and

interdependencies between the cities, towns or other local governments and the Province of Alberta. I regard consultation with the Edmonton City Council as very important as well.

MR. NOTLEY:

Mr. Speaker, a further supplementary question for clarification. Can the minister advise whether or not there has been a meeting between Edmonton MLAs and the Edmonton City Council or Edmonton city authorities, or if a meeting is planned it it hasn't taken place?

MR. LOUGHEED:

Mr. Speaker, perhaps to answer that question, it's yes in both cases. The Edmonton MLAs have met with the Edmonton City Council and they will be meeting again.

MR. NOTLEY:

Mr. Speaker, a further supplementary question to the hon. Premier. Can the Premier advise the Assembly what the position is with respect to control over the Edmonton river valley, whether or not this will proceed as indicated by some of the civil servants, under provincial control, or whether it will be retained under city control?

MR. LOUGHEED:

Mr. Speaker, the hon. member will have to restrain his patience in that matter for a few days.

MR. SPEAKER:

The hon. Member for Calgary McCall followed by the hon. Member for Calgary Bow.

Transit Grants

MR. HO LEM:

Thank you, Mr. Speaker. My question today is addressed to the hon. Provincial Treasurer. Could the hon. minister advise if the matter of the \$15 million grant to the cities of Calgary and Edmonton with regard to their transit programs has been paid to the cities as of this date?

MR. MINIELY:

Mr. Speaker, the Executive Council is still defining the specifics of the policy and an announcement will be made in due course.

MR. HO LEM:

A supplementary, Mr. Speaker. Would the hon. minister be able to advise whether part of this grant may be applied to budgetary deficits experienced by the transit departments of both these cities during the last operational year?

MR. SPEAKER:

The hon. member is actually asking a question which, on the basis of the preceding answer, is one that can't be answered at the present time.

MR. HO LEM:

A supplementary, Mr. Speaker, to the hon. Minister of Municipal Affairs. Could the minister indicate to the members of this Assembly if the question of [the] budget deficit experienced by the City of Calgary has been brought to your attention, and whether the minister will indicate to this Assembly what specific assistance may be expected in this regard?

MR. RUSSELL:

Mr. Speaker, I think the City of Calgary is well aware of the government's intentions. I did have a joint meeting with their city council and board of commissioners some time ago and they understand that a statement will soon be forthcoming which will answer their questions.

MR. SPEAKER:

The hon. Member for Calgary Bow followed by the hon. Member for Lethbridge West.

Legal Equality for Children

MR. WILSON:

Mr. Speaker, I'd like to direct a question to the hon. Minister of Health and Social Development. Could the minister advise what action the government is taking to assure full legal equality for all Alberta children irrespective of their birth status?

MR. CRAWFORD:

Mr. Speaker, so far as I know, all Alberta children do have full legal equality.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. Has the government adopted the study titled Public Attitudes Towards Illegitimacy in Alberta, as government policy?

MR. CRAWFORD:

Mr. Speaker, that document was only recently released, and as the hon. member would know from examining it, is a collection of public attitudes as determined by a survey.

MR. WILSON:

A supplementary, Mr. Speaker. Would the minister care to answer the question? Has the government adopted the study as government policy?

AN HON. MEMBER:

He won't answer.

MR. CRAWFORD:

Mr. Speaker, I suppose I could add this little bit and say that in general the people of Alberta and their government think alike on many, many subjects and I certainly don't object to that.

In respect to this particular one, in order to adopt any survey of public opinion as a policy would clearly not be a practical thing. The survey extends over a wide range of questions and from time to time the government does come forward with policies that relate to some or all of those questions.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. Is any legislative action contemplated as a result of the recommendations in the study?

MR. CRAWFORD:

Mr. Speaker, that's very straightforward. The answer for this session of the Legislature, is no.

MR. SPEAKER:

The hon. Member for Lethbridge West followed by the hon. Member for Sedgewick-Coronation.

X-Ray Technicians

MR. GRUENWALD:

Thank you, Mr. Speaker. My question, too, is to the Minister of Health and Social Development. Is the minister contemplating any changes or amendments in The Radiation Protection Act, in particular as it applies to pregnant women who are X-ray technicians or radiologists?

MR. CRAWFORD:

Mr. Speaker, I want to thank the hon. member for notifying me that he would ask a question which is a very particular, detailed type of question.

The regulations on X-ray equipment as to pregnant women operating it are such that they limit the period of time after [commencement of] pregnancy during which a woman can

operate the X-ray set. It's based, of course, on concern for any injury that might result to an unborn child.

I've had my officials review that situation, Mr. Speaker, in the last couple of days and I'm ready to say that we will seek information that is up to date on this issue from contemporary experts in the field. I say that because there is a difference of opinion over whether or not those regulations should be relaxed, although it would only be fair to say that there does exist a body of specialist opinion which says that they could safely be more flexible than they are.

MR. GRUENWALD:

Thank you, Mr. Minister.

Mr. Speaker, a supplementary question to the Minister of Manpower and Labour. Is the Minister of Manpower and Labour contemplating doing anything by way of representation to the federal government that would alleviate or minimize the discrimination against pregnant X-ray technicians for maternity benefits? I refer to the 15-week benefit period.

DR. HOHOL:

Mr. Speaker, listening to the discussion of the hon. Minister of Health and Social Development, I would take it that the Association of Alberta Radiologists have made that kind of representation to the federal government which has jurisdiction in the matter of the level of tolerance for radiation intake before the fetus may be injured in respect to pregnancy.

I would have no hesitation to be in contact with the proper authorities in Ottawa because the record, as I understand it in Alberta hospitals, is such that the hospital management itself in its concern for a pregnant employee releases her long before the level of tolerance which is permitted under the federal legislation.

However, the hon. member's point has to do with the fact that in view of the earlier release they are not compensated with an additional opportunity for unemployment insurance. That point is valid and I'm prepared to pursue it.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Medicine Hat-Redcliff.

Correctional Institutes - Counselling

MR. SORENSON:

Mr. Speaker, I pose my question to the hon. Solicitor General. Is the hon. minister satisfied with the amount of counselling services available to our correctional institutes?

MR. SPEAKER:

The hon. member is clearly seeking an opinion which should not be sought in the question period.

MR. SORENSON:

A supplementary. Is the hon. Solicitor General considering engaging more psychiatrists to serve the inmates of the Fort Saskatchewan Correctional Institute?

MISS HUNLEY:

Mr. Speaker, from time to time we will be considering whatever we need to do in the rehabilitative process in the correctional system. Whether it's adding more counselling staff or whatever it happens to be, certainly we'll be giving it consideration.

MR. LUDWIG:

That's a Copithorne answer.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff followed by the hon. Member for Clover Bar.

Trans-Canada Highway

MR. WYSE:

A question, Mr. Speaker, to the hon. Minister of Highways and Transport. Could the minister inform the House when the study will be completed on the upgrading of the Trans-Canada Highway? I'm interested particularly in the portion between Medicine Hat and Redcliff.

MR. COPITHORNE:

Mr. Speaker, in that regard we are waiting for some recommendations from the City of Medicine Hat, particularly in the area where the Trans-Canada Highway goes through that particular part. I think that's the part the hon. member is concerned about.

MR. WYSE:

A supplementary question. Who is actually carrying out the study? Is the provincial government doing the majority?

MR. COPITHORNE:

No, actually the City of Medicine Hat is making some recommendations to us. As I understand, Mr. Speaker, it's not a fullfledged study as such.

MR. WYSE:

A supplementary question, Mr. Speaker. Will the portion through Medicine Hat be on a cost-sharing basis, 75 per cent by the Province and 25 per cent by the City?

MR. COPITHORNE:

At this time, Mr. Speaker, there has been no determination on how the cost-sharing would be shared, or if there would be any cost-sharing.

MR. WYSE:

A supplementary question. Will construction get under way this summer?

MR. COPITHORNE:

Mr. Speaker, the answer is no.

MR. WYSE:

One last supplementary question, Mr. Speaker. Will the federal government be contributing any funds to the construction of the Trans-Canada Highway?

MR. COPITHORNE:

Mr. Speaker, on a general way of reconstructing on the Trans-Canada Highway the federal government likely would not be contributing any money toward reconstruction. Now, there is a possibility that if the province enters into an agreement with the federal government on the increasing of weights, then the federal government would have some sharing of costs with the province.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Edmonton Strathcona.

Medicare - Deficit

DR. BUCK:

Mr. Speaker, my question is on labour relations. I received a note from the hon. minister saying he will make a statement tomorrow, but I would like to ask a question of the Solicitor General. In light of the deficit of the Alberta Health Care Commission, I would like to know if the minister will be increasing premiums to the people of the province?

MISS HUNLEY:

Not at this time, Mr. Speaker.

DR. BUCK:

A supplementary, Mr. Speaker. In light of the deficit will the Alberta Health Care Commission be cutting the rates that will be paid to the doctors and practitioners in order to balance the budget?

MISS HUNLEY:

I'd be interested in knowing whether the hon. member is making that as a recommendation, Mr. Speaker. I'm surprised you didn't pick that up because often you do.

DR. BUCK:

Well, Mr. Speaker, the minister can laugh if she wants to about a \$20 million deficit, approximately, but I think we as legislators have a concern.

Mr. Speaker, my final supplementary is, can the hon. minister inform the Legislature how long she proposes to carry the plan in a deficit position?

MISS HUNLEY:

I'm under the impression, Mr. Speaker, that the Estimates are approved by the Assembly. I will probably continue to carry the deficit out of general revenue of the province as long as I am permitted to do so by the votes of the people in this Assembly.

DR. BUCK:

Then that settles it.

MR. SPEAKER:

The hon. Member for Edmonton Strathcona followed by the hon. Member for Calgary Millican.

Daylight Saving

MR. KOZIAK:

Mr. Speaker, I'll pose my question to the hon. the Attorney General and hope I have chosen the right minister. This is with regard to the unusual bit of sunlight we have been enjoying recently and whether we will continue to enjoy more of it under The Daylight Saving Time Act and whether anything must be done for that purpose?

MR. LEITCH:

No, Mr. Speaker, Daylight Saving time goes into effect at 2:00 a.m. on the last Sunday in April.

DR. BUCK:

Is that a change?

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Calgary Mountain View.

Highway Load Restrictions

MR. DIXON:

Mr. Speaker, I'd like to direct a question to the Minister of Highways and Transport. My question to the minister, Mr. Speaker, is when will the government give consideration to raising the load limits from 72,000 pounds presently limiting our trucks on Alberta highways?

MR. COPITHORNE:

Mr. Speaker, the raising of the 72,000 pound load restriction has been under consideration for well over a year.

DR. BUCK:

Why don't you do something about it?

MR. DIXON:

Mr. Speaker, in view of the hon. minister's answer I wonder when we can actually expect the announcement to be made? We've had a year of study.

MR. COPITHORNE:

Mr. Speaker, that kind of negotiation involves the federal government. If the hon. Member for Calgary Millican had been following the negotiations of the WEOC conference in July, the various meetings which have been held with Mr. Marchand not only between myself, but also with the Minister of Industry and Commerce, he would know this sort of negotiation is not finalized quickly.

MR. DIXON:

Another supplementary question, Mr. Speaker, to the minister. In light of the answer, how is it that other provinces, such as British Columbia, have already raised their weight limits?

MR. SPEAKER:

We are getting deeper and deeper into the debate.

The hon. Member for Calgary Mountain View has changed his mind. The hon. Member for Drumheller followed by the hon. Member for Spirit River-Fairview.

Treasury Branches - Loans

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Provincial Treasurer. Have the treasury branches been swamped with applications for loans since the Provincial Treasurer announced there would be no hike in the interest rates as is being done by the chartered banks?

MR. MINIELY:

Mr. Speaker, I haven't discussed with the Deputy Provincial Treasurer or the Superintendent of Treasury Branches what has arisen in the last few days since I did make that announcement. But certainly in the last two and a half years the growth in business of the treasury branches has been - the only word I can use to describe it to the hon. member is phenomenal. I think as long as we continue to assure they are responsive to the needs in Alberta, that will be the case.

MR. TAYLOR:

A supplementary to the hon. Provincial Treasurer. Does the hon. minister expect to have sufficient capital to handle all applications?

MR. MINIELY:

Mr. Speaker, the experience thus far is that the deposits - or in other words our citizens dealing with the treasury branches who are depositing money in the treasury branches - have been sufficient to allow for all the demand on a reasonable and viable basis on the lending side.

MR. TAYLOR:

A supplementary. Is there any thought of supplementing that, providing it is not sufficient, with general revenue?

MR. MINIELY:

Mr. Speaker, not at this time. There is a wide variety of policies which have been instituted in the last two and a half years, as I think the hon. member knows and as I have announced publicly. However the question of advances or the utilization of public funds is one that we have to assess very carefully, I think, from the point of principle, and at the present time I have no plans to do so. That does not mean that it would not be valid public policy down the road or perhaps in the future if the need arose.

MR. TAYLOR:

Thank you. One final supplementary. Have there been any representations from the chartered banks or the Bank of Canada in regard to the decision of the government not to hike the interest rate?

MR. MINIELY:

Mr. Speaker, I have received no letters and, in fact, no phone calls. However, I think I must say, in answer to the hon. member, that I would anticipate that the chartered banks, of course, would at times feel that they were receiving competition. I don't consider that to be negative on all sides. I consider that to have very many positive aspects. I think it becomes a matter of degree. Nevertheless we must pursue in this province with the growth demands we have - particularly for our citizens, our small businessmen and agriculture - policies that suit the demands and the objectives ...

MR. SPEAKER:

The hon. minister is lapsing into a ministerial announcement.

Housing - Mortgage Funds

MR. DIXON:

Supplementary question to the hon. the Provincial Treasurer, Mr. Speaker. Is the government planning any action or investigation to see if it can overcome the serious lack of mortgage money for housing in our province?

MR. MINIELY:

Mr. Speaker, if we're talking about conventional mortgages, I refer that question to my colleague, the Minister of Municipal Affairs.

MR. RUSSELL:

Mr. Speaker, as a matter of fact I checked with Alberta Housing Corporation this morning with respect to interest rates and there are fairly substantial funds at a pretty attractive interest rate left at the corporation for Albertans this year.

MR. DIXON:

Mr. Speaker, supplementary question to the hon. Minister of Municipal Affairs. I was wondering then if we could look forward to relaxation of the availability of mortgage money through Alberta Housing Corporation?

In other words, it's the conventional mortgages that are drying up and we're wondering - they have to go through that process in many cases before they can get Alberta Housing Corporation funds. I was wondering, in that case, are we going to relax the stipulation that you must try to get it elsewhere in certain cases before you go to Alberta Housing Corporation?

MR. RUSSELL:

That condition was relaxed about two years ago, Mr. Speaker.

MR. DIXON:

Well, Mr. Speaker, I would like the minister to clarify it then. Where does Alberta Housing Corporation fit in then, to the conventional mortgage money? If you say you have lots, why isn't there more cooperation with these people telling everyone there aren't any funds available?

MR. RUSSELL:

Mr. Speaker, that question is slightly puzzling. There are substantial funds available through the direct lending process of Alberta Housing Corporation. There is no longer the requirement that the applicant must first receive refusals from a conventional or private lender. However, in their priorities in considering applications, preference is given to areas in the province where conventional sources are not available and to the lower-income groups of persons.

MR. SPEAKER:

The hon. Member for Spirit River-Fairview followed by the hon. Member for Medicine Hat-Redcliff.

Oil Sands - Lease Terms

MR. NOTLEY:

Mr. Speaker, I'd like to direct this question to the hon. Minister of Mines and Minerals. It relates to the report which was tabled on the Shell application yesterday.

Mr. Speaker, in light of the statement in the ERCB report that further development of tar sands projects will be hindered by the present lease ownership in the oil sands, my question to the hon. minister is: what steps is the government presently taking to review the lease ownership in the Alberta oil sands?

MR. DICKIE:

Mr. Speaker, first I might say that the comment the hon. member has made in respect to the report on the Shell application will be considered by the cabinet when it considers the other aspects of the report.

In respect to the leases on the bituminous sands, there is presently a committee of the Department of Mines and Minerals reviewing the terms and conditions with representatives of industry with a view to reviewing the terms and conditions.

MR. NOTLEY:

Mr. Speaker, a further supplementary question. Can the minister advise the Assembly whether it's true that under existing circumstances any future development would either have to be done by the lease holders themselves or, if by public or private capital, in conjunction with a lease holder?

MR. DICKIE:

I'm not sure, Mr. Speaker, that ... I'd want to be in a position to answer fully that question at this time, so I'd take it as notice and deal with it at a later time.

MR. NOTLEY:

One final supplementary question, Mr. Speaker. Is the government giving any consideration at this time to any legislation which would alter any of the terms of the lease, such as the length of the lease or the turnovers?

MR. DICKIE:

Mr. Speaker, we haven't under review any legislation of that nature at this time.

MR. SPEAKER:

The hon. Member for Medicine Hat-Redcliff.

DREE Program

MR. WYSE:

My question, Mr. Speaker, is to the hon. Minister of Federal and Intergovernmental Affairs. It's regarding the new DREE program that is supposed to come into effect, I believe, at the end of June. My question is, have negotiations with the federal government been completed at this point in time?

MR. GETTY:

No, Mr. Speaker, they have not been completed yet.

MR. WYSE:

Supplementary question. Is it possible another extension may be announced?

MR. GETTY:

I suppose it's possible but I hope not, Mr. Speaker.

MR. WYSE:

Supplementary question. What areas in the program are the provincial government and federal government still debating?

MR. GETTY:

Well, Mr. Speaker, there is a variety of matters still under discussion and negotiation. I don't think it would help those negotiations to get into them specifically now.

MR. WYSE:

One last supplementary question, Mr. Speaker. Will the provincial government be handling the grants through the Department of Industry and Commerce, or will it be setting up an independent, 'unpolitical' board?

AN HON. MEMBER:

There is no such thing.

MR. GETTY:

I'm not sure whether he said an independent non-political or an independent political board. Which was it?

AN HON. MEMBER:

All Sacred.

MR. WYSE:

Non-political.

MR. GETTY:

Well, Mr. Speaker, final responsibility for the administration of DREE programs will lie with the Province under the general umbrella agreement which we have already signed. There will also be a federal-provincial committee which will process DREE applications and projects. That committee will be made up, I believe, of seven people, four of whom will be from the province, three from the federal government.

MR. NOTLEY:

Supplementary to the hon. minister. Is the minister in a position to advise the Assembly how many provinces have signed their agreements with Ottawa to date?

MR. GETTY:

Well, Mr. Speaker, it's hard to know whether someone has signed. They may not have announced it. Just from the variety of information that we have through the papers and in the department, I would say there are maybe three or four who have signed specific subagreements under the general umbrella agreement.

MR. BARTON:

Supplementary question, Mr. Speaker. Would this also affect agricultural service centres - the new agreement - as being discriminatory to the other agricultural towns?

MR. GETTY:

I don't think the hon. member will find anything discriminatory in the agreements which we signed, Mr. Speaker. One of the reasons for the length of the negotiations has been to try to remove some of the discriminatory features which we inherited.

ORDERS OF THE DAY

WRITTEN QUESTIONS

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

1. How many drivers of motor vehicles were killed in traffic accidents during the year 1973?
2. How many of the drivers who were killed had been drinking at the time of the accident?
3. How many passengers riding in motor vehicles were killed in traffic accidents during the year 1973?
4. How many pedestrians were killed when struck by motor vehicles during the year 1973?
5. How many of these pedestrians had been drinking?

[The question was accepted.]

MOTIONS FOR A RETURN

158. Mr. Clark proposed the following motion to the Assembly:

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

What is the amount of money spent by the Department of Highways and Transport on road construction and maintenance in each town, county, municipal district and improvement district in Alberta for the fiscal years 1970-71, 1971-72, 1972-73?

MR. CLARK:

Mr. Speaker, I move that Motion No. 158 not be proceeded with and stay on the Order Paper at this time.

MR. SPEAKER:

May the hon. Leader of the Opposition have leave of the House to do as requested and leave this motion on the Order Paper in its present position?

SOME HON. MEMBERS:

Agreed.

162. Mr. Notley proposed the following motion to the Assembly:

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

1. During the period since September 10, 1971, how many applications for access routes to drill sites by petroleum exploration companies in Alberta forest areas have been unacceptable to the government in their original form?
2. What proportion do the initially unacceptable applications referred to above comprise of the total applications?
3. How many of the applications referred to in (1) have been approved by the government after revision or alteration by the companies concerned?

MR. NOTLEY:

Mr. Speaker, I move Motion for a Return No. 162 standing in my name in the Order Paper. I may just say it is my understanding that this is the procedure we take as a result of the minister's answer the other day.

DR. WARRACK:

Mr. Speaker, my understanding is that as well. Motion for a Return No. 162 is agreed. I would only call the attention of the House to the comments that I made on Tuesday with respect to the answer to this question being a substantial undertaking and it will take some time.

[The motion was carried.]

MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Doan proposed the following motion to the Assembly:

Be it resolved that the Government of Alberta consider a review of the rights of freehold owners of petroleum, natural gas, or related hydrocarbons.

MR. DOAN:

Mr. Speaker, I move this resolution after receiving some 60 or 70 letters and telephone calls from freehold owners of mineral rights in my constituency asking for our government to do anything to assist them in obtaining better agreements with the oil companies. Furthermore, they request that our government consider legislating that freehold owners automatically receive the same royalty percentage on new agreements as our provincial government does.

Mr. Speaker, today, under our new natural resources rights, our government sets the royalties that our government and oil companies will receive, up to 65 per cent of 'old' oil production, while the freehold owners of oil rights still only get 12.5 per cent. True, this is a free country and they are free to bargain for themselves. But, Mr. Speaker, how come our government sets the royalty at the wellhead for the oil companies but cannot do anything for the individual royalty holder?

MR. CLARK:

It's your government.

MR. LUDWIG:

We want an answer.

MR. DOAN:

Mr. Speaker, in proposing this resolution, I recognize the progress our government is making in obtaining greater returns from our natural resources for the benefit of our province as a whole.

At the same time, I feel we should recognize some obligation to the individuals in our province who own their own mineral rights but who, for one reason or another, are unable to obtain as good an agreement as our government sets today.

Mr. Speaker, modern mineral production has become so complicated and sophisticated that individuals are finding themselves ill-equipped to negotiate with geologists and scientists. They are unable to understand all that is involved in mineral production or to decide whether or not they are getting a fair deal.

Mr. Speaker, as an example, I have here a photostatic copy of a computerized accounting of one month's sales from the Marmaton Gas Plant which shows the various royalties. I would like to point out that it is shown on this statement that the individual freeholder is charged \$1.95 per barrel for processing while our government is only charged 85 cents per barrel - more than twice as much for the same operation. Mr. Speaker, I say, is this not outright discrimination? Also, on the same statement and out of the same production, the freeholder receives, after these charges, 12.5 per cent royalties and the government receives 16.6 per cent.

Mr. Speaker, up to now the individual freehold owner of mineral rights remains largely unaided in his daily battle to assess the values of minerals.

Mr. Speaker, another example is contained in a letter from one of my constituents which states, and I quote with the permission of this Assembly:

Heretofore we felt that we had no alternative but to accept whatever we were given. We appreciate any endeavour you might take on the royalty holders' behalf. If we can be of any further assistance, please feel free to contact us. As you will see from copies of statements attached, we are confused as to why we have not been paid for sulphur, also very small amounts for natural gas, extracted from our product. We are never informed as to prices or amounts of gas or sulphur, only the crude oil, and we would suggest the oil companies should be required to report to royalty holders quarterly, as to prices and amounts sold of each product. The price of three-quarters of a cent per MCF ...

and, Mr. Speaker, I'd like to repeat that

... three-quarters of a cent per MCF, that we receive for natural gas is very much out of line today when our government receives around 60 cents per MCF.

Mr. Speaker, may I suggest that our Progressive Conservative government extend protection against such monopolies, which operate against the freehold owners' interests, and that we devise policies which, as part of an economic development strategy, will bring increased returns and productivity to those citizens who own their own mineral rights.

Mr. Speaker, since drafting this resolution the night before last at our committee meeting on mines and minerals, one of Mr. Dickie's staff told me that they have suggested that anyone wishing to have his rights handled by this board could do so. However, I'm sure that nobody is aware of this.

DR. BUCK:

Talk to Public Affairs.

MR. DOAN:

Mr. Speaker, another instance of unfair treatment to the freehold owner in my constituency is the development of a "unit operation" of a gas field in the Delburne area. The unfairness is in relation to what is now a part of Section 5 of The Energy Resources Conservation Act, known as the "rule of capture", wherein gas may be drawn from adjoining property underground, not necessarily a part of the agreed unit.

In this Delburne gas field, Mr. Speaker, some 50 or 60 sections of land are involved. This includes, within the unit area, a few freehold owners. One or two of them felt that they were not offered a fair percentage for their rights, so they did not sign. Now they find, after the unit has started, that they are left out and cannot get in as members of the unit, unless it is the wish of the oil companies involved.

Incidentally, Mr. Speaker, these oil companies do not care less if they never sign as they will take the gas anyway under this rule of capture, where they can draw gas underground for upwards of a one mile distance.

Mr. Speaker, it has also been shown that part of the producing horizons may extend outside the unit boundary, and there is no provision in any legislation or agreement which gives to those so affected any right to claim for mineral interests which are drawn away by the operation of the unit under the rule of capture.

Also, Mr. Speaker, I understand that the Energy Resources Conservation Board is paid 50 per cent of its salaries by the oil companies, and I'd like to repeat that, Mr. Speaker. This Energy Resources Conservation Board is paid 50 per cent of its salaries by the oil companies and the other 50 per cent by our government. Is it not possible then, that its decisions might lean towards the oil companies rather than towards one individual mineral rights holder?

Mr. Speaker, another little comparison. A farmer may have half a lake or a slough of water on his property while the other half is on the other side of the line fence on his neighbour's property. The law of our land says that he cannot drain this slough if, in doing so, he removes water from his neighbour's property. This is the law. Yet, Mr. Speaker, because gas is underground, cannot be seen, and yet is worth far more than the water, it can be drained away and taken for free under this rule of capture law.

Mr. Speaker, may I suggest that under present circumstances, when inflation makes old agreements unfair and unjust, and where this government, in this energy-short world, is instrumental in obtaining new, higher price structures, then the government not only has a duty but a responsibility to ensure that such benefits from increased prices are distributed as fairly to itself as to the freehold owner of mineral rights in Alberta.

Furthermore, Mr. Speaker, surely our freehold owners should be given an opportunity to renegotiate an equitable royalty in any existing or future lease agreement, based on the prevailing market conditions, thus enabling them to obtain royalty percentages similar to those obtained by our government.

Mr. Speaker, I ask this government if it was elected in the interests of the people or the oil companies? This Assembly took a stand on human rights. Why not let us then go all the way and support the rights of the individual freehold owner?

[Several members rose.]

MR. SPEAKER:

I believe the hon. Member for Calgary Foothills won that one, followed by the hon. Member for Pincher Creek-Crowsnest.

MR. McCRAE:

Thank you, Mr. Speaker.

I'd like, Mr. Speaker, to offer a few comments on this resolution. In opening, I would like to say I regret that I cannot support the resolution, particularly because my good friend, so close here, is the sponsor of it.

MR. LUDWIG:

Why do you regret it?

MR. McCRAE:

I sympathize with the mover, Mr. Speaker, and yes, with the people he is representing and responding to in proposing this resolution, mainly the freehold royalty owners of presently-producing oil and gas properties, that they be given a greater share of recent price increases of oil or gas than that provided in their lease document, a wish, no doubt, related to the policy of our government of assuring the people of Alberta a greater return on the sale of their depleting asset.

This policy, Mr. Speaker, has resulted in number one, an increase in the price of oil of about \$2.70 a barrel, and number two, a higher royalty rate. The combined effect of this price increase and the increased royalty will add approximately \$1 billion a year to the provincial treasury. I suppose it is natural for freehold owners to want a greater return also, but they are tied to a contract, a legal and we hope binding agreement, which cannot be varied by the courts on the basis of the present oil contract.

What the resolution suggests is that the government pass legislation to vary these contracts. Historically, contracts which are based on offer and acceptance are set aside or varied only in very special circumstances or situations, such as fraud, misrepresentation, duress, undue influence, lack of capacity, unconscionability or like matters. When they are varied, Mr. Speaker, they are varied by the courts, not by government. There is no suggestion that any basis for the courts to intervene in reopening these contracts exists in these particular cases. It is simply a wish for a little better deal for the lessor. Indeed, the fact that the resolution asks the government for consideration thereof is ample evidence that no legal basis exists on which to request the courts to review these leases.

Mr. Speaker, such an action by the government would undermine the whole rule of law, the very basis of our democratic system, the free enterprise system. If the government did, sir, acquiesce in this resolution, how far down the chain of title would they go in attempting equity? Would the person who sold a share or all of his minerals two months ago or last year, after having arrived at a sale price based on the then oil and royalty prices, be entitled to some additional moneys right now by way of sale price? Who in turn would make the determination as to how far down the chain of title we went in redressing price and determining equity, the courts or the government? If it were to be done, surely it would have to be done by the courts.

Mr. Speaker, the present royalty owners are already receiving benefits from the recent price increase on oil of roughly \$2.70 a barrel. Let us deal with calculation. A traditional freehold royalty of 12.5 per cent on a \$4.00 barrel of oil would have yielded the royalty owner about 50 cents. At \$6.70 a barrel the same royalty owner will receive approximately 80 cents a barrel, a very substantial increase.

It is also interesting to note, Mr. Speaker, many freehold mineral owners are still leasing to the operators at 12.5 per cent. If, Mr. Speaker, we as a government or as a Legislature did support this resolution, and if we embarked on a course of action to redefine contract terms between private citizens or to establish what we think of as equity between private persons, where would we stop?

What about the person who sold his house a few months or a year back at then prices? Prices have escalated very highly. Are we going to intervene there and suggest the new owner should pay the old price? What about the person who loaned money on a mortgage a few months or a few years back at the then current rate? Are we going to raise that rate

for him too? What about the injured person, say, in a damage or an automobile accident who went to court and received a court award a year or several years back, the award being then based on the value of money at that time. Do we go back to the courts or the government and request redress or a change in the awards? What about collective agreements between private parties? Do we as a government go in and intervene there and suggest new terms between those parties? What about people who have retired on private pension plans, people who are now caught up in inflation and find that the pension they had contributed to for so many years is no longer ...

MR. LUDWIG:

A point of order. Is the hon. member reading some of my past speeches, or what is he reading?

MR. SPEAKER:

Is the hon. member seriously suggesting that it would be out of order for anyone to read his past speeches?

[Laughter]

MR. LUDWIG:

Mr. Speaker, it sounded so good that I was surprised it was coming from the hon. member.

AN HON. MEMBER:

It would be ill-advised anyway, Albert.

MR. McCRAE:

Mr. Speaker, I feel hurt to think that some of these words I'm saying may have come from some of the hon. member's speeches. I didn't know we were so close together in thought, sir.

AN HON. MEMBER:

You're improved anyway.

MR. LUDWIG:

I'm a free enterpriser. What are you?

MR. McCRAE:

In any event, Mr. Speaker, I feel this resolution is premised on the viewpoint that the recent price increases in oil and probably gas are not already encumbered by additional royalty or tax. In fact, Mr. Speaker, such is not the case.

In 1971 this honourable Assembly held hearings, and as a result of those hearings a new mineral tax was introduced to Alberta, the 1972 Tax Act. That Act, sir, imposed a mineral tax on freehold minerals which was roughly equivalent to the extra royalty imposed by the Crown on Crown parcels - so that, in fact, this Assembly has already imposed a charge against freehold mineral production which extra charge goes to all the people of Alberta rather than the particular freehold mineral owner. So, Mr. Speaker, there is no additional or incremental return to the oil producer which might be assessed or charged with additional royalty for the benefit of a particular freehold mineral owner.

Mr. Speaker, it is for these several reasons that I must oppose this resolution.

MR. DRAIN:

Mr. Speaker, a lot of the things that I had intended to say have been adequately covered by the hon. Member for Calgary Foothills. I can understand the Member for Red Deer ...

SOME HON. MEMBERS:

The Member for Innisfail.

MR. DRAIN:

... bringing this resolution before the Legislature. After all, he has a precedent in front of him. This Legislature has shown ...

MR. FOSTER:

Could be clearer.

MR. DRAIN:

... that they can tear up agreements and establish new ones. So, therefore, he is seeking out this source.

However, there is one particular difference. At least the rationalization of governments in the area of contracts has this rationale and that is, the subject is always related to the public good.

Therefore, in his presentation, although it was very heart-rending, the hon. Member for Red Deer, in fact, did not establish that this was in the public good. He established that it would be in the form of good for the freehold owners. While he expounded so eloquently I was thinking of the time-honoured remark, let the buyer beware. I think we have to change this around in these inflationary times and say, let the seller beware.

I think the whole problem - and there is a problem insofar as these people are concerned, and I suppose they are hurting to some degree - relates back to the inflation of our times. Of course, this responsibility rests directly in the seat of government. No government or any proponents of would-be governments in any province or in the Dominion of Canada are prepared to lay their political apples on the line to the extent of doing anything about it in a serious way.

I might point out to the hon. members that there is a certain amount of sanctity in doing business. Because the term, public interest, does not apply to governments - and that is, the millions and millions of dollars of transactions that occur over the phone, one person's word or a written letter which is, in fact, a sacred commitment. If this policy of tearing up agreements between private individuals were expounded, it would have to go all the way down the line, as the Member for Calgary Foothills pointed out. A person selling a house today and finding it worth twice as much tomorrow would then be able to come back to the Legislature and say, I've got a bad deal, let's tear up the agreement and start all over again.

There is no question about the hurt factor. Let's talk about government bonds. There are Alberta government bonds that are presently paying 3 per cent interest. They eroded in value to \$50 or \$60, and certainly the people involved in this particular area are also very badly hurt and, in fact, they are hurt by government policy and not by some transaction involving themselves and someone else.

Probably the answer could be the taking over of all freehold land at a reasonable rate and putting it under the purview of the government, thereby everyone in the province of Alberta would derive a certain amount of benefit.

I would like also, in closing with these brief remarks, to ask the hon. Member for Red Deer if the prices had gone down on these freehold leases, would he be standing up and requesting that less money be paid to the oil companies on that account?

Thank you, Mr. Speaker.

MR. DOAN:

Mr. Speaker, I would just like to correct the last honourable speaker because I am not from Red Deer. We have a member down there from Red Deer. I am Innisfail.

DR. BUCK:

One's as bad as another.

AN HON. MEMBER:

That's all right, he's only been here two years.

MR. COOKSON:

Mr. Speaker, I have the feeling that we're treating a subject that is fairly serious - it certainly is in my constituency - with rather a light-minded facetious attitude perhaps on both sides of the government, particularly on the side of the opposition.

One might be interested in some of the statistics about freehold versus government-owned rights in the province as statistics from which perhaps we could work. There are some 163 million acres in the province owned either by the province or by freeholders, private holders. In fact, approximately 82 per cent involves rights owned by the

government as against about 10 per cent owned by freeholders. The two major freeholders are the Hudson's Bay and the railways. The smaller freeholders retain approximately .5 per cent of the total freehold in the province.

I just speculate, Mr. Speaker, with all due respect to the member from Calgary, whether, if the reverse were possible, the former government and our own government might have taken time to review and initiate some kind of legislation which would ensure that the 82 per cent in this case was owned [by] and the revenue from it disbursed among the people of Alberta. I just speculate as to this. One might even carry the argument a little further and speculate as to what action cities such as Edmonton or Calgary might initiate via government if 82 per cent of the water flowing through the major rivers involved were owned by freeholders who, intentionally or otherwise, decided to sell it to interests in the United States or some of the other provinces.

You know, it is all right to rise in your place and treat this matter with a rather flippant attitude. But one has to reflect on some of our obligations and certainly if the reverse were the case, I am pretty sure we'd be having some long, pretty serious debate in this Assembly.

The Lacombe constituency probably represents a good part of the freehold property in the province. If you look into the history of the thing, in some of the older areas of the province which were settled in the early part of the century, the property owners were fortunate or unfortunate or by an act of God were given the vested rights to these freehold properties. So they don't - other than the two major owners, this .5 per cent, of which hopefully I represent a part in the Assembly - have a very vocal voice here. It is in that respect that I rise to defend some of the things which have happened in the past with regard to freehold.

I am not prepared to say whether the former government was lax in not, in some way or another, making provision or acquainting freeholders with their rights at the time the oil fields were discovered here in the province. Certainly in free enterprise you have a lessor and a lessee and you supposedly have good legal advice on contracts. A good part of our time is spent here in the Assembly discussing some of the ramifications of poorly written contracts. With all due respect to my legal friends, it is a fact that most freeholders were at the mercy of some of the major oil companies and land men in the province at the time they signed contracts. They had no knowledge of what they should or should not ask for. There was a sheet of paper, or two or three shoved in front of them, which they had no way of interpreting. They were at the mercy of highly trained, specially trained people who were prepared to encourage one to sign on the dotted line.

I would venture to say that nine out of ten legally trained people were and are incapable of interpreting some of the legal wording in some of these contracts. The result has been that in this present day and age many of these contracts have never been tested in the courts. Because again I go back to that .5 per cent of the people who cannot afford to become involved in the sort of legal proceedings which would be necessary to prove one way or another whether a contract is right or not.

The hon. Member for Slave Lake treats this matter pretty flippantly. I am wondering, Mr. Speaker, what his position would be if all the property people he represents - those in the country who have bought land and have considerable lumber reserves on that land - if suddenly the province decided that this lumber belongs to the province? What kind of position would he take as a ...

DR. BUCK:

Can't the government do something?

MR. LUDWIG:

He'd kick the Conservatives out.

MR. COOKSON:

... That's right. And he wouldn't treat this matter as flippantly as he has been treating it here in the Assembly. He would be getting legal advice in very short order, representing the people he is supposed to be representing. I just raise this point because it is pretty important.

DR. BUCK:

Do something.

MR. COOKSON:

There are three areas which I might discuss with the Assembly where I felt there has been some indiscretion, I think on the part of major companies. I think we owe a responsibility to them as government.

One which I think the Member for Innisfail pointed out was the rule of capture. There is a particular case in my constituency where there was litigation at the time the oil field was developed. At this point in time that oil field is totally depleted. Yet the quarter section next to that of the owner of the quarter involved in litigation sold for \$500,000. Because of litigation proceedings and all the ramifications involved, the quarter section that was sold for \$500,000 is today totally drained of oil and the quarter which was tied up in litigation is totally drained of oil. It just seems to me rather unreasonable to expect that there shouldn't be some kind of remuneration for that person who was fortunate enough to have major reservoirs of oil beneath the surface of the land.

Hopefully, there has been no challenge with regard to the water, at least as far as I know. Because if this is the case, we are going to be involved in some major forms of litigation. One might start arguing whether the farmer or the landowner who purchases the land has any right to the water beneath the land. And so [with regard to] this particular area which I make comment on, I think it was a tragedy that it had to occur. I am not saying the landowner was perhaps entitled to the total amount of this revenue, whatever it may be. But certainly the former government should have been able to initiate some kind of formula or some way in which some kind of remuneration could come to these people.

The other area I have just expressed briefly is in the area of unitization where a group of wells is lumped together in order to disburse the revenue from that particular area. If a freeholder is within that unitized area and disagrees, as I understand it, with the proceedings he has an appeal, I suppose, through certain channels. But inevitably he is required to accept whatever is eventually handed down. He might even be frozen at, we'll say, 12.5 per cent whereas the province has been able to initiate 16, 20, 25 per cent royalty. As I understand it, he has little or no power to adjust his own royalty rate, at least to have it comparable to the province's rate. Or he might be just on the outskirts of the pool that is unitized, and unless he totally acquiesces to the desires of the group that is unifying, he has no alternative if he doesn't shift his position to avoid total drainage of his property. I'd like to have the minister, if he has the time, comment on this particular aspect of the problem.

The other area I might just touch on briefly is the calculations. In some of the contracts it was written, in very fine print, that the freeholder would be responsible for the processing. At the time there was no development. It didn't seem like a great problem. It wasn't spelled out in the contract. Again, apparently there was no government legislation to act as an umbrella to oversee these kinds of contracts, which we have in many, many other areas. Insurance is a good example. So in this particular case, when the calculation was made for the processing, et cetera, I think the freeholder was getting about 75 cents a month.

I would suggest, Mr. Speaker, that this government might consider some kind of compromise to the situation which we inherited, that maybe in some way - and I know this is being done to some degree through a central body - perhaps the Energy Resources Conservation Board or some similar board that we have in existence might take time to have some hearings throughout the province to get some kind of feeling about the feelings of the people involved. This might be considered. It might also be considered that we do this in terms of board hearings into the utilities, to give some kind of remuneration to assist these people in appearing before a board to make some representations. I can only stand up in the Assembly and represent those who have communicated with me. I can't speak for many, many other freeholders in the province who have some pretty strong feelings, I think, about what happened in the past.

So I think in conclusion, Mr. Minister, I would appreciate it if you could make some comments sometime along the way about some of the problem areas, perhaps consider some kind of board hearing or some method or channel of representation and guidance for these people who have expressed, very sincerely, some of the problems that they have faced.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Camrose.

MR. LUDWIG:

Mr. Speaker, this is a most interesting motion because it is almost a form of no confidence in government action.

SOME HON. MEMBERS:

Agreed.

MR. LUDWIG:

It's interesting, because I believe the two hon. members, the hon. Member for Innisfail and the hon. Member for Lacombe, are sincere in what they are saying. But feeling frustration because they are not having much serious consideration given to their remarks by the other side, they tend to try to shift some sort of blame to this side. Somebody is being flippant. Hardly anyone has spoken but already they are feeling that we are not going to support them. But I am saying that the majority lies on that side. I'm saying, Mr. Speaker, it's interesting that some hon. members on that side are beginning to realize that whether a complaint of a group of small people in this province is legitimate or not, they are not going to get much of a serious hearing from the Conservatives.

This exercise today displays very clearly the ramifications when the government decides to do something that is expedient and maybe ought to be done. But when you look at the question of law and morals, it's not quite correct. One would say that if the government can state, we're going to legislate the terms of contracts on behalf of the people because the people want us to do it, because they elected us, we're the representatives and we're getting an input that that's what they want to do, then the same line of reasoning should apply here. But they are saying, oh no, this is ridiculous, because these happen to be just a lot of smaller people. That's the Conservative attitude, Mr. Speaker.

To the extent that this situation exists, I sympathize with the hon. members who spoke. They want to be heard, and the principle is the same whether you break a \$10,000 contract or a \$50 million contract. The principle is identical. So the ramifications of the government coming in here and in its wisdom passing legislation that says we have to terminate all this because economic circumstances have changed, Mr. Speaker - then the other people, the working people, the people who are getting any kind of pension benefits, the other owners, have a reason to be unhappy about this thing, Mr. Speaker. The principle is the same. Of course, you could justify everything under necessity - the facts are so much larger. But I'm stating that I'd be very pleased to have someone stand up and tell me that the principle these two hon. members are claiming here is not the same. They want to review the rights of the freehold owners of petroleum.

I think the motion is deficient; it doesn't say in what particular regard. When I listen to the hon. members speaking, they are talking primarily about how much more they can get for their royalty agreements. That is the main complaint. It's a matter of dollars. So everything else that concerns dollars - if you can terminate an agreement, if the government can do it, then the public is also looking at this same means of perhaps bettering itself.

MR. FOSTER:

Where do you stand, Albert?

MR. LUDWIG:

Pardon?

MR. FOSTER:

Where do you stand? What do you want?

MR. LUDWIG:

I think that it's up to the minister to stand up and be counted.

You get a wise-guy minister who can't commit himself on anything and he wants me to tell him. I'm not through talking, Mr. Speaker, and I'd like to give this speech the way I want to and not the way Mr. Foster wants me to. He has a reputation for not having taken a stand on anything and he's trying to put me on the spot.

[Interjections]

Mr. Speaker, I'm not through talking. I still have about 20 minutes.

AN HON. MEMBER:

Too long.

MR. LUDWIG:

I'll tell him where I stand. I'm proceeding to do that. I'm telling him that the hon. members who spoke and who are sincere about their motion must now feel that they are voices in the wilderness, that they are not getting any kind of sympathetic ear. They are not even listening. In fact, the hon. member who - the more I look at him, the handsome

Minister of Mines and Minerals, he looks like Juan Peron. He's laughing. Mr. Doan, you can tell your constituents that Dickie is laughing at you.

MR. DICKIE:

No, at you, Albert.

MR. LUDWIG:

Yes he is. From where I see his face he's laughing at you, so that's the kind of hearing you're going to get. I'm sure that if you thought you could get a better one you wouldn't be bringing this motion to the ...

MR. SPEAKER:

Would the hon. member please address the Chair and perhaps revert to the motion.

MR. LUDWIG:

Yes, Mr. Speaker. Mr. Speaker, I felt that legitimate interruptions ought to be answered legitimately so I did that, sir.

Mr. Speaker, now we've got the position of at least two hon. members on that side putting up a plea to the government. Obviously they were not heard elsewhere. If this was raised in caucus they were turned down flat, so they are going to try to get support for their motion elsewhere.

I'm stating that on principle they are correct in asking for a review. As the motion stands right now, it does not ask for anything but a review of their rights. I think no harm can be done by reviewing their rights, whatever that will achieve. I'm sure that when they review the rights of the private petroleum, mines and minerals holders they will also review the contractual rights of the parties involved. So, it's an interesting principle, Mr. Speaker. When you read the motion, all they ask for is a review of their rights. As the motion stands now, I will support it, though I'm not exactly buying the remarks made in support of it.

The motion and its wording can be supported as being quite harmless. It's a plea by the private minerals rights owners with some indication that they may have been hard done by, they may not have been represented, there may have been something wrong. If that is so, let those farmers who own their mineral rights get up and come here, even if they have to organize a march on the Legislature to be heard. Let them fight for their rights and see if their rights ought to be reviewed if they have been violated. If they have not in any way been violated - I believe any review would disclose that, Mr. Speaker.

So to that extent I am supporting the motion that their rights be reviewed. I'm in no way going to add any support to any action by the government that would tend to break contracts because someone sold a farm ten years ago for \$90 an acre, the farm isn't paid for and now he finds out he can get \$400 an acre. I suppose we should step in. I'm not supporting that kind of action, Mr. Speaker, because we would start something that would have no end. It would end in some kind of disaster in this province if we started reviewing contracts to see if they could be improved as to amounts.

There is a difference between an unconscionable transaction - where a mines and minerals owner can come up and say, this transaction was so bad that I got taken by people who were too fast for me, too smart for me, the transaction is unconscionable. Let the man go to court and have the thing thrown out. But to ask for government action, that is saying if you could go after big money by breaking agreements, how about breaking a few for us? That's what they are saying. These things, Mr. Speaker, will catch up to this government. They have shown that principles in relationships between individuals, governments and corporations are not that invalid.

And so if the hon. member, Mr. Foster, who is now preoccupied with reading the speech he intends to give, if he listens, he would now know where I stand, Mr. Speaker. And I wish to repeat that when some hon. minister wishes to ask me where I stand, I often tell the people where I stand.

MR. FOSTER:

Of course, you know what's going to ...

MR. LUDWIG:

Yes, and I have often told him what I thought of him too, Mr. Speaker, and I will again if he doesn't keep quiet. Our biggest problem in this House is not to get backbenchers to declare where they stand, but to get the ministers sometimes to give us some

indication where they stand. That is the problem, Mr. Speaker, and it is becoming more difficult as time goes by.

SOME HON. MEMBERS:

Hear, hear.

MR. LUDWIG:

So, Mr. Speaker, with those few remarks, I believe it's incumbent perhaps on the ministers to see what the government policy is on this, because that's what the hon. minister over there wanted me to declare. I'm never afraid to declare where I stand, Mr. Speaker, even though sometimes he can't comprehend because he has some problems in that regard also ...

AN HON. MEMBER:

Agreed.

MR. LUDWIG:

... And so I think I have made my position clear that I support the review of these rights to determine whether any were violated. My opinion is that they were not. I'm supporting the motion as it stands. I'm not at all going along with the attitude - although I sometimes have trouble determining whether the hon. Member for Lacombe is here - yes, he appears to be. He is stalling for time for whatever reason. But I would not support that we walk in and see how many contracts we can break because somebody could get a better deal. We can continue with this. We can stretch this kind of appeal perhaps to a breaking point. We can look back and see what contracts were made in buying grain three or four years ago ...

AN HON. MEMBER:

Right.

MR. LUDWIG:

All sorts of things can be. A principle is a principle. Once the government endorses it, there is no stopping. And as time goes by, I'm beginning to appreciate the fact that when the ATA says we don't want to go along with our previous contracts because things have changed which we didn't anticipate, the principle is the same. The Liquor Control Board employees don't want to live by their contract. It sounds terrible to the hon. members but they are saying we have a precedent. They have the precedent from the highest body, the legislative body in this province. So somewhere down the line there has to be a reckoning to tell the hon. members, your plea has been heard most graciously - forget it.

I think those two hon. members, the hon. Member for Innisfail and the hon. Member Mr. Cookson for Lacombe, are not going to treat this thing lightly because they do want to represent their constituents. I believe it's up to some government minister to stand up now, Mr. Speaker, declare what the government policy is and determine whether they are going to support the plea of the hon. members. Thank you, Mr. Speaker.

MR. STROMBERG:

Mr. Speaker ...

MR. SPEAKER:

Unless any of the hon. members wish to ask questions of the last speaker, I would recognize the hon. Member for Camrose followed by the hon. Member for Wetaskiwin-Leduc.

MR. LUDWIG:

Mr. Foster had a question, Mr. Speaker.

AN HON. MEMBER:

He doesn't even have an idea.

MR. STROMBERG:

Mr. Speaker, after listening to the member without any views, from Mountain View - when he sat on the government side of this House and allowed unitization to take place in Alberta, especially, I believe, in the Delburne field and now he is running for cover under the sanctity of contract, well it's questionable. I don't think much of his views.

Mr. Speaker, may I say ...

MR. LUDWIG:

A question, Mr. Speaker, in reply to that remark?

AN HON. MEMBER:

Sit down.

MR. STROMBERG:

... that I am a freeholder of mineral rights and under no circumstances do I intend to vote on this motion.

Mr. Speaker, last year in my constituency Great Basins Petroleum Company went ahead and unitized what is referred to as the Bruce-Holden gas field. And approximately 50 freeholders were involved in this unitization scheme.

Now, Mr. Speaker, Great Basins, in their generosity, offered the freeholders \$2 an acre and 12.5 per cent royalty to lease their petroleum rights. My constituents, I can say to you, were not particularly satisfied with a set-up like that. They did not sign, but this offer was such that if they did not sign with Great Basins, Great Basins would take their gas anyway. And, Mr. Speaker, the payment of \$2 an acre in a proven gas field - well I can think of what the Department of Mines and Minerals last year was getting for selling leases in moose pasture, some as high as over \$50 an acre.

Mr. Speaker, it would have been interesting - the amounts of funds received if the Department of Mines and Minerals had put up for sale the mineral rights in the Bruce-Holden gas field. For instance, Mr. Speaker, if the government decided to lease to the highest bidder the Suffield Block, I would suspect that we could receive somewhere in the neighbourhood of 70 to 80 per cent royalty. Mr. Speaker, Great Basins refused to offer more than 12.5 per cent royalty to the leaseholders. Mr. Speaker, the track difference between CPR-held land, and of course Crown land, and the farmers' leases which I would suspect would be natural for a petroleum company, would be more generous to the Crown than to someone with an individual 160 acres.

No wonder the freeholders who were involved in that area held a public meeting at Bawlf, with about 70 interested people in attendance. They also asked for the solicitor of Mines and Minerals, Alma Spady, to be at this meeting. The purpose of this meeting was to discuss if there was any way that they could protect their interests. Mr. Speaker, as one farmer so clearly put it, the former government, has allowed, where freeholders are involved, legalized stealing.

Mr. Speaker, before I get into any sort of argument with our petroleum engineers in this Assembly, I would like to just point out that I have no quarrel with unitization. I think the formula is fair. It's the way that a company can literally force him [a freeholder] to his knees. Now the \$2 an acre offer that was given in that area, up to the last day - on the last day three leases were signed for an average of \$20 an acre - there was no way you could get an escalating clause in those leases and, of course, there is no room for arbitration. The company in question certainly used [the freeholder] to great advantage, in presenting their argument for the tract factor on a three foot pay zone. But that's when gas was selling for about 15 cents per MCF. Now with it up at 60 cents, I would suspect the petroleum company would be even interested in two or three inches of pay zone.

Mr. Speaker, may I offer some alternatives to the minister to deal with unitization. First, before any field in Alberta comes under unitization, that information-type meetings be held with the producers, freeholders and personnel from your department and also from the Energy Conservation Board.

The second recommendation, that the Energy Conservation Board set the tract factor, not the producer, and that the Energy Conservation Board be responsible for determining reserves held by the field or pool and the prorating between the freeholder and the producer. Mr. Speaker, once the producer has taken out his recoverable estimate reserve, then further production should belong to the freeholder.

MR. HENDERSON:

Mr. Speaker, I would like to comment on some of the remarks that have been made by previous speakers. The first comment I would like to make is, one of the most surprising statements that I hear being made in this House, coming from the other side, is the criticism of lack of foresight. It takes a lot of gall to hear somebody stand up on the other side and talk about lack of foresight of this government 20 years ago, when the present one finds itself embarrassed over a one-year period. In '72 they came in here and played a cute game of hearings - we're going to set up a freehold reserve tax to force

companies into paying higher royalties and open up the agreement. It backfired on them. Last fall they had to throw it all out and start over again. So one argument that has no validity and no meaning in this issue is the question of foresight used on either side of the House. Certainly I would think that anybody should be a little red-faced, particularly on the other side, for bringing it up in connection with oil royalties.

I can fully understand anybody holding a freehold lease wanting to get a better deal out of their lease royalty when the Crown has taken the action that this Legislature has taken in the last year. It's an action which I supported then and which I still support. But I suggest that there is quite a difference between the Legislature involving itself in management of Crown reserves and interfering in the management of legal rights in freehold reserves. We are here as custodians and trustees of a public interest, and we have a very specific responsibility to look after that interest.

When the Legislature starts interfering in private deals one has to remember that the sword cuts both ways. Intervene this time on the side of the freeholder, the next time a company will come back and say, look we can't make a nickel out of operating the lease at the royalty we are now paying, so intervene and have the royalty reduced. I suggest that's fraught with many pitfalls.

As the hon. Member for Calgary Mountain View has pointed out, one could apply the same principle to almost any contract where somebody, a year later, thinks he has made a bad deal with two private parties and wants to go to the Legislature and have the government set it aside. That is what the courts are for - to judge the relative merits of those types of transactions.

I don't pretend to have any real legal knowledge of the question, but to me there is a real question of principle of the authority of this Legislature to intervene in such deals between two private interests. What interest does the government, per se, have in a piece of freehold property? I am not too certain that the government in this Legislature has any right to directly intervene in a private deal between two parties so long as any law within the jurisdiction of the province has not been contravened. Once again, as I say, nonetheless, I can be fully sympathetic to the feelings of those who are still collecting a 12.5 per cent royalty as opposed to the much higher royalty that the provincial government is now collecting.

I have heard a lot of nonsense today in the brief debate about unitization. There are compulsory unitization laws on the books in the Province of Alberta, but to my knowledge - and if I am wrong I would appreciate it if somebody would correct me - it has never been used. It is there. It was passed by the previous legislature but again, to my knowledge, it has never been proclaimed. It is my understanding thus far that most of the unit agreements in the province are voluntary, that a freehold interest owner does not have to sign the agreement.

I am well aware of the Leduc field, for example, where I still live and worked for many years. It's what they call windows in the middle of the unit - the middle of the pool - where the freehold interest refused to sign the lease. Of course, I think one must be cautious about condemning unitization in general because the unitization is usually set up to implement secondary recovery schemes to enhance the recovery of oil from that particular reservoir. When a freehold leaseholder figures he isn't going to get his fair share of the cake, if it weren't unitized he probably would get even less because the unitization is a prerequisite to setting up secondary recovery schemes in order to enhance recovery. Those who don't sign the agreement, in effect if they're lucky, get a free ride on the unit agreement without contributing anything to it.

Let's be abundantly clear. They don't, in general terms, have to sign. I personally am not aware of a compulsory unitization order as yet having been issued by the government directly or through the energy board.

There is a provision in Crown leases, for example, in the question of drainage where compensatory royalties are paid. Where there is an offset lease that isn't drilled and the company owns the land next door that has a well on it, and it's the same company that owns the undrilled lease and the drilled lease, and geological data substantiates that there is probably recoverable oil there on which royalty is not being paid properly, then the Crown can negotiate a deal with the company to have them pay compensatory royalty or they are required to drill a well. I am not certain whether this again is a provision of freehold leases, but certainly the Crown's interest is looked after in that regard.

In conclusion, Mr. Speaker, I find it extremely difficult to listen to the debate taking place. Once again, it is suggested here that these problems exist today because of lack of foresight. If the members opposite have a crystal ball they should have made it available to the government in the fall of 1972, because a year later they found out that their foresight was sadly shortsighted and they had to make a change. They had the authority to make a change. They have a responsibility to make that change. They made it and I think it was the right thing to do. Certainly I can agree with the general suggestion of the resolution to have a review through the Attorney General's department of

the right of a freehold owner in this regard. But I suggest that members of this Legislature should look long and hard at propositions that the Legislature should intervene directly in a lease between two contracting parties. I am reminded of the cycle we have gone through on the matter of surface rights.

The original deal to deal with surface rights - Right of Entry Arbitration Board orders to property owners, where oil leases and so on were required, were not appealed to the courts because that's the way the farmer of the day wanted it. Twenty or fifteen years later he came around to the conclusion he was being deprived of something. So it was changed so he did have a right of appeal to the courts in the matter. In this matter also, I think, if the individuals feel their rights have been circumvented or frustrated or the basic laws of the land are being ignored, they have the right to go to court to deal with the matter. That's where this matter should be dealt with. It should not be dealt with directly within this Legislature.

Thank you, Mr. Speaker.

MR. TAYLOR:

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

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

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

Bill No. 208 An Act to amend The Alberta Insurance Act

MR. LUDWIG:

Mr. Speaker, it gives me great pleasure to speak to second reading of Bill No. 208. I believe that since I introduced this bill a lot has happened, a lot has been said by insurance people, by legislators as to premiums and the rights of individuals. We have had some very prominent and important legislation passed in this province dealing with the rights of people, and the right not to be discriminated against in any manner whatsoever.

I would like to read the important part of this bill. It states,

193.1 (1) No insurer shall

(a) discriminate against any person with respect to any term or premium of an automobile insurance policy, or

(b) refuse to insure any person, because of the race, color, sex or age of that person.

Since this bill was introduced I have had the opportunity to get a lot of good advice from insurance companies and from the insurance industry. Many of them admit this is discriminatory but they feel that perhaps the solution is not easy. They feel it is a convenience and it would be too costly to perhaps break this, what I call, discrimination because of the age factor.

To break it down more, to make it more specific, to state that we will have a special rate for every age group starting with 16, 17 and so on because even there the averages of accidents per insured person vary - these facts and figures that are often thrown up about percentages of insured as to percentages of accident claims, Mr. Speaker, vary. They work in cycles.

I am convinced now, although there are no accurate figures that I could get hold of in Alberta, that perhaps a great deal more than half of those under 25 never make any accident claims on their insurance policies. So here is a large number of people who are helping to subsidize a certain age group, particularly because they happen to be in that age group.

If the government says, if the people say, well, there's no discrimination, then let's look at the matter; I'm saying there is. I'm saying, not only is it there but it is unfair to a great number [of people] who never have an accident. I'm saying that because a person who happens to be over 26 and may have had several accidents, although he has to pay for his increased premium, he has the benefit of a lower rate because he is older. This, in my opinion, is discriminatory. It's as discriminatory as if they turned around and said, well, because people under 25 are more accident-prone as an average not as an individual. Each individual is different.

Some people start driving carefully at 16 and their one concern is to have a proud record of no violations and no accidents. There are a lot of people who are over 25, or over 50 for that matter, who are indifferent about their driving. So I'm saying that there is a serious problem of discrimination, and it is a body like this which ought to look at it.

When I'm making these remarks, Mr. Speaker, I have the benefit of previous speeches in this House by the hon. Member for Calgary Buffalo who gave a good example of the undesirability of any form of discrimination because of age, even though in this case it's economic. I'm saying that if those who say there's no discrimination because of the nature of the problem - I say then, why don't we turn around and impose a speed limit on this age group? Of course, immediately the cry would be that it's discriminatory. To say, because your age group happens to be more accident-prone, they are not as experienced, they can only drive at 50 miles per hour, is that discriminatory? Of course it is discriminatory. They could never get away with it. Those drivers would not go for it. They would fight it with all they could.

On the other hand, you could turn around and say, well, we don't want to follow you to see how fast you drive. We'll make everyone who hasn't driven for three years accident-free and who is under the age of 25 have a governor on his automobile. Now that would be plainly and obviously discriminatory.

But if we say we are going to charge you higher premiums - so that many younger drivers cannot afford to drive - that is acceptable because it happens to be the way it developed. I think that it's up to this body to try to remedy the situation. I'm well aware of the fact that steps have been taken, and I appreciate those steps that are being taken which will reduce the premiums to those 25 and under. There's no commitment at all that they will be equalized with those who are over 25. Notwithstanding that, the principle of discrimination because of age is there. I believe the hon. minister, who is not present in the House, the hon. Minister of Consumer Affairs, has some announcements to make. We discussed it, and something will be done.

I'm concerned about bringing in legislation that they cannot discriminate on the basis of age, race, colour or creed. That is something we need not repeat. This has been told many times in this House. Principles have been established and bills have been passed unanimously because we subscribe to it. We subscribe to this kind of principle, Mr. Speaker, and we are helpless to do anything about it when there is an obvious and flagrant violation on that basis.

I'm not going to argue that this age group costs more as a whole to insure, because a smaller percentage of the total insured drivers has a higher percentage per capita of accidents. When I say that this issue must have crossed the government's mind - and I'm very pleased to see this - it must have, because here is a statement that says, "My government will continue to take the appropriate action to ensure that young drivers will only be charged fair and equitable automobile insurance premiums."

I think there is a distinction between the meaning of fair and equitable. I think that if the words were synonymous they would not be used. I'm looking at the word "equitable", compared to what other people do. A person who is 26, who maybe hasn't had more than a year's driving experience, will get a much lower premium for similar coverage than a person who is 25 and has driven for six years, Mr. Speaker. If we keep bringing these things closer together, the element of discrimination becomes very clear, and that is what I'm concerned about. As is often the case, someone gets up and it's an issue, a political issue, and I'm on it.

I can assure the hon. member, Mr. Speaker, that a lot of people don't appreciate this bill. Many will tell me, well, I have no children. I pay mine so why should I pay somebody else's? Nevertheless, many people have children and many people strive to see that those children drive safely. Many parents have to pay the insurance premiums on their younger drivers for years and years until the child, the son or daughter, graduates and starts earning his or her own living. This is the unfairness.

I'm not going to talk very long on this. I believe I've made the point I wanted to make. But I would certainly like to hear those hon. members who have a concern in this field stand up and express their views. I know I could be accused of bringing these things in and it's repetition, but I think when there's a cause and an hon. member believes in the cause, it is his responsibility to keep bringing it in and keep fighting

for it, to at least keep the issue before the legislators and hopefully win some support for it.

I am sure that a lot of hon. members here believe that this is a problem, and maybe this isn't the best way to solve it, Mr. Speaker. Maybe this bill is not the best way, but at the present time it's the best suggestion that this Legislature has. I urge the hon. members to give it serious debate and not feel that perhaps because it's developed it's acceptable, that there isn't any open complaint about it, that we should let it continue because nobody is complaining. I can assure you, Mr. Speaker, that many people are complaining. I've had a fairly nice response to this from the schools - that I've introduced this bill - saying that they feel something should be done.

I don't know the economics of all the problems the industry faces. They have a lot of complex problems. They want to keep down administrative costs and perhaps will not have to hire much more staff than they have. They are having trouble in many instances making the business pay. Nevertheless, our problem is not so much with the economics of the problem as with the principles of discrimination. That is the important thing, and I hope that hon. members who participate in this debate will not come up and say, well, they belong to a class. Principles of insurance are based upon large numbers and we've got to throw you all into the same sack because you're 25 and under and that's what we have to base this on.

I'm saying, Mr. Speaker, that if we don't solve this kind of problem what will happen is what happened in B.C., Saskatchewan and Manitoba. People in that age group constitute a fairly large number, and many parents who have to pay higher premiums for their younger drivers also are a bit resentful of this, especially when one can almost anticipate that insurance premiums, insurance rates for automobile insurance coverage, will go up.

I'm quite convinced that not too far down the line there is going to be some kind of adjustment upward. If this happens these people are going to scream "foul", because they are looking at other provinces. Even though I don't believe governments can produce cheap insurance, the payment for the premium or for the right to drive is initially lower. I believe that through taxation and other means, in the final analysis government insurance is not cheaper. But for the young person who is buying his licence plate, his initial payment to be able to drive and be properly insured is much lower.

If we don't look at this problem, don't be too surprised if this group pushes for state insurance. The governments in B.C., Saskatchewan and Manitoba didn't have too tough a job selling this idea. The governments may be socialist and the people may not necessarily be so, but the idea of cheaper insurance appealed to them. So we have a responsibility to act in this regard. It may not be a popular decision. I'm quite convinced that if a poll were conducted in public many people would feel we should leave well enough alone. But that doesn't alter the fact that somewhere in this House a principle has to be established that we will not allow it. I suppose there are always exceptions to legislation. This is one exception that I don't appreciate. I'm prepared to stand up and urge the hon. members to support this bill, at least support the principle established in Bill No. 208.

Thank you, Mr. Speaker.

MR. GHITTER:

Mr. Speaker, I just can't let the hon. member come forward without taking the opportunity of making a few remarks on his approach to a very important problem.

I think, Mr. Speaker, at the outset I would like to commend the hon. member for bringing this bill before the House this afternoon. It's been here before, but that's customary with the hon. Member for Calgary Mountain View. Most of the things he brings to us have been here before. We've gone through this with the ombudsman bill and in confidential sources and now we're getting a repetition of the debate which took place on April 3, 1973 when those members on this side of the House moved a resolution, seconded by the hon. Minister of Telephones and Utilities, that brought forward this very issue. As is usually the case, I guess a year later what we said gets absorbed by the hon. member. He understands it and then he brings it back to us in another form.

In any event, Mr. Speaker, I for one don't object to the matter being here again this afternoon because I think it's a very important issue which is raised. I think the hon. member has honestly said that certain things have happened since a year ago when we debated this resolution in this House. I think it can readily be seen that some positive steps have been taken. I'm not suggesting that we are there yet. I'm not suggesting that our young people are receiving fair and equitable rates on their drivers' insurance at this time, but I do think we are making headway. I want to make some comments relating to the headway we are making in that area and some suggestions as to where we might be able to move from there.

First, I think it would be interesting, Mr. Speaker, to look in terms of the annual report of the Alberta Automobile Insurance Board, filed in this Legislature, which related to the 1972 area and talked about underage drivers. In that report, if I just might state a couple of comments from the report, Mr. Speaker, they say:

Perhaps it should be the other way around, and the larger groups ...
referring to the adult groups,

... should subsidize the smaller groups which make up less than fifteen per cent of the insureds. The Board has expressed to the industry the Board's concern and expectation of better justification of rates for the younger driver.

Mr. Speaker, I am awaiting with interest the next report of this board, which is not before this Legislature as yet, in order to find out whether or not the board has been successful in any way from the point of view of bringing down the rates for our underage drivers.

I feel that the bill this afternoon is a little premature because we don't have the information available to us - this has already been stated by the hon. member. I think that will be interesting. I think the hon. Member for Calgary Mountain View has also stated his awareness of the actions of the hon. Minister of Consumer Affairs in this area. He has stated his awareness that the minister has directed the Automobile Insurance Board to spend some effort and time in dealing with the industry in this area. He is also aware and has stated that an announcement is pending from the Minister of Consumer Affairs in this area.

Also, I think if the hon. Member for Calgary Mountain View would direct his attention to the release of the hon. Minister of Education of Friday, April 28 talking in terms of driver education and the increased emphasis it will be receiving in Alberta schools - it would seem that this is indeed a very important part of bringing down the rates for younger drivers; because certainly the insurance companies will be much more interested in and agreeable to doing so if they have the feeling and the confidence of the government, in that the government will provide programs for driver education which, hopefully, will reduce the risk. As the hon. Minister of Education stated in his release of April 28:

It's a most practical educational investment to instill safe driving skills and attitudes in our new drivers right from the start ... Such a course has immediate and tangible benefit both for the students and Alberta citizens generally.

Of course, one of those tangible benefits may be well be a reduction in their insurance rates which should indeed be the case.

I think then, Mr. Speaker, that progress is being made. I think that the matter relating to this bill which I'm not sure I totally agree with is the matter of approach. I think the better approach is to try to work matters out with industry. I think the better approach is to go to the insurance companies, as is happening, and try to work with them in order to get a more equitable rate structure. If they don't do it, I would be the first to stand up and support the bill presented by the hon. member. I think it's premature right now to be coming forward with forceful legislation of this nature which pounds it into the industry's head. I think it can be done by accommodation and by industry and government working together in partnership to deal with this problem.

I always fear government intervention into business. I'm surprised that the hon. member, who is the strong proponent of a free enterprise system, the strong proponent of the market place and the supply and demand principles that we hear in this Legislature day in, day out, comes forward with a bill which pounds the principle into industry's head without at least allowing industry the right to respond to the discrimination which exists - and I agree with you on that point. However, I would like to think that matters of this nature can be dealt with with industry, and then if they don't do it I guess we, as legislators, must look in terms of bringing down the heavy hammer and telling industry if they're not going to respond, we will. We will then pass legislation to make sure that our younger people are treated fairly.

I also wonder, in terms of the framing of this particular bill, Mr. Speaker - I don't feel very strongly about this point - but as I look at the wording of it, I think it would almost be in a better place if it were in The Individual's Rights Protection Act which is really a piece of legislation designed to deal with discrimination. That might not satisfy the hon. member because the procedures, of course, would be drastically different. If there were a sign of discrimination, the Human Rights Commission would then come into play; it would express its point of view and the enquiry would move along from that point of view. But it may be a better place to deal with matters of this nature. I just throw this out for the hon. member's consideration.

I'm not sure myself whether it should be within The Alberta Insurance Act or The Individual's Rights Protection Act. But when I look at the bill and I see the fine of

\$1,000 for a company which, I would assume, offends this and discriminates, I think it would be very difficult to prove. For example, if I, as a lawyer, were representing the company I would merely say there is no discrimination as to age, the discrimination doesn't exist, all the company is doing is setting up a policy based on risk, not age. After all, the insurance company can well come before any court of law and say, the age doesn't matter, it's risk because statistics will clearly show that the risk is much higher with younger drivers. Statistics that have been filed - maybe hon. members are aware of them - would show that drivers in the 21 or 20-year age group per 100 vehicles cost \$15,900, whereas for drivers in the 40 year old age group per hundred vehicles the average cost is \$3,084. As a result, the argument could well be that it's a matter of risk. It's not a matter of age at all.

I question then as to whether or not this is really the approach to take when you come forward and talk in terms of discrimination. Maybe better wording, from the point of view of this bill, would be not talking in terms of discrimination, but just saying that drivers who have no previous driving claims from the point of view of insurance, who have taken an accredited driver training course, will pay the same premium as anyone else, period.

Let's just forget about the discrimination talk in this bill and let's stop pussyfooting around it. If we're going to need the bill, then let's say it. What is this point of race, colour or sex of the person? You haven't mentioned anything about that. I don't see any insurance companies discriminating as to colour, if you're black you have to pay more. The area where you refer to the sex or race of the person, I don't think that applies. So I think the hon. member is kind of pussyfooting around the issue. If he feels strongly enough about it, why doesn't he just put an amendment to The Alberta Insurance Act which merely says the premiums shall be the same, period? Leave it at that. I would support that.

If the information in the next number of months that comes forward from the Automobile Insurance Board and the hon. Minister of Consumer Affairs is such that inroads are not being made to reduce the premiums for our young people, I would be the first to stand up and support a bill that was based on that premise. I think, Mr. Speaker, that at this time it's premature, as I said already. I'm going to be watching with interest - as I know many hon. members will - to determine whether or not the Automobile Insurance Board and the hon. minister have been able to place a dent in this particular area, in cooperation, on a voluntary basis with the industry.

However, Mr. Speaker, if this is not accomplished and this bill comes back next fall, possibly the hon. member might consider some amendments which would make it stronger; forget about the argument of discrimination and just have it done; then I, for one, would be very happy to stand up and support that bill if he brings it forward at that time.

MR. SPEAKER:

May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. YOUNG:

Mr. Speaker, a few comments for the hon. member because, in his usual motherhood fashion, he has tried to bring forth a bill which covers all angles, all bases and which should be accepted just because it contains the right words, the words in this instance being "race, color, sex or age." Then he gets up and delivers himself of many words, badly organized, all relating to age.

Now the issue in itself, Mr. Speaker, is an issue of concern, an issue which has been of concern to both sides of the House and about which concern was amply demonstrated last year in the resolution which has been mentioned. The concern has been mentioned again - at least in terms of the underage or youthful drivers, beginning drivers under age 25 - in the minister's announcement of this very month.

I'm not a lawyer and therefore cannot analyze exactly the consequences of the particular bill, but what really bothers me, Mr. Speaker, is that in the construction of insurance rates the premium must have regard to the risk involved. Now it may well be that through the forces of competition, and perhaps because of an assumption which may not be justified, that assumption being that there is a direct relationship between driving experience or quality of driving and age of the driver, we have developed a relationship between insurance premiums and age so it appears.

But, Mr. Speaker, my point that I do not want to have overlooked is that there has to be a basis for the assessment of insurance premiums, and I'm not sure, not at all sure, that the hon. member, in his hasty drafting of even four lines of a bill, has really

thought through what he is going to do as a consequence of that amendment if it were accepted.

Perhaps I can illustrate the kind of concern I have by the operation of the Workers' Compensation Board. The Workers' Compensation Board, as I think all members in this House are well aware, structures its rates according to the risk involved in various occupations. I speak with relatively little experience, but some. I have employees in my firm who fall into two different classifications. The rate for one is about three and one-half times the rate I pay for the other employees. Presumably this is because of the experience of that board over a period of time with classifications of employees in these two activities or trades.

Now what we have in the insurance industry is precisely the same thing. The insurance industry in the private enterprise manner - and it would seem if we are to draw any analogy from the Workers' Compensation Board system operated by our government agency - has classified for purposes of evaluating and determining appropriate premiums, risks according to some basis. And it has, in the cases of automobiles and automobile drivers, done so over a period of many years on the basis of age for underage drivers.

The point which is important, I think, is that the insurance industry is highly competitive, and in my discussions with insurance agents and company representatives, they have acknowledged to me that there may well have been so much competition that too many classifications and subclassifications for premium purposes have been allowed to emerge. The company gains an advantage and the agent gains an advantage, who can narrow down the basis of the potential insureds in such a manner that the risk for that group is reduced. The premium can thereby be reduced and a profit can still be rendered to the insurance company.

We have in the automobile insurance industry a large number of classifications. So far as I'm aware in the automobile insurance industry, basically the one group is classified on an age basis. I say again that, in my opinion, that has occurred with the assumption that age relates to experience.

Perhaps, Mr. Speaker, I could be permitted an aside at this point and say that I think the program the hon. Minister of Consumer Affairs has introduced is highly commendable, because what that program would do in ensuring that all those who are commencing driving would be able to take driver education, Mr. Speaker, would be to improve upon the experience of these people without them having to acquire this experience in the manner that most of us, I suspect, in this Assembly had to do it, that is on the highway. By virtue of instruction, by virtue of a planned training program they would be able to acquire a background which hopefully should give them much better driving records than I dare say I would have been eligible for, or could be construed to have had, at the time I started driving - you know, twice around the racetrack and 1,000 times around a farm field on a tractor and I had my drivers licence. These people will know more about driving laws than I ever knew and more about the mechanics of handling automobiles as a result of the driver education programs which we are instituting in this province. So I think this will again relate to experience and should have a tremendous impact on reducing premium rates.

There is another aspect of the proposition contained in this bill as I read it and which I would raise for the hon. member's consideration. In fact, I don't know why he didn't speak to it when he was speaking unless - and I suppose I should have recognized why - I believe he introduced it because it's a motherhood type bill, it's the thing to do. But why, in his discourse to us ...

MR. LUDWIG:

On a point of order. I believe that in the matter of discrimination and equality of sex, it would be more proper to call it a fatherhood rather than a motherhood bill.

MR. YOUNG:

Well, Mr. Speaker, if the hon. member is proud of the idea even though he plagiarized it from resolutions debated in this House last year, I would be pleased to accord to him every second mention ...

MR. LUDWIG:

Mr. Speaker, on a point of order. This accusation of plagiarism - I wish to disassociate ...

MR. SPEAKER:

Order please. The hon. member is debating and he may do that when he concludes the debate.

MR. LUDWIG:

... [Inaudible] ...

MR. YOUNG:

Did I hear right, that the hon. member doesn't wish to be reminded that it is plagiarism?

Mr. Speaker, the point I was making before the unnecessary interruption was that there has been no comment, as I understand, from the hon. member with respect to 193.1(1)(b). I don't really understand why it's there. I'd like to know. I think the hon. member, in advancing that amendment to the bill, should have explained to us in some detail why he bothered to put that in, and what impact it would have on, for instance, life insurance companies. I'm not a lawyer, but the way I read the amendment as it stands on Bill No. 208, it could be read that no insurer shall refuse to insure any person "because of the race, color, sex or age of that person."

Now what is insurance? Suppose that someone is very ill with a disease which normally will terminate life in a very brief period of time? What does this mean to a life insurance company? Or does it have application to life insurance companies? The hon. member should have dealt with this and should have explained it. Perhaps he will take up that challenge when he moves to close debate or possibly next year - should he survive the election, if there is one prior to that time - when he reintroduces the bill, as no doubt he will do.

MR. LUDWIG:

Mr. Speaker, on a further point of order, is the hon. member feeling all right? He sure doesn't sound it. He sounds sick to me.

DR. BUCK:

Are you telling us there's an election this spring, Les?

MR. YOUNG:

Pardon? Does the hon. member wish to speak on his feet or would he prefer to remain sitting while he speaks, Mr. Speaker?

Mr. Speaker, I'm quite concerned about this portion, subclause (b) of the amendment. Unless I hear some explanation, I would find myself having extreme difficulty voting for this particular amendment. I think the objective the hon. member discussed in his original development of his bill is a laudable one. It is one which we all indicated last year we would favour. But it always bothers me to have a bill brought in with what I regard as a potential sleeper in it, which the hon. member doesn't bother to explain to us.

What exactly does that mean? Mr. Speaker, perhaps I can summarize and reiterate again ...

MR. LUDWIG:

Reiterate again!

MR. YOUNG:

... I think the approach that this government has taken with respect to the insurance companies, which is to give industry an opportunity to review the method it has followed in determining automobile insurance premiums in relation to young drivers, is a good one. It is a good one, I think, because the premiums ought really to relate to the experience and the claims which have been made upon premiums paid in for certain classes of drivers. I think there has been an assumption that age relates directly to experience. That may be an unwarranted assumption.

I repeat that my discussions with representatives of the insurance industry indicate that some of those believe there have been too many classifications of drivers created, too much competition in that respect within the industry which tends to penalize some groups of drivers very highly. This also should be reviewed.

Finally, Mr. Speaker, I think this presents me with a good opportunity to say again that the Minister of Consumer Affairs has, I believe, brought in a tremendous program with the assistance of the hon. Minister of Highways and Transport to assist young drivers and commencing drivers, and for that matter to improve the roads for all of us in this Assembly and outside of it. I think they are to be commended. I would appreciate then,

Mr. Speaker, some real good explanation from the hon. member for subclause (b) in his proposed amendment when he rises to close debate.

MR. BENOIT:

Mr. Speaker, no one seems to be speaking against the principle of the bill. And they didn't when it was presented before. Someone made the statement that it has been here before, and that is true. That is all the more evidence of the fact something needs to be done.

This is one of the weaknesses of government, Mr. Speaker. We talk a lot about these things but we never get anything done. I feel very strongly that putting off the bill is just a delaying tactic which I have experienced when sitting on both sides of the House. It seems to be a common weakness of legislators and governments, both together, to just talk about these things and not do anything about them. I feel very much the need for someone to set the pace in things like this.

It has been argued that we are going to delay this again. While we agree with the principle of the thing, we shouldn't put it into legislation hastily because there are some more studies coming up. But there are always some more studies coming up. We don't want to press the insurance company. But if someone doesn't start the ball rolling, the insurance companies will never do anything about it and they will never be pressed. If some other provinces see that one province puts in this kind of legislation, they will do the same thing. Across the whole country we will have uniform insurance policies with regard to the people who have been discriminated against.

I won't say very much, but I do want to say a little bit about that second part of the section which has been debated so much by the members on the opposite side this afternoon. They were discussing age but they didn't see what race, colour, sex or whatever had to do with discrimination.

Mr. Speaker, in seeking insurance to a limited degree myself for young people I have found out that it is not only age against which insurance companies discriminate. I found out - unless they have changed their policy it may still remain - that a girl could get insurance cheaper than a boy could because a girl was considered by the insurance companies to be a better driver than a boy. A boy who was married could get insurance cheaper than a boy who wasn't married. So I have to say there is some discrimination. Certainly at the local-level agency, if not at the office-level agency, there is discrimination with regard to colour and race. All one has to do, Mr. Speaker, is to enquire in an insurance agency with regard to the type of premium which is going to be charged for an Indian as against a white person. He is going to discover there is some discrimination.

The discrimination very often is based on performance, it is true. But lots of times an agent, looking at the person, judges his performance before he even looks at his record. He says, here comes one fellow who is not desirable, therefore he is going to be in a certain category. It's very pertinent, as far as I am concerned, that this be in. I don't know that it has to be specified. If it simply states no discrimination for any purpose, then that may cover it. The broader the coverage in this respect, the better. One of the members speaking said the hon. Member for Calgary Mountain View in his usual general fashion has covered the whole ground and wants it to be accepted. Well, the broader the ground we cover, the better in the simplest terms possible, as far as I am concerned. For all people should be taken into consideration.

As far as I am concerned, Mr. Speaker, if the bill in its present form isn't exactly the way it should be, then any member can make an amendment of detail. But everyone agrees the principle is right. Therefore if the principle is right, I say it should be enacted now. Then we can study from the experience of this enactment what we should do in the future rather than do some more studies and indefinitely postpone the bill so that we never do get any action.

MRS. CHICHAK:

Mr. Speaker, I would just like to raise two or three points on this particular bill. The principle is so closely related to the actual clauses that it is difficult to deal with one without direct reference to the other. Although we have generally attempted to follow the procedure of debating principle on second reading and debating clauses in committee stage or farther down or in third reading, the wording of this particular bill is such that it makes it difficult to separate the two. So I have to refer very closely to the clauses of the bill in order to deal with the principle or lack of it.

The clauses in themselves give me great concern in the way they are worded. Perhaps I could have supported the bill had there been, I would say, more specificity or a more direct approach to the area the principle is really intending to carry out. What I mean by that is that when the bill says no insurer shall discriminate against any person with respect to any term or premium with regard to an automobile insurance policy, this puts

the entire area of automobile insurance, or the setting of premiums on this kind of latitude, in an impossible situation. Because if you say with respect to any term or premium, and the discrimination - we must recognize that premiums and terms are set with regard to various classifications, classification of automobile which determines a premium, specification of the experience of a driver, and the record of any infractions. When you say with no respect, you are saying you must throw all those things out, if taken at the very letter of what this bill is, in fact, stating. To have put it in that kind of context perhaps wasn't the intention, and I'm sure it wasn't, or at least I would like to believe that that wasn't the intention of the mover of the bill. Nevertheless those are the words in the bill.

Another area that gives me a great deal of concern is that there shall not be refusal to insure any person because of the age of that person. That again doesn't necessarily say of an adult person. In fact, what this bill really is saying is that if a ten-year-old wishes to apply for a licence to be insured, then the insurer has no discretion to say, well, you don't meet a certain age limit at least. Surely that isn't, can't be, what the mover of the bill intended? It makes it extremely difficult. I know the mover of the bill finds it very amusing ...

MR. LUDWIG:

It's funny. It's funny. It's very funny.

MRS. CHICHAK:

... that I should raise these points. I'm pleased he's finding it very amusing. But nevertheless, these are very real things here in black and white, and what the courts would have to make judgment on.

MR. LUDWIG:

Would the hon. member permit a question please?

MRS. CHICHAK:

Certainly.

AN HON. MEMBER:

Aw, sit down Albert.

MR. LUDWIG:

Can you imagine anybody ten years old applying for insurance ...

MR. SPEAKER:

Order please. Order please. The extent of the hon. member's imagination is not a fit subject for a question.

MRS. CHICHAK:

Thank you, Mr. Speaker. On that point, Mr. Speaker, I really do not need to exert myself on any imagination the hon. member may have or I may have.

MR. LUDWIG:

Keep it clean. Keep it clean.

MRS. CHICHAK:

Most certainly, in all circumstances, if the hon. Member for Calgary Mountain View has any doubt he will only be able to ascertain that kind of doubt from his own thoughts.

Getting back to the debate, Mr. Speaker. I think that we all know that persons of the age of 10 years old have, in many instances, learned to drive a vehicle and drive very well, perhaps better than some adults have demonstrated in this responsibility. So, although I used the example of 10 years old, it could be 14 years old, it could be 15. Are all these limits to be removed? By this bill, yes.

So we have to recognize what kind of position this would put the entire automobile insurance industry in - what the whole would then turn out to be in the way of how then do you classify or how do you set premiums, on what kind of basis, if you cannot discriminate in any respect?

So, Mr. Speaker, I can't help but say that although I support the matter of real concern and consideration for young drivers - the kind of discrimination there has been with regard to the prejudgment and imposing of extraordinarily harsh penalties by way of extremely high premiums on young drivers who have not demonstrated recklessness or irresponsibility in their approach to driving - this has been in existence and we are fighting to have a change in that area.

I wholeheartedly support that kind of principle and wish to express that we are addressing our minds to it, and perhaps need to even more so, so that changes come about even more quickly in that area. But to support the bill in this kind of wording, and in the way in which the hon. member is trying to convey the principle, is just an impossibility. So, I must say that on the wording of the bill I cannot support it.

MR. DIACHUK:

Mr. Speaker, I guess there are few of us who are either involved or associated with the insurance business. I notice that on the opposition side the one lone member who is a colleague of mine in the business is not present this afternoon, nor is the member who used to be in the business some 20 years ago. Getting up to speak, I must defend to a certain extent some of the honourable virtues of the people who are accused of discriminating ...

MR. LUDWIG:

Mr. Speaker, on a point of order. If the hon. member is in the insurance business, would he be not be in a conflict of interest position?

MR. SPEAKER:

Order please.

MR. TRYNCHY:

What business are you in?

AN HON. MEMBER:

We know.

AN HON. MEMBER:

No pecuniary interest.

MR. GHITTER:

Monkey business.

MR. DIACHUK:

All I can say, Mr. Speaker, is that if the hon. member pursues that he will just help out to the time that I'm working for.

However, it was interesting to listen to his presentation because, Mr. Speaker, the hon. Member for Calgary Mountain View made the presentation which could be applied to any of the bills that he introduces - quite general and without too much effort, indicating a statement such as, I'm convinced that more than half make no claims. What a statement to make when you introduce a bill, Mr. Speaker. This is one that has me thinking twice and saying, now must a person introduce a piece of legislation that he feels is so important, yet follow it with such a weak statement.

I think, when you listen to some of the debate that took place this afternoon, that the hon. Member for Calgary Buffalo really pointed out where the question of any discrimination should be placed. That is under The Individual's Rights Protection Act or others. Because we can go into many areas. I would feel that some of the members, such as the hon. Member for Edmonton Highlands, really get a far better deal or a better shake on life insurance than I do. I would say that I'm being discriminated against and I am sure that the mover, if he were to look at some of the life insurance plans, would be discriminated against because I'm confident that he would be paying a lot more than I would have to.

MR. LUDWIG:

But in your case ... [Inaudible] ...

MR. DIACHUK:

However, in the nub of the problem that is here, on most every occasion that I have spoken in this Assembly, Mr. Speaker, I have urged that we look at the problems of young drivers - of these drivers for whom the hon. Member for Calgary Mountain View wishes to be the champion.

Our educational system does not provide the attitudes that are needed for driving to preserve the fun that is there, because there is no other way to build up an insurance fund than by people pooling this together. If we bring in the level that the hon. Member for Calgary Mountain View spoke of, of reducing the cost of insurance for young drivers, then we will be discriminating against the senior drivers - the adults of his age and many of his colleagues on their side.

It's no wonder when you look at a bill such as this then to follow up on the question of refusing to insure any person because of race, colour, sex or age. Colour and sex just baffle me because I think when you look at this, why didn't the hon. member speak on it? I'm baffled why he introduced it. Either he is not a champion of people of a different colour or a different sex, or both combined, or he is not an authority on this. So possibly by today's exercise we will find out that the hon. Member for Mountain View is not an authority on colour and sex.

However, I don't profess to be a champion or an authority on colour or sex or both combined, but I do say that that is not one that comes under discrimination under the insurance act, under the insurance business or under the insurance program. I have been in the business for some 11 years and I have never refused anybody, discriminated against anybody, because of his colour or sex, or together combined - both colour and sex.

I often say to people since I am in the Legislature, or to my colleagues here who inquire about a problem in their constituencies, well, it's free enterprise. There are other people, there are other businesses, there are other companies in your towns, in your districts that you can go to. You don't have to deal with just that one who does not wish to do business with you. Besides, what about the question of the person in the business, whether he be an agent or the broker or the direct company itself that has a representative in the locale or the district? What if they just choose not to write any business?

I think of a company here that was licensed in Alberta some 20 years ago or more and chose only to insure buildings and not automobiles. That was a company that was founded and formed by many of the members, or some of the members, but particularly by the people who are in the opposition now, when they were in government. Why didn't they get concerned then and bring out that company to also write automobile insurance? No, you know it was more advantageous just to stay in the one area, and that is fire insurance, and leave the auto insurance out. The hon. Member for Calgary Mountain View, I think, is well aware of the reference I'm making without mentioning a specific company in this Assembly.

Mr. Speaker, the hon. Member for Highwood attempted to cover an even greater area of the field as he referred to the hon. Member for Mountain View, but I have to admit - and I would hope to read the Hansard because I couldn't follow his argument as possibly he can't follow mine. But on that note, Mr. Speaker, I beg to adjourn the debate.

MR. SPEAKER:

May the hon. member adjourn the debate?

SOME HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, this evening the only business of members will be those members of Subcommittee A which will meet in the Carillon Room 8:00 o'clock to begin study of the Health Commissions. Committees B, C and D have finished their work. Tomorrow morning we would continue with Committee of the Whole study of the bills on page 2 beginning with No. 18 and proceeding down the list subject to occasional absences of certain members.

I would move that the Assembly do now adjourn until tomorrow morning at 10:00 a.m.

MR. SPEAKER:

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

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The House stands adjourned until tomorrow morning at 10:00 o'clock.

[The House rose at 5:26 o'clock.]