

LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, May 13, 1974

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill No. 224 The Consumer Records Act

DR. BUCK:

Mr. Speaker, I beg leave to introduce a bill. It's a bill to regulate consumer credit reporting, Mr. Speaker, and it governs the disclosure and review of the information as made in protecting the rights of the individual.

[Leave being granted, Bill No. 224 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. LOUGHEED:

Mr. Speaker, I have the honour to introduce to you and through you to the members of the Legislative Assembly, a very distinguished visitor who is in your gallery today, the Governor of Montana, the nearest neighbouring state of the United States bordering the southern portion of our province. Thomas L. Judge, Governor of Montana, is the youngest man ever elected to the position of Governor of Montana. He was elected to the office of Governor in 1972.

I think it is a very important time in our history to have Governor Judge come to visit with us. I am looking forward to an opportunity, in my office, to have some discussions with him. I would like, through you, Mr. Speaker, to welcome him to the members of the Legislative Assembly.

DR. BOUVIER:

Mr. Speaker, I would like to introduce to you and through you to members of this Assembly, 40 Grade 9 students from the J. A. Williams High School in Lac La Biche in my constituency. They are accompanied by their teachers Miss Pat Evans and Miss Linda Sawka. They are seated in the public gallery and I would ask them to please rise and be welcomed by the House.

DR. HOHOL:

Mr. Speaker, once again I am most pleased to introduce to you and through you to the Assembly, students from the constituency which I have the honour to represent in the House, Edmonton Belmont. From the Steele Heights Grades 5 and 6 class we have 80 students and three teachers, Mrs. Pawlyk, Mrs. Severin and Mr. Kunst. I should like to ask them, sir, to rise and be recognized by this Assembly.

CLERK:

Tabling Returns and Reports.

DR. BUCK:

Mr. Speaker, I'm sorry. I thought the hon. Member for Jasper Place was introducing guests.

Mr. Speaker, I beg leave to introduce to you and the members of this Assembly, 50 Grade 4 students from Our Lady of the Angels School in Fort Saskatchewan. They are accompanied by their teachers, Mrs. Weir and Mr. Hopchin, and three parents, Mrs. Langdeau, Mrs. Gamroth and Mrs. Bennett. They are in the public gallery. I would ask them to rise and receive the greetings of the House.

TABLING RETURNS AND REPORTS

MR. YURKO:

Mr. Speaker, I take pleasure in tabling today two reports, the first being the interim report on the Oldman River by the Environment Conservation Authority on Land Use and Resource Development in the Eastern Slopes. The second document I wish to table is the interim report by the Environment Conservation Authority on the recommendations with respect to restoration of the water levels in the Peace-Athabasca delta, in Cree. I dare the news media to write an article in Cree on this matter, as well as those who use voice to indicate in Cree what the recommendations say.

MR. CLARK:

You're going to speak Cree for us?

ORAL QUESTION PERIOD

Gasoline Price Increase

MR. CLARK:

Mr. Speaker, I'd like to direct my first question to the Provincial Treasurer. In light of the announcement made last week by the Hon. Donald Macdonald, concerning the increase on the ceiling of the price of gasoline, is the minister or the government in a position to indicate to us what the size of the increase in gasoline will be at the pumps?

MR. SPEAKER:

Order please. We are asking the minister again for a prognosis or a forecast of a gas price increase. If it's within the minister's official duties to be able to give opinions on that increase, which as far as I know it is not, then the question would be in order. But otherwise it is a question of opinion which I'm simply not allowed to have put in the question period.

MR. CLARK:

Mr. Speaker, speaking on a point of order with regard to your ruling. In light of the fact that the government has under consideration the fact that the 5 per cent announced tax which was removed on gasoline is under consideration by the government, it is certainly within the purview of the responsibility of the Provincial Treasurer to have this kind of information.

Let me go one step further, Mr. Speaker, then, and ask the Provincial Treasurer if he is in a position to indicate whether the government is prepared to increase the 5 cent reduction in gasoline tax which was announced in the provincial budget? Is the minister prepared to increase that tax reduction so that it will be equal to what the increase in the price of gasoline will be?

MR. MINIELY:

Mr. Speaker, that matter is still under consideration by the government.

MR. CLARK:

A supplementary question, Mr. Speaker, to the Provincial Treasurer. Have the officials of the Treasury department finished their monitoring regarding the passing-on of the 5 cent reduction in gasoline to the consumers in Alberta?

MR. MINIELY:

Mr. Speaker, as a matter of fact I am pleased to say the monitoring did show that over 90 per cent - I think it was 92 per cent - effected a reduction in the full amount of the tax, and others, they found, were within 2 or 3 cents. So the report I have from the treasury department on the monitoring has shown that we have received excellent cooperation from the industry in terms of passing-off the 5 cent reduction.

MR. CLARK:

A supplementary question to the Provincial Treasurer, Mr. Speaker. Is the government then satisfied with the reasons presented by the 8 per cent who failed to pass on the tax reduction to the Alberta consumer?

MR. SPEAKER:

With great respect, the hon. [member] is again seeking an answer which involves the expression of an opinion.

MR. CLARK:

Mr. Speaker, a second question then, to the Minister of Utilities. Is the ...

MR. NOTLEY:

A supplementary question to the hon. Provincial Treasurer. May I ask the Provincial Treasurer whether he can advise the Assembly, from the monitoring that the government undertook, what the reasons were for this gas reduction not being passed on, in the case of the 8 per cent?

MR. MINIELY:

Mr. Speaker, first I'd like to say in reply that we received very, very few complaints from the public. In every case where a complaint was received we did take it to the dealer involved, and basically also to the retailers' association. However, Mr. Speaker, I think when we consider that in this province it is a free enterprise situation and that with that system, which we all believe in over 90 per cent passed the full amount of the reduction off, that's a pretty good record.

MR. MOORE:

Could I ask a supplementary of the Provincial Treasurer, Mr. Speaker? Has the Provincial Treasurer received any information from the major oil companies recently with regard to a price increase in the wholesale price of gasoline?

MR. MINIELY:

Mr. Speaker, we have received no formal information from the oil companies other than Mr. Macdonald's statement. There are meetings and discussions being held with the oil industry relative to what might happen in Alberta. These are part of the total assessment by the government of what action we might take as far as the final prices at the pump are concerned.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Provincial Treasurer. Can the Provincial Treasurer advise the Assembly whether the government has had any discussions with the Alberta Automotive Retailers' Association concerning the share, or a possible increase in the share, charged by the retailer?

MR. MINIELY:

Mr. Speaker, since the announcement of the provincial 5 cent reduction, when a meeting was held with the retailers, the treasury department has had ongoing meetings with them in terms of ensuring the pass-off of the 5 cents. Lately we have not had Treasury department meetings directly with them, but perhaps the Minister of Consumer Affairs may have and I would refer it to him.

MR. DOWLING:

Mr. Speaker, we have had several meetings with the Alberta Automotive Retailers' Association, as have the authorities from both the Department of Industry and Commerce and the Department of Consumer Affairs. These meetings are ongoing and are still in the process of taking place. There was one as late as last Friday with an official of the Department of Industry and Commerce and some members of the ARA.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Minister of Consumer Affairs. Can the minister tell the House whether or not his department has compiled statistics on the margin necessary for retailers to remain in business?

MR. DOWLING:

Mr. Speaker, we have not done that. We have received presentations from the ARA and its representatives. I should say that the guidelines as proposed by the Department of Industry and Commerce have been met by the industry and the ARA members, so some considerable progress has been made.

MR. TAYLOR:

Supplementary to the hon. Minister of Consumer Affairs. Since the 8 per cent are apparently not cooperating and are doing some gouging adding to inflation, are these going to be reported to the federal government?

MR. DOWLING:

Mr. Speaker, what we do, as the hon. Provincial Treasurer has suggested, is to contact the retailers involved in those cases which he has indicated he has contacted. We believe in a competitive market place that situation will right itself.

MR. TAYLOR:

Supplementary. Have any been sent on to the federal government?

MR. DOWLING:

They may have been, through the Provincial Treasurer, but we have received notice of only one, that was the single one, and we have not forwarded that.

MR. LUDWIG:

Mr. Speaker, supplementary to the hon. minister. Will these companies which are not cooperating with the price reduction be named, as has happened in the case of propane prices?

MR. DOWLING:

That matter we will take under advisement.

Natural Gas Rebate Plan -- Propane

MR. CLARK:

Mr. Speaker, a second question, to the Minister of Telephones and Utilities. Is it the intention of the government to have propane and propane users receive the benefits or similar benefits as outlined under the Natural Gas Rebate Plan?

MR. FARRAN:

Well, Mr. Speaker, as the hon. Leader of the Opposition no doubt appreciated there are powers in Bill No. 54, The Natural Gas Rebate Act, to extend the rebate plan to propane if it is considered necessary. At the present time, the whole question of a just and reasonable price for propane is under study by the Public Utilities Board. Of course it came under their jurisdiction as a result of the proclamation of The Gas Utilities Amendment Act, 1973, earlier in this session.

MR. CLARK:

Supplementary question to the minister, Mr. Speaker. What target date is the Public Utilities Board working under in making a recommendation back to the minister?

MR. FARRAN:

They are moving, I understand, Mr. Speaker, as quickly as possible and are actually studying the matter today.

MR. CLARK:

Supplementary question to the minister. Has the minister asked the Public Utilities Board to have their recommendations to the minister in any specific time frame?

MR. FARRAN:

No, Mr. Speaker, we are very careful about any insinuation that we are giving directions, from the government to a public utilities board that is an independent and neutral body, for the setting of fair utility rates. But I have indicated to them that we are pretty anxious to get their conclusion.

MR. CLARK:

Just when it suits your purpose.

MR. TAYLOR:

Supplementary to the hon. minister. Is the study including the use of propane in tractors as well as for heating purposes?

MR. FARRAN:

Well, Mr. Speaker, unlike gasoline you can't colour propane purple so anything that applies to propane that is used for one purpose, presumably applies to propane used for another. There was a study by a taxi company in Calgary which showed that propane, even at 36 cents a gallon, was competitive with the present price of gasoline.

DR. BUCK:

Tell that to the farmers, Farran.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Stettler.

Crop Damage Payments --- Deadline

DR. BUCK:

Mr. Speaker, I would like to address my question to the hon. Minister of Agriculture. I would like to know, Mr. Minister, in light of the fact that the farmers have not been able to get out on the fields, will the limit [during which] they could apply for crop damage be extended a week or ten days?

DR. HORNER:

Well, Mr. Speaker, there hasn't been any rigid limit insofar as the date set is concerned. The date of May 15 was more or less a target date in an attempt to get the assessment done as quickly as possible, but I would like to stress to the Legislature that there has been no rigid date. Unfortunately the weather in the past week has cost a great deal of money.

DR. BOUVIER:

Supplementary, Mr. Speaker, to the minister. In view of the fact that the hard winter and poor feed and the lack of feed due to the weather last fall is affecting the ranchers as well as the farmers in that they are losing a lot of livestock and calves this spring, is the minister planning any program of assistance to these farmers in the same way as to those raising grain?

DR. HORNER:

Well, Mr. Speaker, I would remind the hon. member that our government, through a number of programs, has already rendered them a great deal of assistance: in regard to the livestock facility program during the winter months, in regard to their ability to get interest-free loans up to \$7,500, in regard to the amount of \$2 million that we have spent in the feed-freight assistance program. In my view, the other areas that are still

available to them in regard to the livestock disaster program, if they can show it wasn't a management decision which caused their losses - we are quite willing to consider that.

Most of the farmers, particularly in the areas that have been hard-hit by weather are those which have a mixture of both grain and livestock and indeed will benefit from both programs.

MR. SPFAKER:

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

RCMP Musical Ride

MR. HARLE:

My question, Mr. Speaker, is directed to the Minister of Consumer Affairs. What was the policy established by the ministerial committee in charge of the RCMP's centenary celebrations with regard to the selection of sites for performances of the musical ride?

MR. DOWLING:

Mr. Speaker, the policy of the RCMP cabinet committee was to ensure that as many parts of Alberta as possible played a part in this celebration. On that basis, we instructed the RCMP Century Celebrations Committee - which was appointed, except for Dr. Walker who has a competitive position - to invite communities all over Alberta to submit applications for financial assistance for projects, and also to submit applications for the musical ride to put on performances in their town or community. We received those applications for the RCMP musical ride and turned them over to the ride committee.

MR. HARLE:

A supplementary, Mr. Speaker. What was the policy established by the Alberta RCMP Century Celebrations Committee as regards the selection of sites for the performances of the musical ride?

MR. DOWLING:

Mr. Speaker, the final decision, relative to the selection of sites for the musical ride, rested solely with the musical ride master. He and his committee, all RCMP members of the ride, based their decision on a \$2,000 deposit being required, accommodation for his people and space for his horses, and also to make sure that the ride went to as many parts of the province as possible.

I understand from the RCMP Century Celebrations Committee that the ride master did, in fact, view as many of these proposed locations as he possibly could, bearing in mind that this is the longest period of time that the musical ride has visited any province or has been involved in Canada for any one year. They have done a pretty admirable job. The musical ride master has also done a very admirable job in trying to locate the ride in as many locations as possible.

MR. SPEAKER:

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

River Bank Stabilization - N. Saskatchewan

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Minister of the Environment. It deals with the question I posed to the hon. Premier on Friday with reference to the proposed park in Edmonton.

Has any study been made to determine the effect on the banks of the river due to raising the level of the river? I am concerned about the stability of the banks due to the rise in the water.

MR. YURKO:

Mr. Speaker, there were several questions asked last Friday that the Premier took on notice and referred them to me for answer today.

With respect to the question asked by the hon. Member for Calgary Mountain View, I would answer it this way. First of all, the level of the river rises every spring quite dramatically, so we know what the stability of the slopes are in terms not only of a very high level but also a very fast flow into the course of each spring.

I might also say, Mr. Speaker, that about a year ago we put together a city-provincial committee to study bank stability in the Edmonton area in a major way. One of the first studies that was done was a very extensive one by R. M. Hardy and Associates on the stability of the slopes all through the Whitemud area. The soils are quite similar so we have this major study behind us.

Secondly, we have done a pretty substantive study in terms of riprapping with respect to the AAR which has had considerable difficulty in the last several years.

Thirdly, I would say that with respect to several sections of the Capital City Recreation Park, there are some sections that are sensitive where we may have to cut and stabilize. Each of these sections is going to be studied in detail. There may be some sections where we will have to fill with a certain kind of fill to provide a path along the steep banks without cutting into the banks to maintain the existing slope and stability of the banks.

All these aspects are being considered and will, in fact, be done as we go forth into a four-year projected period of building this park.

Three Rivers Dam

Mr. Speaker, another question was asked by the hon. Member for Taber-Warner. He asked what the stage of the study on the Three Rivers dam site was. Mr. Speaker, the PFRA did a feasibility analysis on three dams on the Oldman during the late 1950s. These studies, as well as many other possible sites, are now being studied to determine the best possible places for impounding of water in the future on the Oldman River.

This is not the only study that is being done. We are, in fact, doing a major study of water impoundment throughout the entire southern part of the province to provide water management on a regional basin basis, which is the basic policy of this government and not the diversion of massive waters through a prime project as was proposed by the former government.

MR. LUDWIG:

Mr. Speaker, a supplementary to the hon. minister. I gather from his answer in reply to my question that he anticipates some work will be required to be done to stabilize the banks, and perhaps additional riprapping and retaining walls. Has the hon. minister any idea what the additional cost of this kind of work would be to the cost of the proposed park?

MR. YURKO:

Yes, Mr. Speaker, as I indicated in the House before, we have roughly estimated the total cost-per-mile of the Capital City Park - in terms of landscaping, bank stabilization, providing the paths, and so forth, and in terms of building the parks on a per-mile basis - we have tentatively estimated that the costs are going to be in the order of \$1 million per mile.

MR. LUDWIG:

Mr. Speaker, are these estimates the result of specific studies or merely a wild guess by the minister, as the Premier had given us earlier?

[Interjections]

MR. SPEAKER:

Order please.

AN HON. MEMBER:

A 'Conservative' estimate.

MR. LOUGHEED:

Yes, like the Bighorn Dam.

DR. BUCK:

Mr. Speaker, a supplementary to that, to the minister, a follow-up to the question I asked the hon. Premier. Will the government be in a position to table the feasibility study on how they arrived at the figure of \$35 million for the cost of the park? Will this be available in the fall sitting, possibly - this feasibility study for this figure?

MR. YURKO:

Well, Mr. Speaker, I have tabled in this House several documents which indicate some of the figures involved. The rest of the figures involved, I very freely offer to the House. We have estimated, as I indicated, that the eventual costs will be in the order of \$1 million per mile.

DR. BUCK:

Mr. Speaker, I guess the minister doesn't understand the question. Mr. Speaker, I would like to address my question to the hon. Premier.

Will the hon. Premier be tabling a feasibility study on how he arrived at the figure of \$35 million? Because we are responsible for spending that money and voting it here. I would like to know when we will get the study tabled in the House.

MR. LOUGHEED:

Mr. Speaker, I believe the hon. Minister of the Environment has appropriately dealt with the question.

SOME HON. MEMBERS:

Oh, oh.

DR. PAPROSKI:

Mr. Speaker, to the Minister of the Environment. Mr. Speaker, if the province had not proposed the Capital City Recreation Park, then, would the banks be the responsibility of the province?

MR. SPEAKER:

Order please. The hon. member is making a representation in the form of a hypothetical question.

The hon. Member for Camrose followed by the hon. Member for Pincher Creek-Crowsnest.

Flood Damage Payments - Deadline

MR. STROMBERG:

Thank you, Mr. Speaker. My question is to the Deputy Premier or Minister of Agriculture. I was wondering if he would advise if he will give consideration to extending the May 15 deadline on applications for flood damage due to the continuing flooding?

DR. BUCK:

He's just answered the question.

DR. HORNER:

Mr. Speaker, in response to the hon. Member for Camrose, it's a similar response as to the crop damage [question] by the Member for Clover Bar. Both are considered on the same basis, that May 15 was a target date, not a rigid date. There is no rigid termination date because it may indeed take a month or more yet to ascertain all of the damages from a municipal and crop basis.

MR. STROMBERG:

A supplementary, Mr. Speaker. Would the same consideration then be given to the livestock facility program?

DR. HORNER:

Consideration will be given to that, Mr. Speaker, but I would remind the House that it's a little different kind of situation than that of flood damage. Perhaps in those areas where because of floods, materials et cetera were unable to be moved in to complete the project, some consideration should be given in this area.

MR. SPEAKER:

The hon. Member for Pincher Creek-Crowsnest followed by the hon. Member for St. Paul.

Pincher Creek Hospital

MR. DRAIN:

Mr. Speaker, this question is to the Minister of Health and Social Development. Having assessed the hospital situation in Pincher Creek, is the minister now in a position to give a decision as to what is going to occur there?

MR. CRAWFORD:

Mr. Speaker, I think I have indicated previously that there are considerations which have to be taken into account in respect to that project. Our final resolving of them has not as yet been made and so I'm not in a position to make any statement on it at this time.

MR. SPEAKER:

The hon. Member for St. Paul followed by the hon. Member for Calgary Millican.

St. Paul - Fencing Contract

MR. FLUKER:

Yes, Mr. Speaker, my question is to the Minister of Lands and Forests. Could the minister advise when the fencing contract for the St. Paul grazing lease is going to be released? And if so - why I ask this question is, that due to the ...

All right, let him answer that one.

MR. LUDWIG:

You give up too easily.

DR. WAFRACK:

The short answer, Mr. Speaker, is that I don't know ...

[Interjections]

... but I would be pleased to look into the matter and report to the member.

MR. SPEAKER:

The hon. Member for Calgary Millican followed by the hon. Member for Drumheller.

Consumer Legislation

MR. DIXON:

Mr. Speaker, I'd like to ask a question today of the hon. Minister of Consumer Affairs. It's to do with a press release of May 9, Mr. Speaker, from the hon. minister's office, where the minister states that consumers can look for stiffer legislation and that there are a great number of pressing items ...

MR. SPEAKER:

Possibly the hon. member might come directly to the question without having to read the press release.

MR. DIXON:

Well, I think, Mr. Speaker, in order that the hon. minister may be able to answer the question, I thought it would only be fair to him to try to give him an indication because he may not remember he has stated this. Anyway, Mr. Speaker, the final thing is that there are a great number of pressing items that need urgent attention, according to the minister's office.

My question to the hon. minister is this. What are the items and will the legislation be introduced immediately to remedy the situation outlined in the news release of May 9?

MR. DOWLING:

Mr. Speaker, if the hon. member read the press release, the items that are of some concern to us were enumerated. If it wasn't printed in total, we can supply him with a copy of that. However, I am not certain that we will be able to introduce them immediately because there may be a possibility that he and some members of his caucus might decide the session will end before I get back.

MR. DIXON:

Mr. Speaker, a question to the hon. minister. I have no intention of leaving until the consumers are looked after. Can we expect the legislation in this session?

MR. DOWLING:

Mr. Speaker, as I have indicated many times, there are a number of legislative proposals presently on my desk which will obviously come before the House during the fall part of our session. That, I suppose, would answer your question.

MR. LUDWIG:

Promises, promises.

MR. DIXON:

A final supplementary question to the hon. minister. I wonder if the hon. minister - he has indicated we may have to wait till fall, honourable Speaker - I was wondering if the hon. minister could tell us, in order that we be ready for the fall, what the pressing items are that the minister is looking at for legislation?

MR. DOWLING:

Mr. Speaker, I'd again refer the hon. member to the press release.

MR. CLARK:

A supplementary question, Mr. Speaker, to the minister. Does the Minister of Consumer Affairs plan to introduce any legislation during this spring session to protect Alberta consumers?

MR. DOWLING:

Mr. Speaker, we have The Wage Assignments Act presently on the books. There are other measures which are not necessarily legislative, but ministerial orders which, in fact, are there for the protection of the consumers.

MR. CLARK:

The answer is no.

MR. SPEAKER:

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

Floods - Milk River

MR. TAYLOR:

Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. Have the hon. minister's studies indicated that there is a real danger of June floods on the rivers that run between Alberta and Montana?

MR. YURKO:

Mr. Speaker, I believe there is only one river that crosses from Alberta to Montana, the Milk River. And from the information that the department has given me, I don't think there is any danger of flooding of the Milk River this year. But then I would have to check that to make sure that that's reliable information.

MR. CLARK:

Keeping your option open?

MR. SPEAKER:

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

Wage and Price Controls

MR. LUDWIG:

Mr. Speaker, can the hon. Premier advise us whether he has had any change of position with regard to his announcement that he is still opposed to price and wage controls?

MR. LOUGHEED:

Mr. Speaker, I think all Albertans are aware of the difficulty a province that is so dependent as we are in terms of agriculture and natural resources would have with an overall permanent price and wage control situation. Certainly if hon. members opposite want to promote that view, that's their privilege.

DR. BUCK:

No, it's a federal issue.

MR. LUDWIG:

Mr. Speaker, the hon. Premier's innuendo was far from the truth.

SOME HON. MEMBERS:

Order, order.

MR. LUDWIG:

A supplementary to the hon. Premier. Yes, yes, has the Premier hedged on his original position of adamant opposition to price and wage controls in light of recent developments in the province?

MR. SPEAKER:

The question is out of order, but under the circumstances, it would scarcely be fair to prevent the hon. Premier from commenting.

MR. LUDWIG:

He's stuck for words, Mr. Speaker.

DR. BUCK:

[Inaudible] ... quote Stanfield.

MR. LOUGHEED:

Mr. Speaker, that's not very often.

My answer to that question, of course, is that - what I'm trying to communicate to the hon. member, and which he continues to have some difficulty understanding ...

MR. LUDWIG:

Oh, I understand real well. Better than you think.

MR. LOUGHEED:

... is that in this province with agriculture such a base industry, it's our judgment that if we get involved in a rigid system of price control in a province such as Alberta, there is no question that the primary producers, the farmers, who over a period of time have not had an opportunity to get a fair value or fair price for their products, are going to find themselves under a difficult circumstance.

Now it may be there are circumstances where a short-term, temporary situation in terms of price and wage control might work, but any permanent arrangement that seems to be proposed by the members opposite just works against agriculture in this province.

MR. LUDWIG:

Mr. Speaker, I rise on a point of privilege. Mr. Speaker, the hon. Premier's remark has to be utter nonsense, and he knows it.

[Interjections]

MR. SPEAKER:

Order please. Order please.

MR. LUDWIG:

He's desperate.

MR. SPEAKER:

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

Highway Fatalities - Seat Belts

MR. HO LEM:

Mr. Speaker, my question today is addressed to the hon. Minister of Highways and Transport. Will the hon. minister advise the House whether he has as yet received a report on the accident which took five lives over the weekend, which occurred in the vicinity of Olds on the No. 2 highway?

MR. COPITHORNE:

Mr. Speaker, as yet I have not received a report on the accident.

While I'm on my feet, Mr. Speaker, it might be interesting for the hon. member to learn that the accident he inquired about regarding whether the victim was wearing a seat belt or not - I received a report from the RCMP this morning - and he was not wearing a seat belt.

I might also report on another accident in which the driver was killed out in the Vegreville area ...

MR. SPEAKER:

Possibly the hon. minister might await a question on that subject.

MR. HO LEM:

A supplementary, Mr. Speaker. Can the hon. minister advise whether or not seat belts were worn by the occupants in the accident which I referred to, that is, the accident over the weekend, where five lives were lost?

MR. COPITHORNE:

Mr. Speaker, I will get the information for the hon. member and report back to the House.

MR. KOZIAK:

A supplementary, Mr. Speaker. Could the hon. minister advise on the accident near Vegreville?

MR. COPITHORNE:

Mr. Speaker, the accident in the Vegreville area, where there was a gentleman who was wearing a seat belt - the car turned over in the ditch in a considerable amount of water. Because the operator of the vehicle was wearing a seat belt he was not able to be rescued in time to save his life. Had he not been wearing a seat belt, he would have been able to have been rescued.

DR. BOUVIEP:

He would have been killed ... [Inaudible] ...

MR. LUDWIG:

That's a stupid answer.

MR. HO LEM:

Mr. Speaker, in view of the statements made by the hon. minister regarding the support of the seat belt program, has his thinking been changed since the report on the Vegreville accident?

AN HON. MEMBER:

He doesn't think.

MR. SPEAKER:

[Inaudible] ... the hon. member can relate that to government policy, rather than to a change of opinion by the hon. minister.

While I'm on my feet, perhaps it would be fair to comment that although the rules of the question period, of course, apply to these questions as well, there is no implication that these are not serious accidents and that they are not being seriously considered by the Assembly.

The hon. Member for Spirit River-Fairview followed by the hon. Leader of the Opposition.

Natural Gas Rebate Plan

MR. NOTLEY:

Mr. Speaker, I would like to direct this question to the hon. Minister of Telephones and Utilities, and ask him whether he has had an opportunity to carry on discussions with the City of Edmonton subsequent to the concern they expressed over the Natural Gas Rebate Plan, or whether or not discussions are planned in the immediate future?

MR. FARRAN:

Mr. Speaker, I've had several meetings with the City of Edmonton and more are expected.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise what the state is of his compilation of the statistics as to the effect of the Natural Gas Rebate Plan on Edmonton city power rates?

MR. FARRAN:

Mr. Speaker, I presume that question is in order?

MR. SPEAKER:

Under the circumstances, although it may be doubtful, it should be given the benefit of the doubt.

DR. BUCK:

Can't say the same for the answer.

DR. BOUVIER:

The answer had better be in order.

MR. FARRAN:

Mr. Speaker, the proposition that is in the forthcoming regulations to The Natural Gas Rebates Act - if and when it is passed - there will be provision for shelter from the escalating world price for gas used for the generation of electricity above 31 cents per MCF, 31 cents a thousand cubic feet, which, studies show, is the level at which coal and gas are competitive, taking into account the higher capital costs of coal-fired plants, the lower capital costs of gas-fired plants and the relative costs of the two fuels.

It is envisaged that, as revealed to the House in the position paper I introduced some ten days ago, that a lower level of rebate will be paid below this competitive level of 31 cents per MCF. The dispute to which you refer arises from two different figures which are claimed by the City of Edmonton. One alderman claims that if there were only shelter above the level of 31 cents per thousand cubic feet, the electricity bills of the people of Edmonton would have to rise by 30 to 40 per cent. The Commissioner of Utilities and Engineering of the City of Edmonton claims they would have to rise by half that figure, by 20 per cent.

Our calculations show that in the event there were no rebate whatsoever below 31 cents per MCF, the electricity bills would have to go up by a maximum of 11 per cent or 73 cents on the average residential electricity bill. This 11 per cent, of course, is the maximum because we have envisaged some degree of rebate below this level.

I believe the whole controversy only points to the wisdom in the position paper of specifying that the Public Utilities Board must check the justness and reasonability of the prices at both ends, at the purchase level and at the consumer level.

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. minister. Is it the minister's intention to table all the data and calculations which relate to his claim of a maximum 11 per cent increase, prior to the discussion of Bill No. 54 in second reading?

MR. FARRAN:

Mr. Speaker, yes, this study can be made available.

MR. SPEAKER:

The hon. Leader of the Opposition followed by the hon. Member for Sedgewick-Coronation.

Crude Oil Prices

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Minister of Mines and Minerals. It relates to a commitment the Minister of Mines and Minerals gave to the subcommittee on estimates concerning the reasons for the increase in crude oil prices. Is the minister in a position to make this information available to us well before his estimates come before the House?

MR. DICKIE:

Mr. Speaker, as I recall on the estimates the Leader of the Opposition inquired about the pricing of crude oil. At that time, the chairman of the Alberta Petroleum Marketing Commission advised him that he had information available and it was agreed at that time to prepare that information in the form of a report. I did check with the chairman of the Alberta Petroleum Marketing Commission on Friday, who had been out of town. He tells me he is working on that and should have that report for us some time this week, which I anticipate will be before further review of my estimates.

MR. DIXON:

A supplementary question to the hon. minister, Mr. Speaker. Has the federal government, Mr. Speaker, accepted our right as a province to set our own price on Alberta crude through the Alberta Petroleum Marketing Board?

MR. DICKIE:

Mr. Speaker, there has been no challenge by the federal government that I'm aware of on any of the prices set down by the Alberta Petroleum Marketing Board.

MR. DIXON:

Mr. Speaker, just in order that I might clarify it for sure, you say that the federal government will not interfere with any price that is set by the Alberta Petroleum Marketing Board?

MR. DICKIE:

Mr. Speaker, so we are absolutely clear, the Alberta Petroleum Marketing Commission has set out a price bulletin, dealing with the prices of Alberta crude at the wellhead. There has been no challenge by the federal government of any of those prices.

MR. DIXON:

My final supplementary question then is to do, Mr. Minister, with a statement by the hon. Minister of Telephones and Utilities where he said the federal government has accepted our prices. I was just wondering when did this negotiation take place?

MR. FARRAN:

On a point of order, I don't recall ever saying that.

AN HON. MEMBER:

You're slipping.

MR. CLARK:

The inside story on the steel deal?

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Lac La Biche-McMurray.

Wildlife Act - Policing

MR. SORENSON:

Mr. Speaker, my question is to the hon. Solicitor General. Has the hon. Solicitor General received any representations from county authorities requesting that the authority of county constables be extended to allow them to enforce provincial statutes and regulations under The Wildlife Act?

MISS HUNLEY:

Yes I have, Mr. Speaker.

MR. SORENSON:

Supplementary to the minister. Would the hon. Solicitor General be willing to grant such an extension to county police so they could assist and complement the service sponsored by the RCMP and enforce wildlife regulations in areas that are not covered by Fish and Game officers?

MISS HUNLEY:

I attempt to work closely with the hon. Minister of Lands and Forests in establishing who will be enforcing regulations. We are not in agreement that this is a desirable thing. We've had considerable discussions over whether or not we'll be expanding the authority of special constables and we're anxious to avoid what we call dual policing. This is a matter that is under continuing review.

MR. SPEAKER:

The hon. Member for Lac La Biche-McMurray.

Wage and Price Controls (Cont.)

DR. BOUVIER:

Mr. Speaker, my question is to the Premier. It's for clarification on his previous statement when he said that wage and price controls would adversely affect Albertans. I'm wondering if he was suggesting that the people of Alberta should reject any party that suggests wage and price controls?

MR. SPEAKER:

Order please.

MR. LOUGHEED:

Mr. Speaker, I'm sure that because of the circumstances they have a tremendous opportunity to support 19 Progressive Conservatives.

MR. LUDWIG:

A supplementary to the hon. Premier - notwithstanding that they favour wage and price controls?

ORDERS OF THE DAY

GOVERNMENT BILLS AND ORDERS
(Second Reading)

Bill No. 37 The Financial Administration Amendment Act, 1974

MR. MINIELY:

Mr. Speaker, I move second reading of Bill No. 37, The Financial Administration Amendment Act, 1974.

MR. SPEAKER:

Before the hon. minister commences debate, might the House give leave to the hon. Member for Edmonton Norwood to revert to Introduction of Visitors?

HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS (CONT.)

MRS. CHICHAK:

Thank you, Mr. Speaker. It is indeed a special pleasure for me today to introduce to you and to the House the senior citizens of the Norwood Readiness Centre which is in my constituency. There are some 19 members of this group. They are accompanied by their president, Mrs. Arnfinson. I'd like them to rise now and be recognized by the House.

GOVERNMENT BILLS AND ORDERS (CONT.)
(Second Reading)

Bill No. 37 The Financial Administration Amendment Act, 1974 (Cont.)

MR. MINIELY:

Mr. Speaker, Bill No. 37, The Financial Administration Amendment Act, contains what may appear to be a minor, but I believe very important, principle. That principle, Mr. Speaker, is consistent with the well known efforts of the government to decentralize government services as much as possible throughout the province.

Mr. Speaker, basically in determining this we had to ensure, in order to make payments on a local basis in some small communities where government staff or small government offices are located, that with adequate controls and subject to, of course, the advice of the Provincial Auditor that post-audit or pre-audit procedures could be adequately accommodated. It was desirable, as much as possible, to set up a system where advances could be made, subject to limitations on the amount of the advance, that could be handled on an imprest basis, or in other words, expenditures on a local basis could be made from the fund. Then as the fund depleted, if it were an amount of a \$1,000 fund that could be handled and spent on a local basis, it could be fully accounted for including vouchers submitted to the Treasury department and the auditor. Of course, it would only be reimbursed after the auditor and Treasury department were satisfied that the funds had been spent for the purpose for which they were intended in the local community.

So Section 40 in Bill No. 37, Mr. Speaker, does provide that the treasurer may advance to any department any sum required as an accountable advance. This will be controlled in terms of the amount of the accountable advance at any time and is intended for payments to be made on a local basis subject to controls as to the amount and the fact that, of course, they will be subject to pre-audit before reimbursement of the advance.

Mr. Speaker, as I say, I think that is an important principle and ties in with our efforts in many other ways to decentralize government services and operations as much as possible throughout the province and in smaller communities of the province.

Mr. Speaker, the only other amendment to The Financial Administration Amendment Act in Bill No. 37 is to raise the compensation of the Provincial Auditor to an amount of \$37,500 a year, retroactive to January 1, 1974.

[The motion was carried. Bill No. 37 was read a second time.]

Bill No. 42 The Wage Assignments Act

MR. LEE:

Mr. Speaker, I move second reading of Bill No. 42, The Wage Assignments Act.

Just a few comments in moving for second reading. As hon. members will recollect, Bill No. 43 was introduced last year in response to the 1971 report of the Institute of Law Research and Reform on the subject of wage assignments. In that particular report the institute dealt with wage assignments, their difficulties, a comparison of some of the activities being undertaken in other jurisdictions, and made certain recommendations to deal with the concerns relating to the use of wage assignments as related to the collection of debt and use by some institutions as a primary security in the granting of loans. Consequently last year in Bill No. 63 the provision in that bill was that wage assignments be abolished.

The purpose in introducing Bill No. 63 last year was to allow the bill to sit on the Order Paper for response from the public. During the last year we have received a great deal of response to Bill No. 63 and, as a consequence, in the reintroduction of Bill No. 42, The Wage Assignments Act, we have slightly modified the provisions as they relate to wage assignments. This year, instead of the complete abolition of wage assignments, the provisions will provide that they are against public policy and void as they apply to their use by lending institutions in the granting of loans.

In response to the bill last year there was a response that in many cases wage assignments had a very legitimate kind of use, for example by credit unions in granting or facilitating savings plans deductions. A number of other examples were brought. Consequently, in discussions with the Debtors Assistance Board, primarily, and with those individuals in the Credit Granters' Association, we determined just where the difficulty was in the use of wage assignments. Comparing this to the institute report it was

determined that the only area of abuse in wage assignments was where it has been used by lending institutions. Consequently, this is the reason for the bill as it is brought in this year.

Mr. Speaker, those are just a few notes on the introduction of the bill. I would invite members to read the institute report of October 1971 as it relates to wage assignments. I move for second reading of this bill.

MR. LUDWIG:

Mr. Speaker, in speaking to second reading of Bill No. 42, The Wage Assignments Act, I believe all hon. members are aware that a problem does exist, particularly with young people starting out in life, buying new homes, buying furniture, buying a car. Wage assignments are one means of obtaining credit. I believe that if this type of security - if you wish to call it that - were not available to some of these young people they perhaps would not get the loan.

I think that the hon. member who introduced the bill ought to provide us with, perhaps, some figures as to the total number of wage assignments made, because they can't all be bad. There are many people who assign their wages to pay a debt, who want to pay it and can pay it. Even though they are trying to do good to a lot of people who get hurt, there are many more people who perhaps will now have to seek other lenders.

There could be a new crop of lenders coming up who do not fall within the definition of lending institutions. They will be able to take wage assignments. There will be efforts made, in my opinion, to dodge, to get around this legislation. The people who are in the lending business and who do take wage assignments - of course I am aware that they take other security - but often a wage assignment is an additional means of assuring the lender that he will get his money. They generally have security by way of chattel mortgages, lien notes or even mortgages on property. This has to be looked upon as an encroachment into the ordinary way of conducting business. It's a means of conducting business in this province. It has been established for a great number of years and this is a government intrusion to protect certain people.

I believe that if perhaps an educational program were launched to advise people who are going to borrow money and who are assigning their wages - do you know the ramifications of what you are doing? It's their freedom to assign their wages if they want to. Perhaps the need for credit is more urgent than this bill might anticipate. The failure to get credit at the right time, under our system, might be just as damaging as for a person to find out later on that he perhaps assigned more of his wages than he could afford to assign. In many instances the lending institution wants the assignment of the total amount of the wages, and in default they will move in and attempt to collect the wages of the assignor.

I am not quarrelling at all with the intent of the bill, but we should get some indication as to what the complete ramifications are. How many people really suffer from assigning wages and then can't make ends meet? How will this affect credit at a time when credit is being tightened up a bit in the banks? This will affect the finance companies primarily. With their experience, they will perhaps seek some means of placing themselves one step away from the borrower in order to get around this legislation.

I would also like to know whether this has been tried in other provinces, because there is no doubt that many who borrow and assign their wages find themselves trapped rather badly. I suppose when they have to resort to welfare or seek social assistance because of some act they did in the past, it does become the concern of the province. But I would like to know whether this has been tried in other provinces and how successfully. It might be just the thing we need, but I'm a little dubious about the government moving in and intruding into an area that to date had taken care of itself.

There may be such a tremendous number of problems that this is the bill to support. But we haven't had information from the hon. member with regard to figures as to how serious this problem is. I know that the people who are in the lending business can now find other means of securing themselves. If money is scarce the people who lend money at high interest rates, like the finance companies, may well seek second mortgage lending. Those who have security will get money and those who need it desperately because of this legislation will not be able to get credit. This may also have a harmful effect on as great a number of people as are being hurt at the present time because they have assigned their wages.

I'd just like some word of explanation from the hon. member to see what research he has done to determine that this is, in fact, the right way to go, Mr. Speaker.

MR. TAYLOR:

Mr. Speaker, I'd like to say a word or two on the bill ...

MR. SPEAKER:

I believe the hon. Member for Pincher Creek-Crownest was on his feet first.

MR. DRAIN:

Mr. Speaker, in reference to Bill No. 42, I find the intention behind the bill commendable. However, it must be realized that those people who seek credit by the means that require wage assignment need the money very desperately. I would say, therefore, unless some alternate mechanism was set up to fill in, such as semi-banking bases established by, say, the Social Development, as part of their welfare program, or some alternate means, I don't believe this will accomplish the good intent of the legislation.

It simply goes back to the law of the general market. People who do lend money have a very sincere desire not to lose it and they have to protect themselves in some way. Now the loan companies in the United States that are operated by the Mafia have their own means of collecting and most assuredly, unless the loan sharks are all going to be driven out of business, they will evolve a new system. The new system may well not be as good as the one presently in force.

Therefore, although I appreciate the intent of Bill No. 42, I certainly have reservations. It would appear to me that there should be some alternate mechanism to take the place of what has been the means of credit available to poor people, which is being destroyed and nothing is brought forward in its place.

I'd certainly appreciate it if the mover of this particular bill would explain what alternate means of credit will be made available to people who desperately need this money.

MR. SPEAKER:

Before we proceed with the debate, might the hon. Member for Stettler revert to Introduction of Visitors?

SOME HON. MEMBERS:

Agreed.

INTRODUCTION OF VISITORS (CONT.)

MR. HARLE:

Thank you, Mr. Speaker. On behalf of the Member for Lacombe who is absent from the House today, I take great pleasure in introducing on his behalf to you, and to the members of the House, some 65 students from Grades 4, 5 and 6 from the Clive school in his constituency. I would ask them to rise and be recognized by the House.

GOVERNMENT BILLS AND ORDERS (CONT.)
(Second Reading)

Bill No. 42 The Wage Assignments Act (Cont.)

MR. SPEAKER:

I believe the hon. Member for Drumheller had sought the floor a moment ago, followed by the hon. Member for Edmonton Norwood.

MR. TAYLOR:

... [Inaudible] ... to the lady.

MRS. CHICHAK:

Does he lose his place, Mr. Speaker? I hope not. Thank you, Mr. Speaker and thank you to the hon. Member from Edmonton Drumheller - from Drumheller, it's not in Edmonton. We have a confusion of names here today.

Mr. Speaker, with regard to Bill No. 42 there were just two or three items I wish to raise in support of this bill. One finds, I think, at rather regular intervals when there is the ease that currently exists with the taking of wage assignments there is a considerably greater degree of pressure in the selling area in enticing people who perhaps otherwise would not make certain purchases and extend their indebtedness which may not be a kind of indebtedness that is of primary need.

Because there is this ease in taking wage assignments, very often those who perhaps are not strong-minded enough to oppose the kind of pressure one gets in the door-to-door selling or in magazine selling or various other types, fall into this kind of trap. I think this bill will overcome some of these pressures.

Another area that I know many citizens fall into is a last kind of request for additional security that the lending institutions suddenly spring and say they must have. I know from personal experience, and I know from problems related by members of the public who have been faced with this when they have gone to the lending institutions to obtain moneys or credit, that there was no mention or indication that they would be required to make wage assignments in addition to whatever other kinds of security they had to provide, if they had any. Then when the money was available and all the documents were signed, they were asked, well, here is just an additional piece of paper we would like you to sign. It really doesn't mean that much, but if you fall behind, then you can assign part of your wages.

This is the kind of thing that has happened time and time again. It leaves the individuals who require the credit in an untenable position where they cannot then refuse to sign the additional paper when their money is already supposedly under their nose and they're tempted, or they've reached the end of the time which they had to obtain the funds they required for whatever purpose. I have to say that I support this bill to overcome those kinds of pressures.

But I think something is being overlooked as well in the comments that have been raised from the other side of the floor, and that is both the individual who is in need of funds, by the consent of that individual and the employer, the mutual consent of a wage assignment, this still can take place where there is need. Then it eliminates the kind of friction or difficulty that an employee may face if there is an unexpected wage assignment. If the employer is aware of what is happening, if there is prior discussion which this then would require, I think there is a more amicable kind of arrangement. There isn't the friction and there is some discussion and time for consideration of whether the loan is really required. If, in fact, this is so it's in a management kind of arrangement. I think this bill does not remove that kind of possibility so with that it would still assist those who really need the credit, and without a false kind of pressure on them, a prior requirement for both parties to agree. I think that we will overcome many of the hurdles that currently exist. And so I ask the members that they, in fact, support the bill.

MR. TAYLOR:

Mr. Speaker, I just want to make a few comments and possibly some of them are in the way of queries. I'm a little worried about the lending institution - that means banks and trust companies, I suppose. It's not set out, but I suppose that's what it means - banks and trust companies.

I'm not so sure that these companies now are out on the streets trying to make loans. If they are, I haven't heard of them. It's really the other way around. It's the people who need the money today who are rushing to the banks and the trust companies trying to get credit. This country was built on credit. And if this bill is going to have the effect of making credit available only to those who have and not to those who have not, then I think it would be a bad thing.

I know many workers who have fairly good wages and their only possible means of acquiring things they want to acquire is through assigning part of their wages. As a matter of fact most lending institutions, in talking to working people, want to know what your wages are and want to know if your wages are going to be sufficient to live on as well as make that payment. The banking institutions or lending institutions which do that, I think, are performing a real service. If they find the wages are not sufficient to look after the wife, family and other obligations, then of course no loan would be forthcoming. But if they are able to do that and have a surplus they can turn over each month to build up an equity in something else, then I would hate to see workingmen denied that opportunity.

This is what worries me about the bill. I would hope the honourable mover would be able to give us some information on that. Just what are we trying to get at? If we're simply trying to stop bankers and trust companies from going out and doing fast talking, talking people into loans, then that is one thing. I could certainly agree if that were the case.

I'm afraid it's the other way around though. The persons on wages - and wages means salary in the bill - who haven't got a great amount of this world's goods but want to acquire them, want to improve their equity and build up an estate, if we deny them credit on their wages, we deny them credit. That's all they have. They don't have any bonds, they don't have any real estate. Many of them don't even own their homes. And many times this wage assignment is to secure a home or secure furniture, things that are essential. Consequently it worries me somewhat if we're going to stop an individual, a worker, from assigning part of his wages when he's able to do it.

Another point that is a little worrying is the intrusion in an individual's business. Surely if a worker who has wages wants of his own free will to assign part of those, surely a government shouldn't say, you can't do that. If we want to require that the spouse also sign, then I'm not too averse to that. But for government to say to working people, you can't assign any of your wages, is really to stop that person from ever getting ahead and building up an estate.

I purchased a business at one time. The only way I could purchase that business was by assigning my wages. My wages weren't probably that much as a school teacher at the time, nevertheless they were more than sufficient to look after my monthly requirements. I simply assigned part of that extra to - well, it happened to be the Treasury Branch, and the man, on the basis of that, sold me his business. He wasn't a treasury branch supporter incidentally. I could have done the same thing at the Bank of Montreal, only he said to me, since you deal with the Treasury Branch we'll make it there. But it wouldn't have made a bit of difference if it had been the Bank of Montreal because I was equally well known [there] and they would have given me as much credit as the Treasury Branch; probably no more, but as much as the Treasury Branch gave me.

MR. TRYNCHY:

That's okay.

MR. TAYLOR:

But had it not been for that - I don't know why I should justify dealing with the Treasury Branch, after all, the Treasury Branch is a very excellent institution. I may sound like it but I'm not trying to justify or excuse myself for dealing with the Treasury Branch. I think it's an attribute rather than anything else.

But the point I'm trying to make is that, had it not been for that, I could never have purchased that business. Hundreds of other people on wages and salaries are in the same category. I'm sure we don't want to stop that group of people from improving their way of life or from building up an estate.

If there were something here which was going to say, I can't take all my wages and go out to the horse races and bet the whole thing and let the kids go without shoes, then maybe we'd be getting somewhere because I know a few people who do that. Racing gets in their blood so much that they go out and can't stop. They get started and they can't stop. They don't intend to bet all that amount.

Again, I'm not so sure the government can start living everybody's life for them. This is what worries me in this bill. Are we trying to live everybody's life?

Before closing I would suggest the honourable mover of the bill endeavour to really give us the reasons and purposes of the bill, why it's been brought in the first place. Surely it's not just to stop people from going out and fast-talking people into loans. There must be more than that behind it.

Then there is one other item that worries me a little bit too. From time to time I suppose every one of us in this House has endorsed a loan made by a friend in a bank, treasury branch or lending institution. That's the only basis upon which that person could secure the money. I've done it, most of the time successfully. A couple of times I've had to fork out and pay because of ill health of the person, not because he was dishonest. The amount wasn't too high in any event. But are we going to stop this endorsing which really is the prerogative of a person who has a little bit behind him so he can help somebody whom he wants to help, but who doesn't want to make the loan directly. He doesn't want to get into the lending business but he is prepared to endorse. It simply means that if the person who borrows doesn't pay, you will.

The second clause, No. 2 of the bill bothers me a little. It may even stop the endorsement. But I'd like to have the comments of the hon. member who is sponsoring the bill on that point too.

MR. GHITTER:

Mr. Speaker, I would like to address a few comments with respect to this bill. I think there is a slight misunderstanding amongst hon. members as to the effect of the

bill, by my understanding. But first, I think there are two areas, I would like to suggest, that we must be covering from the point of view of abuses insofar as they apply to wage assignments.

The first one is the area of the foisting of a wage assignment upon an employer when the employer does not wish to accept it. Those members who are familiar with The Judicature Act of this province will know that if a wage assignment is served upon an employer, the employer, whether he likes it or not, is bound to honour the wage assignment. If the employer does not honour the wage assignment then an action at law will go against the employer and the employer can be held responsible in civil law for his failure to make that payment. In my mind that has always been a very unfair practice to foist another person's credit problems upon an employer who unwillingly can end up in legal difficulties by virtue of the use of this assignment. So that is the first area where I think there is an express need for a bill of this nature.

The second area, as has already been mentioned by the mover of this bill, is the area of unscrupulous practices by financial institutions which take wage assignments with no intention of using the wage assignment at the time. Later on, maybe two or three years down the line when the matter of repayment gets into trouble, they will then bring the wage assignment, and serve it upon the employer. The employee who has not been planning on seeing his wages utilized in that manner finds that a substantial amount of money has been taken off the top every two weeks, when he had actually forgotten about the wage assignment.

I think what hon. members are forgetting is that the wage assignment is not the security. The wage assignment is merely the means for the collection agreed upon by the parties as to how the loan will be repaid.

Now I would also bring to hon. members' attention that this bill does not in any way stop the use of wage assignments. If parties voluntarily wish to enter into a wage assignment they can do so. It merely states that it is void and against public policy. This means that if anybody then wishes to take a wage assignment to court, as against an employer, they cannot do so because it is not enforceable in a court of law.

But if, as the hon. Member for Drumheller upon expressing his concern as to the restriction of someone's credit - [someone] who may find that wonderful opportunity of going to the Treasury Branch and buying a business and can't, by virtue of not being able to have the wage assignment - I would suggest that this bill does not inhibit the use of the wage assignment voluntarily between parties with the voluntary consent of the employer. And three parties can, outside of this legislation, enter into the matter. But, at a later stage if someone wishes to take a wage assignment and serve it and try to enforce it at law, the court of law is then told by this piece of legislation that it is unenforceable. As a result, it cannot be used in the coercive way that wage assignments have been used in the past.

As a result, I am very pleased to speak from the point of view of the principle of the bill. I believe it overcomes two difficulties I have seen, namely, the foisting of wage assignments upon employers and the coercive aspects of wage assignments. I think the bill admirably overcomes those two difficulties and I would like to commend the honourable mover for bringing it forward today.

Thank you, Mr. Speaker.

MR. STROM:

Mr. Speaker, I felt that most of the points had been covered by the hon. members who have spoken until I heard the hon. Member for Calgary Buffalo speak. And now I have to say that I cannot read into the bill the points which have just been made by the hon. member.

If they are there, they are concealed in such a fashion that I am unable to read them into it. Because, as I read it, it seems to me to be very clear that any assignment which is made by a person in regard to his wages will be null and void. In fact, any individual who wants to make it, will do so knowing he is going to have the protection of the act and that it will be null and void after it is made. If it isn't interpreted that way, then I hope the honourable mover will certainly explain it to us and cover it very clearly as to how he gets that interpretation out of it.

The second point I want to make is in regard to those cases which got into difficulty and have been brought to the attention of the debtors' assistance. I am wondering if, from the information the hon. member has, he can tell us what percentage of those who have given wage assignments get into difficulty? Because I have no difficulty in understanding the debtors' assistance, for example, having quite a bit of information - but only on those persons who got into difficulty.

Mr. Speaker, let me say too that I am well aware - it is amazing the number of individuals who are prepared to commit themselves in any way, shape or form if they can only get credit. I recall not long ago an individual in a lending institution telling me that a certain person came to make a loan. After he asked him to outline his commitments and his wages, this person pointed out to him that he was already indebted [to an amount] greater than his wages. The answer of the individual was, well, you know, I was wondering why ends didn't meet.

So we have to confess there are some very, very strange goings-on as far as individuals who are seeking credit. I would like to think that the lending institutions themselves are trying to point out to individuals, as much as possible, the danger of getting committed too deeply.

What we are doing - as the hon. Member for Drumheller has pointed out - in my view, is that we are preventing those cases who would maybe need credit and understand its use from getting it, simply because of this act. If I have interpreted something wrongly, Mr. Speaker, I hope the mover, in closing the debate, will clear it up for me. But I must confess I cannot read into it the points which were made by the hon. Member for Calgary Buffalo.

MR. YOUNG:

Mr. Speaker, a few brief comments. I would like to begin, Mr. Speaker, with a comment made by the hon. Member for Calgary Buffalo which had to do with the practice, as it currently exists, of foisting a wage assignment on an employer. This is illusory; the idea that one is, at law, able to do this is an illusory form of security at best. In my some seven years in the personnel area of business, I learned that many employers will just not accept this. It is tantamount to termination of employment and the credit granting institution or whoever undertakes to collect credit in that respect, risks losing all - any hope he had of getting money out of an employee in those circumstances. I am afraid that however we might deplore the practice of employers of terminating employees for this reason, it does happen. I doubt that there is any way we can legislate it not happening, because to do that, we'd guarantee employment to anybody who had a wage assignment and there is no way we, as a Legislature, can go that far. So in respect to that point, I think first of all we have to bear in mind that some people have not looked down the track far enough when they go for a wage assignment, to see what the ultimate end of it may be, both to the money they would like to collect and to the person in respect of whom the assignment is served.

Mr. Speaker, in considering this legislation, it is my understanding that it will have application primarily to lending institutions. If that is the case, then it would seem to me that some of the concerns which have been expressed - notably the concerns re the ability of persons to buy home furnishings, for instance - should be somewhat diminished because there are forms of security available to merchants in respect of the sale of fridges, stoves, automobiles and what have you. There are ways these types of items can be claimed or, in fact, a legal claim can be continued against them.

Third, there are methods of collecting small debts which are, in my view, at least as acceptable as a wage assignment if not better. I suspect that hon. members know what they are; small debts court, et cetera, which is a pretty painless type of procedure and a fairly fair one.

Fourth, Mr. Speaker, I'd like to say that I think, or at least from reading the report of the Institute of Law Research and Reform, it seems much of the abuse in this area has occurred in respect to credit granting institutions, financial institutions. While there are many whose code of ethics and conduct is to be commended and I think would be found to be acceptable by all of us here, there are some who are much less concerned about the end financial position of the person who is borrowing and, in fact, may be more concerned about getting a good rate of return on their money even if it does involve substantially greater risk. It is these types of institutions I think we need to be most concerned about.

Mr. Speaker, the other point I want to make - and again, I cannot go on a great deal of personal experience, although I have some business experience in this respect - but the report of the Institute of Law Research and Reform confirms my practical experience that wage assignments are not usually a primary form of security in any event. They are secondary and are used primarily in collection.

So I don't share many of the fears expressed with respect to this bill. I think it will do away with a major source of abuse. I would go on to say, it seems to me that if parties involved, the employer or the employee and whoever else is involved, want to contract themselves in that respect, if it is done voluntarily, they can do it. There is some real question about it being collectable in court, however. If they want to go that far, fine. But I think a financial institution which starts treading on that kind of ground ought to be watching pretty carefully what kind of risks it is accepting.

Mr. Speaker, I support the bill for the reasons I have advanced.

MR. HINMAN:

Mr. Speaker, there are some aspects on this bill which have been brought to our attention which don't seem valid to me. If you want to protect the employer, the bill could very definitely have said that you can't assign part of your salary without the consent of the employer. The member who just spoke mentioned that people get their employment terminated, and on the other hand, many people quit their jobs when collection begins on these assignments. These are things that are happening all the time.

It was mentioned that there is a procedure for collecting small debts. Any of you who have ever tried it realize just what a fake it is. Sure, it's easy to get a judgment. Then go try to find something that you can sell and see how good it is. As a matter of fact, I suppose less than one-third of the judgments for small debts are ever collected and most firms just consider it hopeless.

As far as the unscrupulous practices are concerned, you are not going to change those practices by an act such as this. There are many ways of taking people. But I think perhaps the Legislature is going far beyond what anybody ever intended it to do when we begin to try to govern the very minor details of people's lives. I've heard people on both sides lament that we are overgoverned. Well, here is some more overgovernment.

If you make this a non-enforceable contract, then it's ridiculous to say that you can do it anyway.

SOME HON. MEMBERS:

Agreed.

MR. HINMAN:

You might - well, it's just the same as a person's good word.

Now there is the other side of this, too. When people borrow money or buy something on time, they are pledging their credit and if they don't want to pay, they ought to be forced to pay if they can, even to the extent of collecting from their wages. If you want to really do what the intent of this bill seems to be, you can protect the employer, as I indicated, by an amendment which says that the assignment has to have the consent of the employer. That's pretty easy. You can prevent too much unscrupulousness by simply saying that an employee cannot assign greater than a certain percentage of his salary. That's what you find when you go to garnishee somebody.

That's the next point. Having got these judgments, nothing stops you from garnisheeing, but the same thing happens very often, the employee loses his job or he quits. I'm quite in favour of not forcing all this onto an employer, because it is difficult for him to keep track of it, but I still point out that you are doing two things. One, you are taking away a man's right to assign what is his. This is just one step in this chain of legislation, that we have seen during the last six or seven years, in which we have begun to control everything anybody does. Pretty soon [a man] won't have any rights.

I submit that you can protect the employer. It has nothing to do with unscrupulous practices and if it does, you can protect him by limiting the amount of the assignment or by simply saying that any assignment cannot be collected without the order of a judge.

I submit, Mr. Speaker, that this is an unnecessary bill that isn't really going to do any good.

MR. CLARK:

Mr. Speaker, in rising to make a very few comments with regard to the bill, I'd just like to add to what has already been said by my colleagues over here by saying that today the Minister of Consumer Affairs announced in the House that, in fact, this was the bulk of the consumer affairs legislation that the present government was going to bring forward during this spring session. I've been waiting here, with a certain amount of great anticipation and enthusiasm, for the minister to get up and elaborate on this because we really haven't heard from him at all as far as this particular legislation is concerned.

I would say to the mover of the bill, and through him to the Minister of Consumer Affairs, that in fact if this is the sum total of the government's effort in the field of consumer affairs legislation at this spring session, then it's a pretty sad reflection upon the priority that that department holds in this present government. Might I go on, Mr. Speaker, and say that earlier in this session we were told that the Department of Consumer Affairs was unable to move because of this lack of teeth in some areas. It didn't have the legislative 'oomph'. For this to be the only piece of legislation that

the government is bringing in, that the minister was able to seize upon as any indication of what the government is doing in this area, is, to repeat myself, a very sad reflection.

I think the hon. Member for Cardston hit the nail on the head when he said this is another piece of legislation that isn't going to remove the unscrupulous actions that are present in the field and it's just one more step in the direction of taking opportunities away from people to have at least a small bit of say as to what they will do.

AN HON. MEMBER:

Question.

MR. SPEAKER:

May the hon. member close the debate?

HON. MEMBERS:

Agreed.

MR. LEE:

Thank you, Mr. Speaker. I'd like to thank those members who have entered into debate on this subject. I'd like to respond to those concerns expressed by certain members. In many cases the responses were from some of the members on our side.

I'd just like to elaborate on what does happen in a wage assignment and why some of the fears of the members on the opposite side are, in fact, unwarranted. In fact they misunderstand the use of wage assignments. A wage assignment always involves three parties; there is an employer, an employee and a creditor. In the granting of a loan between a creditor and an employee or debtor, a wage assignment might be taken. The wage assignment is then served at some other point - usually down the line, not immediately - upon an employer. There are effects then upon these three people.

I'd like to talk about the effects of wage assignments on the three parties to a wage assignment, the employer, the employee and the credit grantor - and their use of the wage assignment.

First of all, I think that the hon. Member for Calgary Buffalo and the hon. Member for Edmonton Jasper Place elaborated on the effect of how employers consider wage assignments. In fact, wage assignments as they apply to an employer are an imposition - an imposition which he might respond to simply by firing the particular employee who has brought a wage assignment. It's an administrative burden that is foisted upon the employer as a third party who is not even involved in the initial granting of the loan between the debtor and the creditor. His response would simply be to terminate, perhaps, the employment of the employee. As it stands now, that's the only thing available to him. It's the only thing he can do because of The Judicature Act and the effect of assignments upon the employer. I think the best way to sum up the employer's position is that he is an uninterested third party who has a wage assignment foisted upon him.

Now let's look at the effect on the credit grantor. I'm deliberately leaving the debtor to the end, because this is the one that is affected, as the members from the other side see it. The credit grantors themselves - and from my conversations with members of the credit bureau and from correspondence from the Canadian Consumer Loan Association the fact is this, wage assignments are not taken as a primary security. They are not taken as a primary security, as the Member for Drumheller has indicated or as the Member for Calgary Mountain View has mentioned, and so on.

It just stands to reason that they are a poor primary security. Since they are taken as a security against a person's salary - or would be, if they were [taken] - then of course the creditor is depending upon that person having a job. He's depending upon him having income. In this case, from the reports of the credit bureau, they are, or would be, a very poor form of primary security. In my conversations with them, though, they have indicated that wage assignments are not used as a primary security but are used as a collection device. They are used as a collection device at some point after a person has become delinquent in his loan. As a collection device, once again, they have the same effect of requiring the person to have ...

MR. LUDWIG:

Would the hon. member permit a question to clarify something he is saying?

MR. LEE:

Certainly.

MR. LUDWIG:

Mr. Speaker, one question, is the hon. member saying that people who have no chattels or any kind of tangible security do not get loans on the strength of their wages alone? Is this an impossibility?

MR. LEE:

By the reports of the Canadian Consumer Loan Association and by the reports of the credit bureau, that's true. They do not use them as primary security.

MR. LUDWIG:

Mr. Speaker, I'm not quite clear about the answer. Is the hon. member saying that no one can get credit from lending institutions on the basis of the assignment of his wages alone? Is that correct? Is that what the hon. member is saying?

MR. LEE:

I'm saying that's not what wage assignments are used for. A promissory note is given, security is used as a particular product that is being purchased, whatever the case may be, but not the wage assignment itself. It is used largely as a collection device.

Now, I would just like to mention that the wage assignment here might have two uses. It might have use as a primary security. As I have indicated, from the reports of the professionals in the field, that is not the use they are put to. They might be used as a collection device as applied later on.

I might point out that this is a poor device, too, for collection for a simple reason. Let's take the individual who in 1974 obtains a loan. Part of the documents that he signs is a wage assignment, not as primary security, but in case he becomes delinquent in his loan. The individual might be making say \$600 a month. So he signs a wage assignment, perhaps knowingly, assuming that on the basis of \$600 a month he can afford say \$150. Now this wage assignment, in fact, might be served something like three years later when his salary position has completely changed. He may not be making \$600 a month; he may be making say \$400 a month. Then of course you can see the effect that that wage assignment would have. But it still has the same effect as if he were making \$600 a month. It is an inflexible kind of tool and consequently isn't used for that particular reason.

Wage assignments are used in an inscrupulous way though as reported by the Debtors Assistance Board. The hon. Member for Calgary Mountain View has asked for comments. On a report from the Debtors Assistance Board, they mentioned having dealt with in excess of 200 wage assignments - some of these by telephone - in their office during the last year, of which these wage assignments were a problem that had to be dealt with. As a result of wage assignments individuals would either lose their jobs or have to quit their jobs for the simple reason that the wage assignments could not be honoured by their present employment situation.

Let's look then at the employee himself. I have mentioned quite a bit about just what happens to him. The first thing to point out, in response to what the members from the other side have said, is that the person's opportunity to obtain a loan from a credit granting association is not affected by this act. By the claims of the credit bureau, by the claims of the Canadian Consumer Loan Association, since they are not used as a primary security then they do not affect the initial granting of the loan.

Now there's one other question here I was going to respond to - oh yes, the Member for Drumheller has suggested that the response would be - he was reacting to the response from the Member for Calgary Buffalo. In actual fact, this act will not disallow the use of wage assignments. This is in response to the Member for Cypress.

All the act says is that wage assignments as used for the collection of debt or as a primary security are against public policy and void. In other words, you can't go to the court and collect, using a wage assignment. But it does not preclude an employer, an employee and a creditor by arrangement, using wage assignments for the orderly repayment of a debt. This is the compelling reason really for the use of wage assignments, as long as the individuals do agree to their use - all three parties. The response from the Canadian Consumer Loan Association has indicated that the practices of the members of this association are to use wage assignments only to correct delinquencies and then only with the cooperation of the employer. Of course, this will still be allowed even though they are against public policy and void. So this just responds, Mr. Speaker, to some of the comments from the other side.

I might make one last point, that in the item of a collection device the garnishment procedure can still be used for the collection of debt. It is a proper judicial procedure which in fact was contravened in the past by the use of wage assignments because wage assignments took priority over, what I believe, is a proper judicial procedure - the

garnishment procedure. I might suggest to the hon. Attorney General that, in looking at garnishment procedure and the rules of the court, probably some modification, some updating of the exemptions as they relate to garnishment, might be required. But that relates to garnishment as another procedure.

So, Mr. Speaker, that is just in response to some of the comments of the hon. members and I would move second reading of the bill.

MR. LUDWIG:

Mr. Speaker, I'd still like to ask the hon. member another question which relates to the bill. If this matter of assigning wages for borrowing money is such a sinister thing in the eyes of the honourable mover, then why did he restrict it to the lending institutions alone? There are loan sharks floating about from time to time who can tag you just as hard, even though they don't fall within the definition of a lending institution. They might make three or four individual loans a year and really nab you hard.

So why give a loophole to the lending institution to try to get around the legislation? Why not restrict wage assignments, period? If it's bad for the lending institution which has a good, established business and is there when you want to catch up to it, why is it not the same for people who may have a sort of hit-and-run operation and may lend money? There are a few of those around. So if it's ...

MR. SPEAKER:

Would the hon. member perhaps come to the substance of the question.

MR. LUDWIG:

Yes, Mr. Speaker. I would like the hon. member to advise why this was restricted to lending institutions alone, and not for those which may be in a position to make casual loans and would not fall under the definition of lending institutions?

MR. LEE:

My response is simply that they do fall in with the definition. They are the very ones we are trying to catch with this act. They come right within the definition of the act.

MR. LUDWIG:

Mr. Speaker, would this apply to an individual who makes two or three loans? Would that make him a lending institution, according to the definition of the bill? A lending institution means a person who lends money in the ordinary course of his business operation.

MR. LEE:

If his operation is to gain interest, for instance, to gain reimbursement for this loan above and beyond the loan itself, of course it would.

SOME HON. MEMBERS:

Question.

[The motion was carried. Bill No. 42 was read a second time.]

Bill No. 46
The Alberta Gas Trunk Line Company Amendment Act, 1974

MR. HARLE:

Mr. Speaker, I move Bill No. 46, The Alberta Gas Trunk Line Company Amendment Act, 1974, for second reading.

The Alberta Gas Trunk Line Company Limited was incorporated in 1954 by special act of this Legislature. Being a special act company, its objects were and are limited to those specified in the incorporating act. Its powers to carry out its objects are only those which are specified in the incorporating act or contained in other legislation and made applicable to a special act company.

Under Section 4 of Alberta's The Companies Act, certain sections of The Companies Act are made applicable to the company, but those deal with such matters as fees, registered

office, record of directors, registration of mortgages, auditors' reports and returns to be filed with the registrar. Over the years it has been necessary to have the incorporating act amended to provide for such things as limiting the liability of shareholders, issuing of preferred shares, payment of commission on the sale of shares, the appointment of the president and vice-president who need not be members of the board, and other matters.

Under the incorporating act as it presently exists, the company has the powers given under Section 20 of The Companies Act, which section states that such powers are exercisable to carry out the company's objects, but Section 13 of the incorporating act does not actually use the term "objects", but rather refers to "powers".

The objects of the company as referred to in Section 13 of the incorporating act are, in essence, restricted to the natural gas business within the province of Alberta. Therefore, the company does not specifically have or appear to have the corporate power to engage in other activities either within or outside the province.

The rationale for this restriction imposed in 1954 was presumably to endeavour to ensure that the movement of gas from within Alberta to the provincial border did not come within federal jurisdiction.

The proposed revision of Section 13 of the incorporating act is designed to establish what the objects of the company are, to expand the present objects to include businesses other than natural gas, to delineate clearly the powers of the company and to enable such businesses to be carried on outside the province. But in order to continue the concept of protecting the provincial jurisdiction in the gas transmission field, Section 13 of the incorporating act is limited as to gas transmission by the provisions of the proposed amendments to Section 14 in the incorporating act.

The amendments to the share structure are intended primarily to grant to the company substantially the same powers as an ordinary company would have under Section 37 of The Companies Act.

Another area in which, over the years, amendments to the incorporating act were necessary, was the area of gas transportation services provided by the company. As originally enacted, the incorporating act specified in the then Section 30 that the directors would fix the rates, tolls and other charges. As time went on, it was apparent that it was in the interest of the people of the province that the company be flexible in its contracts, capable of providing for and implementing the commingling of gas of various owners in the pipeline and capable of providing for and implementing the exchange of gas. In 1970, Section 30 of the incorporating act was, in effect, completely revised.

The amendments to Section 30 in this amending act relate to the ability of the company to effectively carry on the gas transmission business within Alberta. The proposed amendments are designed to further clarify the powers of the company to vary its existing transportation contracts, subject to appropriate appeal provisions, so as to effect a more comprehensive and economical gas transportation service within the province.

Mr. Speaker, I believe that the amendments that we are proposing today are those which will enable this company to become a very active participant in the future development of this province.

Thank you.

MR. HENDERSON:

I find, Mr. Speaker, as I examine the bill, that a number of concerns come to my mind. I must say at the outset that in the absence of information to sort of alleviate those concerns, I would find it difficult to support the bill. I think the question of the original purpose of the incorporation of the company has got to be kept in mind. It was to protect, on constitutional grounds, the control of the gathering and transmission of gas within the province and, hopefully, thereby to maintain more effective control over those resources within the province.

I think a proposal to broaden the operation of the company - in effect it's going to become a conglomerate company. It's going to branch out and get into the oil and gas exploration and production business, pipeline business, petrochemical business and you name it. I find myself somewhat at a loss to understand the reasoning behind this particular move, particularly when I examine the actions of the government in setting up things like the Alberta Energy Company where they are going to get into the oil and gas exploration and development and pipeline transportation business.

I find it even more difficult to understand the reasoning for these amendments and the broadening of the powers of the company when we hear the government is going to establish an Alberta resource company of some sort that is supposed to be in the offing.

So, I am simply not able to grasp the reasoning behind this expansion or why the Legislature should grant these additional powers to the company, particularly if it weakens the original intent and purpose of the act in any way, which I suggest it does. By these terms, it just makes another company, involved in resource development and exploration in the province, out of the original Alberta Gas Trunk company. I also find that the authority in the act allows the government, by order in council, to change the name of the company to whatever happens to move them. Whatever purpose that would serve, I don't know. But it gives me further grounds for concern as to the future direction and course of action that this company is going to pursue.

I also have to suggest that by amending it, by broadening the terms of authority that the legislation provides to engage in a greater variety of business activities, a conflict of interest develops relative to the Class B shares. I see little point in giving various utility companies and other transmission companies in the gas business the right to elect three directors when, in fact, the company is going to be going into competition with them - at least with some of their interests. As I say, I found it difficult to get an updated version of this act. It talks about the Class B shares going to utility companies, gas export companies, gas producers and processors. I can't imagine why anybody then is going to want particularly to have a director elected to the company, particularly if it's another competitor in the field.

Before the bill is proceeded with I think the government should outline in pretty clear terms what it is trying to do with company. It looks to me as if it is just going to become another adjunct to one of the other Crown corporations that are coming in to exist in the Alberta Energy Company or the proposed Alberta resource company - or some such name as this. I haven't looked at the legislation on this other proposal as yet but the government has announced its intentions in that regard. It appears to me that it's just a proliferation of companies.

I am also wondering about the restrictions that exist on the purchase of Class A shares which are par value shares set at \$5, and which have voting rights. Under the amendment the holders of Class A shares can now vote on the election of seven, directors, I believe it is. Now, is it the intention of the government, through the Alberta Energy Company or this proposed resource company, to buy up the controlling or majority of Class A shares in Alberta Gas Trunk - or whatever name it's going to pursue? If that's the case, with the amendments in the bill under which - if I can find the appropriate section here where the number of directors is altered - the Lieutenant Governor in Council will be able to elect four directors, according to the amendments in the act. Then if it acquires a majority of the Class A shares, it will be able to elect most of the other seven directors.

When I see this, as I say, I would like to know: what is the purpose and intent of this company and where is it heading? Why does the government want the freedom to change the name by order in council? I think it's in the public interest, Mr. Speaker, that the government elucidate very clearly the intent and purpose that underlies these amendments. The member, in introducing the bill and his comments on second reading, hasn't really cast any light on what the intent of the government really is in this matter.

Is it the intent of the government to take over direct management of this company through the Alberta Energy Company? Is it the intention of the government to discourage the original parties who held the Class B shares from having an interest in the company? Under the amendments the company will, in actual fact, become a competitor to them in their various lines of business. As I said, Mr. Speaker, I can't quite figure out how this exercise or this company with the amendments will relate to the Alberta Energy Company or the proposed Alberta resource company.

I suggest, Mr. Speaker, there are a lot of questions that should be answered to all members, to the House and to the public before we proceed to broaden the scope of this company and depart from the basic concept for which it was constituted and, I think, in any way water down the position this company has in protecting Alberta's interest in management and transportation of natural gas within the province of Alberta.

As I say, failing some satisfactory explanations of the questions I raise, Mr. Speaker, I would find that I would have to vote against the bill because I would not be able to comprehend exactly what the government's intent is, nor why it should be getting into such a conflicting situation within its own sphere of influence.

MR. NOTLEY:

First of all, I share some of the questions that the hon. Member for Wetaskiwin-Leduc has just posed in his comments. I think it certainly would be useful in closing the debate if the member would describe the relationship he sees between Alberta Gas Trunk, as amended, and the new Alberta resources company, which presumably we are going to be setting up, probably in the fall session.

Obviously, the move by the government is to give Alberta Gas Trunk some leeway, as I gather it anyway, to move into the petrochemical field, and basically I support that proposition. As far as some of the smaller amendments are concerned, I notice that all the directors are to be Canadians domiciled in Alberta, and that's fine. But dealing with the larger question, the development of the petrochemical industry in Alberta, I think that that is sufficiently important that I would hope during the course of this debate, Mr. Speaker, the Minister of Industry and Commerce would take some time and describe what the government's proposed policy is with respect to the Dow-Dome proposal, as well as the Alberta Gas Trunk proposal, for the development of a world scale petrochemical complex, or of the development, I should say, of two world scale petrochemical complexes in the province of Alberta.

I've heard it said by some people in the industry that we really have to move quite quickly; that it's a matter of moving within the next three or five years, that is when the opportunity will exist for the province of Alberta to move into the petrochemical field on a world scale basis. Therefore, since obviously the thrust of the amendments - if I can use that Tory term - since the thrust of the amendments here gives Alberta Gas Trunk the latitude to get into the world scale petrochemical field, I would hope that we can have a fairly thorough idea of what the government's proposals are in this area.

I understand it is the government's position that simultaneous development of the two projects can take place; that there is sufficient natural gas for that purpose, and also that there are sufficient markets. But as the Minister of Industry and Commerce knows, that is not universally felt by all the people in the industry. Mr. Page, who is a consultant for Alberta Gas Trunk, has on a number of occasions suggested that simultaneous development would be unwise; that it would be a wiser course to develop one plant which would then be able to more thoroughly test the market as well as not seriously erode the supply.

Of the two proposals - and I don't pretend to be an expert in the petrochemical field at all - it seems to me that the proposals advanced by Alberta Gas Trunk are preferable to the Dow-Dome proposal inasmuch as there is going to be a much greater upgrading in the province of Alberta. It seems to me that that clearly has to be the name of the game, Mr. Speaker. If we're going to maximize employment opportunities in Alberta there really isn't a lot of point in shipping raw materials, whatever those raw materials may be. Whether we are shipping ethane to the United States or shipping unprocessed agricultural commodities, we are still exporting jobs if we don't maximize the upgrading at the source. It's my understanding of the Alberta Gas Trunk proposal that there would be a great deal more upgrading in Canada, and especially in Alberta, than would exist with the Dow-Dome proposal where a substantial amount of the ethane would, in fact, be exported to the United States. Now I gather that the NEB has changed, or at least has cut down the Dow-Dome export request to the U.S., but nevertheless it is still contingent on a fairly substantial export to the U.S. market.

Therefore, under those circumstances I believe that the Alberta Gas Trunk proposal takes on probably a great deal more meaning and one which demands, I think, at this stage, a fairly thorough expression of the government's objectives in the petrochemical field. Clearly, as I mentioned before, this is an important area. We do have an opportunity to move. I've just expressed the personal view that I feel we would be better advised to go ahead on our own, either through the Alberta Gas Trunk proposal or through a completely publicly owned Crown corporation. But that's an expression of a point of view which I'm sure most of you would be surprised if I didn't express.

But having said that, the proposals of Alberta Gas Trunk would, as I see it, add significantly to the economy of Alberta because it's necessary to make some changes in the act to permit the company to move into this field. I feel that this particular piece of legislation has to be passed. We may have many questions that should be raised and answered in the debate. As the hon. Member for Wetaskiwin-Leduc has quite properly pointed out, what is going to be the relationship between Alberta Gas Trunk and the resource company? To what extent is there going to be competition? Obviously, in a sense there's competition now between the Dow-Dome proposal and the Alberta Gas Trunk proposal, unless, of course, the government is totally convinced that the two can proceed simultaneously. But, as I say, I have some doubts on that score.

Despite the questions that can be posed and the answers which should be forthcoming from the government side, I think that this particular piece of legislation is necessary if Alberta Gas Trunk is to play the rather important role in a vital industry, that is, the development of a world scale petrochemical industry in Alberta. For that reason I support the act.

MR. STROM:

Mr. Speaker, I welcome the opportunity to make a couple of comments in regard to Bill No. 46. First of all let me say that I appreciate very much the important role that Alberta Gas Trunk has played in the development of our gas resource within the province and I want to commend them for the very excellent job they have done.

I appreciate that the company is still managed by a very aggressive chairman, one who is very knowledgeable in the area and who, in my opinion, can do a very excellent job. Having said that, however, Mr. Speaker, I believe that Bill No. 46 is dealing with a very important principle as far as the development of natural resources within the province of Alberta is concerned. For that reason, I have a little difficulty in understanding why the Minister of Mines and Minerals would not be piloting this particular bill through the Legislature - and I want to say that I'm in no way casting any reflection on the hon. Member for Stettler - I only hope he will be able to deal with what I consider to be one of the major points included in the bill, and I must say, Mr. Speaker, this has already been referred to by the hon. Member for Wetaskiwin-Leduc.

It has been well known that Alberta has been very concerned about maintaining control of the industry within the province, particularly about control of wellhead prices. This has been a matter of concern for many, many years and in the past the government has always assured itself that anything that was done by itself or the Alberta Gas Trunk Line would in no way jeopardize the jurisdictional rights of the Province of Alberta and the company. In no way were we going to do anything that would provide opportunity for the federal government to interfere or inject itself into the operation of this particular operation within the province of Alberta.

I would like to know, Mr. Speaker, whether or not the government can give us assurance at this time that this particular change in the bill will in no way jeopardize our position. Can the provincial government, through the hon. member who is sponsoring the bill, assure us that this matter has been given the proper consideration, such as possibly having discussions with the federal government or the ministers who would be directly involved?

I would have to say, Mr. Speaker, that if we cannot receive that assurance at this time, then I would hope that the government would hold the bill until such time as we can be assured that this matter has been properly dealt with.

It is not my intention, Mr. Speaker, to go into any other area of the bill at the present time. I'm chiefly concerned about the point that I have raised because I think that it is ... [Inaudible] And I feel confident that getting a proper answer to that question, we can, of course, effectively deal with any other points later on, if we wish.

One last point I would simply raise as a question, if the amendments in Bill No. 46 go through, what effect will it have on Pan Alberta? Will it create any changes there? Or will it remain as presently constituted? I hope, Mr. Speaker, that we can receive answers to the questions that have been raised.

MR. HINMAN:

Mr. Speaker, there are a few items in the bill that bother me a little bit. Some of you who were around when Alberta Gas Trunk was formulated know that it started out as a group of private people who had an objective and the objective was to have a monopoly of the gathering of gas in the province. The province could see the advantage of a gathering system. And certainly it had to be a monopoly in a sense. And then the government, through some pressure, was able to arrange for some people who wanted to, to buy some shares of a certain kind.

But I think there is a misconception that the holders of those shares control this company in some way. The bill, as it's proposed, is going to empower these people to go into a lot of things beside those for which we permitted the company to be formed. And I've been wondering ever since I looked at it whether or not this isn't a good time to reconsider the whole thing. Now, in the first place, I have to refer to an odd section to point out that they are now asking for powers that are not in The Companies Act.

Some of you may be aware - and most of you probably are not - that when a share of no par value is issued, it has to be issued as fully paid and no call can be made on it. People who own shares of no par value have a certain protection there. Now if they're given the right to automatically transfer these shares into par shares, you've changed the whole concept of the bill. They have a right to cancel shares that are not called for. Our concept was that there wouldn't be any such shares, I doubt that there are and I doubt that there ought to be any shares not called for in a company such as this. They have a right to redesignate or reclassify shares. Now, if we have anything in our minds about keeping this company such that it will give the ordinary Albertan a chance to share in its prosperity, these concepts are wrong and we should be looking at them pretty seriously.

The other aspect of it is that now this company, which controls the flow of gas in a great area of the province, wants the right to do a lot of other things that have to do with hydrocarbons. I'm going to suggest that maybe we ought to insist on some changes in this act if indeed we consider the act short of one year from now when it has a chance to be studied. And if we're going to give them these powers, then we also ought to insist that any new capital that is to be raised, be raised by shares offered to the people of

Alberta somewhat on the basis that's being proposed for the energy company. Now, I reiterate, don't dream that there are a few hundred thousand Albertans who are going to get rich out of the number of shares they hold. This company is controlled by other big companies which make the decisions. There is an interlocking, a very big interlocking. And if we pass this bill, it's going to be even a bigger interlocking.

I think I could just sum it up by saying we need to look at that. We need to look at the privileges we're going to give them outside the ordinary Companies Act, particularly with the kinds of reclassifications they can do, the fact that they can buy their own shares which we do not permit ordinarily and which is a very dangerous practice, and we ought to consider whether or not we require them, if we give them these powers, to raise all additional capital by the offering of shares to Albertans in the same manner as the energy company.

I think these would all be worth considering. And if it takes us a whole year to do it, we're not going to stymie any progress in Alberta.

MR. DICKIE:

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

MR. SPEAKER:

May the hon. minister adjourn the debate?

HON. MEMBERS:

Agreed.

Bill No. 53 The Municipal Government Amendment Act, 1974

MR. STROMBERG:

Thank you, Mr. Speaker.

Mr. Speaker, it gives me a considerable amount of pleasure to introduce second reading of Bill No. 53, The Municipal Government Amendment Act, 1974. Mr. Speaker, I'd like to point out that this act is in response to local government. I think it clearly points the way where this government is reacting to the people out there in the field who handle our municipal government. There are a number of recommendations in here by the Alberta municipal association.

Mr. Speaker, in looking at Bill No. 53, Section 1 - we have a number of sections in this bill - basically this one will allow a village either to form a summer village or vice versa. We have, Mr. Speaker, Section 115. The purpose of this amendment is to provide enabling legislation that will authorize a council by by-law to: (a) establish a minimum fine for infraction of a by-law (b) minimum and maximum fines for subsequent offences (c) a minimum daily fine for every day an offence continues after conviction.

Mr. Speaker, this is very important. We have a problem, especially in some of our smaller towns in Alberta, where you and I and many members in this Legislature may not pay our parking tickets due to one or two reasons - we either forget about it or we're darn mad about it. And after a while, these add up. The local government has the choice of either tearing them up, forgetting about them or bringing the man to court. And what's a \$2 or \$3 parking ticket if you're in a hurry? This way, it will give them the power for, say, the first offence \$3, the next time \$10 and keep adding up. The message will get across after a while.

Mr. Speaker, Section 3 of this bill is at the request of the Alberta municipal association. It will basically grant authority to charge interest for general accounts of the municipality.

Section 4, again at the request last year at the annual meeting of the Alberta Urban Municipalities Association. This section is mainly for clarity. It gives a municipality permissive authority to pass a by-law to control or prevent the leading, driving or riding of cattle or horses on any sidewalk, street, boulevard or public place within a municipality.

I would rather think down in the member's constituency of Cardston and in Fort Saskatchewan, this is badly needed. Mr. Speaker ...

MR. LUDWIG:

How about Calgary?

MR. STROMBERG:

Yes, true.

Mr. Speaker, Section 5 is a request by the City of Edmonton Board of Health endorsed by the provincial Board of Health. These sections are amended to authorize the local Board of Health to file a notification against the title of any property within that city that has been declared unfit, unsanitary or a nuisance or dangerous to the health of the occupants or the neighbours. We certainly see this in many areas of rural Alberta and some of our smaller towns that have had a tough time - abandoned houses that are a fire hazard, houses that are sometimes rented out and you know there should never have been any people allowed inside of them.

Mr. Speaker, Section 6 is again a request from last year, from the Alberta Urban Municipalities Association. This section is amended to permit a council to authorize a grant by resolution of council, as well as by by-law.

Section 7, again by the AUMA of last year, will give the municipality permissive authority to require the proprietor of each mobile unit park in a municipality to provide information to the municipal licensing officer respecting mobile units in that park. I can certainly vouch for the problem they have with mobile homes coming and going in my own county. We have an industrial spurt, say, of major construction or the drilling of some oil wells - these trailers are in and they're gone after three weeks, before the assessor can get out there.

Next, Mr. Speaker, Section 8 is a request by the City of Calgary. This amendment will give authority to a council to establish a fund for the purpose of assisting individuals whose property does not meet minimum building standards in the municipality, as established by a by-law passed under this section.

Mr. Speaker, I think this has to be the most important section of this bill. It's certainly going to open up the area for - say, in my own constituency a number of towns have houses that haven't been painted for a number of years, they are still good solid housing, the foundations are solid under them and the beams are solid but the roof needs a little patching, the porch has sagged, et cetera. If these people could get some financial aid - you get the pride of community spirit, maybe spearheaded by a service organization, it's surprising what local people can do with that sort of aid.

Mr. Speaker, Section 9, at the request of the Minister of Telephones and Utilities, will give authority to operate a rural gas utility within an approved franchise area under The Rural Gas Act. There was also another request by the Public Utilities Board and this is just to correct an error in the act.

Section 10, Mr. Speaker, is from the 'Deep South', the City of Lethbridge. They have requested an amendment that will permit a municipality to make short-term borrowing to finance capital works for which debentures have been authorized but not issued. Again, a request from the City of Lethbridge that the minister has seen fit to include in this act - a new section which would permit municipalities to make short-term borrowing to finance the government portion of shared expenditure programs pending the receipt of grants and contributions.

Also, Mr. Speaker, again from the City of Edmonton: these sections are amended to make it clear that when new debentures are issued to replace a retired issue, new debentures may bear interest at the rate then available. It certainly will mean quite a bit to the city coffers.

Mr. Speaker, when I was first asked to introduce this bill I went through it and I thought, my, it seems funny there is no input from the minister. But I see that Section 13 is the brainchild of the Minister of Municipal Affairs. This section will permit the council to authorize the treasury to invest any funds of the municipality not required for disbursement. The present situation is that legislation deals with the investment of sinking funds and trust fund moneys only. I think that's very, very important.

Mr. Speaker, the last section, a request of the AUMA: the purpose of this amendment is to shorten the time from three months to 45 days for claiming lost or unclaimed bicycles in the possession of a municipality.

DR. BUCK:

Better amend that.

MR. STROMBERG:

Mr. Speaker, that is Bill No. 53 for second reading.

MR. HINMAN:

Mr. Speaker, before you have the question there are two or three things I want to keep pointing out. One act after another just provides for a little more bureaucracy. In this particular act the words, "without any petition, plebiscite or notice" - I'm not very concerned about plebiscites, but I am very concerned about petitions and notices. I think it's just going a little too far to turn over to the Executive Council the right to hear from the commission which they sent out and not hear from anybody else. It's true the commission heard about it but it seems to me that there ought to be notice certainly, and that there ought to be a very good chance for a petition.

Then it says, "...to fix a maximum rate of taxation...". Now what we need to do in this province, if we actually believe in decentralization, if we're going to turn things over to them, is to give these people some authority and leave them alone. How are we going to make these councils responsible if we tell them what they can and can't do? If the people want a higher taxation - if you don't like it then let's provide in the act for some means for the taxpayer to object. And if we require a plebiscite, all right.

Now these are really the things in the act which I find objectionable. There are many good things in the act. I would propose we think these over and when we get in Committee of the Whole we might make some amendments to prove that we really want to practise what we preach in the matter of decentralization and in the matter of taking away the mounting bureaucracy that we seem to legislate each year.

[The motion was carried. Bill No. 53 was read a second time.]

Bill No. 54 The Natural Gas Rebates Act

MR. FARRAN:

Thank you, Mr. Speaker.

Mr. Speaker, I move second reading of Bill No. 54, The Natural Gas Rebates Act. I rise on second reading of this bill, Mr. Speaker, to amplify somewhat the statements made on the introduction of the position paper on the day of first reading. Those spelled out the government's natural gas rebate policy.

The House will appreciate that since November 1972 this government has been determined to obtain full market value for the clean and convenient fuel known as natural gas. For more than 18 months our endeavour has been to obtain a fairer price for this valuable fuel. Members will recall that the Alberta Energy Resources Conservation Board stated in 1972 that our natural gas was being sold for less than 60 per cent of fair value beyond our borders, some two-thirds of it to markets in central Canada. I suppose members on both sides of the House didn't need this confirmation that we were being short-changed. We already suspected that this was so without official evidence by experts to confirm our suspicions.

I can remember, Mr. Speaker, when Harper Prowse, now a senator, was Leader of the Opposition in this province, and with his fellow Liberals, fought against gas export even though his Liberal colleagues at the federal level had actively promoted the TransCanada Pipeline. I can recall that the government of that day, and particularly the Hon. Nat Tanner, the Minister of Mines, who eventually became president of TransCanada, used in his argument for gas export the contention that there would be spin-off benefits to Alberta in the form of petrochemical industry. Well, history shows that very few of those benefits ever came. Apart from a few fertilizer plants and some very small plastic converters, the petrochemical industry settled in Sarnia, on the Great Lakes.

In effect we shipped out the jobs with the cut-rate gas and oil. Sarnia grew to become the most prosperous city in Ontario, if not in Canada, basing its prosperity entirely on natural resources from Alberta. We were literally a colony in this regard, being exploited for the benefit of our central Canadian cousins. Our gas was not only used to keep consumers in central Canada warm at low prices, it was not only used to fuel Ontario industry, it was also used to supply cheap electric power in a province which could have drawn on hydro resources to a greater extent and could have used coal from the Maritimes or the Prairies to supplement or replace the coal they imported from Pennsylvania and the natural gas they imported via pipeline from Alberta.

The TransCanada Pipeline Company had not behaved as a simple common carrier of gas. It entered into long-term contracts with Alberta producers at very low prices. The new government was determined to rectify the situation. It refused to allow permits for the export of further quantities of gas. Since central Canada, both from the domestic consumer and from the industrial points of view, was a growing market requiring ever-increasing quantities of Alberta gas, this was a significant move.

Then the government made it quite clear to exporters to the United States that the price would have to improve, and Alberta and Southern increased their price from 32 cents per MCF to 56 cents per MCF. The government, through the hon. Minister of Mines and Minerals, provided, by legislation, for an arbitration technique to redetermine other prices. On April 11 last, the arbitration award for Gulf in respect to TransCanada was 60 cents per MCF, effective November, and 73 cents per MCF within a year. This award alone will result in an average TransCanada price of 40 cents per MCF at wellhead, compared with an average of less than 24 cents last year.

If the higher price prevails through all the contracts, it will result in prices in central Canada of from three to four times the current retail levels here, and higher than the old level. Prices will move up from \$1.24 per MCF retail in Ontario, through to \$1.60 per MCF this year, to as much as \$2.00 per MCF next year, according to the President of Union Gas. These compare to levels of from 48 cents to 55 cents retail at present in metropolitan areas in Alberta.

This bill, Mr. Speaker, is designed to ensure that the inequities of the old game of selling natural resources to central Canada at half price will be rectified. We all know that landlocked Alberta suffers many handicaps: unfair freight rates to tidewater for what we buy and what we sell; a very high cost of living largely due to the tariff laws which protect central Canadian industry; and a shortage of risk capital, by either loan or equity, to develop our own secondary industry; or, for that matter, a shortage of Canadian capital for primary industry.

This is only one method - this plan - to correct the economic imbalance, but it is an important one. New royalty schedules will bring new revenues to the province. A substantial portion of these new, incremental revenues will be used to ensure that Albertans have the lowest priced natural gas in Canada, lowest by a big margin. Fuel only comprises a small percentage of total manufacturing costs, but every little helps.

I should say here that, unlike the depleting reserves of conventional crude, we have a good 30-year rolling reserve of gas; excellent prospects of finding more gas; and a 1000-year supply of coal, particularly sub-bituminous coal on the plains which can be gasified to back up the natural gas.

The bill provides for an annual provincial support price. For 1972, it will be 16.7 cents. Each year it will escalate according to the inflation rate, according to production costs and the changing energy picture. But it will continue to be low in relation to prices paid elsewhere.

A director of rebates, Mr. Speaker, will pay to the vendor companies, mainly the utilities and Gas Alberta, the difference between the provincial support price and market value. The Public Utilities Board will check the purchase price and the selling price. In other words, it will check it at both ends. The specific dollar amount of the rebate will not be shown on individual consumer bills for fear that it might become subject to income tax. The rebate instead will be used to keep down the overall price of gas so that the benefit will be seen indirectly.

There are penalties in the act for claiming a rebate in respect to gas sold outside Alberta, for giving false information or for claiming a rebate in regard to consumers for whom the rebate was not intended. The rebate will only apply in respect of consumers using up to one billion cubic feet per year. That will cover all but 21 large industries in Alberta. Other industries, including these 21 larger industries - I give you some examples; Canada Cement Lafarge, Procter and Gamble, Sheritt Gordon Mines, these are the type of people - may apply for consideration for a rebate to the Minister of Industry and Commerce. He will consider each case on its merits for all or part of a rebate. Many of those industries will not require any degree of rebate at all to remain competitive with the rest of Canada. This particularly applies to industries using gas as a feedstock for petrochemicals. Some might require a small percentage of rebate, perhaps 5 per cent, to offset other economic disadvantages in order to remain viable within Alberta. The new petrochemical plants, as I say, may well need no more than assurance of supply.

Some of the more complicated features of the bill are required only to take care of the few cases which will be out of the normal pattern. For example, a producer selling direct to consumers - a very rare case, but there might be some; in fact, I think there will be a few - or a vendor selling a block of gas to an intermediate purchaser who, in turn, sells to consumers, and so on. Usually rebates will not be paid to vendor-owned reserves. In other words, they will not be paid in respect to the Viking fields, or the Carbon field, or the Bow Island field, where they are owned by the large, regulated utilities which already get their rate of return on capital investment through their allowable return on their rate base.

In regard to the generation of electricity by gas-fired plants, the government agrees with the Energy Resources Conservation Board report of last year which states that it is wasteful to use gas for the generation of electricity, especially when we have such huge supplies of coal. However, it is recognized that certain gas-fired power utilities are

already committed to that mode and that the clock can't be turned back except at great cost. So it is intended through the regulations to this act - and I hope to have draft regulations ready when we go into Committee of the Whole - to provide for a rebate in respect of gas used for the generation of electricity above 31 cents per MCF, which is the level where coal and gas are equally competitive. Below that level of 31 cents per MCF, there may be some lesser degree of rebate which has not yet been determined. It is again necessary for these municipal utilities, if they want a rebate on behalf of their consumers, to apply to come under the aegis of the Public Utilities Board. The only way that we can check when we're dealing with these vast sums of money that a proper price has been charged by a producer of the gas and that the benefit does flow through to the consumers is through the Public Utilities Board. We can think of no other mechanism, other than regulation by the Public Utilities Board.

However, municipal utilities will not be required to charge consumers the mere Public Utilities Board approved rate. They would be permitted to charge a utility tax in addition to that if they saw fit, so that in terms of revenue their position would be exactly the same as it is today.

Mr. Speaker, this is a three-year plan. That's as far ahead as one should look in this changing energy world. It is not a two-price system. It is one price with a rebate. Other provinces are quite at liberty to shelter their own consumers with rebates from their own revenues if they wish to follow our example.

MR. CLARK:

Mr. Speaker, in rising to take part in the debate on Bill No. 54, might I say at the outset that we on this side of the House agree with the principle of protecting Alberta consumers from increases in the price of natural gas. I question whether there is any member in the House who isn't completely in accord with the general principle of giving protection to Alberta consumers. I would like to do as the minister has done and rather re-emphasize some of the comments that I made in responding to the government's announcement on Bill No. 54 and the ministerial announcement made on that particular day.

I would like to remind the members once again that the principle of protection to Alberta consumers is a principle which was first announced in this province by the premier of the province in 1969 or 1970, who is now the hon. Member for Cypress. At that particular time there was an application for gas export from the province and there were a number of people extremely concerned if, in fact, the government were to accept the recommendation and endorse this move into the field of, for the first time, real competition.

The premier at that particular time, Mr. Strom, indicated that there would be protection to Alberta consumers if and when there were an increase in the price of natural gas. In the long and short, that's really what is being done in legislation in Bill No. 54 and I must emphasize that we welcome that.

Let me go on though, Mr. Speaker, and say that I am very amused - I better put it that way - when the Minister of Telephones and Utilities commences one of his usual political harangues. In the course of his comments about Bill No. 54, he made a number of comments with regard to people being able to see ahead. He made references to a number of things the former government had done as far as natural resource development is concerned. It is pretty easy to sit back now and say what should have been done when you're in a completely different market. I see the minister even nodding his head and rather smiling. I'm pleased that he's now got to that point.

All members, wherever they sit in the House, recognize that decisions were made four, five, six or seven years ago, when we were in a situation where you could say that gas and oil were somewhat of a drug upon the market - to look at decisions made at that particular time in light of circumstances today I think we'll all admit is a completely different kind of situation.

In fact, I'm rather amused by a comment that is from no less an authority than the North Hill News on April 18, 1974. It's entitled The Inside Story of the Steel Deal. It doesn't really say who has written this article but there is a gentleman by the name of Roy Farran with a pipe in his mouth who has his picture in the middle of the article. It's rather interesting that at the bottom of the first column - and I quote from, as I say, no less a source than the North Hill News and Roy Farran. The paragraph goes like this: "Every day a new petrochemical project is announced." Every day in Alberta there is a new petrochemical project announced.

AN. HON. MEMBER:

When are we going to find out?

MR. CLARK:

It would be very good if the minister was making these announcements in the House. I even see the Minister of Industry and Commerce just a little taken aback by that particular pronouncement. I think that the credibility in this effort in the North Hill News is somewhat in keeping with some of the remarks the minister made early in his comments.

Now to get on, Mr. Speaker, to the more basic issue at hand. As I have indicated already there is no question that members on both sides of the House agree with the concept of protection to Alberta consumers. We're pleased also that the government has seen fit to move away from the two-price concept which they announced initially. They're now moving in the direction of the rebate plan here.

However, there are just a few additional comments I want to make. One is, Mr. Speaker, that in the question period today we asked the minister if propane users would get the benefit of the Natural Gas Rebate Plan. I would ask the minister once again to give serious consideration to this particular proposition. He indicated today in the House in question period, if I recall correctly, that the Public Utilities Board had been asked to look at the question of oil or fuel oils. I would like to ask the minister if he would, in the course of concluding debate of second reading of Bill No. 54, give us an indication as to whether he considers propane to be in that class of fuel oils. I think it would be very unfortunate, Mr. Speaker, if we leave propane out; if propane users fail to get the benefit in one form or another from the Natural Gas Rebate Plan.

Secondly, Mr. Speaker, might I ask the minister and the hon. members to look at Section 3 of the bill. Section 3 of the bill, when you get down to the nitty-gritty, is really where we're going to spend \$25 million. It says in explanatory notes "Authority to pay rebates."

Mr. Speaker, we all have the experience of the rural gas program now. We know how many times the minister has got up in the House and has had to make adjustments to that program. On the one hand that's helpful. On the other hand, Mr. Speaker, I think it indicates that there is a need for at least the bare bones of what the government plans to do in this program to be included in the legislation.

I would feel much happier, Mr. Speaker, if in addition to Section 3 the government had gone some distance to set out in legislation how they plan to implement this program rather than leave Section 4, Section 5 and other sections to that great area of the government going to make regulations.

I know, Mr. Speaker, it's very easy to have one section in the act that says we'll give the government the authority to pay out \$25 million; and then let the government, by order in council, decide in fact how they're going to pay it out.

As an individual, I would feel a great deal more comfortable if the government had spent considerably more time including the framework that they're going to use and the criteria they're going to use in this particular program, if the criteria and framework are legislative, rather than being at the whim of the Lieutenant Governor in Council. Because we are going to be spending \$25 million.

Then the minister went on to talk about - I think he said 21 different large industrial organizations were going to be able to come to the Minister of Industry and Commerce and make application to him as to whether they would be eligible for the rebate or not. Once again, I am unable to find in the bill any criteria that the minister is going to use in determining whether a company should get the benefit of the rebate in whole or in part or not at all. It's rather left at the whim of the Minister of Industry and Commerce. Where I don't have any serious question about the judgment of the Minister of Industry and Commerce let me say this: this kind of thing should be included in the legislation so that the minister has some very definite guidelines to work by and so, in fact, the members of the Legislature have a say in those guidelines.

Now, Mr. Speaker, I would like to move on to the question of the Edmonton situation alluded to in the House on Friday and again this afternoon. The Minister of Telephones and Utilities really indicated that he had two meetings with the City of Edmonton as to whether - Edmonton's power generating capacity at this time is fueled, as I understand it, by natural gas - whether it would get the benefit of the rebate plan.

Let me say this, Mr. Speaker, in looking at this question, despite the wisdom of the decisions which were made some years ago, at the time that the City of Edmonton went ahead in the direction they have, it is my understanding that they had the endorsement, in fact the support of the government. I think that is a factor to keep in mind despite the changes in the market situation for natural gas today and the price involved.

Secondly, Mr. Speaker, let me say that it is my understanding there have been two meetings between the Minister of Telephones and Utilities and officials of the City of

Edmonton. At the first meeting the Minister of Telephones and Utilities went to the City of Edmonton and indicated to them, I believe, that 31 cents was going to be the target price. There were some discussions back and forth. A second meeting was held. At that time the minister, as I understand it, gave little indication to the City of Edmonton that he was prepared to change from this 31 cents and that he was only prepared to go as far as he has indicated in this particular bill.

It would seem to me, Mr. Speaker, that we could benefit from the figures the Minister of Telephones and Utilities said he would give us in the House today. We could have a comparison between the figures he presented to the City of Edmonton and those areas where the City of Edmonton says that the figures don't stack up. We are looking at something like a 10 to 15 per cent discrepancy between the minister's figures and the City of Edmonton's figures, using the figures of the administration of the city.

I got the very definite impression today that the Minister of Telephones and Utilities hopefully left the door open for a bit more negotiation between the City of Edmonton and the government on this particular issue. I hope that is the case. Frankly I hope, Mr. Speaker, that the government will reconsider its situation and say, look, the City of Edmonton went ahead and developed the power generating capacity that is there now with the blessing of the government at that particular time. We should say to the City of Edmonton: look, from here on, if you use natural gas you don't get any of the benefits of the rebate at all.

But it would seem to me, Mr. Speaker, that the minister should be saying to the City of Edmonton at this time, you are using natural gas because you had the approval and the blessing of the government of that particular day, despite the fact that it was a different government. But the city administration, the city aldermen and mayor did go ahead under the best advice they could get at that time. I would be hopeful that the government and the minister will reconsider his situation and in the end say to the City of Edmonton: you will be able to receive the full benefits of the rebate plan as far as the generating capacity you have now, but for any generating capacity that you develop from now on, you would not be eligible for the rebate plan in any way, shape or form.

As I say, I got the impression in the question period today that the minister was prepared at least to leave the door open for some more considerations in this area. I'd hope that the Edmonton MLAs and members on both sides of the House would encourage the minister to move in that particular direction, because I think that would be a far more responsible approach as far as the City of Edmonton is concerned.

The last comment I would want to make, Mr. Speaker, is simply this, I would have to congratulate the minister in saying he would have the regulations of this plan to the members of the House during the period of time we got involved in the committee work. That will be helpful. But I would also urge the minister to go back and look once again at making some changes to Bill No. 54, especially Section 3, setting out more of the criteria and the basic information as far as the way in which, and the basis on which the rebates are going to be paid.

MR. LUDWIG:

Mr. Speaker, I just wish to make a few comments concerning this Bill No. 54. I believe that the hon. Leader of the Opposition has made some telling points and I also wish to state that I support the rebate plan.

Certain things are being said in this House and outside the House that ought to be challenged and corrected. I believe that it ill behooves anyone to stand up and try to take credit for the all-knowing, all-seeing wisdom of legislation and compare it to a number of years in the past, Mr. Speaker. It's interesting to note that anybody knows, anyone in business who even runs a popcorn stand, knows the difference between a buyer's market and a seller's market. And for someone to stand up now when there is a tremendous demand for energy created by nothing this government had done, not in the least, but [by] conditions throughout the world, [and say] that we are now in a seller's market and that we can call some of the shots we are calling now and something that every government in every province would do under similar circumstances.

So to stand up there and try to compare how great we are right now, how we are getting more and the government several years ago didn't have the wisdom to do this, is simply begging the issue somewhat, Mr. Speaker. It just simply is not true.

You can't compare what we are getting for oil today when several years ago we had to beg people to buy our oil; when the situation within Canada changed; when all of a sudden the world market is such that the things we have are at a great premium. So the circumstances are different. It doesn't require the wisdom of the hon. minister or many like him to tell us, now we are great because look at what we are getting, and ha ha, you weren't able to do it in the past. This is childish nonsense. This is childish nonsense because the circumstances are different and the hon. members who now sit in the government

were not that full of wisdom to point out what the facts and figures ought to have been several years ago.

I believe the government ought to be challenged on its stand, on its almost indecent haste to grab credit wherever they can. Lord knows they'll need it, because they will certainly never last even a fraction of the time the previous government did. So let's heap up all the credit we can and make ourselves look good while the going's good. Because even they can't predict that within a number of years there could be a change in things. So, let's get off this nonsense, Mr. Speaker. We can all see through this. Unfortunately the hon. Premier sets a bad example in this regard. He is awfully anxious to get credit for things he never heard of when he was on this side.

That is just a caution to the hon. minister to let him know that the people aren't all that indifferent to what he is saying. That they don't always believe what he says when he wants to take credit for things that were not developed or designed or came to pass because of some foresight, some prophetic foresight that he believes he had, and now he can say, we are great because look at what we're doing and you were not able to.

I believe that sooner or later this message will sink through to the hon. members opposite. Let's not be foolish in that regard. Everybody knows that even three or four years ago we were always in jeopardy of perhaps not having a good oil market. Right now we'll sell whatever we can supply. I'm not at all saying that the minister hasn't produced a good bill. It is something that is timely, that has to be done now. But to take credit for what is not his doing does not do anything to enhance the prestige and image of politicians, Mr. Speaker.

Another point I want to make, Mr. Speaker, is the one about the minister standing up and very frequently telling us, oh, it's in the control of the Public Utilities Board. Far be it from me to hint to them what to do. After all, they are autonomous. They're not responsible to anybody, why should I tamper. Then when we accuse them of setting up a commissioner in the North who is going to be all-powerful and almighty because of legislation a lot tougher than the Public Utilities Board, then the converse is true. It's rather amusing to us on this side to watch the performances of the hon. ministers. When it suits their purpose, it's good. The same thing, when it suits their purpose, is bad. I am of the opinion that this is not the last we will hear about this kind of thing. We have to quit doing a sort of ritual dance here and assuming that we invented everything and that we're the greatest because we're selling gas for more in 1974 and 1975 than you did in 1964. It might appear that I am sort of stressing and emphasizing the thing, but it needs emphasis.

Mr. Speaker, I believe this is as good a time as any to adjourn debate. Thank you, Mr. Speaker.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. HYNDMAN:

Mr. Speaker, tonight at 8:00 o'clock we will start with second reading of The Expropriation Act, and then move on with the continuation of The Natural Gas Rebates Act and other bills in second reading.

MR. SPEAKER:

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

[Mr. Speaker left the Chair at 5:30 o'clock.]