

## LEGISLATIVE ASSEMBLY OF ALBERTA

Monday, October 28, 1974

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF VISITORS

MR. JAMISON:

Mr. Speaker, it is my pleasure today to introduce to you and to the members of this Assembly, 60 Grade 7 and Grade 8 students from Sturgeon Heights School in my constituency. These students are accompanied by some of their parents and their teacher, Mr. G. Khullar. I would ask at this time that they stand and be recognized by the Assembly.

MR. TAYLOR:

Mr. Speaker, I would like to introduce to you, and through you to the hon. members of the Legislature, two former cabinet ministers of the province, the former Hon. L. D. Halmrast, the former Hon. R. D. Jorgenson. Mrs. Halmrast is also there. I am sure we are glad to have these people back to see how things are going since they left this chamber.

## MINISTERIAL STATEMENT

## Department of Health and Social Development

MR. CRAWFORD:

Mr. Speaker, I would like to make a statement today in regard to an issue which has attracted quite a lot of attention in recent weeks and relates particularly to the level of manpower available to the provincial hospitals at Oliver and Ponoka.

In 1970, Mr. Speaker, Alberta's patient-to-employee ratio, based on the number of employees for every 100 patients, was 82 employees per 100 patients. At that time, Statistics Canada reported the lowest ratio was Saskatchewan's at 77.9 and the highest was Ontario's at 139.9 employees for every 100 patients. Alberta had the third lowest ratio in Canada, that is, the third worst record in Canada of employees to patients in mental hospitals.

At the present time in Alberta, the ratio is 114.4 employees per 100 patients, and this represents a very significant improvement during that period of time.

In 1974, the Alberta Hospital, Edmonton applied for accreditation on a national accreditation basis. The opinion of the survey team was that the patient-staff ratio was acceptable, and it is likely that the hospital will be accredited this year for the first time.

It is the objective of the government to regionalize and decentralize services. Patient populations have declined steadily while total staff numbers have declined at a lesser rate. This has resulted in substantially improved staff to patient ratios.

Admissions have been rising, but the length of stay is declining, resulting in higher quality care.

The government has, in terms of staff-patient ratio in our mental hospitals, an objective of 133.5 staff for each 100 patients. To reach this will require a staff increase of 232 positions in addition to the 1,617 already employed. But these positions

have been approved and allocated by the government and the process now is recruitment of those positions. This would further improve a situation which has been steadily improving in the last four years.

At the present time there are several administrative position vacancies: four at Edmonton and one at Ponoka. A full-scale recruiting campaign has been launched and it is expected the Edmonton vacancies will begin to be filled shortly, and that no vacancies will exist by January of 1975. Medical and nursing functions will not be materially affected during this time.

Four medical vacancies exist at Ponoka and two in Edmonton. One vacancy will be filled within a month and the department is currently evaluating seven applications from physicians to fill these positions. Recruiting of psychiatrists has been difficult for many years. This is because of the limited supply of psychiatrists wishing to work in the institutional setting and relative isolation of the two major hospitals, particularly Ponoka.

The mental health division has been striving to upgrade the qualifications of its physicians, and since 1972 has met with remarkable success. While the total number of physicians in the mental health system has remained relatively constant, 54 per cent are now eligible for certification as psychiatrists. This compares with 24 per cent only two years ago. Salary scales for physicians are being maintained, placing Alberta in a competitive position with other jurisdictions.

As to nursing, Mr. Speaker, high turnover is a problem in Alberta hospitals, as it has been in many other hospitals including the public general hospitals in the province. Efforts at recruiting nurses in Canada have not met with success and the Health and Social Development Department is seeking candidates at the present time in Great Britain. There are two senior nursing officers interviewing candidates in Great Britain at the present time, and initial reports indicate that over 100 applications were received within six days of the notices appearing.

Salary scales for psychiatric nurses are generally comparable to other nursing positions in the province. A major problem in recruiting and retaining staff in this category appears to be access to the hospitals. Every effort will be made to overcome any delays that are occasioned by immigration regulations in respect to candidates from overseas, and to assure that the positions are filled as quickly as possible with Canadian candidates or, if necessary, candidates from outside the jurisdiction.

#### ORAL QUESTION PERIOD

##### Petroleum Administration Act

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Minister of Federal and Intergovernmental Affairs, to ask if the government has had discussions with the federal government over the summer regarding the Petroleum Administration Act which was re-introduced in the House of Commons on Friday, and particularly with regard to the provisions of the re-introduced Petroleum Administration Act that gives the federal government the power to set the domestic price of both oil and gas.

MR. GETTY:

Yes, Mr. Speaker, we have had discussions with the federal government on the matter raised by the hon. Leader of the Opposition.

MR. CLARK:

A supplementary question, Mr. Speaker, to the Attorney General. Is it the intention of the Attorney General to request an opportunity to appear before the Natural Resources Committee of the House of Commons to once again, hopefully, state Alberta's position and its concerns regarding the pricing components of this legislation?

MR. LEITCH:

Mr. Speaker, the House will perhaps recall that I appeared last spring before a committee of the House of Commons when Bill C-18 was being considered by that committee and expressed in the very strongest possible terms the province's objections to some of the provisions of that bill. It is my recollection, Mr. Speaker, that we filed in the House a copy of the document that I placed before the committee.

The bill to which the hon. leader refers is C-22 and contains, although we have not yet had the opportunity of studying the bill in detail, certainly some of the provisions that were in Bill C-18 and regrettably has also added natural gas.

I may say, Mr. Speaker, that to my knowledge the only province to appear before that committee in the spring was Alberta. As to whether we will make a further appearance, Mr. Speaker, that's something that will have to wait for a decision until we have had the opportunity of studying in some detail the legislation that is now before the federal House and discussing what action ought to be taken on it.

MR. CLARK:

Mr. Speaker, a further supplementary question to the Attorney General. Is it the intention of the Province of Alberta, in making representation to the House of Commons, to deal with that aspect of the bill that allows the federal government by cabinet in council to, in fact, set the price of crude oil and natural gas as opposed to having the House of Commons make that decision?

MR. LEITCH:

Mr. Speaker, I'm just not sure what the hon. member means when he draws the distinction between the federal cabinet and the House of Commons because we took exception, in principle, to the provision he is referring to in Bill C-18. It didn't matter who from the federal government was making that decision. In the view of the Province of Alberta that was not a decision that ought to be made unilaterally by the federal government.

MR. SPEAKER:

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

#### Farm Flooding - Beaver

MR. STROMBERG:

Thank you, Mr. Speaker. My question is to the Minister of Lands and Forests. Can the minister inform me if his department will help a group of 10 farmers who are occupying land near the west fence of Elk Island Park in the constituency of Clover Bar who are having serious flooding problems caused by beaver?

DR. WARRACK:

Mr. Speaker, the answer to the question is yes. We had representations earlier from private citizens who live in that area and, as a matter of fact, just this morning in addition to that. The situation is a joint operation with the National Park Superintendent, a Mr. Webb, who is involved there, relative to a necessary beaver capture program presently going on. It's a joint program of fish and wildlife and the National Parks Service in that area. Men are in the field I understand at this very time.

MR. SPEAKER:

The hon. Member for Clover Bar followed by the hon. Member for Little Bow.

#### Police Side Arms

DR. BUCK:

Mr. Speaker, a constituent from the constituency of Stony Plain has asked me to ask this question.

Seriously, Mr. Speaker, I would like to ask the Attorney General if the government has undertaken a review of the ruling as to whether or not the county police officers in the county policing system will be carrying side arms?

MR. LEITCH:

Mr. Speaker, I'm not sure of what ruling the hon. member is referring to.

DR. BUCK:

Mr. Speaker, to the Attorney General. Are county police officers, municipal police officers, able to carry side arms - or are they not?

MR. LEITCH:

Mr. Speaker, I believe that question falls within the Solicitor General's area of responsibility and I'd refer it to her.

MR. SPEAKER:

Strictly speaking it's a question of law, but if the hon. minister would like to answer it briefly in spite of that.

MISS HUNLEY:

Yes, I'd be pleased to answer that, Mr. Speaker. There are no county policemen per se since the passing of The Police Act, since only towns of 1,500 or over have their own police forces or can enter into a contract with the RCMP.

There are regulations in effect that rule whether or not by-law enforcement officers can carry side arms and we have not been issuing those permits.

MR. SPEAKER:

The hon. Member for Little Bow followed by the hon. Member for Medicine Hat-Redcliff.

## Bow River Land Transfer

MR. R. SPEAKER:

Mr. Speaker, my question is to the Minister of the Environment. What steps has the minister taken to ensure rapid transfer of lands from the federal to the provincial government with regard to the Bow River Irrigation District?

MR. YURKO:

Mr. Speaker, land is being transferred in correspondence with the responsible federal minister in this regard. The hang-up has been with respect to mineral rights. We have tentatively agreed that the land would be transferred, that the transfer of the mineral rights would be held in abeyance for subsequent discussion.

MR. R. SPEAKER:

Mr. Speaker, supplementary to the minister. What steps would a farmer take if he wished to transfer his land through a sale agreement to another farmer or wished to sell it and leave the community?

MR. YURKO:

Mr. Speaker, the question is of such detail that I would have to take it under advisement and look into the matter to give him an answer in regard to a specific case. I wish the hon. member would refer a specific case to me, then we would handle the matter on the various aspects of that case.

MR. R. SPEAKER:

Mr. Speaker, I'm prepared to do that. I have two or three cases.

MR. SPEAKER:

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

## Suffield Gas Development

MR. WYSE:

My question, Mr. Speaker, is to the Minister of Mines and Minerals. Has a final evaluation report of the Suffield gas development been completed as yet?

MR. DICKIE:

No, Mr. Speaker. The final report is in the latter stages of completion. Hon. members will recall that we originally tabled the Gray report. We then completed the successful drilling of 77 evaluation wells. They are now going to bring the Gray report up-to-date with the drilling of the 77 evaluation wells and we anticipate having that within the next two weeks.

MR. WYSE:

Supplementary question, Mr. Speaker. Will the provincial government be in a position soon to indicate what portion of the gas will be tabled or frozen for development of the southeast portion of the province?

MR. DICKIE:

Mr. Speaker, at the present time discussions are going on between the government and the Alberta Energy Company dealing with the transfer of the natural gas to the Alberta Energy Company. The Alberta Energy Company will then deal with that question.

MR. WYSE:

Supplementary question, Mr. Speaker. Were the exploratory companies able to complete testing under terms of the initial bids, or were additional funds granted to any company for any reason whatsoever?

MR. DICKIE:

Mr. Speaker, I think I would have to check the question in respect to all the wells. It is my recollection that most of the wells were completed within the terms of reference. They may have experienced one or two difficulties with one of the latter wells, I would have to check that for the hon. member.

MR. WYSE:

One last supplementary question, Mr. Speaker, to the Minister of Federal and Intergovernmental Affairs. At what stages are negotiations with the federal government regarding transfer of the surface rights of the Suffield Block back to the province?

MR. GETTY:

Mr. Speaker, as I've said before in the House to the hon. member, the government has been concentrating on working out the best possible means to explore and develop the

natural gas, in other words the subsurface rights under the Suffield Block and has not at this time pursued aggressively the transfer of the surface rights.

MR. SPEAKER:

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

#### Rail line Abandonment

MR. HARLE:

Mr. Speaker, my question is directed to the Minister of Industry and Commerce. Is there a conspiracy as alleged in the article on the front page of The Edmonton Journal between the Government of Alberta, the CPR and the Alberta Wheat Pool to abolish towns like Hill Spring and other small communities in this province?

[Interjections]

MR. SPEAKER:

Order please.

The hon. member is entitled to ask his question directly but not to ask a minister to confirm or deny the truth of a news report. If he does so, he makes himself responsible for the truth of the report according to parliamentary usage.

[Interjections]

MR. HARLE:

Supplementary, Mr. Speaker, is the Government of Alberta conspiring to abolish small towns like Hill Spring and other small communities?

MR. LUDWIG:

Yes.

[Interjections]

MR. PEACOCK:

Mr. Speaker, no.

Because it is a timely question though, I might be permitted a little latitude, Mr. Speaker, in responding to the comments about rail abandonment because I think it is important to all rural communities in Alberta.

In September, the four western premiers issued a communique to Ottawa asking for a deferment of that freeze until an evaluation could be made as to the problems that might be caused in the event that abandonment was applied for by either one of the rails in the particular communities that might be affected. Again, as recently as two weeks ago, the four western ministers responsible for transportation confronted Mr. Marchand and asked for an extension.

As far as the province of Alberta is concerned, we are reviewing the areas that are about to come up for consideration for rail abandonment to determine and identify what alternatives there are in the event that the applications are allowed to go forward.

I might [say] in concluding this comment and so that the House is well informed of what abandonment means - abandonment means, according to the CTC regulations, that the rails then can do one of two things. They can either abandon the route or they can make application for abandonment in order to get a subsidy. I think this should be perfectly clear to the House.

MR. SPEAKER:

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

MR. LUDWIG:

Mr. Speaker, while we are dealing with conspiracies, I would like to ask the hon. minister of industry and tourism another question. Can he assure the House that there are no further conspiracies on behalf of the government to go into any further business ...

MR. SPEAKER:

Order please.

The hon. Member for Stettler, followed by the hon. Member for Spirit River-Fairview with a supplementary.

MR. HARLE:

My supplementary is to the Minister of Agriculture. Is the minister making any representations to the grains council and the hon. [minister] Mr. Lang with regard to rail line abandonment and rural development?

DR. HORNER:

Yes, Mr. Speaker. We feel very strongly that some of the directions that the hon. [minister] Mr. Lang has now taken have to be corrected in regard to what might be best for the province of Alberta and our producers within the province. It has been my concern that some of the directions are more to the benefit of the railway companies and the grain handling firms, and of less benefit to the producers. We would hope that the councils and the representations I will make will reflect that concern and indeed reflect our concern to have value added to our grain products here in the province, and to correlate our transportation system to that value-added concept.

#### Grain Rates - Crowsnest Pass

MR. NOTLEY:

Mr. Speaker, a supplementary question to the hon. Minister of Agriculture. In light of reports today of comments made by the Hon. Otto Lang, can the minister advise the Assembly whether any position will be taken by the Government of Alberta with respect to the continuation of the Crowsnest rates?

DR. HORNER:

Mr. Speaker, I have before me the text of the Hon. [Otto] Lang's speech this morning and have had an opportunity to review it. I would say this, Mr. Speaker, it would be very unwise for us in western Canada to give up any statutory thing that we now have on the basis of some promise, vague or otherwise, from the federal government.

SOME HON. MEMBERS:

Agreed.

DR. HORNER:

Therefore, Mr. Speaker, I would be very much opposed to any relinquishing of our traditional ability to move grain into the export market by the Crowsnest Pass rates. That's not to say that the improper use of those rates over the years to help subsidize livestock production in eastern Canada shouldn't be stopped.

MR. SPEAKER:

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

#### Gas and Oil Mill Rate

MR. WILSON:

Mr. Speaker, I would like to direct a question to the hon. Minister of Mines and Minerals. Would the minister advise when the government plans to set the 1974 mill rate on freehold gas- and oil-producing properties?

MR. DICKIE:

Mr. Speaker, that's presently under consideration by the cabinet. I anticipate that will be set within the next two weeks.

MR. WILSON:

A supplementary, Mr. Speaker, to the hon. minister. Have all the appeals arising from the new assessment been heard?

MR. DICKIE:

It is my understanding that they have all been heard and the assessment rolls have been completed.

MR. WILSON:

A supplementary, Mr. Speaker. In setting the mill rate, will the government be taking into consideration the difference in ownership between Crown-owned and privately-owned properties?

MR. DICKIE:

Yes, Mr. Speaker. I think the hon. member is aware that, of course, the freehold mill rate will apply just to the freehold acreage.

MR. WILSON:

A supplementary, Mr. Speaker.

MR. SPEAKER:

Might this be the final supplementary on this topic.

MR. WILSON:

Will the government be seeking the same amount of revenue from freehold properties as from Crown properties?

MR. DICKIE:  
No, Mr. Speaker.

MR. SPEAKER:  
The hon. Member for Calgary Foothills followed by the hon. Member for Spirit River-Fairview.

#### Pheasants - Daily Bag

MR. McCRAE:  
Thank you, Mr. Speaker. I have a question for the hon. Minister of Lands and Forests. Can the minister advise the House as to the average number of birds taken by pheasant hunters per day of hunting and also whether that number of birds warrants the opening of the season this year?

DR. WARRACK:  
Mr. Speaker, as all members will appreciate we have been watching the situation very closely. Our reports are mixed this year which is very encouraging as compared with last year. The average number, bag if you like, this year can only be down insofar as the successful hunter reaching his bag is concerned because we lowered the bag limits this year.

In addition, we shortened the season a week in the front of the season and a week at the end of the season. Finally, Mr. Speaker, we opened the first week of the season only for residents. Nonresidents are allowed only after that first week of the season.

I do have some very good reports especially from the deeper south of Alberta where they had a relatively mild winter in contrast with most of my constituency and, in addition to that, had excellent hatching weather in the middle of June which is so important. A friend of mine who enjoyed the football game with me on Saturday ...

MR. SPEAKER:  
Possibly ...

[Laughter]

Possibly the hon. member might revert to the question.

DR. WARRACK:  
You took the words right out of my mouth, Mr. Speaker.  
He was telling me that a friend of his had just hunted south of Calgary and had been very successful.

MR. SPEAKER:  
Order.

#### Sharp-tailed Grouse Season

MR. FRENCH:  
Supplementary question, Mr. Speaker, to the hon. minister. Does the hon. minister have any information with respect to sharp-tailed grouse in central Alberta? Was the season successful?

DR. WARRACK:  
Well, Mr. Speaker, the season has just begun so I think it would be a bit premature to judge its success at this point. The reports we have thus far, though very preliminary, are mixed.

MR. SPEAKER:  
The hon. Member for Spirit River-Fairview followed by the hon. Member for Sedgewick-Coronation.

#### Resort Proposal

MR. NOTLEY:  
Mr. Speaker, I would like to direct this question to the hon. Minister of Municipal Affairs and ask him whether or not he can advise the Assembly whether he has any information pertaining to a proposal for a giant recreation and commercial instant town on the banks of Sturgeon Lake?

MR. RUSSELL:  
No I don't, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, a supplementary question then to the hon. minister in charge of Northern Development. Can the minister advise whether or not he is aware of this proposal which is now before the Peace River [Regional] Planning Commission and would envisage a town of 5,000 people?

MR. ADAIR:

Mr. Speaker, I'm not aware of it.

MR. SPEAKER:

The hon. Member for Sedgewick-Coronation followed by the hon. Member for Calgary McCall.

#### Blood Alcohol Content

MR. SORENSON:

Mr. Speaker, my question is either to the hon. Attorney General or the Solicitor General. In light of the proven relationship between blood alcohol content and highway fatalities, is it the hon. minister's intention to adopt stronger measures regarding the legal limit of blood alcohol content?

MR. LEITCH:

Mr. Speaker, the legal limit of blood alcohol content, insofar as it is related to the operators of motor vehicles, is set in the Criminal Code which is, of course, a federal statute so that the federal government has by its action occupied that field of legislation and put it beyond the provincial government's capacity to enact laws in that area.

#### Road Maintenance

MR. SORENSON:

A supplementary question to the hon. Minister of Highways and Transport. Reports would indicate that there has been a substantial increase ...

MR. SPEAKER:

Would the hon. member please come directly to the question?

MR. SORENSON:

I'm wondering in the light of these fatalities whether the minister is contemplating upgrading the road maintenance program?

MR. COPITHORNE:

Well, Mr. Speaker, we're always upgrading the road maintenance throughout the province.

#### Impaired Drivers - Control

MR. LUDWIG:

A supplementary to either the hon. Attorney General or the Solicitor General with regard to the question posed by my friend, Mr. Sorenson. Is the government contemplating taking any further steps towards increasing the patrol of impaired driving on our highways at the present time, over and above the Check Stop program?

MISS HUNLEY:

Actually it falls under the RCMP and they have always had an accelerated program. I understand the City of Calgary is taking additional steps using the Check Stop program which they think has been very helpful. We are not increasing the police forces since we've left that to the administration of the RCMP and also to the city police.

MR. LUDWIG:

Mr. Speaker, I don't think the hon. minister got my question. I was wondering whether the government is intending to introduce any new measures or any further steps to patrol with a view to reducing the amount of impaired driving carried on on our highways at the present time?

MISS HUNLEY:

Well certainly, we're constantly reviewing other legislatures and other acts which we feel might be helpful. But our main thrust has been attempting to change public attitudes. I think we'll be continuing that, perhaps accelerating that. I don't see, in the immediate future, any changes in legislation.



## Advertising - Alcoholic Beverages

DR. BUCK:

Supplementary to the Minister of Federal and Intergovernmental Affairs, Mr. Speaker. In light of the increased fatality rate, is the government reconsidering allowing liquor, beer and wine advertising on radio and television? Is it considering abolishing the program of advertising liquor, beer and wine on radio and television?

MR. GETTY:

Mr. Speaker, liquor is not advertised on radio and television. Nevertheless, the matter of the responsibility for the Liquor Control Board is a function of my colleague, the hon. minister, Miss Hunley.

MR. SPEAKER:

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

MR. COPITHORNE:

Mr. Speaker, I would suggest that the hon. Member for Calgary Mountain View study Bill 68. He would get some of the answers that he's requiring from the Solicitor General.

DR. BUCK:

Mr. Speaker, may I re-address my question to the hon. Solicitor General. Will the government reconsider its decision to allow wine and beer advertising on radio and television in light of the fact that the fatality rate has increased?

MISS HUNLEY:

We're constantly monitoring the advertising that's going on to see that it conforms to CRTC standards. No doubt the hon. member is aware that some of the advertising that comes on our television screens comes in from outside the province over cable. Of course, we have no control over that.

DR. BUCK:

A final supplementary to the hon. Premier, Mr. Speaker. Will the hon. Premier now allow a debate on the merits ...

MR. SPEAKER:

Order please. The hon. member has the same right as every other hon. member to put a topic for debate on the Order Paper.

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

MR. NOTLEY:

A supplementary question, if I may, to the hon. Solicitor General. I wonder if I could ask her whether or not her department has any statistics or any research which would show any correlation between advertising of liquor and beer and the fatality rate on the highway?

MISS HUNLEY:

Not to my knowledge, Mr. Speaker.

MR. SPEAKER:

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

## Hospital Workers

MR. HO LEM:

Thank you, Mr. Speaker. My question today is directed to the minister responsible for Health and Social Development. Mr. Speaker, my question is in regard to hospital workers and recruitments. Mr. Minister, in view of the recent request by CUPE to AHA to start wage negotiations immediately for salary increases for Alberta hospital workers, and in view of the current unrest ...

MR. SPEAKER:

Would the hon. member please come directly to the question.

MR. HO LEM:

Yes, Mr. Speaker. Does the hon. minister intend to initiate interim adjustments for workers employed in Alberta hospitals?

MR. CRAWFORD:

Mr. Speaker, I answered, I believe, a question last week of similar import when I indicated that the negotiations are in the hands, of course, of the boards in the board

hospitals. As they undertake whatever negotiations may be before them at the present time, because the province does fully fund hospitals, it could have some reflection upon the budget of the Hospital Services Commission. But that would be something which would be taken up at the time the government brings in its budget at the next Legislature.

Specifically in regard to interim adjustments, I do not know the intention of the boards in that respect.

MR. HO LEM:

Supplementary, Mr. Speaker. Due to the global budgets set and approved by the Alberta Hospital Services Commission for 1974 for hospital boards, which is based, of course, on ...

MR. SPEAKER:

Would the hon. member again please come directly to the question.

MR. HO LEM:

Thank you, Mr. Speaker. Can the hon. minister advise whether these budgets may be amended by the Alberta Hospital Services Commission to facilitate upward adjustments in regard to salary increase and cost-of-living increase demands?

MR. CRAWFORD:

Mr. Speaker, there have been negotiations in previous years too. So far, although there is an established appeal procedure by hospital boards to the commission where they would have to make out a case for the need for additional funds under the global budget system, the number of such appeals has been relatively few and may or may not have been related to the question of salary negotiations specifically. The route of appeal is open to the boards and they know that.

Now I think it should be pointed out, as one other point, that when the hospital would come forward with an appeal to the commission, it wouldn't be on the basis that they had, in negotiations, granted some wage increase to their employees. What it would be is taking the overall picture that the funds which had been provided were inadequate. Hospitals do have the ability, and have previously used it, to make adjustments within their own system if they find it necessary to spend more on one item of their operations than others.

MR. HO LEM:

Supplementary, Mr. Speaker, on the question of overseas recruitment of nurses. Can the minister advise whether the Alberta government is planning to lower the criteria in respect to qualifications insofar as professional accreditation is concerned? For instance, a graduate nurse in Great Britain is not necessarily accepted by the AARN because of such things as obstetric training ...

MR. SPEAKER:

The hon. member has actually completed the question.

MR. CRAWFORD:

Mr. Speaker, in fairness to the hon. member, I would have to say that I don't know what credentials individual applicants from overseas might carry when they come here, but they would certainly comply with any prevailing regulations enforced in the province.

MR. R. SPEAKER:

Mr. Speaker, a supplementary question to the Minister of Health and Social Development. Is Alberta losing a number of its nurses to British Columbia, Saskatchewan and Manitoba because the salary paid in Alberta is lower than the other provinces?

MR. CRAWFORD:

Mr. Speaker, the question invites me, I think, to say why it is that some people move about from province to province in search of employment. Of course if some go from Alberta occasionally - and this I have no figures on - certainly some come the other way, too, to Alberta. I don't have any information at the present time that would indicate to me that there is a notable loss of people in the nursing field going to other jurisdictions.

MR. SPEAKER:

The hon. Member for Calgary ...

MR. NOTLEY:

A supplementary ...

MR. SPEAKER:

Might this be the last supplementary on this topic. We have a number of members who have not yet asked their first question.

MR. NOTLEY:

A supplementary question to the hon. minister, Mr. Speaker, for clarification. Can the hon. minister advise the House whether or not the government is prepared to, by

special warrant if necessary, make any additional funds available to the Hospital Services Commission to allow them to bring in an interim wage adjustment due to the cost of living?

MR. CRAWFORD:

Mr. Speaker, I think that's a speculative and hypothetical question and by and large was answered in the answer I gave the hon. Member for Calgary McCall.

MR. SPEAKER:

The hon. Member for Calgary Mountain View followed by the hon. Member for Hanna-Oyen.

#### Court Reporters

MR. LUDWIG:

Mr. Speaker, my question is to the hon. Attorney General and is with reference to the court reporting situation in the provincial court Calgary. Has the hon. Attorney General made any inquiries about the report of apparent shortages of court reporters in the provincial court in Calgary?

MR. LEITCH:

Mr. Speaker, that's a matter which the department and myself have had under consideration on a continuous basis for the last period of nearly three years. As the member may recall we have started, within the past couple of years, a program in NAIT whereby court reporters are being trained. The member may also recall my statement to the House some time ago in which an assurance was given to all those persons now working as court reporters and all those who might be hired as court reporters in the future, to the effect that they would continue to work as long as they wanted to do so, as court reporters.

So the short answer to the member's question is that we are constantly, Mr. Speaker, keeping in touch with the court reporter requirements and taking significant steps to ensure that there is no shortage.

MR. LUDWIG:

Mr. Speaker, is the hon. Attorney General aware of the fact the head court reporter in Calgary stated within the last three days that he was desperately short of court reporters and that the source of reporters is drying up? Has the minister checked into this report?

MR. LEITCH:

Well, Mr. Speaker, that's not a report that has come to me except by way of recent news articles and some of the information contained in those articles is quite inaccurate. With respect to the last information the hon. member was referring to, it's something we'll certainly look into.

MR. LUDWIG:

Mr. Speaker, is the hon. Attorney General satisfied that there's no ...

MR. SPEAKER:

Order, please. Order, please. The hon. member knows that he is not entitled to ask a minister to express an opinion during the question period.

MR. LUDWIG:

Mr. Speaker, would the hon. Attorney General assure the House that court proceedings in provincial court Calgary are not being held up as a result of a shortage of court reporters to report actual proceedings in court at the present time?

MR. LEITCH:

Mr. Speaker, I have no information to that effect.

MR. LUDWIG:

Is the hon. Attorney General in touch with the situation?

MR. SPEAKER:

Order, please. The hon. Member for Wainwright followed by the hon. Member for Edmonton Beverly.

MR. LUDWIG:

Mr. Speaker, on a point of order. I understand the hon. Attorney General wanted to answer the last question I gave him.

[Interjections]

AN HON. MEMBER:  
He doesn't know the answer ...

#### Health Care Premiums

MR. RUSTE:  
Mr. Speaker, my question is directed to the Solicitor General in her role in charge of the Alberta Health Care Commission.  
Will there be an increase in the Alberta Health Care premiums during the next six months?

MISS HUNLEY:  
I'll take a squint into the crystal ball, Mr. Speaker, but I don't anticipate one.

MR. RUSTE:  
Mr. Speaker, a supplementary question to the minister then. Will payments to the medical profession be increased during that same period?

AN HON. MEMBER:  
Oh yeah ...

MISS HUNLEY:  
I'll take another squint into the crystal ball, Mr. Speaker, and ...

MR. SPEAKER:  
The hon. Member for Edmonton Beverly followed by the hon. Member for Wetaskiwin-Leduc.

#### Telephone Toll Charges

MR. DIACHUK:  
Mr. Speaker, a question to the Minister of Telephones and Utilities. What are the possibilities of extending the 50 cent minimum toll charge that we enjoy on weekends for other days of the week, within Alberta?

AN HON. MEMBER:  
Ha, ha. And saints' days, too.

MR. FARRAN:  
Mr. Speaker, commencing November 2 ... [Laughter] ... I gather, Mr. Speaker, that the hon. member is seeking amplification on the announcement that was made this morning.  
Commencing November 2 the highly successful Sunday program for 50 cent calling for the first three minutes will be extended to Saturdays, over the whole weekend from Friday midnight to 6 a.m. Monday; that's dialling anywhere in Alberta with DDD dialling or where DDD is not available, operator assisted station-to-station calling. The objective is to shift the heavy calling from weekdays on to the off-peak hours during the weekend as much as possible.

MR. SPEAKER:  
The hon. Member for Wetaskiwin-Leduc followed by the hon. Member for Calgary Millican.

#### Alberta Hospitals - Administration

MR. HENDERSON:  
Mr. Speaker, I'd like to address a question to the Minister of Health and Social Development. I wonder if the minister could advise the House as to what consideration, if any, the government is giving to placing Oliver and Ponoka under some form of local authority as opposed to direct government administration as is now the case?

MR. CRAWFORD:  
Mr. Speaker, that is a matter I have given some consideration to over the past couple of years and generally have had the view that if that is an appropriate way to administer those institutions, it is still a little bit in the future. However, I'll certainly continue to give it consideration and certainly haven't decided against it.

MR. SPEAKER:  
The hon. Member for Calgary Millican followed by the hon. Member for Drumheller.

## Oil Personnel/Equipment - Possible Withdrawal

MR. DIXON:

Mr. Speaker, I'd like to direct my question today to the hon. the Premier. My question relates to the announcement by Shell Explorer Ltd. that they are withdrawing from development within our province. I was wondering, to the hon. Premier, if any other companies had indicated that they are considering pulling out of projects within Alberta.

MR. LOUGHEED:

Mr. Speaker, I think the hon. member is referring to the announcement by Shell Explorer Ltd., which is the American company that has been involved as a 50 per cent partner in the application with Shell Canada Ltd. for a further oil sands plant, a matter which has been recommended and is before the cabinet for consideration.

My understanding is that there is no current information that I have regarding other possible participants in oil sands plants withdrawing from their interest. In fact, there is a continuing interest by various companies.

However, the situation of Shell Explorer Ltd. withdrawing related to the remarks I made in the Legislature Thursday last, in a prime way, as I understand it arises out of a concern by the United States and the United States government of not being able to rely on any long-term basis upon a supply situation either from the oil sands or elsewhere, and shows of course the absence of effective energy arrangements as between Canada and the United States that would be beneficial to both nations.

MR. DIXON:

A supplementary to the hon. the Premier. Does the government have any plans, or any action planned, to discourage or slow down the exodus of drilling equipment and oilfield personnel moving to the United States from Alberta?

MR. LOUGHEED:

Well, Mr. Speaker, I think there is a great deal that can be said on that score, but regarding the exodus the hon. member has referred to, I think the Minister of Mines and Minerals may wish to set the record relatively accurately in terms of that situation.

I think one of the most important things that seems to be continually overlooked on this matter, particularly with regard to the smaller companies who have been exploring in this area over a period of the last perhaps decade or so, is that the source of their risk money had been coming from United States tax sources. It became quite evident, I think three to five years ago, that the continued reliance upon such source of funds was in jeopardy and had really little to do with the situation of any Canadian energy policies because when the crunch came, as it did last winter, where American supply fell behind American consumption needs, quite obviously the American government, unrelated to Canadian policy, was going to start to exercise the natural pressure to assure that these risk funds for drilling operations found their way towards drilling in the United States. Continuation of policy in the United States to allowing these tax funds to go to foreign countries, Canada or any other country, is something that was foreseen or should have been foreseen at least four to eight years ago, in my judgment. The decision of the Federal Power Commission to not allow advance payments on natural gas in the rate base of American utility companies was a clear policy position of the United States government to reflect that trend.

MR. DIXON:

A final supplementary question, Mr. Speaker, to the hon. the Premier. In the forthcoming discussions hon. Premier with the hon. Prime Minister of Canada, is energy uppermost on the agenda, or have you had an agenda up to this time?

MR. LOUGHEED:

Mr. Speaker, I don't quite know if we have had an agenda. We have had a reference to the communique from the premiers' conference in Toronto which referred to natural resource taxation as one of the four or five items. I think the other items referred to in the communique are also included in the discussions that will take place Wednesday afternoon in Ottawa.

But perhaps I didn't give, Mr. Speaker, an opportunity for the Minister of Mines and Minerals to respond to the question of exploration activity in the province.

MR. DICKIE:

Mr. Speaker, perhaps I can supplement the concerns expressed by the hon. member concerning drilling rig activity.

We are continually assessing the movement of the drilling rigs and their activity. I caution some of the members when looking at some of the figures because I think the hon. members should appreciate that most of the figures relate to western Canada and that, in particular, all the rigs in Saskatchewan, British Columbia and Northwest Territories do move through Alberta first before leaving [for] the United States. So we do sometimes have some distortion of those figures.

I think it is also interesting to observe that approximately 10 per cent of the active rigs have left Alberta and Canada and look at the relationship to the federal budget.

Prior to May 8 of the federal budget there were a few rigs that would normally leave. But since that time they have increased about six-fold due to the uncertainty of the federal budget.

I can also say, Mr. Speaker, that hon. members will appreciate what has happened in Alberta and I can advise them that I have just checked the nine-month figures for Alberta on drilling activity in Alberta. Both for exploratory wells and development activity, the total footage is almost the same as last year. The total number of wells drilled is almost the same as last year and the figures for the first six months concerning the success ratio, both for exploratory drilling and development wells, are up over the preceding years.

MR. DIXON:

A final supplemental question to the minister. This was the reason, Mr. Speaker, I asked the hon. the Premier about his meeting with the prime minister because this point is very important. If we have lost drilling rigs six-fold, as the hon. minister has mentioned, Mr. Premier, now that the federal government is determined to go ahead with its proposals in the budget and other legislation, what can we do as a province to prevent that from happening?

MR. LOUGHEED:

Mr. Speaker, I think to respond to that in advance of the discussions is very difficult to do. I think there is no question the government is concerned. The Alberta government is concerned with the situation partly due to the natural factors related in the United States, but in our judgment very clearly due to federal energy policies.

We hope there will be a reassessment in terms of these energy policies because it isn't just, as the hon. Minister of Mines and Minerals points out and the hon. member implies by his question, the Alberta situation. What's important is for Canada, in terms of continued self-sufficiency in energy.

MR. SPEAKER:

Order please. We are nearly running out of time. Perhaps we could revert to this topic on another day.

The hon. Member for Spirit River-Fairview has been waiting to ask a supplementary, followed by a final question by the hon. Member for Drumheller.

#### AEC - Shell Exploration

MR. NOTLEY:

Mr. Speaker, I'd like to ask a supplementary question to either the hon. Premier or the hon. Minister of Federal and Intergovernmental Affairs dealing with the decision of Shell Explorer. Has the board of the Alberta Energy Company been asked to investigate the feasibility of the AEC taking up that 50 per cent option?

MR. LOUGHEED:

Mr. Speaker, I would hope that the initiative of the Alberta Energy Company would be such that in due course they would be evaluating it at their next directors' meeting and we would be hearing from them. Certainly it's something that I'm sure would be before their directors' meeting; I would be quite surprised if it were not.

MR. SPEAKER:

The hon. Member for Drumheller. I had recognized the hon. Leader of the Opposition for the final question.

#### Labor Shortage

MR. TAYLOR:

Mine is not a supplementary, Mr. Speaker.

My question is to the hon. Minister of Manpower and Labour. How serious is the labor shortage in Alberta today?

DR. HOHOL:

It's the kind of thing I would probably like to respond to in a position paper, or in reply to a question on the Order Paper.

MR. LUDWIG:

Supplementary ...

MR. TAYLOR:

Supplementary, Mr. Speaker, would the hon. minister advise if the government has categorized the shortages in Alberta?

DR. HOHOL:

Mr. Speaker, if the hon. member is referring to trades or services, my response would be yes, we were attempting to do this.

MR. TAYLOR:

One further supplementary. Has the government made any representations to Ottawa in connection with the suggested changes in the Immigration Act?

DR. HOHOL:

Mr. Speaker, amongst several other matters, I spoke personally with the Hon. Robert Andras, Minister of Manpower and Immigration for the federal government, in our discussions in Jasper on September 30 of this year.

MR. TAYLOR:

Does the government favor the suggested changes in the Immigration Act?

DR. HOHOL:

I would be prepared to include, Mr. Speaker, a comment on that important matter on the position statement or in reply to a question on the Order Paper.

MR. SPEAKER:

The hon. Leader of the Opposition.

#### Oil Personnel/Equipment - Possible Withdrawal (Cont.)

MR. CLARK:

Mr. Speaker, I would like to direct a question to the Minister of Mines and Minerals and ask the minister if, as a result of his assessment of drilling rigs leaving the province of Alberta, what portion of the rigs which have left Alberta and Canada are deep-well rigs?

MR. DICKIE:

Mr. Speaker, again that involves a question that is difficult to answer because the concerns have been expressed as to what a deep well is and which rig is applicable for it. I have seen various figures on that. I do have a chart, if the hon. member is interested in looking at it, that can give us an accurate figure on the drilling rigs in relation to the footage.

MR. CLARK:

A supplementary, Mr. Speaker, to the minister. Is the minister confirming that the majority of rigs which have unfortunately left Canada are rigs that would be used to drill deep holes?

MR. DICKIE:

Mr. Speaker, I think that is a very general question. Again I experience some difficulty because I do have some percentages and I don't think it's accurate to say "the majority". There is a percentage figure that I can get for the hon. member.

#### ORDERS OF THE DAY

##### Clerk Assistant

MR. SPEAKER:

If hon. members would just give me a moment.

Mr. Alexander Small, our new Clerk Assistant, is fortunately not a visitor.

Mr. Small has had a distinguished career in the Royal Canadian Air Force during the Second World War and both before and after the war in the Dominion Civil Service, and latterly in the service of the House of Commons.

He comes to us now from Ottawa. I can hear hon. members wishing that all that comes to us from Ottawa might be as valuable.

He has served the House of Commons for 18 years and his duties there have been administrative, financial and parliamentary, including responsibility for a staff of some 250 to 300.

His services to the House of Commons and its Speakers and Clerk, have made him nearly indispensable, so much so that for the beginning of his work in Alberta, an arrangement has been made for him to help out in Ottawa while our Legislature is not in session.

Mr. Small is known for his unselfish interest in community sports and I know that he will be particularly valued by his newly adopted city.

In my visits to Ottawa I have come to admire and respect Mr. Small's soundness of judgment. It is not surprising that he was chosen for our Legislature out of a list of some 75 applicants.

I ask hon. members to join me in welcoming Mr. Small to his new duties in this Assembly.

[Applause]

MR. HYNDMAN:

Mr. Speaker, on behalf of members on this side of the Assembly I am very happy indeed to join with Your Honour in welcoming Mr. Small to this Legislature and to Alberta. He certainly appears to have an unique background and brings to us a wealth of experience in a very specialized area. I know that I, and I am sure members on this side too, look forward to working with him. I suppose really no time at all will be taken by him to understand and comprehend the written rules of the Assembly, and I am also sure that he will very shortly understand the ebbs and flows and, perhaps, unique traditions, that this Assembly has developed over previous decades. So, Mr. Small, we say welcome to the Good Ship Alberta.

MR. CLARK:

Mr. Speaker, we on this side of the House certainly welcome Mr. Small to the Alberta Legislature. I'm sure, as has already been indicated by the hon. Government House Leader, before long you will recognize the traditions, perhaps the rather unique traditions, that this Assembly maintains. I would want to say to you, Mr. Small, being one of the members who was fortunately on the Members' Services Committee which indeed ended up making what I'm sure we all feel was a very wise selection, that you presented a real challenge to the committee. I'm sure all members feel we made an excellent choice and we look forward to working with you on all occasions. We look forward to you going east and coming back in a hurry.

Thank you very much.

#### GOVERNMENT BILLS AND ORDERS (Second Reading)

##### Bill No. 69 The Alberta Income Tax Amendment Act, 1974

MR. MINIELY:

Mr. Speaker, I move that Bill 69, The Alberta Income Tax Amendment Act, 1974 be now read a second time.

Mr. Speaker, there is an expansion of an important principle in this bill, which I would like to outline to the members this afternoon. Certainly I think that all hon. members are probably aware that renters in Alberta have become a larger and growing part of the total citizenry we have in this province. I suppose it would be recognized that for the hon. Member for Calgary Buffalo and I, in terms of the actual percentage of our constituency population represented by those of our citizens who rent accommodation, as opposed to owning accommodation, [it] is no doubt the highest in our constituencies. I'm sure that all hon. members again recognize that, in terms of their own individual constituencies, in terms of the total renters in this province, if you look back statistically you will find that they have become a larger and larger percentage of our total residents in the province of Alberta.

For that reason, Mr. Speaker, and for more than that because it was correct, we on this side said long before we had the responsibility for governing the province that in fact we would treat renters equally with property owners; that we would recognize that renters indirectly through the payment of their rent expense were paying property tax, both municipal and at the time the province did levy a provincial education tax against residential property, that renters equally with home-owners, perhaps in different proportions, were nevertheless indirectly paying property taxes as well as home-owners. For that reason, Mr. Speaker, hon. members will recall that for the calendar year 1973, for the first time in the history of Alberta, we introduced a renter income tax credit through The Alberta Income Tax Act, one which the federal government was prepared to administer on our behalf. That, Mr. Speaker, was the first time in the history of Alberta that renters were treated by their provincial government in any manner similar to what we had, for many years, been treating home-owners.

Hon. members will recall that the first renter income tax credit embodied the following basics in the credit format: first, the maximum relief provided at that time was \$100.

Mr. Speaker, I should point out that in order to not burden our senior citizens over the age of 65 with the necessity of filling out an income tax return, members will probably recall that at that time we also provided a senior citizen shelter allowance for



those of our citizens in Alberta who rent accommodation, so that they did not have to go through the paper work that would be involved in claiming an income tax credit when filing their annual income tax return. So for those of our citizens who are under the age of 65, the first program introduced provided for a maximum credit depending on the relationship of the renters' taxable income and actual rent cost of \$100.

Now we knew, and I think hon. members would appreciate, that like any new program, 1973 as a calendar year was the first year the program would be operative, and that during the course of introducing a new program such as this we might find certain things that needed correction, needed adjustment to, in fact, make it a better and a more improved program for our renters in this category.

Mr. Speaker, one of the reasons we have Bill 69 today was that we had had that first years experience. But, Mr. Speaker, more important than the experience of one year is the fact that in a very short period of time circumstances of renters, particularly in our two metropolitan centres, have changed fairly substantially. I can recall as recently as a year and a half ago that the vacancy rates in apartment blocks in the city of Edmonton and in the city of Calgary were fairly high. In the last year and a half, Mr. Speaker, these have gone the other way. In other words, we have a situation now where the vacancy rates in apartment blocks are exceptionally low. Of the underlying reasons for this, of course, is the fact that right now and for some time we have had very high mortgage interest rates. Yet the economics of ownership of apartment blocks, at least until perhaps recently, have been a steadily deteriorating situation as a result of the high mortgage interest rates when the mortgages were being rolled over, coupled with the fact, of course, of escalating municipal property taxes.

So naturally, Mr. Speaker, the conditions have changed. Also, along with it many renters, most renters, in recent months have received rental notice increases that have been in some cases substantial and in others, while perhaps not that substantial, certainly in terms of their rental cost an increase which they've had to face.

So, Mr. Speaker, in these changed circumstances in the relatively short period of one year, coupled with the experience of administering the program for its first year in 1973, we felt that it was necessary for the government to respond to these conditions. Therefore, Mr. Speaker, Bill 69 incorporates substantially improved benefits to all Alberta renters under the age of 65 through the expansion of the renter income tax credit program.

To outline for hon. members the basic changes in the program which will apply, incidentally, for the 1974 taxation year and for which renters in Alberta will be able to claim their benefits when filing their 1974 income tax return commencing for them approximately January 1, 1975 and run to the end of filing income tax returns at April 30, 1975: the maximum that renters will be able to claim is increased from \$100 to \$200.

Mr. Speaker, in addition, from the experience of the first year of the program we have responded to the complaint that many renters had. They would make the calculation on the separate form provided in the income tax return, entitled "The Alberta Renter Income Tax Credit", and those who filled it out would have recognized a separate form which they had received along with their federal income tax returns. Basically, they would work through this calculation and then find that either they had nothing or they had \$1 or \$2 or \$3 - and, Mr. Speaker, I wouldn't want to say or use the wrong word within the decorum of the Legislature, but many of my constituents and also friends whom I've known for three or four years would come up to me and say, thanks Gord for the bottle of spirits or Canadian Club that I was able to buy as a result of that great large renter income tax credit that I got. In other words, many were very small.

For that reason, Mr. Speaker, Bill 69 incorporates a principle of a minimum benefit which is equal to \$50 or 20 per cent of the rent paid for the calendar year. The reason the 20 per cent is in, Mr. Speaker, is to catch those situations of people who simply moved into Alberta during the months of November or December and only paid, for the total year, perhaps \$200 or \$300 rent. Their minimum would be the 20 per cent of the actual rent paid during the course of the calendar year.

Mr. Speaker, I believe that by substantially improving the maximum and recognizing the changed conditions renters are now facing in Alberta, and combining that with a reasonable minimum to all Alberta renters, this program now combines the best elements of maximizing benefits to those of our renters who are lower income earners along with incorporating, as I say, a reasonable minimum available as benefits to all renters in Alberta under the age of 65. Mr. Speaker, I believe that this represents a substantial and important improvement in benefits provided to renters in Alberta through their government.

MR. TAYLOR:

Mr. Speaker, I'd like to say a word or two on Bill 69, on the principle of that bill. I think there is only credit coming to the government for the stand it has taken in regard to treating renters as real people, as people who are making a contribution to the country.

For many years we always considered that the person who owned the land and owned the building was the important one and that he would treat fairly any concessions given to him in taxation by passing on a reduction of rent to the renters. Of course, we all know this did not take place. The movement to give renters some equality in regard to taxation on their rents, equal [to that for] those who happen to own their land and buildings, I think was welcomed generally by a very large proportion of the people of Alberta.

The changes in this particular bill I think generally are very good. The fact there is now a minimum of \$50, unless a person pays less than that, would mean, if he were

paying \$500 or a very low rent - less than \$500 per year - so the \$50 is not going to be applicable to very many as most people are paying more than \$40 per month for rent. I suppose there are some in some parts of the province who pay less and there will be a benefit there.

I also like the provision where those who do not pay enough to qualify for the \$50 minimum do get 20 per cent of the amount they pay. I think that's a fair provision. I believe where you simply say we'll pay \$50 whether you paid that amount or not, would have been an error because it would have meant that some would have made money out of the rent. While we strongly oppose exploitation by those who happen to own the buildings and the land, I think we should equally be opposed to exploitation by those who are renting. So I think that provision is a very good one and very carefully thought out. It would be one-fifth of their actual rent as I understand the bill. I can't see where anyone has any argument about that.

I also like the item where members of the armed forces have been deleted from the bill. Members of the armed forces who are paying rent are, I think, equally entitled to the same consideration as anybody else. I think it was unwise to put them in a category where they were not entitled to benefits accruing to other people in the province. Those who join the armed forces generally make it a career, the same as those who have become school teachers, doctors, lawyers, vets and so on. They should not be denied the benefits of other citizens simply because they are wearing the uniform of our country. So I commend the Provincial Treasurer for deleting that section from the bill. I think this is a very, very good move indeed.

In calculating the actual amounts of rent in the principle of this bill as compared to the principle of the former bill, it appears to me - and I would like to have the minister's comments when he is closing the debate - that most people will be in the same category and that there will not be too great a change in the amount of benefit accruing, unless their rent is exceptionally high and their taxable income is excessively low or, alternatively, excessively high. In the few cases I have worked out, many of them have exactly the same amount they received under the previous bill and some have a few dollars one way or the other, mostly on the higher side.

The wording of the principle, the tidying up of that section, I think is very good because before, a person wondered whether he was entitled to the 5 per cent or the aggregate of 102 per cent or the \$100, whichever is the lesser. In some categories they were higher and some categories lower. And now it is based definitely on those who pay less than \$500 per year and those who pay more than \$500 per year.

I suppose we could argue about the \$500 being the mark-off, but I suppose whatever figure you took could be argued the same way. I think the \$500 is a reasonable sum upon which to make the division. If the hon. minister has some facts to indicate if there is going to be a substantial increase for renters under this bill, or a substantially less increase for renters generally, I would certainly appreciate - and I am sure the House would appreciate - having that kind of information.

There is one item on which I would also like to have the hon. minister comment, and that is the principle where the basic credit - where a person is permitted \$90 plus 2 per cent of his total rent payments up to a maximum of \$200, less the 1 per cent for his income tax.

I'm hoping this will not be an invitation to some landlords to increase the rent, on the basis that they can collect a similar amount, that they [can] increase charges on the renter. If there is conniving like this, I would like to see some provision put in the bill where there are penalties because I don't think we should be encouraging unscrupulous people, even though they are a minority and possibly few in number among landlords and among renters.

But there are some, and I don't think we should encourage them by conniving to be able get money out of the provincial treasury which is public money. I think the intention of the government is that those who are renting should have some alleviation from the amounts they are paying. And that is good. Just as we very strongly condemn the landlords who are increasing the rent simply because the renters are securing some assistance from the government, so I think we should very strongly oppose any move whereby the proprietors or owners of an apartment could connive with the renter and make an increase, with one or both securing some of that benefit from public money.

I think the purpose of the bill to help renters legitimately is excellent and I would like to see a penalty, a very serious penalty, for those who take advantage of this. Whether it be a landlord or whether it be a tenant is immaterial. If the government legislation [is] designed to assist a group of our people having a difficult time - and certainly many renters are in that category - [they] shouldn't be jeopardized and the program shouldn't be jeopardized because of a handful of people who want to exploit the whole idea by getting extra money and extra benefits themselves.

The only other point I would like to mention in connection with this bill - and it is certainly involved in the principle - is the whole principle of income tax. I can see little wrong, although I haven't worked out examples in the instalment payments and the waiver of instalments as contained in this bill. Instalment payments do help many, many taxpayers when they are able to pay partially, instead of it all coming at one time.

But the point I would like to make in connection with the entire bill is something I would like to see the hon. minister consider, bringing in an amendment during the Committee of the Whole, and that is to reduce the overall amount of the percentage of income that the province collects.

I think, in view of our revenue position in this province, we should encourage our people to work. I have had more people tell me over the last couple of years that they are getting fed up with working because so much of their pay is taken off for income tax. Some of that is federal and, of course, I think 36 per cent of it is provincial. Some have said, I'm seriously thinking about even reducing my investments or my services in order to try to avoid paying income tax. Now we might condemn that attitude and say the payment of income tax is a privilege, and perhaps it is. I remember sitting in at a meeting in a miners' hall in Drumheller several years ago where one miner was complaining that he had had to pay something like \$250 in income tax, and that sounded like a tremendous sum in those days. One of the other miners, who was having a very, very difficult time and who had been on compensation a good bit of the year, got up and said, I would love to be able to pay \$250 income tax because you certainly have to make it before you pay it. That is one of the advantages of income tax.

But you know, taxation is getting to the point where it discourages employment, where it discourages work, where it discourages investment. I think we have to take a second look at it and say, can we do something to encourage more people to go into business, more people to stay in business, more people to work harder, more people to invest more. Because the more we do that, the more jobs there are going to be, and the less we do it, the fewer jobs there are going to be. So I would think at this time, with the revenues reasonably buoyant in the province, it would be a logical time for the government to cut off some of those points for income tax purposes for the province.

If Ottawa doesn't do it on its part, Alberta would stand out even more conspicuously than if Ottawa does reduce its portion of income tax too. If there is going to be - well, I don't think we should tie this type of thing to elections, nevertheless I suppose the human thing is to do that. But if there is going to be an election next summer, what would be a better platform - it is not my part to suggest to the honorable government what its platform should be - but what would be a better platform than to go out and say, we cut down your income tax by 10 points or 6 points, or whatever number we were able to do it by. That's one thing. I'm sure it would appeal to a lot of people.

But my main plunge in connection with this is that it would encourage people to work more and harder. It would encourage more people to invest. It would encourage our people to try to make more in their businesses instead of working to rule. By working to rule you can cut down the amount of income tax you pay. Perhaps a person who thinks it through would not do that but, as I said before, there is a very strong feeling among many people in the province - I think the hon. members on that side of the House must have come across it too - that income tax is discouraging. It has reached the point where it is discouraging people from working as hard as they should, from conducting business as well as they should or as well as they could, and investing as much as they would be able to invest.

Generally speaking, Mr. Speaker, the principle of this bill is sound. I'm sure it's going to bring a great amount of benefit to many renters, and what I would also like to see is an amendment that would bring benefit to that great body of people paying income tax. Certainly it wouldn't help those who don't pay income tax, who don't have an income that high. But the thing is to try to encourage people to keep in the income tax bracket; the more people we can get into that income tax bracket, the more buoyant the economy of this province is going to be.

MR. SPEAKER:

Before recognizing the hon. Member for Cardston, I would, [with] great respect to the hon. Member for Drumheller, question whether we should, under the discussion of this bill in principle, launch out into a debate on income tax generally, which might result in a debate on income tax generally and many members debating that topic and having no reference at all to the principle of this bill which is actually what is under debate.

MR. HINMAN:

Well, Mr. Speaker, taking part in this debate, I want to treat some basic principles a little bit. If it weren't for politics we wouldn't even have had an Act like this. If you go back to the business of refunds to property owners, you find it was initiated in B.C. by a Social Credit government misguided by Conservatives.

The idea simply was that the home-owner is a voter; he was complaining about taxation on property and made it appear pretty sad. At the same time the governments took the attitude that we ought to encourage home-owning, individual home-owning. So putting the two things together, the B.C. government began paying to the home-owner what was supposed to be a tax refund.

Now, in the beginning it violated the principle that the people who demand service of government ought to pay for it, and when we abandoned that principle we were abandoning a very important one. Well, it wasn't long, of course, until the renter became a pretty big political force - more renters, perhaps, than home-owners. So we had to look at this and say, well, we've got to do something for these renters.

As I said when this whole system was first initiated, it's a pretty dumb landlord who can't add the taxes into the rent. And it's an impossible task for a government or anybody else to see that he doesn't do it. If you talk about fair rentals, they are never established on the basis of the revenue in relation to investment or costs. You people are all aware that apartment houses, when they were built, cost only one-third what they cost today and keep their rents right along with those which are necessary to make an apartment house pay a revenue at today's costs. And it's going to be that way.

You are also aware that when there is a shortage of rental space there is pressure upward, just the same as there is in anything else. So it's foolish for us to think that by any means we can relate the rents and the benefits to taxpayers.

Well, let's get back to comparisons. If it's fair to set a certain sum for a home-owner, it's just as fair to set a certain blanket sum for the renter. And how we ever were persuaded to go into this very cumbersome procedure of helping the renter is more than I can understand. If you want to do something simple all you need to do is put in the Act that anybody who has property for rent must establish a reserve fund which is equal to the educational part of the tax, if that's what you want to get out of, and let him refund to the renter directly.

When he does it that way he can do it by the month. If he has to establish this reserve fund and make the payments, it's easy to follow up. When I said cumbersome, I meant just that. Under today's new mathematics nobody without a slide rule learns to calculate percentages. So most of your renters find it very difficult to know where they stand and many don't even make application.

Then let's get back to this whole business of refunds to home-owners. If it's a basic principle that people should pay for the services they demand of government, then the only logical way to make it fair is to establish a taxation system which is most workable and most equitable. If the property tax isn't the way to do it, then how do you justify making commercial people, industrial people, pay the 30 mills while those who have rental property for no other purpose than income don't pay it. You'd be foolish indeed if you didn't think the industrialists put the taxes in costs and they come right back to the same people.

My point simply is that if we don't want the educational tax to be on property, let's take it off property, all property. If you think you can control whether it gets into prices or not, well try it. I don't believe you can. I think you have to leave that alone.

Now there are a few other ideas that always get into taxation. The idea that you should pay your income tax in instalments is probably fair since we do take from the man who earns and pays rent, I'm referring to later sections in the Act; you do take it off monthly. It is contributed. If it's fair to ask him to do that, I suppose it's equally fair to ask farmers and fishermen and businessmen to pay monthly or quarterly, or however you like.

However, there is one difficulty and it's embodied in this Act, just like it is in the federal Act. Nobody who is a farmer or a fisherman or in business knows what his income is going to be for the year, and he has to make the payments, sometimes, in the very period when he realizes that he is losing money. Sometimes just to get operating money is a real problem for him. We could have corrected that very simply by saying that those who do not contribute shall include in their annual tax payments 3 per cent for each quarter; a very simple calculation for them to make.

The other point I want to make in relation to that is, just how are you going to enforce penalties on those who do not mail in the first quarter, one-fourth or one-third of what they estimate their tax to be? Are you going to put them in jail? Are you simply going to add a penalty in addition to interest? This all takes bookkeeping and enforcement officers, and it isn't simple because you discover at the end of the year that they didn't owe any tax, and if they have distributed it you go through the cost of sending it back.

My point simply is that this is not a proper way to do it. If you want to make them contribute, the right way to do it is to ask them to add, when they do pay the tax, a penalty or an interest rate of 2 per cent or 3 per cent or whatever you think is fair in relation to the days. If it's 11 per cent interest people are paying, then perhaps 3 per cent would not be unfair. It would be a very, very simple way to handle this whole business.

In reviewing then, I point out that if it were not for politics you wouldn't have any renter refund or any home-owner refund. You would simply say that if property tax is a fair tax, everybody pays it, because everybody gets the benefit.

In the second case, I point out that if a property owner is entitled to a sum which he can deduct without any reference to his income tax, the renter ought to be entitled to the same privilege.

The third point is that this is a very cumbersome way of doing it; that I think, constructively, in a very few minutes I could set out a plan which would be considerably better than this.

And the fourth point is that in the later sections of the Act, if you are going to try to equalize the business of paying in advance, it's very simple to do it without asking them to remit, particularly when they have no idea what their income is going to be and when, perhaps, many of them know they aren't going to make an income. It makes a hardship for them when it would be so easy just to require them to add into their tax, at the day it becomes finally payable, an amount to offset it.

Thank you, Mr. Speaker.

MR. NOTLEY:

Mr. Speaker, first of all in dealing with the principle of this bill, I certainly want to indicate my support for the concept of a tax credit. Also, it goes without saying that if you are going to provide some kind of relief to the home-owner, by the same token some provision has to be made for relief for the renter as well. As the Treasurer pointed out

in his introductory remarks, a very large number of people, especially in the urban areas, are now renters.

So as far as that principle is concerned, I don't think there can be any quarrel. One may question the wisdom, as the last speaker did, of providing this sort of program, period. But if you are going to provide assistance to home-owners, you have to be consistent and provide some kind of program for renters too.

Now that brings me to the question of the credit concept, which of course is an effort to relate the payment of a rebate to the ability-to-pay proposition. I support that proposition, Mr. Speaker, because in my judgment as much as possible when we provide any kind of tax relief we should provide tax relief for those people who need it most rather than bring in programs, however well-intentioned and however well-designed, which in effect inadvertently provide a much larger relief for high-income people who don't need it and who can shoulder their public responsibilities more easily than low-income people. So the principle of a tax credit, in my judgment, is sound.

However, having regard to that principle I look at this particular amendment and, as I see it, Mr. Speaker, the major objective of this amendment is to in effect change the formula. Now the formula is changed in one respect in a way that has some merit. In other words everybody, every renter, no matter how high his income may be, is going to get something out of the plan. I can sympathize with that particular point of view. I listened to the hon. Provincial Treasurer when he explained it on television and I can appreciate the frustration of somebody who goes through the process of working out the calculations and they find that their total rebate under the plan is 50 cents or \$1.00 or \$2.00 - it becomes a little bit academic. So the principle of at least something being paid is one that I suppose has some merit.

However, what the government has done in this bill is to go a little further than that, Mr. Speaker, and to change the 1 per cent reduction to one half of 1 per cent. Now what does that do in effect. In effect what happens is that the ceiling is lifted very greatly. I just did some very quick calculations here taking the maximum figures. Under this plan a person can earn as high as \$30,000 and receive the \$50 or slightly more; that is, if they earn \$100,000 they'll still earn the \$50, but if they earn up to \$30,000 they will still have some tax credit in addition to the minimum \$50.

Now, the old formula was somewhat different. You went up to a threshold of \$15,000 income. At that point you would be going under the \$50. So what the government has done by changing, and it seems like a very simple change, Mr. Speaker, the 1 per cent to .5 per cent, is that we have shifted the emphasis. Now to be fair it is still a progressive tax rebate system. High-income people are going to get less than low-income people. There is no argument about that. But the focus of benefit has shifted slightly so that now under this plan higher income people are going to get a better deal than they did under the old plan, and lower income people will - if at all, their position will be very little changed.

Mr. Speaker, because I support the principle of a tax credit I would really ask the government to reconsider the shift from the 1 per cent reduction to the .5 per cent reduction, because if a person is earning \$30,000 a year I really fail to see why we need to provide some kind of tax rebate to them.

On the other hand, for the lower income people, the people who have to live in some of the dreary tenement blocks, frankly I would sooner that we adjust the other end of it to provide more relief for them because these are the people who right now have so little in the way of additional income to live an enjoyable life. These are the people who have been most adversely affected by inflation, especially when it comes to the price of housing, the price of accommodation going up.

I'm not going to get into the question of controlling rents, Mr. Speaker, because that's another issue and at some point I intend to introduce a private members' bill on that matter. No matter how you try to deal with the control of rents, I would admit however, in fairness, that there are a number of very serious problems. But that's not an issue in this bill. What is an issue in this bill is that we have taken a principle, which in my judgment was a sound principle, which we accepted as a Legislature, and we have now varied it or shifted the emphasis. Mr. Speaker, I reject any proposition which is going to shift the emphasis to higher income people, frankly the people who are benefiting from inflation in this province today. As such I would hope that in committee stage the government would seriously entertain some amendments which would reduce the benefits to the high-income people and increase the benefits to the low-income people.

MR. GHITTER:

Mr. Speaker, if I might, as one who represents those who are reliant upon the oldest elevator in the province of Alberta, make a few comments as to the difficulties of renters and the matters relating to this particular inventive program the hon. Provincial Treasurer has presented to the Legislature and which we are debating in principle this afternoon.

I think, from the point of view of the bill itself, we have debated this previously in this Legislature and we have agreed in principle that the renters must be dealt with on a basis equal to those who have single-family dwellings or duplexes within the province of Alberta.

Undoubtedly, I think the Provincial Treasurer is certainly to be applauded for his understanding of the difficulties renters are facing today, more particularly since we have one year of this program under our belts, so to speak, in this province. I think we could well see the areas of difficulty we have entertained by this program and the certain

areas where it has not been effective to really equalize or even endeavor to equalize the difficult position our renters are facing from the point of view of their position as against the home-owners' position.

I merely look at this bill, Mr. Speaker, as one that endeavors to assist by way of equating the renters' position with the family dwelling, and it does nothing more than that. From the point of view of the use of the application of this bill, all it is endeavoring to do, and I emphasize that, is suggest that renters are paying their share of the taxation base throughout the province of Alberta within their municipalities and that we must treat them equally. And this bill will do nothing more.

For those who suggest that this bill may have some impact from the point of view of reducing rents, I think that is naive. This bill will not in any way, in the cities of Edmonton or Calgary or elsewhere, have any impact whatsoever from the point of view of reduction of rent. Those issues are much more complex and difficult as to what must be done in order to assist our renters within this province, and more particularly what we can do to encourage and enhance more development from the point of view of apartment construction so that we will not end up in an area of short supply of apartment accommodation which we are now experiencing, both in Edmonton and Calgary.

The area I find difficult to comprehend in the debate this afternoon, Mr. Speaker, is the comments that were made by the hon. Member for Spirit River-Fairview who suggests this program is one which assists higher income people to the detriment of those on lower income. If one were to understand the bill one could readily see that a person who has no taxable income will now receive up to \$200 or in fact will receive \$200, whereas before it was merely \$100. In other words we have doubled the position of assistance from the point of view of those Albertans who do not have any taxable income and are in the lower income brackets. All we have really done from the point of view of the higher income area is [create] a situation where they will receive a \$50 credit. We have certainly not doubled their position. We have just put them in an area where they will at least get \$50. But that is all they will receive.

So I would submit to the hon. Member for Spirit River-Fairview that maybe another reading of the act or the bill may be of advantage to him. I don't believe he understands who is really being assisted in this program, for we have certainly assisted to a much more meaningful extent the lower income brackets as compared to those who are in a higher income bracket.

Mr. Speaker, may I suggest that here in the province of Alberta we are coming into an area of almost a shelter crisis from the point of view of not only apartments but housing and other matters. I intend later in this session to deal with that particularly difficult area.

But I do wish to say, in conclusion, that I applaud and congratulate the Provincial Treasurer for looking in terms of a bill that he presented but a year ago, recognizing the areas of its shortcomings and deficiencies, standing forward immediately upon recognizing that, filling in those areas of deficiencies and stating, yes, we have experimented with this program. It's a good program but we must make it more meaningful. Immediately he came forward and did something about it. I think that is an effort that certainly deserves the commendation of all members in this Legislature.

MR. FRENCH:

Mr. Speaker, in rising to make one or two comments with respect to Bill No. 69, I would like to join the previous speakers in applauding the Provincial Treasurer for bringing in assistance for the renters of the province.

I would like the Provincial Treasurer to respond maybe to one or two questions that I would like to ask with respect to part of the bill which deals with federal instalments.

I think hon. members will recall that last spring in the House I made some representation for a group of people who, in my opinion, have been neglected. I refer to that group of people who now find themselves in the position of not paying federal income tax. I'm not attempting to launch into a debate on income tax, Mr. Speaker, except that I want to remind the House that we've taken a step to give people in this province some assistance with respect to that group we call renters. But we have another group of people who find themselves in the position where they do not pay federal income tax, and yet we still collect provincial income tax from that same group. That is due to the fact that the federal government has seen fit to eliminate the tax up to, I believe, \$100. I haven't any particular notes here with me. The Provincial Treasurer, I'm sure, is well aware of what I'm referring to.

But when I read Section 14 - and I don't want to deal with the particular section, Mr. Speaker - I'd like to raise a question with the hon. Provincial Treasurer. While we collect 36 per cent of the provincial income tax based on the federal income tax, one of the problems I find difficult to understand is where the federal government does not collect income tax. If we were to collect 36 per cent of zero, I would think the end result should be a zero tax. I'm sure you understand what I'm trying to say. Although I raised the matter this spring, now that we've gone a long way to help the renters with their problems, I do feel we have a group of people in the province of Alberta, low income tax people, and I think consideration should be given to eliminating that tax, especially for those people [whose taxes] were being eliminated by the federal government.

This afternoon a question was raised with respect to the work force. As long as we are in the position in the province of Alberta where we are short of skilled labor and blue-collar workers, we must take the extra step to attract people in the low-income

brackets so that we can bring them into the province to pick up the slack with our work force.

I realize, Mr. Speaker, that in dealing with the principle of Bill No. 69, I have some obligation to bring to the attention of the House, with respect to income tax, the concerns that I do have. I was hoping that the Provincial Treasurer would respond to remarks when he closes the debate.

MR. LUDWIG:

Mr. Speaker, I'm enjoying the debate very much so far and in particular the remarks made which received such approval from the other side. I'm referring to remarks made by the hon. Member for Drumheller when he stated that the reduction of income tax would be a nice thing to do just before an election. The smile we got from the other side was: Gordon, we like that, we're far ahead of you. That's how we operate; we'll do things when it is expedient, and not when it's proper.

I believe not too many people with any level of credibility will disagree with me, that the time to reduce income taxes and other taxes is now. We can't justify keeping on heavy taxes, taxes among the heaviest in the province, in the country. The province has literally to go to the people and ask them, tell us how you want your money invested. This is a sort of unusual way to do business, to tell the people, well, we'll jockey this thing around, we'll announce it at an expedient time, Mr. Speaker. I'm disappointed to hear that from either side of the House and in particular when I'm quite convinced now that the matter of conspiring and conniving as to when it's most expedient to reduce a tax is not beyond the attitude of this government.

Perhaps the hon. Provincial Treasurer can stand up and tell me that he can't possibly, on economic grounds, reduce the income tax at the present time. I'd like to hear that. That ought to be a good one to listen to. I'm very disappointed in this kind of attitude. At a time when people are looking to politicians for more credibility, more of a case of doing the right thing rather than the expedient thing, this government has displayed a fair amount of backsliding in this province. It's different when they need money, they're short - I would have to keep quiet and say, let the provincial taxes be among the highest in Canada. But when they are getting unexpected revenues, then I'm saying that it's hardly a credible performance. One thing about politicians who like to connive and scheme, Mr. Speaker, is they get found out sooner or later, and I think with this government it will be much sooner than they perhaps anticipated.

There were some interesting remarks made about rentals, et cetera and I don't disagree with some of them, but I think this government right now is about six months behind the times. Certainly I act for people, for tenants, who get notices from their landlords to vacate in one month. They come crying to me, we have a family of four, we can't possibly move any place, we can't find any place to rent now. It's no use talking about anticipated shortages of accommodation. It's here now, Mr. Speaker. There are shortages. People are lining up to rent property, to rent homes, to rent small houses and they are told that no matter what the rent is they have to take it. I know of one rental agency in Calgary which recently placed one ad in the paper about a house they had to rent and the applicants were lined up a block long. So let's not talk about something that's going to happen. It has happened. I had another couple come into the office and tell me they were given notice to get out of the house. I said, why only one month's notice? Because the landlord wants \$300 a month for rent instead of \$215. I said, well what makes you think he'll get it? He said people were already anxious to take over. So we're not exactly being that far ahead of the game; in fact, we're behind the game.

They talk about having an adequate supply of apartments. Apartments are virtually full right now. I'm of the opinion - perhaps the hon. Minister of Municipal Affairs, who is seldom interested in what's going on in this House, might tell us that there is a good supply, Alberta Housing [Corporation] will take care of it. There isn't too much he can add by way of saying that we have to move a little faster in construction, because he's not too concerned. He got what he wanted in the next election, and he hopes that people will forget by the time the next one rolls around.

I like to hear hon. members like the hon. Member for Calgary Buffalo tell us they're concerned that this \$100 a month to some senior citizens is a good deal. I don't think anyone will stand up in this House and take issue with me over the fact that many senior citizens sold their homes in the last two or three years to go into apartments, because it's easier to maintain an apartment, they don't have to do a lot of things and the price on the home was quite good. They went in at fairly reasonable rents even a year ago. But right now they are caught. They are caught in a bad bind because some of their rents went up 35 and 40 per cent. Some of them looked for cheap accommodation - good accommodation, but reasonable - and they found it two or three years ago. Right now they are caught. They are caught and they are going to need a lot more than \$50 or \$100 a year, I should say, and this government has to move and do something about it.

I don't disagree with my colleague, the hon. member, Mr. Hinman, in his remarks that people ought to pull their own weight. But look at the whole spectrum of business and undertakings and see how everything is subsidized by someone or the other. Look at the farming industry, look at all other industries of this province which are getting help from the government, either federal or provincial. We can't say, let's stop here. We've gone down that road too far now to say let's stop with old-age pensioners and people who can't afford to buy houses. It's too late to say that we had better reverse the trend and let the chips fall where they may. That might have worked if we hadn't started subsidizing everything including big operations such as farms, ranches, et cetera, by

government help. We've chosen our direction, our course of action, and now we have to live with it.

The fact is, there is a housing shortage. I am saying there is one now and it's looming a bit urgent in the future. It's my opinion, notwithstanding all the good intentions of the government, that people are coming into Calgary and Edmonton at a rapid rate and the available accommodation is virtually exhausted at the present time. So we are looking into real trouble in the future. With all due respect to the concern about the tenants and the landlords and sufficient accommodation, I am of the opinion that the tenant is in trouble now. I don't know of many landlords who can raise rents at the present time who are not going to. There are a number who have ironclad or long-term leases. They can live with that. But any new person who comes to Calgary right now is told, this is the price, take it or leave it. And the price is exorbitant.

I don't think we need to dwell on income tax. The hon. Speaker ruled that we ought not to discuss it, but permitted considerable discussion. All I wish to say in rebuttal to some of the remarks made, Mr. Speaker, [is] let's not do the expedient thing. The electorate is a lot more sophisticated and learned than it was a number of years ago. Let's not try to fool it that we will be big. Let it pay what the traffic will bear until next spring. We'll announce it. That's common.

That's common and reflects very sadly on a government that can afford to make the announcement right now. It doesn't have to play games and footsies with the electorate and say: we'll be cute about it, we'll spring it on you and you won't know any better. The public does know better. A lot of people are aware of the fact that they are paying an income tax among the highest in Canada to a province that can't justify it. I don't know how anyone can be any plainer and clearer than that, but the front row will smile because they know no one behind them will stand up and speak for the electorate.

I doubt [it] very much, when you hear hon. members tell the House and consequently the public, that this bill is very good. The principle and intent are good, Mr. Speaker, but way behind the times - six months behind the times. When we talk about equalizing the tenant with the owner, let's find some of these old people and see what happened to their retirement income in the last year, especially in the rental area. Find out how many got hurt and wish now they had not sold their houses because they can't make ends meet. And let's see whether \$400 a year would be a good minimum figure instead of \$100, because I am saying - and I know from personal knowledge - that some rents are going up \$100 a month. They are going up by 35 per cent. These are the ones we know about. How about the ones we don't know about. Perhaps one might feel that I'm launching an attack on landlords. The landlord has his economic problems to cope with. I think this is an area for government intervention.

Certainly when we hear of the ministers going throughout the province wanting to get a word or some opinion as to what the public thinks, I doubt whether they can come back and tell us they heard any tenants' association in their extensive tours that cost thousands of dollars.

These are the people who are worried, in a province that can boast of almost unlimited funds. As far as their present needs are concerned these people know that all's well in Alberta. We're in a boom but the boom and the prosperity have not reached out to everyone, and somehow this government cannot seem to cope with these people who are urgently in need. There are many. I am sure that a great percentage of the people of Alberta cope with the problem adequately but there is a certain percentage in this province that has to be helped by the government, and I don't see any serious concern on the part of this government to do it.

I think, with all due respect to the hon. Provincial Treasurer, we could quit playing games. I think, when we deal with The Alberta Income Tax Amendment Act, let's do a job, Mr. Speaker. Let's do the right thing. Let's quit conniving against the people and hoping that it will mean so much more to them when they finally get it if they suffer longer, I suppose. They will appreciate it more if they keep paying all winter and all spring and then, lo and behold, we'll announce it and make it retroactive to January 1.

The time to tell them is now. There is not a single reason we can't do the decent thing, do the honest thing, Mr. Provincial Treasurer, and announce it now. I am sure this is not the first time you've heard this remark by me or others in the House, or in the public. I am convinced there are people in this province right now urging the hon. Premier or Provincial Treasurer to reduce taxes.

I read an article not too long ago, that the Provincial Treasurer spoke to some Automotive Retailers Association and promised them that corporate tax will be reduced to help the little man. When that will be he didn't want to tell them, Mr. Speaker, because it would have been giving something away. I would just like to read that article to see [if] maybe the hon. Provincial Treasurer can deny it. It says here, "Provincial Treasurer Gordon Miniely says the Alberta Government is studying a reduction in corporate income taxes as an incentive to small businesses." And he said this a year ago, Mr. Speaker, when I questioned him. He said this a few months ago. And he is ...

MR. SPEAKER:

Order please. The Chair has great difficulty connecting that quotation in the direction of the hon. member's present debate with the principle of the bill which deals with renter assistance and an adjustment in income tax.



MR. LUDWIG:

With the utmost respect to the Chair, Mr. Speaker, I will discontinue this line of debate. But also with the utmost respect to the rules and its enforcement in this House, you did permit debate on The [Alberta] Income Tax Act and income tax in this House prior to the time I got up. I will abide by your ruling, but also, much as I like to live within the rules, I like to stand up and fight for what I believe is fair. If there were no debate on income tax before I got up, I would back off and discontinue. But there was, Mr. Speaker, in my humble opinion.

I believe I have made all the remarks required to be made by a member of the opposition with regard to this bill. All I want to state, Mr. Speaker, is that I am not going to commend the hon. Provincial Treasurer. I am not criticising the principle of the bill, but I think we don't have to be too learned in the field of taxation, we don't have to be too knowledgeable in the area of rentals and housing accommodation to find that this is horribly inadequate. We can gloat all we like about the fact we are doing something magnanimous. But \$100 to the senior citizen is not good enough right now when his rent probably went up \$400 or \$500 a year, Mr. Speaker.

Thank you.

MR. RUSTE:

Mr. Speaker, in rising to take part in the debate on the principle of Bill No. 69 and in my views [what] the Alberta Income Tax Act has brought before us, I think this is the time for the opposition to point out any good points and to point out some of the things that are missed. I believe in doing that we have to lay out some of the things on the table.

Certainly in listening to the hon. Provincial Treasurer deliver his commendation of this bill, I couldn't help but think he was [speaking] with tongue-in-cheek because with all the windfall income he has had as Provincial Treasurer - I understand he changes his suit quite often because the money is burning holes in his pockets and it takes these people who repair this some time to catch up with it. But certainly in the matter of rental assistance, I don't think anybody will quarrel with that. I would like to point out though that the senior citizens under the shelter assistance now will be receiving an unfair portion, and I would suggest the minister look at raising that from \$100 to \$200 because there are many of our senior citizens who are renting homes who could well benefit and use it. They are the ones, after all, who made this province possible for most of us who are here today. So I would ask him to look at that pretty carefully.

Also an omission, as I see it, in the income tax act amendments here, is the matter of the reduction of the income tax rate for Albertans. I don't want to repeat too much but certainly Alberta is by far not one of the lowest in the provincial portion of the income tax rate. I would ask the Provincial Treasurer to look at that and comment on it as well.

Another one, too, is the matter of last spring. There were many people who found they had to pay a provincial income tax and they weren't taxable federally. This is also another one that should be covered. Surely the Province of Alberta, with the windfall income they are getting now, with the money burning in their pockets, certainly don't have to have people fill in income tax forms to pay a provincial tax and not a federal tax.

I would also like the minister to refer to Section 13 while he is closing the debate. It refers to a change, and I, for the life of me, can't see what is changed here. Playing with words maybe. And in another section earlier there is reference to where they dropped the words "education tax". I am just wondering, Mr. Speaker, whether this is a sign of things to come, where they are going to reduce the taxes more and go beyond the education tax part, or the education tax in our rebates.

Another one is where there is the Provincial Treasurer - payable to the Provincial Treasurer. I was wondering if the Provincial Treasurer is looking at getting into the collection of taxes by the province not having to pay into the federal at all. Those are points I would like to raise with him.

MR. DIXON:

Mr. Speaker, just a word or two during this debate because of the fact, as was mentioned by the hon. Member for Calgary Buffalo and the hon. Provincial Treasurer himself, that he has a lot of renters within his constituency. I could say the same thing for my constituency, Mr. Minister. I have many renters. Fortunately or unfortunately, most of them are in the lower income group which we all, I'm sure, are anxious to assist as much as possible.

I wonder, Mr. Speaker, if you would allow me a little latitude in this debate to inquire from the Provincial Treasurer whether the loophole in The Landlord and Tenant Act is going to be plugged to prevent landlords from sending notices out, such as a notice to vacate, and then in small print below, unless you sign a lease. In other words, he took advantage of a lot of low-income group people who did not happen to have a lease. This was one way of getting around the Act.

I'm bringing this out, Mr. Speaker, because it follows through with what I'm going to say next which actually has to do with the principle of the particular bill. If you stop and look at this bill and do some figuring, from the way I come up with it - maybe the hon. Provincial Treasurer can correct me if I'm wrong - but I'm talking now for the lower income people who would not qualify for the maximum \$200, because in order to get a \$200 rebate you would have to be paying \$460 a month rent. How many people in the low-income groups are in that \$460 a month rent bracket? They couldn't afford it in the first place.

So what I'm interested in, as a member with many constituents in the lower income bracket is seeing, as much as possible, the assistance go to that particular group [rather] than those who are in a much better position to pay the higher rents demanded today.

For example, in my own constituency the people I'm referring to are people such as school teachers who retired quite a number of years ago on a smaller pension. They were the type of people who were in receipt of the type of notice I mentioned; people who lived in the same apartment for 14, 15 years and then got hit with that type of notice. Those are the people I think we should be interested in helping, because if we get into the lower income group which is in receipt of social allowance and things like that, well, we have a generous social allowance that can take care of them. But for those who aren't in receipt of social allowance and yet have low incomes, they're the ones I believe we, as a Legislature, should be most concerned about at the present time.

So, Mr. Speaker, when the hon. Provincial Treasurer is closing the debate, I would like to have his assurance that maybe we could look into this Act further and maybe bring forward some change that could assist those people whose rents, say, have gone up - where they were paying maybe \$100 a month or \$125 a month, they are now asked to pay \$175 a month. Yes, The Landlord and Tenant Act will protect some people for 90 days, but 90 days go by fairly quickly and where are they going to find this money that the landlords are asking for at the present time.

MR. WILSON:

Mr. Speaker, in rising to speak on the principle of Bill 69, I would just like to point out that I, first of all, have no particular concern about the principle of this bill other than that the increasing numbers of government give-away programs, or whatever you may want to call them, is causing increasing confusion, not only with the public, but within the bureaucracy, within the government itself.

The way this bill is prepared, perhaps it will be fairly clear-cut. But, Mr. Speaker, the senior citizens' home-owner rebate, for example, is one wherein confusion has reigned supreme and is causing considerable consternation and even hardship to many individuals. We've had a situation where many senior citizens paid their property taxes last June, in fact borrowing from their grocery budget because they anticipated getting their rebate from the provincial government momentarily. What has happened is that many of them, several thousands even, have not yet received that rebate. This certainly has put a hardship on many of our senior citizens and instead of being a help, as the rebate was originally intended, it has now become something altogether different and has put a hardship on them.

We find that there is confusion within the bureaucracy in administering the program, because sometimes people are required to send in their paid tax notices and that was not included on the original instructions. We find that, in some cases, the civil servants are stacking up the applications, waiting until there is a great number of them and sending them to the municipality for verification that the taxes are paid. So we have situations now where home-owners have complied both ways; where they send in their application without the tax notice attached. They haven't been paid yet. We find that on that application - and then they were told that they should send in their tax notice. They send in another application with a tax notice and still haven't been paid. So they've complied with the bureaucracy on both counts and still haven't received their home-owner rebate.

So I would just like to ask the Provincial Treasurer, in the administration of these programs certainly there has to be more care and attention applied than what we have seen to date in looking after the carrying out of the legislation.

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER:

May the hon. minister conclude the debate?

HON. MEMBERS:

Agreed.

MR. MINIELY:

Mr. speaker, may I first of all thank all hon. members who participated in the debate. Certainly I think that when we introduce a new program through a bill or expand an existing program, it is useful to all of us, whether in government or in the opposition, to hear the views of hon. members on these various matters.

Perhaps, Mr. Speaker, in replying to some of the basic concerns that were expressed by hon. members, one of the concerns expressed, I guess, by two or three of the speakers in the debate was the one about maximizing the impact of the renter tax credit to those in the low-income group.

I must confess, Mr. Speaker, that I was somewhat confused by the basic apparent misunderstanding by hon. members that this was not still the intent of the program. While it is true, as the hon. Member for Calgary Millican said, that a high rent cost would have to be coupled with a low taxable income or no taxable income in order to qualify for the maximum benefit, nevertheless, on studying the formula one can see that those with high incomes are simply, as the hon. Member for Calgary Buffalo indicated, I thought extremely

well - it is only those with the low incomes who stand any chance of qualifying for the maximum benefits under the program. Those in the high income areas ...

[Interjections]

Well, this is certainly the case, Mr. Speaker. Perhaps some of the hon. members have trouble with their mathematics, but if a person has a high income he basically is not going to get more than the \$50. I'm talking about - you know we can argue about what that high income is but the higher the person's income, he certainly is in no way going to be eligible for the maximum benefits.

So basically my answer, Mr. Speaker, to those who did comment on it, is simply that, certainly, in terms of the devotion of dollars under the program the maximum benefits are available to those in the lower income areas.

Mr. Speaker, I think the hon. Member for Drumheller indicated a concern relative to whether or not the landlords may take advantage of this program and subsequently just increase their rent because their tenants were receiving a greater benefit from the province. Mr. Speaker, I don't think anyone in this Legislature can ensure when government designs a variety of programs that in some way those who are - we might use a term to describe them, I think the hon. Member for Drumheller used "unscrupulous". I'm not sure that I would necessarily use that term as an example in the same debate.

I believe the hon. member was saying, reduce income tax across-the-board. Well, I think there are probably many who could argue that if you reduce income tax, in some ways the people who supply our citizens with goods and products can increase their prices because there is more to spend and therefore indirectly we've got a situation which is not far different from the landlord-tenant relationship. The point I want to make is this: what we tried to do was to ensure that most of the rental increases had worked through the system prior to announcing the program. If hon. members had a chance to read my public statement on it, in the public statement I indicated that while we had made the decision some time ago to increase the program, we delayed the public announcement of that decision hopefully so that most of the rental increases would have moved through the system prior to the program.

One of the points I want to make - and I must say that most of the time the hon. Member for Cardston and I think alike and I suppose that's a natural affinity, Mr. Speaker, for one existing Provincial Treasurer to a former provincial treasurer - but I had some difficulty with the hon. Member for Cardston this time. I think he was talking about the fact that we could have landlords set up a property tax reserve. It's not that by itself I question. It's the fact that we did, some months ago, remove all education tax from rental property. I think at the time no one on this side indicated that for sure the tenant would see the reduction by way of rents. We did have a debate in the Legislature at that time about this. One of the things we said was that hopefully, with a low vacancy rate, the reduction of property tax generally to the landlord, even though it wasn't passed off to the tenant, may result in the economics of apartment rentals generally being somewhat improved and perhaps more apartment blocks being built and the market and the availability of apartment units being expanded.

Fortunately or unfortunately, I guess depending on whether you're in provincial government or in municipal government, many of us have argued for more room for the municipalities. The cities of Calgary and Edmonton, in particular, largely moved in to the vacated room the province made at that time. Mr. Speaker, I want to make it clear that I'm not saying that in a critical way. Basically, I think most of us would agree that whichever way it happened, whether the municipalities moved in, we also recognized that they were having problems in terms of their budgetary expenditures, and that perhaps even the fact that this resulted was not a negative thing from our point of view as provincial legislators.

But the only way, Mr. Speaker, the renter would accept that his provincial government is doing something for him anywhere similar to what has been done for the home-owner is through our renter income tax credit. It's the only way that we, as provincial legislators, can really say to the renter, you know, you're getting a direct benefit the same as the home-owner is getting a direct benefit because he's an indirect taxpayer whereas the home-owner is a direct tax payer. It is also the only way that we could relate it to income. Again, the hon. Member for Spirit River-Fairview and I - somewhat different [from what] I just indicated with the hon. Member for Cardston - normally don't agree very often. But on that one, we certainly want to ensure that in this plan we have the benefit of the maximum part of the dollars which are included in the plan going to those in the lower income areas.

I think two or three members raised the part about instalments, which is a different principle in the bill. I'd like to make two points about this. First, whatever is incorporated in the bill, Mr. Speaker, is solely to conform with the federal act. We, of course, as all hon. members are aware I believe, do have a federal-provincial tax collection agreement. Under it, we don't collect the tax. Therefore in those sections of the federal act or regulations which apply to the actual collection of income tax, our act must be uniform with the federal act. That's the reason for the changes in the bill other than the renter income tax credit.

Again, I didn't understand the hon. Member for Cardston relative to the timing of instalments. My experience with income tax - I'm referring to Section 13(1) on Page 2 of the bill relative to farmers and fishermen - is that they can either pay their tax on the basis of their estimated income for the current year or the immediately preceding

year. So where the hon. Member for Cardston said that he has to make a payment even though he might be losing money, I don't believe that's accurate. If he believes he's in a loss position in the current year, he doesn't have to make any instalments.

The other thing is relative to the timing of the instalments. I think again the hon. Member for Cardston - and I think the hon. Mr. Ruste was talking about instalments as well - if he doesn't make them, he's not compelled to make them except to the extent that he ultimately is levied penalties and interest if he does not make them. Subsequently, in other words, the way you were recommending it be done was exactly, Mr. Speaker, the way in fact it is done by the federal government if instalments are not made.

I think one hon. member indicated that perhaps the senior citizens' shelter allowance may now perhaps not be in line with the amount those citizens are getting under the age of 65. I know my colleague, the Minister of Municipal Affairs, is certainly reviewing this. I would only make one comment. That is, those citizens in Alberta who are renting accommodation and who are under 65 have to file the income tax return in order to qualify for an average benefit which works out to approximately \$90 depending on their incomes and their rental costs. But senior citizens again are exempt from doing that and receive, regardless of their incomes, \$100 as a minimum benefit. This program, like any other government program, will be periodically reviewed and adjusted as the circumstances so require.

I think the hon. member indicated again that we have one of the highest, or by far not one of the lowest, income tax rates in Canada. I would like to say, Mr. Speaker, to the hon. members that since we've taken office, while the marginal rate in Alberta has not been changed, nevertheless we have moved from the second highest in Canada to, in fact, the sixth in Canada. We have maintained ours while reducing the many other areas of taxation, property tax and direct benefits to citizens in such things as natural gas rebate programs and these kinds of items, and still maintain no sales tax. Still, Mr. Speaker, [we have] gone from the second highest in income tax to the sixth in income tax. Of course, this has all been done with no increase in any other area.

Now having said that, Mr. Speaker, I think, as I've indicated in the House before, that every area of government revenue or every area of government program is one which is going to be reviewed periodically as circumstances change. I think the hon. Member for Drumheller made a very good point in terms of one of the arguments that would indicate why we should take a look at an income tax rate as a marginal rate. But, Mr. Speaker, I also get a lot of people who come to me and to my colleagues and say we should allow mortgage interest as a deduction from income tax; we should allow other kinds of things as a reduction from income tax. Now the point I am making is that we have to determine which is the best route to go - whether it's one or whether it's a package or a series of alternatives, or if in fact we should do it at all. So for someone to stand up in the Legislature and simply say that we should do it without study or we should do it properly, Mr. Speaker - in my view that's just not a credible approach to what should require a lot of thought and consideration before we choose what is the best way to ensure that the reduction ...

MR. LUDWIG:

On a point of order. I wonder if the hon. Provincial Treasurer can indicate one hon. member who has requested in this debate that income tax be reduced without any study? In fact I understand that the Provincial Treasurer had been studying this right along. I think on the point of credibility that if the Provincial Treasurer can't do it he should withdraw that remark, otherwise he's lying, Mr. Speaker.

MR. SPEAKER:

Order please.

MR. MINIELY:

Mr. Speaker, I was just trying to emphasize to the members of the Assembly that as far as we are concerned, in any review of taxation, we're going to study the alternatives thoroughly before we make any kind of public announcement.

Mr. Speaker, I think perhaps I can just review the notes, if there's the odd question I could answer further. Oh, I would like to respond to the hon. member Mr. French, Mr. Speaker, who reiterated the fact that we do have situations because of a temporary tax reduction that the federal government made, I think, in 1971 where an Alberta citizen can actually end up in the calculation paying no federal tax and yet end up paying some Alberta income tax. I think I have explained in the House before why this arises - because in fact the federal government had never really legislated through all the marginal ways. But, Mr. Speaker, to say this is one of the things we are reviewing - it is one of the items I am also discussing with the Minister of Finance for Canada, and of course is another reason we have to look at the various alternatives before we decide where the dollars should be devoted in terms of tax reduction in the future, or if we do it all.

So I guess, Mr. Speaker, with those comments I would conclude the debate.

[The motion was carried. Bill No. 69 was read a second time.]

## Bill No. 70 The Trust Companies Amendment Act, 1974

MR. LEITCH:

Mr. Speaker, I move second reading of Bill 70, The Trust Companies Amendment Act, 1974.

Mr. Speaker, in speaking to the principle of Bill 70, there are four areas in which I would like to address myself. The first, Mr. Speaker, deals with insider trading, and similar provisions to those contained in Bill 70 are found in three of the acts contained within Bill 75, The Securities Act, The Alberta Insurance Act and The Companies Act. Now the principle or rather, Mr. Speaker, the purpose of the amendments dealing with insider trading is to ensure a more timely report of trades by those who are known as insiders when that trading is leading to a takeover bid.

Mr. Speaker, insiders are directors, senior officers and shareholders who own more than 10 per cent of the voting stock in a company. As the legislation now stands - and there is no change proposed in this, Mr. Speaker, in Bill 70 - insiders must report, by the tenth day of the following month, any trades by them or on their behalf which have occurred in respect of these shares of a company. Those reports, Mr. Speaker, are then made available to the public.

By and large the reason for that provision is the belief that the rest of the public ought to know what shareholders are doing, if they are insiders, with respect to the ownership of their shares. And by and large the Canadian experience with that provision has been that it has worked well except, Mr. Speaker, for the area which is dealt with in the bill, and that is insider trading in the process of a takeover bid when it is made through the various exchanges. The proposed amendment is that, within three days after acquiring a certain percentage of shares, the insider must make public the details of his purchases. Mr. Speaker, we believe it is an amendment which will give the public more timely information about the activities of insiders who are in the process of acquiring a larger shareholding in the company.

The second item in the bill, Mr. Speaker, deals with the raising of equity capital by subordinated notes. Mr. Speaker, the normal method of a trust company raising equity capital is to sell shares, either common or preferred shares. The recent fall in the stock market has created some difficulty for trust companies. Their borrowings from the public by way of deposits or certificates, as the case may be, are restricted by The Trust Companies Act to 20 times their equity capital. And as their borrowings increase, they must have a corresponding increase in capital. In recent days, with the dropping market for common and preferred shares, the trust companies are experiencing some difficulty in following the traditional way of raising capital by the sale of shares.

The subordinated note concept which is contained in the bill, Mr. Speaker, is not a new one by any means. It is one which the chartered banks, for example, which are competing with the trust companies for depositors' funds have been using and there is legislation now before the federal House dealing with that matter.

The last two items in the bill on which I would like to speak, Mr. Speaker, are some changes in connection with the limitations imposed on trust companies with respect to investments in real estate. One of the changes enables the director to approve investments in real estate, even though there may be some form of encumbrance upon the title. As the legislation now stands, a trust company is prevented from investing in real estate unless there is a clear title. The proposal is that if there are encumbrances against the real estate, they may do so with the consent of the director.

There are a number of reasons for proposing that change, Mr. Speaker. One of the important ones is, it may often be the case that it is to the advantage of the trust company to invest in real estate even though there may be some claim against the title. For example, a small mortgage with a very low interest rate; as the legislation now stands, before the company could invest in that it would have to pay off the mortgage. It may be preferable to leave the trust company in a position that it needn't do so before investing in that property.

There is also a restriction in the current legislation against a trust company having investments of more than 10 per cent of its capital in the real estate of a subsidiary. Again that imposes what we feel may in some circumstances be an undue restriction on the company's capacity to invest. There is a provision in the proposed bill, leaving it to the minister to approve a larger investment in real estate owned by the trust company's subsidiary if he deems it in the interest of the company and the shareholders or depositors.

The last item, Mr. Speaker, merely provides the means whereby when two extraprovincial trust companies are amalgamated the obligations and rights of the companies being amalgamated are assumed by the new entity.

In resume, Mr. Speaker, I submit to the members of the Assembly that these amendments are important in principle and we feel will improve the condition of the trust companies operating within Alberta.

MR. DIXON:

Mr. Speaker, just one or two words - and this would probably cross over two different departments. Mr. Speaker, the hon. the Attorney General has talked about investment by trust companies in further real estate operations in their subsidiaries. I was wondering if the government had given any thought to divorcing real estate operations, that is, active commercial real estate operations, from the trust companies and making

them comply like any other real estate company which is solely in the real estate business. I have had complaints from people who said, well, I thought I was dealing with a trust company, not a real estate company. I was wondering if the government was going to clarify the point or even go so far as I suggest; that they divorce at arm's length transactions so that the real estate is a different entity altogether than tied in with their trust company. You've got house guarantees, and many companies get into trouble with that, but a lot of people think that if they are dealing with a trust company they don't have to worry about the guarantee as much as they would with the ordinary real estate company. That may not be correct in every case. The real estate company may be in a better position financially to guarantee the resale of that house than the trust company, especially if they get overextended.

So I would recommend, if the government isn't doing it, giving some consideration to clarifying it more with the public. Maybe I'm not making myself as clear as I'd like to, but what I'm trying to say is that I'd like to see a divorce between the trust company and the real estate operation. If they want to set up a real estate company that's fine with me, but they shouldn't call it The Royal Trust or any other trust company real estate; it should be Johnson's Real Estate Company or Calgary Real Estate Company. Forget this "trust", because it fools a lot of people. I think it makes it difficult for some of the legitimate real estate companies which are operating, and many people with the idea that they are different to the trust company, and the trust company is just as anxious to make a sale as the small town agency is anxious to make a sale. There is really no difference, but it does put in the eyes of the public that they are different from the ordinary real estate company. As the principle of this bill actually extends their rights more so than before, actually it is compounding the very situation that I think should be corrected. There should be a divorce of the trust companies from the real estate companies and we should have them operate as real estate companies.

Just as a few years ago they divorced the breweries from the hotel business to make them separate entities altogether. This is a suggestion that I would like to leave with the Attorney General. Maybe he has given it some thought. If he hasn't, I would recommend to the hon. Attorney General that he do some investigating to see if we couldn't come up with an answer to the problem some people are complaining about.

MR. SPEAKER:

May the hon. Attorney General close the debate.

MR. LEITCH:

Mr. Speaker, I'm pleased there is so very little debate to close.

I will respond to the hon. member's suggestion that there be a divorcing of the real estate operations of the trust company from its other business, and say to him that I have not received any information at all that the public has in any way been misled or harmed by the current practices. But certainly, if the hon. member has some information that that is the case, I would be pleased to receive it and to consider it. I do want to correct a misapprehension I think he is laboring under when he says that the principle of this bill is to extend their real estate operations. That isn't so at all. The principle I was speaking about would merely create a capacity to enlarge the size of their investment in real estate. It would not in any way alter the way in which they currently carry on business practices.

[The motion was carried. Bill No. 70 was read a second time.]

#### Bill No. 75

#### The Attorney General Statutes Amendment Act, 1974 (No. 2)

MR. LEITCH:

Mr. Speaker, I move second reading of Bill No. 75, The Attorney General Statutes Amendment Act, 1974 (No. 2).

There are a number of amendments to existing acts proposed in this bill, Mr. Speaker. The first deals with The Cemeteries Act and the amendment there is to provide what is known as a "cooling-off period" of four days. In all respects it is comparable to The Direct Sales Cancellation Act provisions with which I am sure the members of the House are familiar. I should draw to their attention that this deals only with what are termed 'pre-need' services, that is services or property purchased prior to the need for their use arising. There have been some complaints by the public, Mr. Speaker, with respect to the sale of these services. It was our view that it would be a protection for the public to provide a four-day period within which the contracts may be cancelled.

The bill, Mr. Speaker, also amends The Companies Act. The amendment there is restricted to the sections dealing with insider trading, and I have dealt with the principle involved there in the debate on Bill No. 70.

The Condominium Property Act is also amended, and the principles involved there are two. The first provides amendments to the insurance provisions of the bill, Mr. Speaker, which we believe will provide a fair and more equitable way of dealing with the insurance on condominiums. The second amendment to The Condominium Property Act deals with the rights of vendors under agreements for sale with respect to terminating the condominium

status or with respect to settlement schemes, and really brings their rights in line with those of holders of mortgages.

The Alberta Insurance Act is also amended with respect to insider trading in the same way as The Companies Act.

The bill proposes two amendments to The Judicature Act. The first, Mr. Speaker, is one that we feel is a major step forward in helping the citizens of the province with respect to litigation they may wish to become involved in against either the government, certain of its ministers or boards and agencies. As Section 24 of The Judicature Act now stands, before actions can be brought against the provincial government, or its ministers or certain boards and agencies, the person bringing the action must seek the consent of the Lieutenant Governor in Council. That provision, Mr. Speaker, is entirely removed by the bill. That's in pursuit of the principle that this government has adopted, that insofar as it is possible to do so the citizens' rights with respect to the government ought to be the same as the rights between citizen and citizen.

There are also, Mr. Speaker, some amendments dealing with the procedure when goods are seized under writs of possession. These amendments are designed to cure some unfairness that exists under the current legislation.

Mr. Speaker, there are also amendments proposed to The Legal Profession Act and I don't know that I can add very much to the principles I referred to when outlining the purposes of this bill on first reading. One proposed amendment deals with the situation when the conduct of a lawyer may be regarded by the benchers, the governing body of the law society, for disciplinary purposes, as conduct unbecoming. As I indicated earlier, Mr. Speaker, this arises out of the fact that a recent Supreme Court of Alberta appeal decision held that conduct was not unbecoming and therefore not punishable unless it also met the test of being disgraceful or dishonorable conduct. Mr. Speaker, for a long time now the profession has been subject to discipline for acts which would not fall within the meaning of the words "disgraceful or dishonorable", and the proposed amendment is merely to bring the legislation back to what I'm sure the majority of the profession felt it meant before that decision.

There are also some amendments, Mr. Speaker, to the section of The Legal Profession Act dealing with the Alberta Law Foundation. The first is merely to ensure that it is a charitable foundation and therefore exempt from payment of income tax. The second merely enables the financial institutions holding the trust funds to pay the interest on those funds twice yearly to the foundation, rather than on specified dates as is now set out in the legislation.

The Proceedings Against the Crown Act, which is amended by Bill 75, Mr. Speaker, is merely a consequential amendment made necessary because of the removal of Section 24 from The Judicature Act.

The Securities Act is amended again with respect to insider trading.

The last Act, Mr. Speaker, that it is proposed to amend by Bill No. 75, is The Trustee Act and the amendments there deal with what lawyers call maintenance and advancement. They are in rather a technical area. They are made as a consequence of the report of the Institute of Law Research and Reform. Essentially they simplify and clarify the law dealing with what happens to the income from a gift and, in addition, expand on the capacity for a trustee to make payments either by way of maintenance or advancement to the beneficiaries of the gift.

Thank you, Mr. Speaker.

MR. LUDWIG:

Mr. Speaker, I wish to address myself only to the first part of the bill, The Cemeteries Act. I certainly feel that this is long overdue.

In dealing with a cooling-off period with people when they purchase a plot of land for a small amount, certainly there is concern, but I wonder whether we couldn't qualify this legislation by attaching a rider that in the event that the people who purchase had received independent advice either from some government legal authority or from a lawyer, whether they could not make these kinds of transactions binding. Now one might feel, why go to that extent. But when you have someone buy a plot for two or three hundred dollars, we are quite concerned about people being taken. And that is why this cooling off period. Sometimes they get talked into something and they buy a plot with all sorts of other services and costs involved.

But I often feel that people who buy a house - this is a lifetime investment, quite often irrevocable, they can't get out of it, they've committed themselves. They go to sleep on it, wake up in the morning and find out that they are in trouble. A lot of people who deal, who buy homes or sell them, just don't understand these things. Is there any way we could extend this principle into that area? Somebody would say, well, it's an established form of business and why disturb it. So is this. The same principle, only much more important, applies to many young people and to many older people who deal in real estate. Whether they are taken or not, they feel the next morning or shortly thereafter - or receive some advice - that they have been had and they go through a lot of misery, a lot of woe. They go from place to place seeking a remedy and when they are told they have not got a remedy that isn't going to cost them a lot of money, then they knuckle under and go through with the transaction.

I'm just indicating that it's probably time to extend this principle. I approve of this principle. I raised this issue a number of years ago when we got our cooling-off legislation for door-to-door sales. It always bothered me that we could get so concerned and so emotional about a \$50 sale or a \$100 sale of a vacuum cleaner; that somebody had

been had. If the principle is there that somebody got taken, somebody got fast-talked into something, when the husband comes home he finds out that this was not a good deal, we cannot afford it even though the price was small. We moved to prevent this from happening. But when people make what is a lifetime investment sometimes and commit their funds, we have not moved into that area and I think that at least we ought to look at it. I've raised this issue before and ...

Yes, somebody gives me a memo here that says, "a plot is an investment for eternity". Sometimes when you pay the mortgage you think the house you bought is also an investment forever and a day.

So, Mr. Speaker, with those few remarks I just want to urge the hon. Attorney General to look into this matter to see if we could not extend this principle to purchases of houses by people who don't understand the business of purchases of land, to see if we could not attach some rider or some legislation to require independent legal advice before they are bound and give them a 48-hour or longer cooling-off period.

A reputable transaction need not fear being broken, but there are times when it has happened and even those in the business know that people virtually come to you and tell you they've been conned into something. There should be a cooling-off period in the handling of real estate, especially in purchases by citizens who are not knowledgeable about the business. There are many pitfalls. In fact you can run into trouble with the best of advice sometimes. But by and large when people buy and find out that they have been had, in several respects we ought to find a way of helping them.

Thank you, Mr. Speaker.

MR. GRUENWALD:

Mr. Speaker, I'd like to make just a brief comment also on The Cemeteries Act portion of this bill. I certainly concur in the bill. I believe a warming-off period is a good step, a proper step in the right direction. My only complaint is, I really believe that that period should be longer than four days. I see no reason it should be as short as four. I'm wondering if people can come to full realization of what they've done in a purchase such as this in as short a period as four days. I wouldn't see anything wrong with having it 30 days, because there is hardly any service so charged with emotion, where people can be taken advantage of and make bad judgments, as in this type of service. I simply say I concur, but I really believe that the period of cooling-off, if you want to call it that, could be much longer.

MR. TAYLOR:

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

MR. SPEAKER:

The hon. Member for Calgary McCall I think was first in the draw.

MR. HO LEM:

Thank you, Mr. Speaker. I would like to add a few remarks to the ones already made regarding the amendment ...

AN HON. MEMBER:

Here, George.

MR. HO LEM:

... and certainly I agree there should be a cooling-off period. I agree with the previous speaker, that perhaps consideration should be given to extending that to, say, a 30-day period.

I think I would like to take this opportunity, Mr. Speaker, to bring some other concerns to the attention of the hon. minister regarding The Cemeteries Act as it's being implemented at the present time. We have received, or at least I have received, complaints from a certain person regarding a contract he had entered into with a certain company where he had deposited a substantial amount and agreed to pay monthly instalments. In this particular case the person entering into this contract, the member of the family, had died in the meantime and they [the family] were refused usage of this plot which they had reserved because of insufficient payment or not full payment. I think that certainly some protection should be given to people in this regard.

The other concern expressed by people is the perpetual care aspect; that while the contract calls for perpetual care, oftentimes the cemeteries are found to be in a very dilapidated condition, grass needs cutting and general good housekeeping is not implemented in the upkeep of plots.

Also, on these particular cemeteries, Mr. Minister, I was wondering whether it is advisable that they be within a reasonable range of the larger municipalities. For instance, there are many people who are compelled to drive miles and miles in a very sad funeral procession and I was wondering whether we could perhaps introduce some legislation requiring that they should be within a certain range of the municipalities.

Those are the comments I'd like to add at this time.

MR. TAYLOR:

Mr. Speaker, I would like to say a word or two on the bill also. I would like to expand on what the hon. Member for Lethbridge just mentioned about the four days not being



enough. I don't think it's a good comparison to compare The Direct Sales Cancellation Act with this particular Act.

With The Direct Sales Cancellation Act, if you buy a rug or vacuum cleaner you have a chance within four days - and I think four days there is ample - to check it and see if it works and so on. But when you buy a plot it may be 10 or 15 years before you use it. Four days may not even give you an opportunity to go out and see it. In one case you are buying something and being able to check it right away. In the other case you are paying now and dying later, and you don't know how much later, but certainly you should have enough time there to at least go out and see the plot or lot you bought. It may be completely unsatisfactory after you see it. You say it doesn't make any difference after you have gone, but to some people it does. It becomes a very, very important thing. So I would like to see the hon. minister give some consideration to extending that period from four days. I don't think it's comparable with The Direct Sales Cancellation Act at all.

In connection with supplies or services, I suppose this could refer to tombstones or grave markers. If so, if you order this and the stone is cut or the inscription is placed on it, then it would possibly be unfair to cancel it at that point. I think there probably should be some provision to deal with that type of service as compared to the supplying of cement, woodwork, frames or other types of things in that regard.

The main point I want to make is that I don't think we should be trying to keep it parallel with The Direct Sales Cancellation Act because I don't think it's the same at all. The lots - plots particularly - are sold to elderly people. It's a highly emotional matter, as the hon. Member for Lethbridge mentioned. A fast-talking salesman can talk to elderly persons, have them weeping and have them signing a contract, and it may take those certainly more than four days to get over the emotional upset to see whether or not they should really have invested in this plot or not.

I think in the interest of those who want to provide for their final burial and also in the interest of those who are selling this type of service, there should be a longer period so emotion isn't going to play too big a part and the person is going to be able to think it through clearly and even look at the plot and know whether or not that is what they want, where they want it and the amount they want to pay for it.

Again, it's not comparable to The Direct Sales Cancellation Act. One hon. member said the husband came home and didn't like it and told his wife she couldn't buy it. I don't know how that works personally, but at least he is home that night, or is supposed to be, and four days appears to be enough time. In this other type of thing, a person in a senior citizens' home or in a hospital, who is very much up in years, may go a week before the relatives with whom he wants to talk this over come to that hospital. This isn't uncommon at all. I have had cases of that in connection with glasses and hearing instruments. So I do think there is some merit in having this four-day period extended.

While I am speaking about cemeteries, I would like to take this opportunity of commending the government on its new cemetery program of improving a lot of abandoned cemeteries. I don't know how many of these there are in the province, but this is a program I think is well worth while and one that may very well bring a lot of comfort to people who have been worried about the condition of the graves of their loved ones for a long time, where there is no fence, no markers, grass, trees et cetera. So I am certainly supporting the bill.

I would like to adjourn the debate at this time because there are one or two points on other acts I would like to make.

MR. SPEAKER:

May the hon. member adjourn the debate?

HON. MEMBERS:

Agreed.

MR. SPEAKER:

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

[Mr. Speaker left the Chair at 5:30 p.m.]

