

LEGISLATIVE ASSEMBLY OF ALBERTA

Thursday, May 22, 1975

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

PRAYERS

[Mr. Speaker in the Chair]

INTRODUCTION OF BILLS

Bill 8

The Department of Health and Social Development Amendment Act, 1975

MISS HUNLEY: Mr. Speaker, I beg leave to introduce a bill, being Bill No. 8, The Department of Health and Social Development Amendment Act, 1975.

The purpose of this bill is to change the name of the department and to clearly delineate the difference in that the Hospital Services Commission and the Health Care Insurance Commission will be administered through another ministry. It will accent the continued activity of the department within the community in our endeavors to work closer with the community in all areas of social service and community health that concern our citizens.

[Leave being granted, Bill 8 was introduced and read a first time.]

Bill 16

The Department of Recreation, Parks and Wildlife Act

MP. ADAIR: Mr. Speaker, I beg leave to introduce Bill No. 16, The Department of Recreation, Parks and Wildlife Act. This being a money bill, His Honor the Honorable the Lieutenant-Governor, having been informed of the contents of this bill, recommends the same to the Assembly.

Mr. Speaker, the purpose of this bill is to continue to provide the best in recreation services, youth services, provincial park facilities, and fish and game management -- consolidating the recreation and youth divisions of the former Department of Culture, Youth and Recreation; the provincial parks, and fish and wildlife divisions of the former Department of Lands and Forests, into the new Department of Recreation, Parks and Wildlife.

[Leave being granted, Bill 16 was introduced and read a first time.]

Bill 18

The Department of Telephones and Utilities Amendment Act, 1975

DR. WARRACK: Mr. Speaker, I beg leave to introduce Bill 18, The Department of Telephones and Utilities Amendment Act, 1975. This act will reflect the recent reorganization of government in the creation of the Department of Utilities and Telephones. This in turn, Mr. Speaker, reflects the increased emphasis of this government on utilities and embodies the concept of telephones as a component part of those utilities.

[Leave being granted, Bill 18 was introduced and read a first time.]

Bill 19 The Department of Business Development and Tourism Act

MR. DOWLING: Mr. Speaker, I beg leave to introduce a bill, being The Department of Business Development and Tourism Act. The purpose of this bill is to establish the Department of Business Development and Tourism. In so doing, it brings together several existing branches of government under one roof in order that the business community of Alberta may be better served.

[Leave being granted, Bill 19 was introduced and read a first time.]

INTRODUCTION OF VISITORS

MR. LOUGHEED: Mr. Speaker, it is my honor to introduce to you and through you to the members of the Legislative Assembly, a distinguished Canadian who is in our Speaker's gallery today, Mr. Jake Warren, the Canadian Ambassador-designate to the United States who formerly served as High Commissioner to the United Kingdom and who, incidentally, did a great deal toward assisting the Alberta government in re-establishing the Agent General in London and in co-operating with us in the opening of the expanded Alberta House in London. I would ask Mr. Warren if he would please rise and be welcomed by the Assembly.

MR. DOWLING: Mr. Speaker, I would like to introduce to you and through you to the members of the Assembly, some 30 Grade 7 students from the Mountain View school in Hinton, Alberta. They are accompanied by their teachers, Mr. Chidlaw and Mrs. Rogers; and parents, Mrs. Batog, Mrs. Marshand, Mrs. Bartolin, and Mr. Dafoe. They are seated in the public gallery, Mr. Speaker, and I would ask that they rise and be recognized by the Assembly.

MR. PLANCHE: Mr. Speaker, I'm pleased to have in the members gallery today 40 children from the Calgary Hebrew Junior High School in my constituency along with their teachers, Mrs. Miller, Mrs. Anshell, Mrs. Latvala, Miss Parry, and Mr. Haviv. I'd ask them to please rise and be recognized and welcomed by this Assembly.

MR. MCCRAE: Mr. Speaker, it's my pleasure today to introduce to you and through you to the members of this Assembly, a group of Grade 5 students, 40 in number, from Collingwood Elementary School in my Foothills constituency. They're accompanied by their teachers, Mr. Bill Mahon, and Mrs. Inkster; parents, Mrs. Jean Bentley, and Elizabeth Kennedy; and a University of Calgary student, Arnold Ingelson. They're seated in the public gallery, and I would ask that they stand and be recognized by the Assembly.

MR. CLARK: Mr. Speaker, I'd like to introduce to you and through you to the members of the Assembly, a delegation from the Carstairs-Cremona area in the constituency of Olds-Didsbury. I'd like to say, Mr. Speaker, for your information and for the information of the hon. members, it's a rather broadly based political group, so no member need have any worry about any particular point of view being left out. This group was up to meet with the Minister of Transportation with regard to a road in that area. I'd like to ask Mr. Stiles, Mr. Cumming, Mr. Sundberg, and Mr. Lashmore to rise and be recognized by the Assembly.

MR. SCHMID: Mr. Speaker, I would like to introduce to you and through you to the members of this Assembly, five gentlemen from the United States, in fact from Detroit and Toledo, Ohio, who are here to get contacts with people of Scandinavian ethnocultural origin. They are members of the International Heritage Foundation. I would like them to rise and be recognized by this Assembly.

ORAL QUESTION PERIOD

Tar Sands Development -- Home Oil

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Energy and Natural Resources. The question arises out of the announcement out of Calgary this morning that the Energy Resources Conservation Board has given its blessing to the Home Oil application, in light of the fact that the president of Home Oil, Mr. Phillips, in a letter tabled to the House of Commons in March of this year indicated that Home Oil would

not be able to go ahead with a plant in the tar sands unless it received the same type of assistance the Syncrude consortium received.

I'd like to ask the minister if the government is in a position to indicate at this time, first of all, if they've had any discussion with Home Oil, and secondly, if the government does look favorably upon giving Home Oil at least the same kind of concessions they gave Syncrude, having in mind that Home Oil is 98 per cent Canadian owned?

MR. GETTY: Mr. Speaker, the recommendation from the Energy Resources Conservation Board, as the hon. member has pointed out, has just been released, and the government has not had an opportunity to review it.

I would draw the hon. member's attention to the manner in which the Syncrude application was handled, in that the board made a recommendation to cabinet, the cabinet in that case approved it subject to conditions, one of which was to work out commercial factors. I would assume the Home Oil case would be dealt with in the same way, but the Executive Council and the government would have to decide whether it would be approved and under what conditions.

MR. CLARK: Supplementary question, Mr. Speaker, to the minister. Is the Government of Alberta prepared to go to bat, as need be, with the federal government to see that, in fact, the federal government is prepared to give at least the same kind of assistance to Home Oil they have given to Syncrude, so that the project could go ahead?

MR. GETTY: Mr. Speaker, that's slightly hypothetical because if it wasn't approved, obviously there wouldn't be anything to go to bat for. However, I would certainly agree that we would take all those factors into consideration while reviewing it at the cabinet committee level and, I'm sure, Executive Council level.

MR. CLARK: One further supplementary question, Mr. Speaker, to the minister. Have there been, up to this time, any discussions between the government and the federal Minister of Energy or the Prime Minister regarding the advisability of the Home Oil project, and would the minister be in a position to indicate what the attitude of the federal government seemed to be?

MR. GETTY: Mr. Speaker, while it was before the Alberta Energy Resources Conservation Board, we did not feel it correct to discuss it with other jurisdictions. To the best of my knowledge, there have not been any discussions between our government and the federal government on this application.

#### Red Deer River Dam Proposal

MR. CLARK: Mr. Speaker, the second question to the Minister of Environment. Could he indicate to the House the present status of the hearings on a dam on the Red Deer River in the area west of Red Deer?

MR. RUSSELL: Mr. Speaker, the preliminary and necessary background information, which is usually prepared for the use of the public prior to such hearings, is under way.

MR. CLARK: Can the minister indicate to the Assembly when those hearings will take place?

MR. RUSSELL: No, Mr. Speaker. I regularly review with the chairman of the Authority, Dr. Trost, the proposed schedule of all hearings to be held. I expect to be discussing that matter with him very shortly, and I'd be glad to report to the House if there are any further details I can supply.

MR. CLARK: Further supplementary, Mr. Speaker, to the minister. Have there been any discussions between the minister and Calgary Power regarding the possibility of Calgary Power being interested in a dam site on the Red Deer River west of Sundre?

MR. RUSSELL: If the hon. leader means between myself and Calgary Power, the answer is no, Mr. Speaker.

MR. CLARK: To the Minister of Energy then. Have there been any discussions between him, or any of his officials, and Calgary Power on that particular matter?

MR. GETTY: No, Mr. Speaker, not to the best of my knowledge.

#### Tar Sands Development -- Shell

MR. NOTLEY: Mr. Speaker, I'd like to direct a supplementary to the first question asked by the Leader of the Opposition and ask the hon. Minister of Energy if he is in a position to report to the House on the disposition of the Shell application -- where that particular proposal sits at this point in time?

MR. GETTY: Mr. Speaker, that application is presently before the Executive Council and cabinet committees, and there is nothing to report on the matter at this time.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is the government at this time committed to equity of concessions to Shell as was awarded to the Syncrude venture? Is this a position of provincial policy at this point in time?

MR. GETTY: Mr. Speaker, I'd have to object to the term "concessions" that were made to Syncrude. We were able to come, I hope, to fair commercial terms. We hope we would be able to come to fair commercial terms should the Shell application be approved.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Can the minister advise the House whether it's true that the Shell concern is asking for a floor price, as well as the world price?

MR. GETTY: I think, Mr. Speaker, the hon. Premier, when returning from the discussions in Winnipeg regarding Syncrude, referred to some discussion by Shell at that time -- when they were considering joining the Syncrude consortium -- that they would have liked a floor price somewhere in commercial terms. But we have not had any discussions with Shell which involved a floor price, to the best of my knowledge, in regard to their own application.

MR. NOTLEY: A further supplementary question, Mr. Speaker, to either the hon. Premier or the minister. Would the Government of Alberta, at this time, rule out a floor price as a feasible option?

MR. GETTY: Mr. Speaker, I think it would be unwise for the government to rule out any options while it is considering something as important as, and with the significance of, that application.

MR. NOTLEY: A further supplementary question, Mr. Speaker, to the hon. minister. Are any studies taking place at the present time, by your department or any department of government, concerning the feasibility of a floor price?

MR. GETTY: I don't think I could say there was a study being conducted right now on that specific matter.

#### Tar Sands Development -- Home Oil (continued)

MR. TAYLOR: Supplementary to the hon. Minister of Energy. After Home Oil presented its application to the Energy Conservation Board, did Home Oil ask for a postponement or delay in the decision?

MR. GETTY: I'm not sure, Mr. Speaker, if the hon. member is now referring to a decision by the Energy Resources Conservation Board or the government. I don't believe they have asked for a delay from the board, but that would be subject to checking with the members of the board.

#### Restricted Driving Privileges

MR. GHITTER: Mr. Speaker, my question overlaps two jurisdictions, those of the Solicitor General and the Attorney General. Inasmuch as the Solicitor General is not here, I direct my question to the Attorney General.

In light of the fact that provincial court judges in the City of Calgary are now issuing restricted driving privileges for those convicted of impaired driving, or not taking the breathalyzer test, I'm wondering if the government is now considering the issuing of restricted licences in accordance with the order of the provincial court judges?

MR. FOSTER: Mr. Speaker, I'm not familiar with that topic at the moment. I'll discuss it with my colleague and report later to the member, if I may.

#### Dairy Co-ops

MR. STROMBERG: Mr. Speaker, I was wondering if the Minister of Agriculture could inform me if the federal government has refused to grant quotas to the dairy co-ops which have been formed in Alberta?

MR. MOORE: Mr. Speaker, yes, that is correct with respect to the large 1,000-head dairy co-ops that were envisioned. I received a letter earlier this week from Mr. Whelan to

that effect. I communicated that information to at least one of the proposed large dairy co-ops which asked me for a reply in that regard.

MR. STROMBERG: Supplementary, Mr. Speaker. Will this action taken by the federal government now effectively kill the co-ops which have been formed in the province?

MR. MOORE: Well, Mr. Speaker, I think it would be unfair to use the term "effectively kill" co-ops, in that it has only to do with some very large co-ops. There are opportunities for two or three individuals to get together on a co-operative basis, apply for a quota, and still develop a dairy farm in a co-op fashion. But it would be much smaller than that which has been envisioned by two or three larger ones.

MR. STROMBERG: A final supplementary, Mr. Speaker, to the minister. Is your department planning any action to rectify the problem with the federal government?

MR. MOORE: Well, Mr. Speaker, the Department of Agriculture has been trying to obtain a commitment from the federal government to release quota to three specific large dairy co-ops in the neighborhood of 1,000 dairy cows each. We have been unable to obtain that approval from Ottawa. In fact, they have written to us saying they are not at this time prepared to give approval. I don't believe there's anything else we can do from our point of view, because that quota is clearly under the authority of the federal government.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. The minister mentioned two or three farmers could possibly form a co-op. As a specific, does this mean the group of farmers in the Vauxhall area are unable to go ahead with their milk co-op because of the federal decision?

MR. MOORE: Mr. Speaker, I'm not fully familiar with the extent of the size of the operation you're talking about with regard to a group of farmers in the Vauxhall area.

I would say, however, that an opportunity exists for small three-member co-operatives. There are a number of conditions and rules with regard to formation of those small three-member co-ops which I could make available to any member of the Assembly who so wishes.

MR. LYSONS: A supplementary to the minister. How many dairy co-ops are in Alberta at the present time?

MR. MOORE: Mr. Speaker, aside from three very large ones of which I'm aware, I'm sorry I don't have that information offhand. I could perhaps provide it for the hon. member if he wants to put it in the form of a question directly to me at another time.

#### Regional Planning Assistance

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Municipal Affairs. Is his department considering making any funds available to small towns that want an overall development plan for their area and can't get assistance or staff from the regional planning commissions?

MR. JOHNSTON: Mr. Speaker, the question dealing with regional planning, of course, is a local option. We have facilities within our current budgetary estimates to provide for these services.

#### Imperial Oil Refinery -- Calgary

MR. DONNELLY: Mr. Speaker, my question is directed to the Minister of Business Development and Tourism, further to the Imperial Oil refinery in Calgary. I understand you have met with Imperial Oil officials since Tuesday last. Could you tell the House the contents of that meeting, please?

MR. DOWLING: Yes, Mr. Speaker. Very briefly, our concerns were about three. The first one was: is the Calgary Refinery in fact closing, or has it closed, and if it is closing, why? The answers to those questions are, it has now closed. The reasons were that the plant was becoming extremely obsolete. Bearing in mind the bringing on stream of the Strathcona plant of Imperial Oil, it was felt by the Imperial Oil operators that that plant could in fact supply gasoline and its products to the consumers of Alberta at a price possibly more favorable than they are now receiving it out of the Calgary operation.

The second part is that if the Calgary operation were sold to a group like Calgary Refinery, the Calgary Refinery group would not have a marketing arm if they bought it alone. There was some question too that the Calgary refinery group did not have the financial capability to purchase it alone, so that group, with another oil company in Alberta, attempted to put a package together. However, the package of the partnership fell apart because the other half of the partnership did a survey on the viability of the plant, bearing in mind all the factors I've mentioned and many others. They found the

plant would not in fact be viable under all the conditions that exist: the environmental requirements for upgrading, the pressures for additional land within the City of Calgary, the lack of a marketing arm, and other things of this nature.

Our second concern, Mr. Speaker, was for the employees of the plant, 153 in number. Of those, 25 have retired, 22 have resigned, 65 were transferred within the organization of Imperial Oil, and 46 remained. Of the 46 who remained, 35 retired and 11 terminated. However, of the 11 who terminated, all had been offered alternative employment, and of those 11 only 1 remains without a job.

MR. CLARK: A supplementary, Mr. Speaker . . .

MR. SPEAKER: Might I just interject and say that the hon. minister's phenomenal memory for figures has given an excellent illustration of the type of question that should perhaps be put on the Order Paper.

MR. CLARK: A supplementary question, Mr. Speaker, to the minister. Would the minister like to deal with the story emanating from Calgary that the Alberta government is considering buying the Imperial Oil refinery in Calgary?

MR. DOWLING: There is no truth to that story at all, Mr. Speaker. What was indicated was that the Alberta Energy Company had some interest in purchasing it. I understand that Calgary Refining Limited did approach the Alberta Energy Company regarding that possibility and the Alberta Energy Company, after briefly investigating it, turned it down.

MR. CLARK: A supplementary, Mr. Speaker, to the minister. Has the minister volunteered any guaranteed loans or grants to any organization if it would take on the Imperial Oil plant in Calgary?

MR. DOWLING: Mr. Speaker, as I indicated earlier, our investigations and the investigations of other oil companies indicate that the operation is not viable. Surely if we are to promote business development in Alberta we should be promoting viable business development, not business development that will, in fact, turn up at the heels and go broke.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister tell the House whether or not his department commissioned an independent assessment on the viability of the Calgary plant?

MR. DOWLING: Mr. Speaker, not an outside-departmental assessment. We have some knowledgeable people within the department who did make an assessment on their own. That was, in fact, what they suggested: because of the lack of a marketing arm, a potential surplus position in oil resources in this part of the country, the operation would not be viable.

MR. TAYLOR: A supplementary to the hon. minister. As a matter of fact, two supplementaries. First, when the hon. minister says "retirement", does this mean voluntary retirement?

Secondly, has the minister any information regarding Imperial Oil opening a similar plant in another province?

MR. DOWLING: Mr. Speaker, first, I don't have any knowledge on the last part of the question regarding Imperial Oil's operation outside of Alberta regarding refinery establishment.

However, the people who retired, retired voluntarily and were paid, in addition to the normal pension or considerations they would receive, a termination bonus of up to one year's salary.

MR. YOUNG: Mr. Speaker, to the minister for clarification. I believe the minister mentioned the possible lack of a marketing arm of the proposed group who were interested in the Calgary plant. Does that suggest, in terms of capacity of the industry at the present time, there is sufficient, and there would, in fact, be too much with two plants on stream when the Imperial plant in Edmonton begins?

MR. DOWLING: Mr. Speaker, what the Calgary refinery people attempted to do was become a partner of an established oil company. In doing that, they have had the expertise of that company to develop the marketing arm. However, as I understand the situation, the partnership did not come to fruition; it remained a short time and then did not exist any longer. Therefore, the marketing capability of that proposed company really fell apart. And without that marketing capability, or customers to sell the product to, there was no reason they should proceed and continue with the refinery.

---

Child Abuse Registry

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Social Services and Community Health. My understanding is that the Ombudsman has launched an investigation into malicious misuse of the province's child abuse registry, whereby some people may be using it to harass their enemies or neighbors. My question to the minister is: is the minister aware of any such cases, and if so, what procedures are being followed at the present time?

MISS HUNLEY: Mr. Speaker, no, I am not aware of any such cases. They have not been brought to my attention. If the Ombudsman is inquiring into it, he would advise my deputy minister, which is the requirement under the act, I believe. They will no doubt be in touch with me soon. It will be my intention to assess whether it is being abused.

It has been brought to my attention from time to time, but never in a serious matter, that children, for example, turn in their own parents as a means of getting even with them for things they do the children don't approve of. It hadn't come to my attention that anything very serious was developing.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Are the files or records of the registry maintained as confidential, and are they kept over a long period of time?

MISS HUNLEY: That's an administrative matter, Mr. Speaker. I would assume they are confidential. I'll be glad to check and advise the hon. member.

## Foreign Investment

MR. TAYLOR: My question is to the hon. Premier. Has the government had any feelers from Arab countries regarding the investment of their new-found riches in Alberta?

AN HON. MEMBER: The heritage trust fund.

MR. LOUGHEED: Mr. Speaker, I would think it's pretty difficult sometimes to assess the indirect nature of that which may occur. Certainly there isn't anything I could usefully report to the House which would indicate that has occurred. I am aware that other provincial governments have been involved in discussions with some of the OPEC nations regarding investment in their provinces, but certainly it hasn't been the case in Alberta.

MR. TAYLOR: A supplementary. Would Arab money be welcomed in Alberta as developing capital?

MR. LOUGHEED: Mr. Speaker, I would think, having regard to the general conclusions the select committee of the Legislature has made with regard to foreign investment, that we would welcome investment from other areas of the world. I think it is pretty clear that it has been important in the development of Alberta.

But we certainly would be, and are trying to be, cautious about the question of foreign investment in terms of land in the province. In my discussions -- I believe this is true also of the Provincial Treasurer -- I have tried to make it abundantly clear that if we have investment in Alberta from other countries, we would hope it would be investment of a multiplying nature, in the sense that it creates job opportunities in the province and is not here for a strictly speculative purpose.

## Monitoring of Land Sales

MR. NOTLEY: Mr. Speaker, a supplementary question, either to the hon. Premier or to the Attorney General. Can either minister advise whether there have been any requests for exemptions under The Land Titles Amendment Act which was passed in the fall of 1974?

To refresh the minister's memory, this was a bill to set up monitoring of foreign purchases of land in Alberta.

MR. FOSTER: Mr. Speaker, I'm not aware of any such requests. I haven't fully reviewed the file, however, so there may be requests which have not been brought to my attention. But I am not aware of any.

MR. NOTLEY: A further supplementary question. Will the minister be in a position to table any preliminary report during the spring session of the Legislature, as a result of The Land Titles Amendment Act, on foreign purchases of land in Alberta?

MR. FOSTER: Mr. Speaker, that depends entirely upon how long the members want to stay in session. The mechanism to which the hon. member refers goes into effect June 1. I doubt that we would be in a position to report anything before July 1. And I am hoping that

hon. members of the Assembly will have concluded their spring business by the July 1 weekend.

MR. NOTLEY: Further supplementary question, Mr. Speaker, either to the Minister of Agriculture or to the hon. Attorney General. Has there been any effort to monitor land sales in the last six months in the Province of Alberta, other than the unofficial hearings of the Alberta Land Use Forum?

MR. FOSTER: Mr. Speaker, certainly I have not participated in any mechanisms other than the one which has been referred to.

MR. TAYLOR: A supplementary to the hon. minister. Has there been a rush of applications from other than Canadians in the Land Titles Office during the last two or three weeks? Is the minister aware of the answer?

MR. CLARK: They don't know. They haven't been . . .  
Mr. Speaker, a supplementary question to the minister. They don't know.

MR. TAYLOR: The answer from the hon. Leader of the Opposition is very nice, but I would appreciate knowing from the minister.

MR. CLARK: Mine might be more accurate.

MR. FOSTER: Mr. Speaker, the registrars of the north and south land registration districts have not brought any such concerns to my attention.

MR. CLARK: A supplementary question to the minister, Mr. Speaker. Could the minister enlighten the House as to why it's taken since November of last year until June of this year to get the mechanism in place to do this monitoring?

AN HON. MEMBER: It's been under study.

MR. SPEAKER: Order please. The hon. Leader of the Opposition is giving the most attractive enticement for the commencement of a debate.

MR. CLARK: It would be nice to find the answer, Mr. Speaker. Why did it take six months?

MR. SPEAKER: Perhaps that might be looked after by an appropriate item on the Order Paper.

MR. NOTLEY: A supplementary question, Mr. Speaker. Perhaps we can phrase this slightly more gently. Can the minister advise the House whether there were any particular impediments [interjections] to bringing this act into force?

MR. FOSTER: Well, Mr. Speaker, I'm happy to enter this gentle debate. I don't know how long it will take.

As I understand the situation, Mr. Speaker, there are basically two reasons for the effective date of the monitoring mechanism being June 1. One had to do with the internal organization of the land registration system itself, and the preparation of procedures and documentation to accept this system.

The second had to do with an educational process, if you will, to the members of the legal profession who handle most of the documentation that proceeds through the Land Titles Office. Members of the Department of the Attorney General have been meeting with the legal profession all over the province to brief them on the procedures, the documentation, the routine, et cetera. Those meetings have been going on all over Alberta. I'm told that those meetings are concluded, the mechanisms are now in place, and the monitoring routine will commence on June 1.

MR. CLARK: Unbelievable.

#### CEMA

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture and ask whether he can tell the House the position of the Province of Alberta with respect to Alberta participation in CEMA, the Canadian Egg Marketing Agency?

MR. MOORE: Mr. Speaker, the situation at the present time is that about 10 days ago I finally did sign an agreement which was intended to be an agreement between the nine other provinces, the federal government, CEMA, and all the provinces' egg producing boards.

The agreement which we did sign, however, had a number of conditions attached to it that did considerably alter the original agreement. Our signature was based on acceptance by Ottawa, the other provinces, and all the egg producing boards in each province, of those conditions being subject to Alberta only.



MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister, in a general way, advise the Assembly what the conditions were, and further, what the position is of the conditional signature at this point in time?

MR. MOORE: Since having made that conditional signature, I have not had any advice from Ottawa as to whether other provinces or indeed Ottawa have accepted those conditions. By and large, the conditions would allow for a greater input by this government and by our egg producers' marketing board in terms of determining the number of layers on farms, the price producers might be paid for their eggs, and a few other minor areas where we felt the jurisdiction of our egg producers' marketing board and the Government of the Province of Alberta was not fully recognized in the document prepared by Ottawa.

MR. NOTLEY: Further supplementary question, Mr. Speaker, to the hon. minister. Was there any preliminary discussion with other egg marketing boards and federal officials, prior to the signing of the conditional agreement?

MR. MOORE: Mr. Speaker, from the time I came into office, on April 3, I was in Ottawa for one full day and an evening at meetings with the other provincial ministers and the federal minister. In addition, I had a number of discussions with our own provincial egg producers' marketing board, and I had discussions on at least three occasions with Mr. Paul Babey, the director of the national products marketing board.

#### Rat Control

MR. COOKSON: Mr. Speaker, I'd like to ask a question of the Minister of Agriculture. I wonder if he'd comment on the present situation with regard to the invasion of rats into Alberta from Saskatchewan.

MR. MOORE: Mr. Speaker, I presume the hon. member is referring to the Norway rat. There have been some news articles recently which have publicized the problem of the border between ourselves and Saskatchewan.

I would say, initially, that my information is that a mild winter has resulted in a greater migration of rats into Alberta during the past few months. Our pest control branch of the Department of Agriculture -- which has been in operation for a good number of years -- in co-operation with municipalities along the Saskatchewan border, has been doing a very effective job and is well in control of the situation in my view. It is continuing to exterminate colonies it finds. I believe the situation at the end of the summer will be much like it has been for many years past. We will still have a rat-free province.

MR. COOKSON: A supplementary Mr. Speaker. Would the minister comment on the invasion of rats into Alberta from British Columbia?

MR. MOORE: Mr. Speaker, I'm not aware that we've had any particular problems with regard to the invasion of Norway rats from British Columbia.

MR. COOKSON: One further supplementary. In view of the latest polling results in Alberta, Mr. Speaker, are they multiplying here in Alberta?

MR. MOORE: Obviously, Mr. Speaker, the hon. Member for Lacombe and I are talking about two different kinds of rats.

[laughter]

MR. CLARK: Mr. Speaker, dealing with rats . . .

MR. SPEAKER: Order please. I believe the hon. Member for Lloydminster wished to be recognized for a supplementary.

MR. MILLER: Thank you, Mr. Speaker. A supplementary question to the Minister of Agriculture. Is consideration being given to working with the Province of Saskatchewan to possibly establish the line of defence on the Saskatchewan-Manitoba border?

MR. MOORE: Mr. Speaker, that is an important question. My understanding is that my predecessor, the hon. Dr. Horner, did approach Saskatchewan with regard to supplying some assistance to that province in terms of moving that border further east. Since I've been in this office I haven't made those approaches. But I expect, Mr. Speaker, that's one of the things I will be doing during the course of the next few months.

#### Canadian Bechtel/NAR

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Premier and ask if there were discussions between Syncrude and the Alberta government, or between the officials of

Bechtel and the Alberta government, prior to Bechtel terminating all its agreements with Northern Alberta Railways because they don't conform to Teamsters' agreements?

MR. LOUGHEED: Mr. Speaker, I don't believe any such discussions occurred with the government, but I'd refer the question to the hon. Minister of Labour, who has been involved in that matter.

MR. CRAWFORD: Mr. Speaker, I think the answer given by the Premier is the same as my understanding of the matter. I don't believe there was any approach made on the senior official level, at least, and certainly no one communicated with me in regard to the matter. There were a couple of letters on the issue to which I responded.

MR. CLARK: Supplementary question then to the Minister of Labour. Is it the intention of the Minister of Labour, in light of this decision by Canadian Bechtel, to become involved in this question of all the agreements with Northern Alberta Railways being disbanded because their employees, in fact, are not members of the Teamsters Union?

MR. CRAWFORD: Mr. Speaker, the hon. Leader of the Opposition is giving information in his question which may or may not be strictly correct. He is discussing the complex area of jurisdictional disputes between unions, both of which are duly certified in Alberta. If there are views on that that I should be hearing from the parties involved, I would certainly be glad to hear from them. But I have received these preliminary communications from them, to which I have replied basically on the basis that those are jurisdictional disputes which the parties should be in themselves, and we shouldn't be.

#### Rural Power Lines

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Agriculture. In the pamphlet tabled the other day the minister made reference to a cost-sharing proposal for the moving of power lines. I was wondering if the minister has finalized that proposal, and whether there are funds available to farmers in irrigation districts to move power lines.

MR. MOORE: Mr. Speaker, no. The reference in the pamphlet was to the Minister of Agriculture having a look at some form of assistance with regard to the movement of power lines.

The whole question involves, of course, questions of payments to individuals with respect to power line easements, and that type of thing. I would expect it may be some time before we would be able to make any final decision in that regard.

MR. R. SPEAKER: Mr. Speaker, is the minister planning on any funds in the coming budget? Does that mean some time . . .

Then as a supplementary, is the minister considering assistance so that farmers can extend three-phase power lines into irrigated areas so they can run electric motors to operate water pumps?

MR. MOORE: Mr. Speaker, I would perhaps have to refer the final question to the Minister of Utilities and Telephones. My information would be that there are presently, under the REA system, some grants by way of interest-free loans to rural electrification associations for extension of certain kinds of power lines. I am not aware of whether or not it covers the extension of three-phase.

DR. WARRACK: Mr. Speaker, it might be useful for me to confirm the understanding mentioned just now by the Minister of Agriculture that there is this system in place to assist REAs with the extensions of those REAs to serve rural citizens. As to the specific detail of the matter mentioned latterly in the answer of the hon. Minister of Agriculture, I would need to check that as well.

#### Capital City Recreation Park

MR. NOTLEY: Mr. Speaker, I'd like to direct a question to the hon. Minister of Recreation, Parks, and Wildlife and ask whether his department plans to meet with city residents affected by the proposed Capital City [Recreation] Park, perhaps by either holding public hearings or direct representation?

MR. ADAIR: Mr. Speaker, I'm not aware of any groups requesting an audience, but certainly I'd be interested in entertaining that.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. Minister of Recreation, Parks, and Wildlife. Has the government received any additional reports concerning the projected cost of the Capital City Recreation Park?

MR. ADAIR: Mr. Speaker, I'd like to refer that question to the Minister of Environment, who is in charge of the committee.

MR. RUSSELL: Mr. Speaker, the latest reports we've received with respect to that matter were departmental reports submitted to the joint municipal-provincial management committee. Those reports show that the work to date is within the projected budget.

MR. NOTLEY: Further supplementary for clarification. The minister referred to the work to date. Can the minister advise whether there have been any reports concerning projected expenditures in the Capital City Park, and whether those projected expenditures fall within the Premier's announcement of 1974?

MR. RUSSELL: Mr. Speaker, hon. members will recall the estimated cost of the park was given to the public in terms of 1974 dollars. The various projects within the park are now at a variety of stages with respect to initial engineering, planning, consulting, et cetera. The information we have to date shows that those initial cost projections are being adhered to.

MR. NOTLEY: Mr. Speaker, a further supplementary question for clarification. Does the minister mean by his answer that the 1974 constant dollar figures are the same, or that the actual figures announced in 1974 would be the same?

MR. RUSSELL: Mr. Speaker, if I understand the question, the qualification with respect to 1974 dollars means that those were 1974 estimated costs, which could be increased as a result of inflationary measures. It does not mean the basic estimated costs of any structure or development would be in error.

MR. NOTLEY: Mr. Speaker, just one final supplementary question. Can the hon. minister give the House an approximate indication, from the projected estimates he has received to date, as to what the inflationary increases constitute?

MR. RUSSELL: No, I couldn't, Mr. Speaker. With respect to the matter of structures, we'd of course follow the procedures used throughout the construction industry. That is, upgrade our estimates at the preliminary final design stage, pre-tendering, then the best check you have is when construction tenders come in. That's the best information I can give at this time.

MR. NOTLEY: Can the hon. minister assure the House we will not be using Syncrude comparisons as an indication of construction estimates?

MR. RUSSELL: Well, Mr. Speaker, I think the Syncrude project is a pretty good deal for Alberta. If we do as well on the park, a lot of people will be happy.

#### Dairy Co-ops (continued)

MR. MOORE: Mr. Speaker, earlier in the question period the hon. Member for Camrose questioned me with regard to milk quotas or subsidies. In error, I believe I used the word "quota" when I talked about the refusal of the federal government to issue such. I should have said "subsidy". It was a refusal by the federal government to issue a subsidy which resulted in the fact that three large co-ops could not go ahead.

In addition to that, Mr. Speaker, I mentioned to one of the hon. members that I had information governing the eligibility of the federal dairy subsidy for milk and cream producers in Alberta. I'd like to table a copy of that.

#### AHC Loans

MR. YURKO: Mr. Speaker, yesterday the hon. member, Mr. John Kushner, the MLA for Calgary Mountain View, asked me a question with respect to the Alberta Housing Corporation policy in regard to its direct lending program.

I would like to correct some of the remarks I made, enlarge somewhat, and indicate to the House: the Alberta Housing Corporation's direct lending policy is to function as a lender of last resort, primarily in the modest housing field. Maximum loan amounts and house prices are set by the Alberta Housing Corporation board of directors and are adjusted periodically to reflect market conditions.

The latest maximum loan increases occurred on February 1, 1975, and they were increased as follows: on existing housing structures, from \$23,000 to \$28,000; on new structures, from \$30,000 to \$35,000; and in the Fort McMurray area, the loans are up to \$40,000.

MR. NOTLEY: Mr. Speaker, a supplementary question. Bearing in mind the minister's answer, as I recall his statement yesterday he had seen one particular loan for as much as

\$41,000. Can the minister advise under which terms that particular loan would be granted, if the maximum ceiling is \$40,000 in the Fort McMurray area?

MR. YURKO: Mr. Speaker, in indicating that I was correcting my statement of yesterday, that was particularly the item I was concerned with. I had intended to say that every application is considered, and I've seen loans on homes priced as high as \$41,000, rather than a \$41,000 loan.

#### ORDERS OF THE DAY

MR. SPEAKER: May the hon. Minister for Business Development and Tourism revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

#### INTRODUCTION OF VISITORS (reversion)

MR. DOWLING: Mr. Speaker, it's a great privilege for me to introduce to you and through you to the members of this Assembly, 59 shining Albertans from Jasper Elementary School in Jasper, Alberta. They are accompanied by their teacher, Sister Claire Ashe, Steve Rees, Mr. and Mrs. Bill Houston, Mrs. Desjardins, Mrs. Wright, Mr. Leo Cash, and Mrs. Barbara Pue. They are seated in the members gallery and I'd ask them to rise so they may be properly recognized.

#### WRITTEN QUESTIONS

101. Mr. Notley asked the government the following question:  
What is the government's best estimate of the cost to the Alberta taxpayers, in terms of forgone revenue and direct payments to the oil industry, of the Alberta Petroleum Exploration Plan of December 1974:  
(a) from January 1, 1975 to March 31, 1975  
(b) for the 1975-76 fiscal year  
(c) for the 1976-77 fiscal year  
(d) for the 1977-78 fiscal year

MR. GETTY: I would like to accept this question on behalf of the government, but I would also ask the House if it could be made a motion for a return?

HON. MEMBERS: Agreed.

102. Mr. Notley asked the government the following question:  
What, on the nearest practical estimation, has been the cost of the re-organization of the Alberta government following the March 26, 1975, Alberta election, inclusive of:  
moving expenses (including cabinet members),  
drafting new legislation and administrative orders,  
changing stationery, decals, signs, et cetera.

MR. SCHMID: Mr. Speaker, I would like to move that the word "et cetera" in the last line be removed from the question and that it be made a question for a return.

MR. SPEAKER: With regard to the words "et cetera", the Chair apologizes. Those were put in through an oversight and should be struck out if the House wishes to finish its business by the end of June.

HON. MEMBERS: Agreed.

103. Mr. Notley asked the government the following question:  
What was the average classroom size in Alberta public and separate schools for the years 1968 through 1975, in each of the following categories:  
(a) elementary  
(b) junior high school

- (c) senior high school
- (d) overall average

MR. KOZIAK: Mr. Speaker, with regard to Question 103, I have discussed the matter with the hon. member who placed this on the Order Paper. The Department of Education does not keep information with respect to classroom size. However, if the hon. member would like to take the question back and rephrase it, asking for information on pupil/teacher ratios, the question would then be acceptable.

MR. NOTLEY: Mr. Speaker, to expedite matters, I would ask permission to withdraw the question. I will rephrase it and resubmit it.

MR. SPEAKER: I assume that is acceptable to the Assembly?

HON. MEMBERS: Agreed.

104. Mr. Notley asked the government the following question:
1. Does the government monitor fluctuations in automobile insurance rates within the Province of Alberta?
  2. If so, what has been the average percentage increase:
    - (a) during 1974?
    - (b) during the first 4 months of 1975?
    - (c) during the 12 months ending April 30, 1975?

MR. HARLE: The government accepts the question.

105. Mr. Notley asked the government the following question:  
What has been the total cost of introducing the RITE government telephone system as of April 30, 1975?

MR. SCHMID: Mr. Speaker, I accept the question.

106. Mr. Taylor asked the government the following question:
- (1) What is the total cost of construction to date of the Rest Area on No. 2 Highway south of the intersection of No. 13 and No. 2?
  - (2) What is the estimate for further costs?
  - (3) Will the project be completed during 1975?
113. Mr. Taylor asked the government the following question:
- (1) What is the approximate percentage of Canadian content presently contained in the text books on social studies and history in Grade 10, Grade 11, Grade 12?
  - (2) Are there any studies under way in the department now with a view towards increasing Canadian content in these courses?
  - (3) Are there any plans to change the following courses in a major way, namely:
    - (a) in Grade 10 to teach Canadian history;
    - (b) in Grade 11 to teach contemporary Canadian problems; and
    - (c) in Grade 12 to teach the Canadian political system?

MR. KOZIAK: Mr. Speaker, that question is acceptable.

#### MOTIONS FOR A RETURN

107. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:
- (a) all correspondence between the Canadian Ambassador to Brazil and the Alberta Minister of Agriculture from January 1, 1973, through May 9, 1975.
  - (b) all correspondence between the Canadian Ambassador to Brazil and the Government of Alberta from January 1, 1973, through May 9, 1975.

MR. NOTLEY: Mr. Speaker, I move Motion No. 107 standing in my name on the Order Paper. In doing so, Mr. Speaker, I would point out that perhaps this should be added to the motion: "with concurrence from the Canadian ambassador".

MR. MOORE: I'll accept that, Mr. Speaker, with the addition to the motion of "with concurrence of the Canadian Ambassador to Brazil".

MR. SPEAKER: Does the House agree to amend the motion in this informal fashion?

HON. MEMBERS: Agreed.

[The motion as amended was carried.]

108. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
a list of all loans guaranteed by the Alberta government under the "Alberta Export Agency Guarantee Regulations" (Alta. Reg. 303/73), showing the date of each loan, its amount, and the name and address of the firm(s) or individual(s) to whom the loan was made and on whose behalf the guarantee was issued.

MR. NOTLEY: Mr. Speaker, I move Motion for a Return No. 108, standing in my name on the Order Paper.

MR. DOWLING: Mr. Speaker, we accept the motion.

[The motion was carried.]

109. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:
- (a) a list of all cash payments made to Canadian Livestock Import & Export Ltd. by the Alberta government and its boards, agencies, commissions, and corporations showing in each case the date, the purpose of the payment, and the terms and conditions associated therewith, including, without limiting the generality of the foregoing, all loans, grants, and/or fees for goods and/or services;
  - (b) a list of all cash payments made to Canadian Stock Breeders Services (International) Ltd. by the Alberta government and its boards, agencies, commissions, and corporations showing in each case the date, the purpose of the payment, and the terms and conditions associated therewith, including, without limiting the generality of the foregoing, all loans, grants and/or fees for goods and/or services;
  - (c) a list of all cash payments made to Canadian Stock Breeders Services Ltd. by the Alberta government and its boards, agencies, commissions and corporations showing in each case the date, the purpose of the payment, and the terms and conditions associated therewith, including, without limiting the generality of the foregoing, all loans, grants and/or fees for goods and/or services.

[The motion was carried.]

110. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
a copy of all studies relating to environmental concerns associated with the Capital City Park project.

MR. RUSSELL: Mr. Speaker, I would like to amend the motion by adding the words: "prepared at the request of government" following the words: "a copy of all studies".

I think [because of] the way the motion is written, if we accepted it literally, it would be impossible for the government to comply with the request. In any event, it's certainly the intention of the government to table all such studies for the Legislature as they are received.

[The motion as amended was carried.]

111. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
An itemized invoice for the King Air 200 aircraft purchased by Order in Council No. 565/75, approved April 30, 1975, showing clearly the details and costs of avionics and optional equipment.

[The motion was carried.]

112. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
a list of all grants given by the Department of Culture, Youth and Recreation or laterly, by the department of culture, to all non-government organizations since January 1, 1975 showing the date of application (if any, and where no application, to state so), the purpose of the grant, the name of the organization, its address, and the amount of both the request (if any) and the grant issued.

[The motion was carried.]

114. Mr. Notley proposed the following motion to the Assembly:  
That an order of the Assembly do issue for a return showing:  
a list of all grants for the purpose of upgrading cemeteries or grave plots from the provincial Department of Culture, Youth and Recreation to individuals or groups in municipalities within the boundaries of the Peace River Regional Planning Commission, including: the amount of the grant requested, the amount actually paid out, and the names of the individuals or groups that received the grants.

[The motion was carried.]

## MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Mr. Mandeville proposed the following motion to the Assembly:  
Be it resolved that the Legislative Assembly urge the Government of Alberta to make available to municipalities grants to finance the servicing of residential lots.

MR. MANDEVILLE: Mr. Speaker, I am pleased to see Motion No. 1 in its number one position on the Order Paper, where I think housing should be. The motion proposes that the Legislative Assembly urge the Government of Alberta to make available to municipalities grants to finance the servicing of residential lots.

One could say there is now help in many areas from the various levels of government. However, there is certainly a lot of confusion in the programs we have. I can cite an example on the \$500 grant available from the federal government for first time home-owners. I have many people come in to see me with regard to this in the Brooks area. There is a population of 5,000, and there is a lot of construction going up in Brooks at the present time with industries going up in that area.

I still have the first application to be approved for the \$500 grant in the Brooks area. I think the same is effective in the rest of the province. For example, in the Brooks area if a house is built for over \$31,800, it doesn't qualify. I realize in other areas it does go higher; however, it's certainly a program that's not helping the housing situation at this time.

I do agree with the \$1,000 saving plan that is interest free so one can put his savings in and retain some money for a down payment on a house.

The rental unit: they have \$600 for builders to accommodate our tenants. I think it is working reasonably well and will work better in the future. Also there are the 8 per cent loans to builders who want to build housing for rental purposes.

We have the federal sewage treatment plan. It loans money to municipalities through CMHC low interest loans. I think this is a step in the right direction. There is a 25 per cent write-off as far as the grants or loans are concerned. This program relates to our proposal but it doesn't go far enough. I'd certainly have to applaud the government for setting up the \$200 million revolving fund to make direct loans for housing available. I certainly think this is a step in the right direction.

I also have to commend the Premier for realizing that housing is important and setting up a housing department, having a minister in charge of housing. I'm sure this will help to solve some of the problems we're facing in our housing situation today.

As a member of the Legislature -- and I know many of you have the same inquiries from many, many people, inquiring what different programs, what loans are available to purchase homes. As I've said, it sometimes really gets confusing. I'll tell some applicant to apply to Central Mortgage or Alberta Housing and they'll say, well, your income is too low, or your income is too high. And it seems that it's certainly a state of confusion.

Sometimes they go to the bank to get their down payment to try to come up with enough money to get involved in trying to purchase a house. In many cases you'll see where they go to the high lending institutes to get a high ratio of money at a high interest rate to try to purchase houses for themselves. I certainly see where it's really frustrating to an applicant. As MLAs who're dealing with the problem, we certainly find there are problems we have to deal with. And I'm sure we all realize that a home is a necessity. It's certainly not a luxury. It gives our people an opportunity to invest. There are so many of our people in Alberta who are wage earners and they can't invest in anything else. But it would be really nice if they were able to invest in a home of their own. It would give them a feeling of security. Also, with our changing society the way it is today, it would give a stabilizing effect if they were to own their own homes. It would keep them in their communities and get them more established.

I would say, what is more basic than a home to hold the family together. They don't have to pay rent. They are making the payments into equities of their own.

Mr. Speaker, just looking at some statistics on the housing situation in this province, in 1971 there were 25,000 housing starts in Alberta. In 1974, there were 19,000 home starts. This is a reduction of approximately 20 per cent.

With this, our population is increasing. I don't know if it has increased that much or not. But I would say that we have had an increase in population so the demand for homes should be more than in 1971. The overall statistics for Canada say that the housing starts in 1974 were down 17 per cent from 1973. I just hope we don't face the situation in Alberta that they are facing in Toronto. I was reading an article where 4 per cent of the people in Toronto could afford to own homes. I certainly hope we don't run into this type of situation in Alberta.

Since the cost of material and labor is generally beyond the control of the provincial government, it is in the areas of financing and encouraging the development of serviced land that initiatives can and should be taken. The shortage of serviced land results from a combination of a lack of provincial initiatives, and a lack of municipal tax base. Without funds, municipalities cannot service new land and tend to favor high cost, high taxable development, and sometimes try to shift the responsibility of general community needs, such as freeways, to future home-owners. Provincial and municipal financing is hopelessly inadequate to deal with the problems.

Mr. Speaker, I know that many of us went through subdivision applications. If you haven't gone through a subdivision application and haven't gone through the bureaucracy and frustration, you want to try it. It is certainly something which needs attention.

First of all, when you make an application for a subdivision, you have to go to the council, then you have to go to the local planning board. Then you go to the regional planning commission. And then, if you run into problems in that area, you appeal to the provincial planning board.

AN HON. MEMBER: If . . .

MR. MANDEVILLE: Yes, it usually isn't "if" either. In most cases it's so.

As far as many of the areas are concerned -- these are the smaller centres I am speaking of -- they would like to get an overall development of their development area. When they go to do this, there will be four or five property owners in the area. One property owner wants to develop, and he can't develop because they haven't got an overall plan of development. Therefore he has a real problem of getting an overall development plan for the area. As a result, it holds up the development of a large area of land.

I am not really saying that the regional planning commissions are at fault, because they just don't have the finances or the staff to give these small areas their overall development plans. I am really not indicating, Mr. Speaker, that we don't need good planning development, because we need long-term and good planning development in all areas.

The cost of servicing land is a major component of the presently inflated overall cost of housing. A city spokesman recently estimated that an average city lot cost \$7,500 to service, \$150 per frontal foot for a 50-foot lot. This cost is presently passed on to the consumer through the developer. Municipalities do not like to pay for servicing through property taxation, as this is considered unfair. Moreover, the present financial situation is so bad that they could not subsidize, even if they wanted to do so.

Direct and immediate subsidy of servicing by the province would serve a number of short-term purposes. New land could be developed at a much lower cost. One of the major blockages to development would be removed. Because of high overall cost, people are unwilling to build on lots, even once they are serviced. A typical city lot costs \$12,000. Land amounts to only about \$2,500 of this total. There are presently 2,500 serviced lots available in Edmonton, but no houses are being constructed on them due to prohibitive costs. Even more serviced lots are available for multifamily dwellings. These lots could also be moved through the proposed grant system, by making the grants payable to new home purchasers on a retroactive basis. For new developments, municipalities would use the grants to pay for the servicing directly, and the cost would not find its way back to the overall housing program.

With the decentralization program the government has, decentralizing our industry, decentralizing our population, and the emphasis they're putting on this, I think a proposal like this would be a terrific advantage to our small centres, where they are trying to house people coming in to establish industries. They do have a problem trying to get housing for their staff, and especially in the middle-income groups.

This discussion, and the adoption of the proposed grant system, would only be meaningful if other long-term programs were adopted. Policy ideas should include: comprehensive long-term planning based on rational growth; better planning is essential, especially in order to consolidate the present confusion of programs; the easing of development restrictions to increase the supply of serviced land and ease inflationary shortages; investigation of better land acquisition and servicing procedures for Alberta Housing Corporation; increase the financial base of municipalities, to follow a policy of individual help rather than public building, through guaranteed loans, mortgage subsidies, or whichever proves more effective.

Hopefully, the proposed housing fund will offer mortgages to our lower-income groups and to the middle-income families at an interest rate in the neighborhood of 6 per cent. At the present time, many of our programs are set up to fit our lower-income people, but there is nothing in any of the programs for middle-income people.

Protect consumers through warranties, standards, and performance insurance, not through competition with private industry. Encourage programs of consumer education to show that planning and growth can mean a better quality of life. Future home-owners must be considered in policy making. Houses are made to live in, not for purposes of speculation. Consumers should shop around; there are good deals to be found. Mr. Speaker, if these policies are followed, healthy competition should ensure reasonable prices and a greater possibility for Albertans to own their own homes.

In regard to this resolution, there are three areas in which the provincial government must take responsibility for developing long-term policy. The three areas are: housing, which should be recognized as the most serious of our present economic problems; municipal finance -- the present situation is getting ridiculous, and though many suggestions have been made, no long-term resolution of the problem is in sight; and three, I'm just hoping that the new planning act is going to become a reality before too long. I think this will certainly help in many of our areas as far as planning and setting up areas for new construction. As well as with the planning act -- I do hope that the planning act does come under the jurisdiction of the Minister of Housing -- I am looking forward to the new housing act that will be coming forward in the near future.

If we pass this resolution and the government makes grants available to municipalities to finance the servicing of residential lots, we'll have solved step number one and will



make more homes available which will be in the reach of all Albertans. All the moneys being pumped into housing at the present time by the government certainly are not improving the housing situation.

Mr. Speaker, I would like to ask everyone to support this resolution.

MR. TAYLOR: Mr. Speaker, I'd like to say a few words in connection with this resolution.

One of the big concerns in our smaller towns and villages today is the servicing of lots. It is the matter of getting subdivisions and getting places for people to live. One of the policies of the government is to make sure our small towns survive, at least to give them an opportunity to survive. This is an excellent program, but unless industry moves in, unless there are jobs, it's pretty difficult for any place to survive. If industry does want to move in and there are no places for the people, the employees, management, et cetera, to live, then it becomes a very, very difficult decision. The industry says, if we can't find a place to live, we're going somewhere else. Logically, they go to the larger cities.

This particular resolution is asking that financing would appear to solve the problem. While money is partly the answer, I don't think it's the whole answer. There is the matter of securing money, and I don't think there's a cheaper or more efficient way of servicing lots than doing it through the municipal governments. Municipal governments realize the need. They have to answer to their people. They do it at the lowest possible cost, because they know it will place improvements on the tax roll. There's every incentive for them to do a good job, to get houses there, and get them serviced. I say this with due respect for free enterprise, because I think when a municipality does this work it is really free enterprise, as far as I am concerned.

I prefer seeing municipalities doing this type of thing, by hiring; but being in charge of it, whether they hire contractors, workmen, or however they want to do it, it really should be left to them. Getting the money to do this is essential, and sometimes there are conflicts between two departments. One department may say, if you're going to add that many more homes in your municipality, you have to have a larger sewer system, or a larger water system. The municipality generally agrees. But then when they go to get the money to do it, their borrowing may be over the limit already, or up to the limit, up to the maximum. So they can't get the money and there they are, almost against a brick wall. They want to do it, and they see the prospect of paying their way.

I would hope these things could be resolved when it comes to a matter of going beyond the borrowing capacity, because the borrowing capacity of many of our municipalities today is not high enough, considering costs and considering the necessity of servicing land at very high costs today. I would hope there would be some give and take in regard to limits on borrowing, where a project appears to be viable, where it appears to be economical, and where it appears to be able to pay its way over a period of time.

But I think the biggest obstacle today, particularly in my area, is the Calgary Regional Planning Commission. I say that without trying to hurt any particular person on that board, but I think we could have all the new planning acts in the world and it's not going to make very much difference in our area unless the attitude of the Calgary regional planning board changes. This board seems to have the idea of telling people, or trying to show people why they can't get a subdivision, why they can't service the lots, why they can't do it; instead of taking a positive attitude and saying, let's find a way you can do this.

Municipalities are becoming frustrated, completely frustrated. They're asked, this plan isn't satisfactory, and it's thrown out. They send in another plan; this isn't satisfactory and it's thrown out. There have been municipalities that have submitted I don't know how many plans, and municipal councillors are getting to the point where they're going to throw up their hands. As a matter of fact, some are throwing up their hands now, in frustration over the Calgary regional planning board.

We may need a new act, and I have no objection to looking at a new act and making some changes. But the attitude of the Calgary regional planning board is going to have to change if we're going to get very far in that area. I haven't come across a councillor or a federal member who has to deal with this, or a lawyer, or a surveyor who is happy with what is going on in the Calgary regional planning board today.

When I take a particular problem, an isolated problem, to the chairman of that board, generally it's looked after almost immediately. But through the regular channels, it takes weeks and weeks and months, sometimes years, to get a subdivision through. Our towns can't wait that long, and our villages can't wait that long. We need faster action. We need a positive attitude on the part of the Calgary regional planning board in line with the policy of this government. The policy of this government is not to delay this type of thing. They want the small towns to be viable, and they're providing money in a number of ways for small towns to be viable. But the councils are up against a brick wall.

The Calgary regional planning board has become a government in itself, a law unto itself. They are no longer advisors to the elected representatives of our villages. They've become the masters of the elected representatives of the villages. Constituents are even saying to me, how come we elect councillors and they can't do anything? They're thwarted when they go to the Calgary regional planning commission. We can't get a subdivision. I don't know why.

The Calgary regional planning board, as far as I'm concerned, is advisory. It should be advising the local council, but it shouldn't be stopping subdivisions, stopping development, and stopping lots from coming in. Some of our towns are at the point where

they haven't got a lot available. They've been trying for weeks and months to get something approved by the Calgary regional planning board, because they can't give title in the Land Titles Office until it's approved by the Calgary regional planning board.

Now I'm not wanting to be personal, Mr. Speaker, but the tolerance and understanding of this board has got to the point where it's completely frustrating. I think you can go to any town or village in the area serviced by the Calgary regional planning board, and you'll find headaches and heartaches, and people ready to throw up their hands in complete frustration. As a matter of fact, it's so bad that towns in one part of the area are now looking at a possibility of forming a new planning board, getting out of the Calgary regional planning board entirely. Surely this shouldn't be essential. Surely the government of this province is the government, and the Calgary regional planning board should not be a law unto itself. In my view, it should continue. Planning is essential -- local, regional and provincial. But surely the planners should be as anxious as anybody else to get development, and to permit our smaller towns and villages to go ahead through proper planning, but not to take weeks and weeks and weeks and weeks to approve anything.

The surveyors prepare these plans, and again the cost of this, the cost of preparing plan after plan after plan, is becoming a real burden on the ratepayers in many of our towns and villages. I don't know what the answer is going to be if something isn't done about the Calgary regional planning board, where we can get some action, where we can have subdivisions going ahead. There are some industries wanting to get established, but they have to have homes for their workmen. Certainly the financing is going to be an important item, but not nearly as important right now as getting approval from the Calgary regional planning board.

So I want to say, very, very strongly, Mr. Speaker, that the Calgary regional planning board should be brought into line, so that it will be following the concepts and principles established by the present government, with which I agree. Our towns are not going to be viable if we make it impossible for people to live there. Make it impossible, or next to impossible, for municipal councils in our towns and villages to get areas that they can sell and give title to upon which people can build homes, then it's going to be a left-handed thrust against the very thing this government is trying to do, to build up our towns and villages.

So Mr. Speaker, I approve this resolution. I don't think it goes nearly far enough. Certainly the money is going to be essential, but there are other things bothering our municipalities as much, if not more, than getting the money. The money is available in some of our smaller places right now, but they can't get approval from the Calgary regional planning board. I'm not speaking about other planning committees in the province. I've heard a number of people say, including one federal member, how come the Calgary regional planning board is the only one in the province where we have such long delays? I can't answer it. I don't know why. I can't see any reason for it. Whether it's understaffed -- but I think it's generally the attitude. They've taken the attitude that they're going to keep the thing going back and back and back. They can't seem to make up their minds, in a positive way, what they really want.

When a plan isn't satisfactory, why doesn't the board say why it isn't satisfactory? It's not acceptable because of one, two, three, four. Then the municipal council can do something about it. But just to say it's not satisfactory and send it back -- one municipal secretary told me he sat in his office for four hours trying to figure out why the plan wasn't satisfactory, guessing at why the Calgary regional planning board wouldn't accept it. Now this isn't at all satisfactory in this day and age. I want to protest very strongly the way the Calgary regional planning board is handling applications from towns and villages.

With reference to the matter of servicing residential lots, I think we could have a lot of this work done. The municipal councillors are able people. Another thing about them, they're elected; they have to answer to people who elected them, the people who want the industry, the people who want homes in their own municipalities. In my view, we should encourage our municipalities to get into this thing more and more in regard to servicing, and even to the point of building the houses if necessary. Because I'm sure it would then be done in the cheapest possible way.

There's just one other thing I want to mention in connection with this. It was mentioned by the mover of the motion in connection with the cost of homes today. Our society, and the concept of our society, are built on the concept of people being able to own their own homes. That's the crown of our society. If people are unable to own their own homes, then we're certainly not going to reach the tremendous potential of which this country is capable, because we do need to own our own homes. When the price is completely out of reach of the ordinary people, who have to mortgage their homes -- not for 20 years, which is reasonable, but they can pay for them for 40 years and still owe as much as they borrowed in the first place. At the rate of money today, they normally are buying three homes when they pay for one through the use of borrowed money. This isn't satisfactory. The working man can't do that. He just can't stand that kind of strain.

One of the greatest things we can do in this period of this Legislature is to make it possible, by not one sudden stroke but a number of means, for our ordinary, everyday citizens to own their own homes. When we do that, we're going to have much happier people, a much stronger province, and a much stronger nation.

MR. COOKSON: Mr. Speaker, it's a pleasure to say a few words this afternoon with regard to the resolution on the Order Paper by the Member for Brooks.

I'm a little surprised that a freewheeling, independent person such as he would be interested in the government again getting involved in subsidies in various forms, then putting all the necessary restrictions in to make sure no one violates the subsidies and the consequent problems that evolve from that.

I was interested in the comments of the Member for Drumheller with regard to the problems of the Calgary Planning Commission. Apparently he has had some difficult times with that commission. I don't think one can make that general comment about commissions. I respect the fact that they're slow, cautious. They're not the only ones. I found out today in the question period that it's taken six months to get across to the lawyers that they have to record the foreign versus local ownership on the papers that go into the Land Titles office. So I really don't make any apologies for them, but these are the kinds of problems we run into in this modern day and age.

I suppose, Mr. Speaker, we could turn loose all the funds that we have in the Alberta heritage trust fund, and it would only be a matter of time until someone figured out how to get most of it. What I am saying, I suppose, is that in an area and time of inflation someone always manages to get the dollar and leave someone without a subsequent dollar.

We, as a government, put restrictions on school financing. There's no doubt in my mind that as soon as our restrictions are announced there is someone or some group somewhere immediately calculating how they can get the total of the financing without someone else getting it. This kind of comment was made when we decided to give some assistance to Syncrude to locate in the McMurray tar sands: that already, in the United States and Texas, certain groups had calculated how they could get their hands on that total fund. I suppose what I am saying is that turning a lot of money loose in an economy doesn't necessarily mean it will go where it will do the most good.

We've seen, over the past four years of our government in office, pretty substantial increases in funding for municipalities, for individuals, and we still are in a tremendously inflationary time. My opinion, for what it is worth, is that we create inflation by turning exorbitant amounts of money loose in society. There may be some economists here who have some other thoughts about this, but I think they're a major contribution.

There were some comments made over the last day or two, a member from Calgary commenting on the problems of inflation. Make no mistake about it, governments have a tremendous responsibility to control inflation, both at the federal and provincial levels -- primarily at the federal. But that doesn't exonerate the provinces from doing their best to keep down costs.

Over the past four years, our government has, I think, done a commendable job in attempting to curb costs. There again, it requires putting money into circulation. It was the Minister of Environment who announced the Water Works Program several years ago, in which major assistance went to small towns and villages to establish waterworks in their areas. There is a major Municipal Sewage Treatment Assistance Plan. I haven't got the facts or figures or statistics to indicate how much money has been put into circulation to assist in this area. It works out, I think, to about \$750 per capita in those areas in this province that as yet do not have proper sewer and water facilities.

The Alberta Housing Corporation: there is a corporation whose main objective is to provide some form of subsidized housing. That is its main objective, and it has done, I would say, a fairly commendable job of reducing costs, in particular in the area of those with low incomes. It has also become involved in senior citizen housing, and we see the senior citizen centres located throughout the province. I'm happy to know that the government intends to continue the expansion of this kind of subsidized housing.

This government initiated the home-owner discount. It was the government that took off the foundation program for education. It also made provision for refunds to those who don't own their own homes. All these moves are an attempt to reduce the costs of housing in a direct way, and I think they have in many ways achieved their purpose. The present budget, which we intend to bring down, will make provision for a reduction of personal income tax -- that is, the provincial share up to, I think, 30 or so per cent. And last but not least, the Municipal Finance Corporation, which is a major corporation in the province for assisting municipalities. We have removed a large number of the restrictions in order to make it possible for municipalities to finance their costs a little better.

I think the situation that interested me most when the Member for Brooks spoke was the fact that here was a person, representing a rural area, tremendously concerned about residential housing. That indicates to me, as has been pointed out, that our government has been very successful so far in its program of decentralization. Many of our towns and villages are alive today because of this major program of decentralization. Of course we're going to be faced in the years to come with many of the social problems we have heard come out only from the cities because, as populations shift, many of the problems associated with people shift with them.

But perhaps to bring home to the Assembly a point with regard to the resolution, I would like to indicate to you, Mr. Speaker, and to the members of the Assembly, how serious a problem it really is to attempt to provide services to areas which are sparsely populated and which are required to conform with regulations required for health standards, environment standards, municipal standards, and whatever else you might include.

There is a small village in my constituency where, based on the engineering study and a population of some 365 people -- this is the September 25 estimate -- the cost of the sewage system is in the area of \$310,000. Here is a village of 100 and some homes, and 365 people. The cost of the water system will be in the area of \$244,000. The cost of

the services will be \$41,000. This is a total cost, to 365 people, some 100 homes, of approximately \$600,000. I would also like to point out that that was September; they include in the estimated cost 1 per cent for each month's delay. A 6-month delay would be an increase of 6 per cent, or \$36,000.

The grants for that particular project come from both the province and the federal government. These are quite substantial grants. The sewer system, for example, has a CMHC grant of \$11,000. The sewer collection system has a grant of over \$14,000. The water system has a provincial grant of over \$54,000.

In conclusion, despite all these grants this little village is faced with a mill rate increase of 111 mills, based on an assessment of \$334,000. The annual cost to a homeowner having an assessment of \$3,000 will be a service charge of \$120 and a tax increase of 111 mills which amounts to \$330. They are facing an increase, on a yearly basis, of \$450. I might add that this service does not include the full 100 homes.

So whether we do it in the form of grants or financing, I think it's a tremendous burden for small towns and villages throughout the province. I would suggest, Mr. Speaker, that our government perhaps should be lending its attention to the priorities throughout the province. Should we, for example, be basing a large part of our budget on health services? Should it be on education? Should it be on recreation, when great parts of our province don't even have the minimum facilities of sewer and water? I have areas in my constituency where a person has to phone long distance to call his brother on the other side of the road.

So I guess what I'm saying, if there's any message, is that we, as a government, have to take the total resources of the province and, if necessary, subsidize certain areas to bring those areas up to a minimum standard of living. I would suggest that provision of sewer and water, economical fuel, and the ability to call at least locally without long distance costs, would be steps in the right direction. We should be addressing our priorities to this.

DR. BACKUS: Mr. Speaker, I would certainly not want to disagree with the hon. Member for Bow Valley in his effort to try to reduce the cost of housing, because I think this is a very important direction this government should be going in.

I would also not want to disagree with either him or the hon. Member for Drumheller in supporting them with regard to the frustrations that face many developers and potential home-owners trying to get through the red tape of various planning commissions and planning boards, as well as some of the frustrations they experience in trying to get any financial help in the way of mortgages for the development of their homes.

On the other hand, as a result of discussions the Minister of Housing has had with me and members of the various communities in his effort to try to seek methods of reducing the cost to potential home-owners, I have had very extensive discussions with the municipal governments in my constituency. I would like, therefore, to express perhaps some of their concerns with regard to this particular motion.

If you will forgive me, I would like to go a little bit into the history of the financing of services to lots. Many of you will recall that when you bought a lot at one time, you bought raw land. Probably the street in front of you didn't have a sidewalk and didn't have road paving. If you were lucky enough to be in a part of the town where it was considered that paving or sidewalks were fairly important, then the taxpayers of the community as a whole contributed towards the ultimate development of the sidewalk and the paving of the street. This, however, was felt to be unfair to the people who didn't happen to be fortunate enough to live on that particular street, and your municipal government then attempted to find another method of coping with the situation. They came up with the technique of each property owner paying for his paving, sidewalk, and curbs, and ultimately water and sewer, by a frontage tax which he faced paying over a long period of time.

However, the general taxpayer of the municipality contributed largely towards the paving and the work done on the side streets along the side of your home, if you happened to be on a corner lot. So it became a mutually shared cost between the property owner and the municipality, which was the general taxpayer. This, again, was felt to be unfair in that it created considerable additional work on the part of the municipality, in that it was responsible for getting approval to pave the street and to charge this additional tax, and it could be vetoed by an adequate representation from the taxpayers.

We then came to the present situation, which seemed most acceptable to the cities and towns and certainly the larger communities: that property would be sold as serviced lots, that the developer would be responsible for the development of the services -- roads and sidewalks -- within that development, and that the municipal government would be responsible through the taxpayer for the arterial road and main service lines to that development. This, of course, seemed very fair and very reasonable until, as a result of the booming economy in the province, costs escalated and the cost of servicing became a really major cost to the homes.

However, the suggestion made here is that we now go back, not to the municipal taxpayer being responsible for paying for the services, but to the provincial taxpayer being responsible for paying for the services. Depending upon how extensive the services were, or how fancy the roads or the curbs were, and the number of sidewalks, the provincial taxpayer might be paying a much higher rate in one community for providing the services than in another. I think, although it expands the responsibility for paying this to the provincial taxpayer instead of the municipal taxpayer, it is a retrogressive step

in making the public as a whole responsible for the improvements that actually provide a more satisfactory living condition for the individual property owner.

I think also, with this historical background one can see that in any community there are presently three sorts of properties. There's the sort of property which was fortunate enough to have its services developed, its road and sidewalk and probably its water developed, prior to the property owner paying it; where the property owner is paying it in the form of frontage tax in order to cover the additional cost of the additional services for that area; and there is the pre-serviced property where it is paid in the purchase of the property. We would now want to add a fourth concept, where someone would get his property and, in fact, the provincial government would have paid for the services. Therefore, he would get his property and not be paying for the services, while the person who a year ago had bought a property and paid for the services would be continuing through his mortgage to pay for that service for the next 25 or 30 years.

I also raise the question that if in fact this is going to be done for residents, property owners, in municipalities, surely the farmer then should be able to come to the provincial government so that he could get a grant to pay for the well digging, the pressure system, and the putting in of the sewage for his farm home. If we are to treat all people equally, everybody in the province should be entitled to apply to the provincial government for a grant to cover the costs of services to their particular property, whether they were built five years ago or whether they are to be in the country or in the urban areas. I think if such a step was taken, the cost would very rapidly become very prohibitive. I certainly don't think it would necessarily be possible to insist that people who got this grant, when they come to sell their home a few years later, deduct that grant from the selling price so that the person who then buys the home has a fully serviced property and would get the discount from the cost of the relatively new home.

As I said at the beginning, I would certainly support any reasonable proposal that would lower the cost of purchase of homes these days, because I agree with all the previous speakers that a home is very essential. I also agree with the previous speakers that a home with running water and inside plumbing has become something we have taken for granted, rather than something that is considered a luxury. On the other hand, I can certainly see other methods in which the provincial government would be able to help in this, perhaps by subsidizing interest payments on mortgages based on the income of the individual, using a sliding scale that would provide a reasonable interest rate for homeowners. This would be a method that could be fairly applied to all people throughout the province and would not be favorable just to the urban property or home purchaser. I can see that some relatively simple movement or simple program like that would not create problems from the point of view of the municipality trying to establish who gets the grant for services and who has already paid for their services, and putting the responsibility for working this all out and establishing the services back in the hands of the municipal government -- where, in fact, they don't really want it.

I think if the municipal government actually wants to provide services for new housing or for new property in the area, this government has already opened up the borrowing power of municipalities to an unlimited amount. They don't reach the ceiling because there is no ceiling. They are getting this additional borrowing at 8 per cent, which is probably as low a rate of interest as you can get anywhere these days. So if municipalities, in fact, want to take on the responsibility of servicing lots in their community, the way is open for them to do so. Although the expenses may be higher, and some municipalities kind of hesitate to borrow this amount of money because it then limits their spending power or their flexibility, nevertheless this money could be recovered, and it would be available at 8 per cent. It could be recovered from the purchaser of the property through municipal taxation, but it would be handled locally, and the property owner who eventually owns the services in that area and therefore raises the value of his property because he owns the services in the area, would, in fact, be paying for those services himself.

Therefore, I feel that although the concept and the motion in some way lower the cost of housing -- I think the speeches of the hon. Member for Bow Valley and the hon. Member for Drumheller, where they talked about the frustrations and some means of overcoming the frustrations -- are both very valid.

I believe in industry they talk about 'debottlenecking' and I would certainly like to see this government and the Department of Municipal Affairs doing a little bit of 'debottlenecking' with regard to municipal planning boards and regional planning commissions. But I think there are certainly ways of helping the potential home-owner other than this retrograde step of putting the responsibility for services back in the municipal governments' hands.

#### POINT OF ORDER

MR. NOTLEY: Mr. Speaker, on a point of order. Normally we would be going into private members' bills at this time. However, representation has been made to me from the other side that members have not had an opportunity to read the bill I introduced. So, with the leave of the Assembly, I would suggest that perhaps we carry on with private members' resolutions, and next week we'll proceed with the bill I introduced yesterday.

DR. HORNER: That's certainly agreeable from this side.

MR. SPEAKER: It certainly may be done with the unanimous consent of the Assembly, otherwise we would be under government business at this point.

HON. MEMBERS: Agreed.

MOTIONS OTHER THAN GOVERNMENT MOTIONS (reversion)

DR. WALKER: Mr. Speaker, in speaking to this motion, I would like to support the concept of municipal grants to finance residential lots, especially in the rural areas.

As a result of decentralization, our small towns have started to expand. They are expanding at a rate which is very much in excess of their financial capabilities, requiring the installation, expansion, and rehabilitation of their sewage and water systems, with costs in the millions of dollars.

Per capita grants to municipalities do help to defray some of that cost. But it is often insufficient to allow for the urgent requirements of towns such as Claresholm and Fort Macleod, where new industry is now locating and is taxing every system to the limit. A lot costing \$4,000 or \$5,000 in Claresholm or Fort Macleod would require approximately \$2,500 or \$3,000 to service it with power, sewage, water, gas, sidewalks, and paving. If a provincial government grant for such servicing could be made available to these municipalities, the costs of these lots would drop to \$1,500 or \$2,000, while the municipality would still remain the owner of the services supplied. This would reduce the cost of housing to the buyer, would encourage more housing starts, and at the same time, I believe, it would help fight inflation, not increase it.

We must all ask ourselves, is this the correct and fair way of doing it, by assisting our municipalities and our citizens. While this type of assistance helps the people who are about to build, it does not help the people who already own their own homes. What about the renters? Would they get any indirect benefit from such a scheme?

On the other hand, per capita grants are often unfair as well. For instance, a per capita grant of \$100 to the City of Lethbridge gives the city council \$4 million. But a per capita grant to the Town of Picture Butte gives them \$100,000, not enough to build even a decent town office. To a town that is not expanding or is going down, a gift such as this was never really needed to start with.

It would, therefore, seem logical that we consider all the aspects of this provincial-municipal financing and provincial-municipal aid, and let us form a rural-municipal committee to study this whole problem of expansion and inequities in our newly expanding smaller centres, centres with a new vivacity and ambition which have been injected into them by our present government with its policy of decentralization throughout the province. They don't want to become big cities. They just want to grow a little, not stay static or decrease.

Nevertheless, we have another type of community in my constituency. They are known as hamlets. These are communities of less than 500 people, which are not at present allowed to incorporate or run their own affairs. They therefore compete for funds from the municipal district, funds that are used for roads, snow clearance and the like.

We have two such hamlets of about 400 people in my area: Shaughnessy and Coalhurst. They are both crying for water, sewerage, paving. Would you believe that during the recent campaign I lost two pair of overshoes in the mud on the main street of Shaughnessy. This is only 14 miles from where the hon. Minister of Municipal Affairs lives. Would you believe that 15 miles west of the hon. Minister of Municipal Affairs is the hamlet of Coalhurst, and that's a little upstream from the City of Lethbridge. Does he realize that into this river goes raw sewage? He proceeds to drink that in the City of Lethbridge. Another thing, were it not for the flushing of the toilets in Fort Macleod during the summer months, I doubt if the minister would even get enough water in Lethbridge to make himself a cup of tea.

Let us, therefore, help these small communities by assisting them with their services, and not let Alberta grow into a polluted province similar to some of our sister provinces east of us, where people live very long and very well, providing they don't drink the water, and don't breathe the air.

MR. NOTLEY: Mr. Speaker, in taking part in this debate, I want to congratulate the mover of the motion. I would also like to congratulate the hon. Member for Macleod for his very excellent participation in this debate. I would hope, Mr. Speaker, that he would give some lessons on independence of thought to some of the other backbenchers. In the process we would have a more lively Legislature.

Mr. Speaker, dealing with the issue at hand, there's clearly no doubt that when one looks at the need to encourage development in rural Alberta and in the smaller centres of this province, housing is a pretty crucial factor. This is true in any community. In the largest centre in my constituency, for example, we have quite a number of government employees associated with both the Department of Agriculture and a local agricultural college. The problem when people come in, or for that matter when anyone else comes into the community, is the critical shortage of housing. The local council has been working very hard to deal with this problem. Nonetheless, Mr. Speaker, the difficulty remains.

I was interested in listening to the comments from both the hon. Member for Grande Prairie and the Member for Lacombe concerning the capacity of local governments to borrow money. There is clearly no doubt that this government has made changes in the ability of local governments to borrow. But that really isn't going to solve the problem, Mr. Speaker. Even the 8 per cent interest rate from the Municipal Finance Corporation, and taking off the ceiling on the amount of borrowing, doesn't resolve the problem. Simply lending money is not a substitute for a program where the province injects money into the community for the provision of the services. There is a great deal of difference between a loan and a grant. If anyone is in any doubt of that, just ask the Syncrude people.

But Mr. Speaker, the concept contained in the resolution of the hon. Member for Bow Valley is not really a new one in the Province of Alberta. It is my understanding, for example, that the City of Edmonton for many, many years -- as a matter of fact up until the early 1950s -- did its own developing, and at a much smaller cost, I might add, than the private developers. I agree with the Member for Drumheller when he suggests that this is an area where municipal governments can play a very useful role. But money has to be made available for the provision of what, in effect, becomes a land bank. I am not sure, Mr. Speaker, that this is a new or radical proposal, as it is one which is consistent with what has gone on in other parts of the country for some time. As I mentioned a moment ago, it has even occurred in regions of Alberta over the last number of years.

Mr. Speaker, several comments have been made during the course of this debate on the role of regional planning commissions. I am in no position to comment at all on whether the Calgary Regional Planning Commission has done a good or bad job. But I have to say in defence of regional planning commissions that the work I have done in conjunction with the Peace River Regional Planning Commission leads me to the conclusion that they play a pretty useful role and are sometimes unfairly maligned by people who, perhaps, have not taken as much trouble as they should to understand the operation and scope of a regional planning commission.

It's important to note, Mr. Speaker, that the Peace River Regional Planning Commission is representative of all municipalities in the Peace River region. Members are delegated by their respective councils, ID improvement boards, municipal councils, or county councils to attend the regular monthly meetings. It's interesting to sit in as an observer and watch how the planning commission does its business. I would have to say, at least as far as the Peace River Planning Commission is concerned, business is carried on expeditiously and efficiently. There is a lot of input from the different municipalities represented on the planning commission and frequently some real division of opinion, and more often than not, or at least on occasion, the members of the staff are taken to task if the representative body doesn't happen to agree with some of the things which have been done.

As far as subdivisions are concerned, Mr. Speaker, I found that again in the experiences which I have dealt with . . . When people have come to me with subdivision problems and I have taken this to the staff of the commission, these matters have been rectified in the instances at hand very quickly. Certainly, dealing with subdivisions during the meetings of the commissions themselves, these matters are carried out expeditiously.

I am not in a position to comment on the operation of the other regional planning commissions in the province. And indeed, I have heard it said that the Peace River Regional Planning Commission is probably the most efficient of the planning commissions in the Province of Alberta, although I have to confess that among the people who said this were members of the Peace River Regional Planning Commission; which, perhaps, puts them in a slight conflict-of-interest position.

Nevertheless, Mr. Speaker, I think it is important to recognize that we can talk a lot about bureaucracy and frequently, quite correctly so. But in my own knowledge, the planning commission in the Peace River country is doing a very good job. Not only are they looking at subdivisions, Mr. Speaker, they are examining the larger municipal questions: the development of housing in different communities, how we look at decentralization and growth in the North. At the present time the commission is evaluating and reviewing proposals for the possible dam at Dunvegan. The commission has taken an active interest in encouraging participation in the Land Use Forum as well.

So let's not see these commissions in just a narrow sense. Because the example of the Peace River Planning Commission, at least, illustrates a pretty active organization which is, in my judgment, doing a good job in focussing public opinion on a broad range of issues which goes far beyond just deciding on a subdivision, to some of the more important questions which relate to the future of the Peace.

Mr. Speaker, just concluding my remarks, it seems to me that the proposal made by the hon. Member for Bow Valley is one which, rather than stimulating or fanning the fires of inflation, would do just the opposite.

The hon. Member for Macleod cited the example of how this might work in his community. And I think quite properly so. One of the real reasons, Mr. Speaker, housing costs are so high right across this country, whether it be in Alberta or anywhere else, is the cost of land. If we are in a position to lower that cost through public land acquisition or making money available, as this resolution reads, "to municipalities . . . to finance the servicing of residential lots", we would be reducing the inflationary impact in the economy, not increasing it.

I also find it rather interesting, Mr. Speaker, to see the concern expressed by certain members of the government side about this idea, when we keep in mind that the Alberta Housing Corporation is actively involved in land banking, if one might use that



term, in the Fort McMurray region. Surely if this kind of concept can be extended to Fort McMurray, it is not a radical, unusual, or way out-of-line proposal for the other communities in the province.

Moreover, when we had the release last fall of the industrial corridor concept, I noted with interest that one of the proposals in that concept was the idea of land banking for industry. Now, Mr. Speaker, if, as a matter of government policy, we are going to look at a proposal of land banking for industry, it is surely reasonable that we should make available funds to our municipal governments, our towns, villages, and our smaller cities; but including the two major cities as well, so that they can get into this picture, in my judgment, efficiently -- and I have no doubt it would be efficient -- and in so doing, lowering the cost of housing.

The final point I would make, Mr. Speaker, deals with the suggestion made by the hon. Member for Grande Prairie that somehow this would be unfair to those people who have purchased their homes under other conditions.

Mr. Speaker, if we took that attitude at face value on everything, we would never change anything. If we had to make every single decision retroactive to everybody, there would be very little progress made on any issue, federally, provincially, municipally, or otherwise.

A good case in point is the government's proposal for \$1,000 for senior citizens to fix up their homes. The program is going to go into effect next year. What about the person who fixed up his home in 1974? He is just out of luck. No one is going to suggest that we make the thing retroactive to 1974, 1973, or 1970. In a modern society, we make changes and these changes come into effect. We can't possibly turn the clock back. To suggest that because it might be unfair to somebody who bought a home in 1952, 1967, or 1974, we shouldn't make changes to deal with the problem here and now -- and the problem is going to get worse in the future, in my judgment -- is just a little difficult to follow. It shouldn't really be taken too seriously.

So, in summary, Mr. Speaker, the hon. Member for Bow Valley has introduced a resolution which, in my view, has merit and deserves the support of all members.

MR. YOUNG: Mr. Speaker, thus far this afternoon I've enjoyed the debate on the resolution advanced before us by the hon. member, which proposes provincial grants as a subsidy for residential lots and the cost thereof. I'm a bit concerned, however, that we should begin looking at the problem, which I think is his major focus, and that is housing in the broadest sense, the adequacy of housing and the cost of housing, in terms of just looking at the lot itself.

There have been comments this afternoon about the retroactive implications of equity, comments from the hon. Member for Grande Prairie, comments more recently from the hon. Member for Spirit River-Fairview. I'd just like to refer members, if we're thinking of proceeding on a larger problem, a more major issue, by focussing on a small facet of that problem. I'd just like to draw the attention of hon. members to Technical Report No. 4, Urban Residential Land Development, by the Alberta Land Use Forum.

In that report, the history, abbreviated though it is, of the City of Edmonton is related, and that city's efforts to service residential lots. In a nutshell, the history is somewhat as follows. At one stage of the game, the City of Edmonton serviced all its own lots. It found, however, as the growth of the city accelerated, that the financial requirement increased, and this taxed its growing capacity. Now at the particular time this happened, there was a limit on the amount which a municipality could borrow through the Alberta Municipal Finance Corporation. Because of that limit, the city was forced to look outside for funds. It reached a point, apparently, in the opinion of the municipality, that the City of Edmonton was fearful of jeopardizing its favorable borrowing capacity, so it decided to change its pattern of residential lot servicing. In the last four years or so, it has begun to enter into development agreements with developers, whereby the developer does all the servicing of the lots. The developer has to set aside certain proportions of land for public use and has to charge back to the lot the full cost of all the services.

In a relatively short period of time then, in the City of Edmonton, due to the fact originally that there was a limit on the city's capacity to borrow, the city has been placed in a position where it has totally shifted its policy from doing the servicing itself to requiring servicing by developers, and that has had a number of effects. First of all, the full cost of the servicing is loaded onto the cost of the lot. The home-owner buys those services, prepackaged, and has to pay for them via his own mortgage. Now we all know that it costs more for most people to obtain a mortgage -- the interest rate is higher for individuals than for a municipality, especially in 1975.

My understanding is that the City of Edmonton could borrow through the Alberta Municipal Finance Corporation, I believe, at the rate of 8 per cent, which is a pretty favorable interest rate these days. If the city were doing the developing, those costs could be amortized at an 8 per cent rate, as opposed to the going rate for mortgage money to the individual right now, which I suspect the minimum is now 10.5 and that's a favorable rate. So we're looking at 2.5 per cent, at least, greater cost to the individual home-owner than would be the case if, at some past date, a provincial government had not put a limit on the Alberta Municipal Finance Corporation's lending capacity to individual municipalities.

In short, I'm saying by that one little act, that one little decision at some past time, we've completely altered the approach which municipal government has taken toward the development and servicing of lots. So I'm suggesting that while the concern is well



taken in this motion, and I appreciate it, I would personally much prefer to have us look at the problem of housing in a much broader context.

I have some other more specific comments. In my own mind I am undecided, if the provincial government is going to provide grants for residential lots, whether in fact we can be assured that the grants will be used in a manner which will put the most number of lots on stream. For instance, if we examine again the report of the Land Use Forum, we find that some subdivisions in the City of Edmonton cost a great deal more to service, and I may add in the City of Calgary, than other subdivisions. If as a province we are going to start giving out grants, do we want to have some concern for whether the most economic subdivisions are serviced, or what route do we wish to go?

Do we have any concern, and should we become involved, in the size of the lot? Is there a possibility there of effecting cost savings? Should we become concerned in the nature of some of the services provided? Do all our subdivisions need the standard sidewalks? Do they need streets of the width we now have? In the community I live in, I live on an S-crescent. We consider ourselves unfortunate if it gets 10 cars an hour, except when people are leaving for and coming home from work. Do we need a street wide enough for four cars to meet on at one time? These are some of the questions to which I think we should be addressing ourselves.

Do we need to look at what I understand to be some of the municipal policies of regulating the, I'll use the term "classes" of houses, and prohibiting certain types of housing in certain areas? Do we need to be looking at the standards that municipalities are exercising? I think there are a number of areas where we should be examining the possibilities for more economic construction of housing.

Finally, Mr. Speaker, I'd like to say a few words about the planning, developing process. Again, the Land Use Forum has done us -- I trust it's correct and therefore a valuable service. The Land Use Forum in Technical Report No. 4 lays out for anyone who cares to open it, the planning and approvals processes for the development of residential subdivisions. I'm not sure what the minimum time period is for all of the approvals, but I think it would take in the order of 36 months to get a lot on stream, provided things went smoothly. I believe if they didn't go smoothly and some difficulties were encountered, it might take in the order of slightly over 6 years for a developer to get lots on stream.

Now, I don't want to point the finger at any particular planning commission. I don't want to point the finger at any particular municipality. Perhaps the finger should be pointed at all of us. When I say "us", I'd like to make it broad enough to include the planning commissions, the municipal authorities, and the respective departments of government, and say: you know, what can we do to cut off half this paper. Do we need it all?

It's a pretty instructive little document. I suggest we view it rather coolly and dispassionately and ask ourselves whether, in fact, we could collapse that time frame. Because if we could, we could increase the capacity in short order to produce more lots. And we would do something else. We would cut the cost of holding land. Every time a developer has to hold land and finance it for three or four years, it runs up his costs, and every time his costs go up he naturally passes it on to the home buyer. So we have here an additional source of cost which we might consider removing.

Mr. Speaker, in closing, I want to make a few comments. I'd commend the member for bringing this particular matter to our attention. I should say that I am most pleased with the government's concern about housing. It's a concern which I tried to foster some two or three years ago in conjunction with the hon. Member for Calgary Buffalo. We introduced, I think, a resolution which suggested that the provincial government had a responsibility for housing, and had a broader responsibility, that rather than letting the responsibility sneak up on us as a government, we should recognize the responsibility for what it is and try to deal with it in a front face manner.

This has been done, and I am very hopeful that the starter home program and the work that's flowing from its preparation will lead us in a number of directions. Perhaps one of those directions will be some form of grant or partial grant to the municipalities in the development and servicing of lots. But, Mr. Speaker, I would caution us all to have an eye to the decision that we make in this small area, because it may have some other impacts that we do not see at the present time. Let's look at the total problem and try to deal with it in its total context.

MR. HORSMAN: Mr. Speaker, in joining the debate this afternoon, I am pleased to do so since the motion has been made by one of my neighbors as far as constituencies are concerned, and I am familiar not only with my area of Medicine Hat and Redcliff, but with the Town of Brooks, which has undergone quite rapid growth.

As a matter of fact, the hon. Member for Bow Valley and I share the same planning commission with respect to his town. I don't intend to attack the Medicine Hat Regional Planning Commission with the same vigor that the hon. Member for Drumheller applied to the Calgary Planning Commission. I don't think that our problems are quite as serious as those he has outlined. Nevertheless, it is true that in terms of planning, Medicine Hat and Redcliff and southeastern Alberta have similar problems in getting new housing developments on stream.

Medicine Hat now has a population of in excess of 28,000, and Redcliff of over 3,000. The growth rate now in both communities is exceedingly high; therefore, we have a housing problem, if I can call it that. Diversification of industry, brought about to a large extent by the policies of this government, for the past few years has no doubt contributed

to the rapid growth of the communities I represent. I know the same is true of the neighboring communities of Brooks and others in the constituency of the hon. member who moved the motion.

I share his concern, but I'm afraid his motion does not go far enough towards solving the problem. I think we've seen an example this afternoon in the remarks made by the hon. Member for Edmonton Jasper Place about the different policies of different municipalities throughout the Province of Alberta with regard to the question of servicing lots. He has indicated that the City of Edmonton requires that private developers provide the services, and that, of course, is passed on to the home buyer.

On the other hand, the City of Medicine Hat, being the large and sole landowner for all practical purposes, supplies the serviced lots to developers and individuals when they are available. I say "when they are available" because I come back again to the question of regional planning or the planning process itself. At the present time, the City of Medicine Hat and the Town of Redcliff are both finding difficulty in placing lots before the public for the purpose of construction of new housing. They are finding that difficulty because they are understaffed, at least the planning commission is understaffed.

I would like to see a different approach by the Minister of Municipal Affairs with regard to solving some of these problems that have been touched on today and, I think, have brought about the motion made by the hon. Member for Bow Valley. First, may I suggest a thorough review of the funding of regional planning commissions be undertaken by his department. I would be very encouraged to see additional planning staff made available to the Medicine Hat Regional Planning Commission. Just last week I had the pleasure to lunch with several members of that commission who had come to Edmonton, including an alderman from the Town of Brooks. They had come to meet with departmental officials here in Edmonton to ask for that type of assistance, their object being to speed up the process. And that I believe to be highly commendable. It would appear to be an opposite approach to that used by Calgary, as indicated today by the hon. Member for Drumheller.

There's another area I would like to suggest might be undertaken, and that is to consider assistance in the retirement of old debt in communities such as Redcliff. I'd like to point out to the hon. minister that in the Town of Redcliff and the City of Medicine Hat, prior to the First World War, both these communities were plotted and planned so that they joined each other, in effect, with 25 lots on nice straight streets. Of course, that's all gone by the board now, since planning came in. One finds lots of little crescents that are blind ends. Why they do that, I'm not entirely sure.

Redcliff in 1912 undertook to install a water and sewage system. And the fact of the matter is that that small town -- the boom which was expected in 1912 did not materialize. Following the First World War there was a depression. Since 1912 that small town of Redcliff has been carrying a considerable municipal debt relating to that original water and sewage installation. I suggest that the minister might give careful consideration now to helping that community, and others in the province in a similar position, to retire that debt so they can begin anew in providing new services to meet the situation which now exists: that is, of course, that they are growing once again, these smaller communities. They are growing once again, and they are now being required to supply similar types of water and sewage services to their community, and at great cost, some of which of course can be passed on to the home-owner who purchased the property. Some can be passed on to industry, but some must be borne by the general taxpayers through their municipal levies. I would suggest to the minister that he give careful consideration to giving a hand to these smaller communities in that area.

Another area, of course, of great concern insofar as servicing is concerned -- and I wish to congratulate the government for their program which has been implemented in the past few years -- is to provide grants to smaller communities for the purpose of paving their residential streets. Touching again on the Town of Redcliff, I can point out that the grants which were made available, and I hope the Minister of Transportation will keep this in mind, I think were to be on a 10-year or a 5-year basis. But the Town of Redcliff, in its wisdom, expended all those funds within the first year or two of the program. I think it is a measure that could be well considered in the coming years -- not too many years.

Another area of concern to smaller communities which are experiencing some industrial growth: when industries locate in those communities it's necessary to upgrade some of their streets for the purpose of carrying heavy industrial traffic. I would suggest this is another area that the Minister of Transportation might consider in conjunction with the Minister of Municipal Affairs: providing that type of grant to assist in providing those very essential services to these smaller communities.

I was rather shocked to hear the hon. Member for Macleod indicate how Lethbridge got its water in the summer. Since Medicine Hat is downstream from Lethbridge, it makes me horrified to think what is happening to the City of Medicine Hat and the Town of Redcliff. I can only hope that what takes place changes somewhere between Lethbridge and Medicine Hat. But that is another area, of course, of great concern: the question of providing sanitary services, particularly to smaller communities.

If it sounds like I'm giving a lot of attention to the Town of Redcliff, I would like to advise the members of this House that, while Redcliff is only one-tenth the size of the City of Medicine Hat, the Town of Redcliff was responsible for one-half of my majority on March 26.

[laughter]

Accordingly, I think Redcliff should get half my attention.

Mr. Speaker, with these remarks I should like to conclude by saying that I support the motion in principle. I am sorry I cannot agree that it goes far enough, because I don't think it meets the requirements of all communities where you have conflicting types of servicing and charges provided throughout the province. I don't think we should be uniform in the type of services that are provided in Medicine Hat. I don't think that necessarily might work elsewhere in the province, and I certainly support the local autonomy that is so essential for municipal governments throughout the province.

However, I do applaud my neighboring constituency and its member for bringing this to this Legislature. When I was elected on March 26 I wasn't aware that I would be quite as close a neighbor to my honorable friend as I am in the proximity in the House, but it's a pleasure to be close to him on this occasion, as well as having him next door to me constituency-wise.

Thank you, Mr. Speaker.

MR. BUTLER: Mr. Speaker, it's a real pleasure for me to get involved in this discussion on housing. Housing is a very important topic in my constituency. The largest town we have is about 3,000. The next largest is 1,000. We have several towns with 200 or 300, some with less.

Developing lots or the cost of land is not one of our problems. Getting water is the first problem. Big strides are being made and have been made. When I hear the hon. Member for Bow Valley wanting to help the rural towns, and the costs of the lots getting up as high as they are, I'm really pleased, because this means we have at last turned around the development of the larger cities and are getting some development in the rural areas. This is evident in some of the smaller towns in my constituency as well.

This government is committed to the rural areas, and I think rightfully so. There's plenty of help needed. I think help has been given and can continue to be given. There's nothing that enhances a town or a municipality more, particularly a small town or a larger town, than the residents owning their own homes. I think all you have to do is drive around in a district and you can almost tell where homes are owned and where they are rented.

However, I would like to see this motion go a little further, and the grants be a little more flexible. I'm sure we need grants. It's a good way to give these towns and smaller municipalities the benefit of some of the extra money. But I would like to see it go a little further and I would like to see them be a little more flexible.

In some places, many of these grants that are given for any specific thing are not always used. I would like to see the grants left to the autonomy of the councils so they could spend them on any worth-while project. I'm not in favor of just handing them money and saying, here kitten, here's your mouse, do what you like with it. But I think [the grants] should be flexible so that they don't necessarily have to be spent on development and servicing of lots.

In some of the small towns which I represent we have lots where people are still living and still don't have sewers. You might think that's odd, but it's so. These people would very much like to live and stay in the towns they are in. They like their towns and they would like to have these services. I think they would get better service and more value for their money if it were left up to the local council. I'm sure, as time goes on, that these towns will be developed. In our area we need housing -- one of the most needed developments which we have. We have people living in old houses who would like very much to develop and build new ones, and I'm sure that this will be done.

I commend my neighbor, the hon. Member for Bow Valley, for bringing this resolution in. It's a good one, but I would like to see it go further. I hope it can be changed so that when grants are given they will be more flexible.

Thank you.

DR. MCCRIMMON: Mr. Speaker, I appreciate this opportunity to speak on this motion. I also commend the mover for the principles that he has behind the motion, although I can't agree particularly with the method in his motion of giving grants to municipalities to finance the servicing.

I had quite a number of years on town council a number of years ago, and 20 years ago this was one of the contentious issues. The town councils at that time did finance lots for servicing and carried the finance load as part of the town burden. However, during the period 1950-60, it was found that in any community where there was any growth at all, it added to the burden of the taxpayer in rather an unfair way, because the person who was building the house was basically being financed by the balance of the taxpayers in the town. The town carried the money cost burden, whereas the person who was building the house paid it annually through his taxes over a period of -- 20 years I believe it was financed through. So that during this period of time, it was evolved that the cost of servicing lots went directly to either the person who was handling the lot, or buying the lot, the developer if such was the case.

The whole concept in towns and villages particularly -- I can't speak for cities because I have no experience on that -- but in towns and villages this concept changed so that the cost was directly attributable to the purchaser or the developer of the lot. It relieved the towns of a great financial burden, because any town that had any sudden growth or expansion found itself in an unbearable position with limited funds available to expand. It had to use all its borrowing power for development of services of sewer, water, streets, lights, and so on. It was found in this period that it is a much more

practical arrangement to directly put the cost onto either the developer or the lot purchaser, because then the town could make some definite plans as far as its own financing was concerned and not have dropped on its doorstep, a town of say 4,000 or 5,000, with 100 houses in 1 year, an almost unbearable burden with finances difficult to obtain.

At present there are two basic methods: the developer buys the land, subdivides it, gets it passed through the various planning facilities, pays for the services, passes the cost plus his own profit on to the lot purchaser; the second method is that the town or village purchases land ahead of time or has its own land bank, which is the wisest thing to do, develops the lots and passes the cost on again to the lot purchaser with their initial costs, with the costs of development of sewer, water and so on. This has been a much more practical arrangement as far as the financial position of the various towns has been concerned.

I realize that in the last two or three years lot costs and servicing costs have tripled and quadrupled from what they used to be. However, the principle, I think, remains the same. I see no reason that the taxpayer who owns his house and has been paying taxes for years should have his property subject to a sudden expansion of the town, and a great, heavy debt burden added on to his own property when he's been paying taxes for 20 or 30 years to clear that property, in the town he lives in, of that debt burden.

There are one or two things I feel perhaps some of the towns have been remiss in. I know that when I was on council -- for seven years, I believe it was -- I always pushed for the principle that every year the town should buy a certain number of acres of adjoining land. I've always felt, and this is still true and still available, that any town or village should always be in a position whereby no land developer has an opportunity to purchase land and raise the cost of lots out of standard proportion. The town should always be in a position where it is competitive with the developers. I can't speak for the cities, but in the towns and villages it's the only way I know to keep lot costs, land costs, and building costs within a realistic situation, in comparison to other towns in the area.

Practically every town in Alberta is anxious to grow and wants to develop, and there's no reason at all why land can't be picked up adjacent to the town and at the discretion of the town, because of the zoning situation. They know how their water and sewer lines are going to develop, their storm sewers and drainage problems, their curb, gutter and paving programs. They should be in a position to direct where growth is going to develop rather than wait for the whim of a speculator or land developer who comes in, develops an area near the town, and then dumps the load on the town for storm sewers, water, hydro, and so on. I think some of the towns have been at fault in their own thinking as far as development is concerned. But these are methods whereby costs can be kept down as far as lots are concerned.

As for a grant to a town for lots, I'm not particularly in favor of this method. I think there are better methods of keeping housing costs down. I would sooner see lower mortgage rates, the same government money put into the housing situation whereby lower mortgage rates for new houses should go. I don't like this situation of grants to private enterprise for building houses. I think it's a step that is becoming far too common. If a person is going to build a house, it's an asset to him. I don't see that the government should underwrite him in this regard. If he wants to build it, I can see that money should be made available at a reasonable rate of interest. I would sooner see the money placed in this category than as a direct grant to prospective house owners to lower the cost of their initial situation.

Although there has been abuse in land costs through, for one thing, lack of foresight in various towns and villages in the province, I don't think it's serious in the smaller localities and can be rectified because there is still land available in most of the towns and villages within the province.

As I'm not quite finished, Mr. Speaker, I would like to adjourn the debate.

MR. SPEAKER: The Assembly stands adjourned until 8:00 o'clock this evening.

[The House recessed at 5:30 p.m.]

\* \* \* \* \*

[The House reconvened at 8 p.m.]

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill 20 The Workers' Compensation Amendment Act, 1975

MR. CRAWFORD: Mr. Speaker, I take pleasure in moving second reading of Bill No. 20, The Workers' Compensation Amendment Act, 1975.

At the time of second reading, Mr. Speaker, I think it's important to reflect for just a few moments, perhaps, on some of the early valuable and historic principles that relate to the whole area of compensation for injury. This type of legislation in the Province of Alberta, as elsewhere in North America, goes back a good number of decades. Throughout that period of time it has been, I hope and trust, in something of an evolutionary process and perhaps been improved, from time to time, according to generally recognized principles. I suppose there have been times in the history of Alberta and in the history of other jurisdictions in Canada when governments felt they were not able to do much more than they were doing at the time, or indeed any more than they were doing at the time, in regard to the injuries of workmen in employment primarily related to industry. So I think it's something this House would look upon with satisfaction and approval that recent years have brought continuing significant increases in the level of support to workers and, a special reference in this particular bill, now dependants and survivors as well. It has been possible to bring forward meaningful reforms in these respects.

The strong endorsement I think the House would want to accord at this time to legislation of this type, of course, is that it is in the tradition of the wishes that legislators have had over the years, to reduce the actual suffering and loss that injured workers and their dependants and survivors may experience.

Over the years, the sorts of complaints there have been about legislation of this type relate, of course, to the level of benefits. I don't think there is a member of this Assembly who doesn't know that they also relate to the area of the processing of complaints as to time -- time of processing or times that the claims are in process before they are dealt with -- thoroughness in investigating the claims, and in the sense of fair hearing that the workman receives. We've all had cases presented to us where workmen were strongly persuaded there had been no such thing as a fair hearing in their case. These are matters, of course, of some difficulty.

I think one of the other things that is present in any review of the operation over the years of workers' compensation and its principles, is the fact that governments have had the desire to use the experience they have, as injuries occur to workmen in various employments, to try to find ways that such injuries, and indeed death in some cases, can be reduced or prevented. I suggest that the recent history of the Workers' Compensation Board, operating under the revised legislation brought in by my predecessor, has been that an excellent regard for the safety of the workman and the efficiency of the inspection and the extent across the province, generally, has been greatly enhanced. I won't say more on the question of workers' safety at the present time, despite the interest of the Workers' Compensation Board in this, Mr. Speaker, because, of course, that is another special area of interest, and itself might be made the subject of an instructive debate by hon. members.

At this time, Mr. Speaker, I would like to note that the involvement of the advisory committee to the minister, pursuant to The Workers' Compensation Act, has given rise to the proposals involved in the new schedules in Bill 20. Seven members have been sitting on the committee, primarily during the last session, after being appointed in 1974: the Chairman, Mr. Harry Kostjuk of the Alberta Federation of Labour; the Chairman of the board of review at the Workers' Compensation Board, Mr. Hickson, was a member; Mr. G. McClelland, the director of safety at A.V. Carlson Construction, was one of the representatives of industry on that board; Mr. Zorniak, also of the Alberta Federation of Labour; another management representative, the late Mr. Hawkins of Calgary Power; and two members of the Legislative Assembly.

I'd like to remark that I think the hon. Member for Edmonton Kingsway served very usefully and effectively, as one of the members of this Assembly, on that committee. I know he enjoyed the work, and was grateful for an opportunity to be able to make recommendations which would have their ultimate fulfilment in the betterment of the lot of working people in the province. With him was a member who is no longer a member of this House, the former Member for Pincher Creek-Crowsnest, Mr. Drain, whose sense of compassion for the workingman was not, I think, surpassed by anyone in this Assembly. And so, Mr. Speaker, I would now like to thank that committee for the work they did in making important studies of the benefits across Canada, for having the full regard they had to the changing circumstances in our own economy, and for bringing in such a useful report for the use of the government in drafting this legislation.

I think the importance of the increase in benefits to surviving widows, and minor dependants of workmen who died either as a result of accident, or in the years that followed while they were still entitled to compensation -- these changes are very significant indeed, and are a notable addition to the ability that people in receipt of those benefits have to meet family obligations in the rather difficult times of inflation that we've noticed in the last year or so.

One of the things the bill does is raise the minimum total compensation that can be paid, where the compensation is a 100 per cent situation, by the sum of \$90 per month, up to \$365 per month. The increase in benefits for widows and dependants that I mentioned a moment ago is as follows: in January 1974, the benefits provided were \$225 for widows, in addition to \$70 for each dependant. Under the new schedule, April 1975 being the effective date, the benefit for widows will reach \$290 as compared to \$225 and, as well, there has been an adjustment upwards of \$10, from \$70 to \$80 for each dependant.

I might add that, at the time, it was being considered whether or not a more significant adjustment might be made for dependants. The government did take into account that various substantial increases in family allowances had occurred at about the same time in 1974, when the report was being considered, and it seemed to make sense to put most of the additional benefit in the area of the surviving widow, rather than the surviving dependant. This is a matter where the government will have the assistance of the advisory committee to the minister to continue to review. A further review will be done within the ensuing months.

Mr. Speaker, another important principle is the rate at which payments into the fund are made being tied to the earnings level of the workman. That rate is also being increased. Hon. members will appreciate that having a maximum amount at which the contribution can be calculated, that is a maximum earnings rate for the workman at which the employer's contribution can be worked out and paid into the fund, governs the amount of benefit he will draw -- so the raising of the maximum rate at which it can be paid in, rather than being tied to salaries of \$10,000 a year as has been the case in the past, be tied to a maximum of \$13,000 a year. That will mean that with those payments going in on that higher upper limit, higher benefits can be paid when a workman in that salary range is injured and is entitled to compensation, whether it be temporary or for a permanent disability.

Mr. Speaker, just another comment on what are referred to as the catch-up clauses of the bill. Significant provisions have been incorporated to bring up the levels of payment that are made for workers, prior to the effective date of this bill. Hon. members will have seen, no doubt, the percentage schedules based on -- and this is primarily on page 5 of the bill -- an amendment to Section 53. The section itself deals with the case for workers whose pension was put in effect prior to 1970 -- that is 1969 and previously -- and then a schedule of percentages carries on throughout the subsections of the act to bring it right up to April 1, 1975. Mr. Speaker, the result of the varying percentage, according to the year prior to which the accident took place, is that for all of the workers who received benefits under that, the calculation goes back into their period and brings them up to a certain point. Then against that is applied the new minimum of \$365 a month for a totally disabled worker. Those are the prime features.

I might give an example, if I can, of what I've just said, Mr. Speaker. These are meant to be specific examples to illustrate to hon. members that a person who is now receiving the minimum of \$275 per month would receive \$365 as of April 1. If the rule of a 32 per cent increase, as set out in the section I've just quoted, were applied, that would bring him up to \$363. The minimum being \$365 shows that he will be getting just a little bit more than the percentage shown, because of the way the act cuts in with the minimum. That particular figure is chosen as an example, because it is obvious that if the person is above the minimum, the percentage will look after his situation and bring him up above the new minimum.

As another example, for the person receiving \$291 a month, the pension increase rate would be 32 per cent, and he or she would reach the level of \$385. Just as one more example to illustrate, if I can, Mr. Speaker, for hon. members, how this important part of the bill works: the new minimum scale of \$365 would apply to all of the years in the upgrading scale. For example, and this comes back to the catch-up provisions, if a worker was injured in 1970 and was receiving a pension of \$275 a month -- note again, that's the minimum; it would be more if he was entitled to be paid above the minimum -- the percentage shown in Section 53 would bring him up to \$352. But because of the new minimum, he would be at \$365.

Now I know that's quite a bit of detail, but I hope the two or three illustrations of how that particular section works will help hon. members follow the main principle of the bill which, as well as changing the situation of workers entitled to compensation from the effective date of the bill onward, will also be of assistance in the sense of catching up others.

With those remarks, Mr. Speaker, I don't think I have anything more to add at this time, except to say that when hon. members make their contribution to the debate, I'll do my best to note any special interests or concerns there might be and to make some further comment if that is appropriate at the time of closing debate.

MR. NOTLEY: Mr. Speaker, I propose to support the bill. But there are several areas that I am concerned about, and I'll come to those in a moment. There are also several areas that I have certain questions about and with your leave, Mr. Speaker, I would like to get into a little bit of detail to ask the questions, because I think they do relate to the principle of the bill. But a number of the features of the bill I will heartily subscribe to.

First of all, Mr. Speaker, the extension of the application of the act to temporary and voluntary workers is in my view certainly a step forward, and one which should be supported. We had the example cited in the act of people who work during the mop-up of a disaster, for example. They can be covered under the act as a result of this amendment.

We have another example too, which in my view is especially important in rural communities where we have many voluntary schemes under way to build skating rinks, community halls, or what have you. Under this change in the act, those people who work on a voluntary basis can come under the purview of The Workers' Compensation Act. So that change, Mr. Speaker, in extending the application and the scope of the act, in my view, is a good one and deserves support.

There are several questions I would pose to the minister and ask him to respond to when he closes debate. There seems to be a difference between Section 37 and Section 40 of the act, dealing with the payments to foster parents. As I read Section 37, for example, I see two payments, \$225 and \$290; one after April 1, 1975 and one prior to April 1, 1974. Now as I contrast that with Section 40, I see \$290 being applicable. My question to the minister is, and I think this is important for clarification to assess the principle, do we have a disparity in payments to foster parents, or is it the intention of the government that the figure of \$290 for foster parents plus the higher figure of \$80 a month would be payable as of April 1, 1975 and that that would apply to all foster parents regardless of when the injury to the worker took place, whether that was after April 1, 1975, or 2 years ago, or 4 years ago, or 10 years ago? I would ask, Mr. Speaker, when the minister closes debate, that he answer that question because it does seem to me to relate to a rather important principle. I would hate to see a disparity in payments to people who are acting as foster parents under the act.

The next question I would raise is somewhat similar. It would seem to me, again in reading the act, Mr. Speaker, Section 40(1), we're dealing with widows' pensions, there seems to be a difference. We have the figure of \$365 a month under subsection 1, then under subsection 2, the figure of \$225 commencing January 1, 1974 and \$290 commencing April 1, 1975. As I read the act, "A dependent widow or widower receiving compensation under any predecessor of this Act shall be granted an additional payment of compensation," et cetera, et cetera. Now, as I read the act, Mr. Speaker, it would seem to me that we have two categories of widows under this act. We have those who will be receiving \$365 a month under Section 40(1), and those who are receiving \$290 under Section 40(2). Now, Mr. Speaker, I am sure this isn't the intention of the government. But if it is, I would like to know, because I don't think it is a suitable proposition to be contained in a bill of this nature. It seems to me that we shouldn't accept the proposition, Mr. Speaker, of second-class widows' or widowers' pensions under The Workers' Compensation Act.

Now, Mr. Speaker, dealing with the new maximum of \$365 for permanent disability. I note in reading the explanation of this that the government is bringing the \$275 up to 1975 money value terms, because as I recall, the last time we increased permanent disability pensions was in the session of 1972. Well, Mr. Speaker, with \$1.5 billion in a trust fund to be set up, with money coming in as we've never had it before, I really put the question to the government as to why we cannot do a little better than \$365 a month. Mr. Speaker, with great respect, that still leaves the people with permanent disability pensions, if they have any family at all, beneath the poverty level. Now, I realize additional funds will have to come from the provincial Treasury. Additional funds are already coming from the Treasury. We accepted that principle when we made changes in The Workers' Compensation Act in 1973.

That being the case, I really would ask the government why they do not think it possible to accept the proposal of the Alberta Federation of Labour that all past pensions should be brought up to present standards. I've discussed this matter with the chairman of the advisory board, Mr. Kostniuk of the Federation of Labour, and that still remains the position of the Alberta Federation of Labour. No question, Mr. Speaker, that that kind of decision would involve a lot of money, many millions of dollars of money, but I suggest, especially in the light of what the Premier said when the election results came in, that a new emphasis was going to be placed on human resources use, that that kind of commitment from this government would be a reasonable one. After all, Mr. Speaker, we are dealing with the victims of industrial accidents. We are dealing with people who have no other source of income at this point in time. We are not at all dealing with the proverbial freeloaders of our society, but with those people who have worked hard and have suffered permanent disability as a result of their work.

Mr. Speaker, another concern of mine is with respect to the ceiling which I'm pleased to see is being increased from \$10,000 to \$13,000. I would question, however, whether the best way of dealing with this kind of issue is to put a maximum ceiling in an act which requires an amendment passed by the Legislature to change. Surely we can place within the act a mechanism to increase that ceiling. In the Province of Saskatchewan, for example, they have a system where if 10 per cent of the claimants are above the ceiling level, the ceiling goes up another \$1,000. This would mean that once we reached a level of \$13,000, if 10 per cent of the claimants came in above that \$13,000, the ceiling would automatically be increased to \$14,000. It wouldn't require an amendment by the Legislature; it's the sort of thing which would take place on an automatic basis. In this time of uncontrolled inflation, Mr. Speaker, it occurs to me that this sort of procedure for increasing the ceiling is more important than it would have been, let us say, during the '50s or '60s when we had a much slower rate of inflation and where, perhaps, it would be more feasible for the Legislature to make the adjustments not in the principle of the act, but in the ceiling itself. It seems to me that if we are dealing with an important principle, of course, quite properly that should be debated and concluded by the Legislature. But the ceiling is essentially a mechanical question, and it occurs to me that it is not unreasonable that we find some mechanism to permit that ceiling to increase without changing the act.



The final comment I would make on this bill, Mr. Speaker, is just to say how important I feel the recommendations of the recent Industrial Health and Safety Commission are. While in a sense we will be dealing with those separately, those recommendations are clearly linked to the workers' compensation operation in this province. I like the idea of health and safety committees in the various plants. I would hope, Mr. Speaker, that we will see some concrete action taken not only on one or two of the recommendations of the health and industrial safety committee, but indeed on all the major recommendations which, in my view anyway, merit implementation by the government.

All in all, Mr. Speaker, I intend to vote for this bill because, while I do have some concerns about the ceilings and I do feel that in our present situation in Alberta more money could be made available, nevertheless these provisions are an improvement, and as a consequence, I intend to support them.

Mr. Speaker, in closing let me say that the increase, especially in the benefits to the permanently disabled in 1972, occurred at a time when our province faced a very serious deficit budget. At that time, there was no oil revenue equalling the amount of money we are getting today. There was no bonanza. No heritage trust fund was being discussed. What we were looking at in 1972 was a deficit of some many millions of dollars. Since that time, our financial position as a province has changed materially, and with that change, Mr. Speaker, our ability to pay as a province has certainly gone up considerably.

I know the argument can be made that it is getting away from the historical principle of workers' compensation acts to take large sums of public money, put them into schemes which should be self-supporting by workers and industries paying into them. That may be true, Mr. Speaker. But while the history of any scheme is important to remember, the operation of that scheme in the present, and the future outlook for it, is perhaps even more important. I would like to see us, especially in this time when we do have large amounts of additional money, make a commitment to follow the recommendations of the Alberta Federation of Labour in this important area of people who were injured as a result of their work in the industrial market place of Alberta, that we will increase their pensions far beyond the \$365 level we talk about in this act. Having said that, Mr. Speaker, because this amendment does represent proposals which are at least a step in the right direction, I intend to support it in principle.

MR. R. SPEAKER: Mr. Speaker, I would like to make one or two remarks with regard to Bill 20 on second reading. First of all, I'd like to make comments with regard to the level of support for the various individuals through this particular act. When we talk in terms of \$350 to \$400 potential as support for individuals, I think in times such as this when rents in the cities are anywhere from \$200 to \$250 for families, grocery bills, I'm sure, are \$100 to \$150 at minimum spending and very careful budgeting, we look at that sum of money and certainly it doesn't seem like very much to support say, a husband and wife, or a husband and wife and one or two children over very difficult times. So I'd certainly like to discuss that further in our committee study.

In questions to the minister, I would like the minister to remark on the timing of the recommendations that were put into this bill. As I recall, the report must have taken place early this year or late in 1974, which would set the sums that are in the bill at the present time. But since that time we all recognize that inflation has occurred, that the cost of living has gone up, that rents have increased. Possibly even during this session we should reassess the amounts of money that are made available to the people to meet their particular needs. I would also like to add that certainly the direction and the increases are commendable and in the right direction.

The second item I would like to discuss for a moment is with regard to Section 2 of the act. In this part of the act, I would like to have some clarification by the minister. The principle is established that volunteer employees are able to receive compensation for injuries that may take place. I see no difficulty in understanding or interpreting the matter of an emergency or a disaster that would occur.

Where I do find some difficulty is in the definition of what "temporarily employed" or the volunteer employment person would be. Let me give some examples. A person working with the meals-on-wheels program, taking meals from one door to another, is injured, falls over a step, or something or other happens. Is he eligible for compensation? That's one example. The Red Cross volunteer, VON, and volunteers in that area, and I'm sure we could name a number of others -- how do you define that? Will there be a committee? Will there be someone who will sit and judge that particular application? I'd appreciate more information on that particular matter.

The other aspect of it is, who makes the payments? Does the Red Cross or the meals-on-wheels group have to make certain payments of compensation? Do they have to contribute a certain amount? What are the answers to those types of questions? I would appreciate very much if the minister would comment on those in closing the debate.

But I have to say, on the whole, that we certainly support the direction of the bill. We would certainly be open to reassessing the amounts, and the timing of the recommendations of those amounts so they are current and up-to-date, so people who are in need and are supported through this act certainly have full compensation and full money to meet their needs.

DR. PAPROSKI: Mr. Speaker, as I rise to speak on Bill 20, The Workers' Compensation Amendment Act, 1975, I would like at the outset to thank the minister for his kind



remarks. I can assure him that the advisory committee, the first of its kind in Canada, felt that its contribution was truly important in serving the disabled and their families.

Mr. Speaker, having served on the legislative committee prior to this special advisory committee, which made substantive changes then, during the first term of the Progressive Conservative government, and having served on this present advisory committee, which was adopted as a result of those recommendations, I would briefly like to make a few comments in support of this bill and the increased across-the-board benefits indicated in it for the injured workers, the widows, the widowers, the dependants, the children, and so on.

In addition to bringing across-the-board workers' compensation benefits and coverages, Mr. Speaker, it's important to note that the advisory committee is a very important item in a whole scheme of things, in that the lag between the present pensions received by the disabled people and families is minimized. In other words, that advisory committee is ongoing. I think it is certainly commendable that this government adopted that position. I feel, Mr. Speaker, that this bill would not be here today if it weren't for that type of mechanism to get things done a little quicker. I'm sure that the advisory committee will address itself in short order to other areas in addition to benefits, to the area of industrial health and safety, and to those comments that have been made by the other members.

I would remind the hon. Member for Spirit River-Fairview that this was the first time this advisory committee did, in fact, sit. Due to the time frame, this committee addressed itself immediately to increased benefits, bringing them in as soon as possible and recognizing the need for adjustments. Keeping in mind at all times industry and its contribution, the government of the day desired to assist in some way, and yet not overtax industry to the extent that some industries would have to fold because of their borderline position. With respect to a formula for adjustment on an ongoing basis, I would only make this comment, without trying to second guess the advisory committee's work in the future: this has been considered, and I'm sure will be considered in the future.

Mr. Speaker, with respect to the comments made by the Member for Little Bow, I think the member should recognize, when he speaks of \$365, as did the Member for Spirit River-Fairview, that this is the minimum benefit. In fact, what they should be talking about is the percentage of the maximum of \$13,000, which, I suggest, is the highest or near the highest in Canada.

Mr. Speaker, I will go on to make a few more comments, which are very brief because the minister has covered them adequately by those examples. I suggest that other members will certainly read the bill, and we will discuss it in third reading. I must indicate that the other member of the Legislative Assembly who sat on that special first of its kind advisory committee -- the then hon. Member for Pincher Creek-Crowsnest, Charles Drain, who served in the Legislature for many years -- was on that select committee, and on this special committee of the Legislature. Both Mr. Drain and I served on this committee, and I can say, and I want it for the record, that his contribution will always be remembered, and his contribution to the Assembly in general. A very special note, and I hope he reads this, of acknowledgment for his humble and meaningful philosophy in the Assembly and terrific humor.

Mr. Speaker, I think it's also worthy of note at this juncture in discussion of this bill that the advisory committee is made up of representatives of workers, including the Federation of Labour, the employers, members of the Legislative Assembly and the Workers' Compensation Board -- a very good cross section, which indeed brings about a balanced picture as these benefits have shown to be, I believe.

Mr. Speaker, this bill is a positive thrust to help those in Alberta, our Alberta citizens on lower and fixed income. It's a bill, of course, to help those who are handicapped, who, due to no fault of their own, are unable to earn more. Mr. Speaker, this bill, I suggest, is exemplary of the major thrusts for people, plus positive direct action for the individual and family who are handicapped, a thrust second to none in Canada if we review the figures. That's performance; that's not arrogance. It's a bread-and-butter bill in line with the proposed changes in income tax reduction and senior citizens benefits and so on.

So, Mr. Speaker, when we consider the performance of this government, as exemplified by The Workers' Compensation Amendment Act, I must say even I am amazed. [interjections] Mr. Speaker, it merits comment for the record, because the important thing here is: it is quick and prompt response to a very important need. Mr. Speaker, if we review some of the figures prior to the Progressive Conservative government taking office the first time, the minimal benefits at that time were \$175. On April 1, 1975, they are \$365, and they are gradually rising throughout the term of office. The widows' pension at that time, prior to 1971, prior to the time the Progressive Conservatives took office for the first time, was \$110. Mr. Speaker, the widows' benefits are now \$290, a threefold increase. Mr. Speaker, the maximum benefit on which benefits could be reached was \$6,600 prior to 1971. Now it is \$13,000, the highest in Canada. Mr. Speaker, I think this speaks for itself. I encourage all members to support this bill.

MR. YOUNG: Mr. Speaker, just a few comments on this bill, which I am most pleased to see before us this evening. I cannot help but be pleased to see recognition of inflation, recognition which, by my calculations, will mean that the maximum pension will move from \$625 a month to \$815 a month, approximately \$190 a month increase. I say this, Mr. Speaker, and I say it sadly in one respect in that I think it simply points out to us the responsibilities upon the Legislature to have to hearken to the sad situation of people in

our society caught by inflation. This is exactly an illustration of the type that puts a very heavy responsibility on us.

I wanted to ask the minister if, in dealing with principle, he might mention to us the basis of the formula we have here. What were the criteria for the minimums? Were they in relation to the payments provided to other sectors, other groups in our society who are disadvantaged in some respect and who are receiving assistance from the general revenues of the province? I would also like the minister to comment on another principle. At its inception, the workers' compensation insurance plan was, as I understand it, actuarially sound. That is, it was supposed to carry itself, as I understand it, based upon the contributions of employers. I am wondering how far away from this original objective we are now moving. It's not that I am opposed to it particularly, but I would at least like to have some information about our direction in this respect.

I did want to make a comment which I should have made a moment ago, with respect to an observation from the Member for Spirit River-Fairview. He referred to our large pools of funds in this province and therefore, that is the reason we should raise the pension. In my estimation, just because we have it is not a good reason for any particular disbursement of funds. Our objective has to be to try to have some basis of equity among the people of the province who we assist through the general revenues. Just because we have lots of money doesn't mean, when we come across a particular opportunity to dole it out, we should do it in larger dollops.

I just wanted to leave that on the record. We are, I fear, while in a fortunate position, going to be besieged by all kinds of groups in our society to increase the ante. I don't think that, just because we have money, is a good reason for advancing the argument that we should give out more.

I am also not keen on the proposition that we should have a built-in formula, as was suggested, for workers' compensation. I believe this is a significant enough responsibility in our province that the matter should come before the Legislature on those occasions and with those frequencies necessary in order for us to take a good look at it. I challenge any statistician or anyone else in the Assembly to devise a formula which relates to items so that sooner or later they do not lose their original relationship.

We all have the experience of being familiar with the Consumer Price Index. That basket of goods is continually being revised. It has greater bearing in the cities than out of the cities, or vice versa, depending on which case you are trying to make. I do not believe it is an approach we ought to take in this piece of legislation.

My final point, in terms of principle -- actually there are two, and they both relate to Section 2 of the bill. We have moved to provide coverage to volunteers. I suspect, but do not know how close we are coming now, in this legislation in combination with the crimes compensation act, to providing a fairly comprehensive form of assistance to people who are injured or harmed in some way in the course of assisting, or being innocent victims, in an emergency, crime, or what have you.

Maybe someone is helping to repair an automobile in a disaster by the side of the road and is injured in that situation. I don't know now whether they would be covered by this bill or under the crimes compensation act. Would it depend on whether the automobile which injures them is violating the law in some respect, or would it depend on it being just an accident of some type? Would that person be covered here? Would the Guiders who go out to camp with the Girl Guides on weekends be covered here, if they apply in advance? These are the kinds of questions I am really interested in. And if they would be covered here, to what extent?

Now, the other principle that I'd like some observation on by the minister, in relation to that one, is that heretofore in The Workers' Compensation Act, as I interpret the legislation, we have provided exemptions will be determined by the Lieutenant Governor in Council, in other words by the cabinet. In this piece of legislation we are now saying that application can be made to the Workers' Compensation Board itself. I realize probably why this must be, if we're dealing with lots of volunteers who are going to be covered on a temporary or a very short-term basis. But I'd like to know if we are starting to shift in terms of who makes that decision. If so, why? I suspect a great deal of my questioning revolves around the full consequence and significance of Section 2. So, Mr. Speaker, I'd like the minister to cover those points in his closing remarks.

MR. TAYLOR: Mr. Speaker, I'm not going to hold up the House very long, but there are two or three comments I'd like to make. The first one involves the maximum for PPDs and TPDS referred to by the hon. Member for Edmonton Kingsway. I hate to see the hopes of people raised and then shattered. And I think the minister should deal definitely with the section referred to by the hon. member. As I read the act, there certainly isn't any maximum of \$13,000 for injured workmen. I think there's some misunderstanding there that the minister really should clear up in the second reading.

The principle I would like to deal with in regard to this is involved in Section 14(3), which now takes out Section 28, which for many years has been the final medical appeal for workers. After workers went through all the medical checkups and so on, they could always have one last appeal, and have a medical provided with specialists and so on, under Section 28. I see this is now being ended. I hope this doesn't mean -- and as I read Sections 26 and 27 I don't think it will -- there isn't going to be an appeal a worker can have when he thinks he still hasn't secured justice from the board.

These appeals under Section 28 have been very meaningful to many workers. I hope that even though this section is removing . . . We'd like to discuss it in greater detail in committee. I hope that the same principles will apply for Sections 26 and 27, so that no

worker will be denied what might be called a final appeal after he has gone the whole route otherwise. One of the principles of compensation that worries me somewhat . . . I am still having difficulty with some cases that just don't seem to be able to get the justice a layman thinks he should have. It's not the attitude of the board. I have to commend the chairman of the board. We certainly have a chairman who has the attitude of helping the workman. His interest is, number one, in administering this act to the benefit of the workers. I appreciate that attitude on the part of the chairman and the board.

But it's still based, generally, on medical evidence. Medical evidence is something, I suppose. I don't have any alternative to suggest on how you can handle workers' compensation without basing it on medical evidence. But I understood, when the former act was introduced, there would be a degree of discretion not based on medical evidence left with the board.

Now I say that because over the years I have seen medical evidence change, and the views of doctors change. When I was a young member in this Legislature, I probably spent half my time on workers' compensation cases. Those were the days when we had 13 to 20 coal mines operating, and the coal mines had the worst injury and accident record of any industry in the province. Scores of men were being injured every month, and many killed as well. I remember working and working and working, you might even say fighting, to get some silicosis cases accepted. I always came up against a brick wall, because I couldn't get medical evidence that would say a person could get silicosis in the mines of the Drumheller valley. If I had a miner who had worked 10 years in the zinc mines of B.C. and then came to Drumheller, that one could be accepted. But for a man who worked continually in the mines of Drumheller, there was a feeling that he just couldn't get silicosis working in a lignite or semibituminous coal mine.

But since that time, the picture has changed entirely. Now medical men and the compensation board accept claims from people who have spent their entire lives in the soft coal mines, and it's been proven that they can have silicosis. Yet I remember a number of workmen who died without a penny of compensation, who I was completely satisfied had secured silicosis in the coal mines of Drumheller. There was no other place they could have gotten it. Yet they were denied that compensation in the early days of the compensation act because we couldn't find the medical evidence.

There is another case, too, that comes to mind on medical evidence, and I think this is important to mention. I remember a man who was healthy, "healthy as a horse" is the way his wife put it. One day he was operating a machine in the mine. There was a fall of coal and his head was rapped under several tons of coal against the machine. They brought him out, and he was on compensation for a reasonable time. They gave him teeth -- his teeth were all knocked out. But he had suddenly become a sickly individual, no longer the workhorse that he was. He tried to work, but he couldn't.

I remember trying to get compensation for that man -- trying to get a PPD or a permanent partial disability. Again, I ran up against a brick wall. At my own expense, I took the man to the University Hospital to find out what the trouble was. But all medical evidence [revealed] was that it was a rare disease. Now, how he suddenly got a rare disease after a fall of coal, I don't know. The doctors could never explain it. One of the doctors in Drumheller was satisfied that it was due to that fall of rock. But that man eventually died without receiving any PPD -- I think unjustly.

We now find some parts of the United States and British Columbia, according to recent reports, where medical men today are far more ready to accept a silicosis claim than they were even 10 years ago. Maybe this is what we have to expect with the advancement of time, but it seems very unfair to those who were denied compensation through what I considered an injury to their lungs which occurred because they worked in an underground mine or in flying slack, and so on.

I don't know what the answer is, except that the section in the previous act that said there should be some discretion, in addition to medical evidence. I have a case now where a man was injured badly and I'm not going to mention the type of his injury; I don't think this is the place to do it. But his wife is more unhappy about the injury than he is, and it may eventually lead to a separation. He went to a doctor in Edmonton, and he claims the doctor told him it was from the accident. He had never had any trouble before. Now he is having trouble, and a layman can't do anything else except attribute it to that particular accident he had, a very severe fall. He injured his back and pelvis and so on. Yet when we go to the doctor and want to see the medical evidence, the doctor won't give it to him.

I think the act should be so framed that any man is entitled to the medical evidence when it pertains to him. I can't see why he isn't. I can understand them not wanting to give it to an MLA, and I never make any real demands for medical evidence, except that the workman himself should be able to get it. They say, if we can get some additional medical evidence or some medical evidence from another specialist to the contrary . . . But how can a workman who hardly has enough to live on go and hire another specialist or go out of the province for another specialist and so on. I hope the minister will take a look at this matter of medical evidence. It's a principle that runs through the act, and I am hoping that the medical men of the province will remember that the lives of these people are involved, the livelihood of their families.

If there is any doubt, it should go towards the workman. I've had doctors of the Drumheller valley over the years -- some of them have now passed on, some are retired, some are living in other parts of the country -- who were always prepared to say, if there is some doubt here, I'm going to give the doubt to the benefit of the workman. I think

the present chairman of the board would appreciate that attitude, because that is his attitude too. If a medical man goes the other way and says, there is some doubt, so we will give it in favor of the employer, it ties the hands of the Workers' Compensation Board. This is something that is very important in my mind.

I have to say that today the number of contentious cases is very, very few compared to what it was even 7 or 8 or 10 years ago, let alone 20 or 30 years ago. They are being reduced, and perhaps this is a good sign. It's still pretty difficult for those who have had an injury and can't secure medical evidence to support it, when they have been excellent workers right up to that point, and when they can't for the life of them understand why after that accident they suddenly get a rare disease of some kind that they never even had before or condition that they never even dreamt of before. I think that principle is important, and if we can veer a little in favor of workmen, I think that's the purpose of workers' compensation, providing we are being fair, fair to the greatest possible degree.

Another item that I would like to mention is the section on widows and widowers who remarry. I understand -- not that I have any particular interest in this section personally -- but I was just thinking that if one of these widows or widowers married on March 31, 1975, they are sure going to kick themselves, because if they had waited two more days, they could have got another \$78C. But I guess you have to have deadlines somewhere.

The amounts, I understand, are based on if those persons did not remarry, whatever compensation they were getting would be amortized over a period of years, and if they remarry, they're not going to deny those persons that money. I think this is a pretty sound thing. With the increases in the amount here, it may well be that quite a number of widows, particularly if they're blondes, would likely come off the compensation board rolls. This is an incentive, for that to happen.

The only other item I want to mention at this time is the section about blind workers. The Blind Workmen's Compensation Act was enacted a few years ago, largely through the efforts of the late Dr. Robinson, who was Minister of Labour, and a very, very able man -- a man very, very interested in the workers. This act was introduced, and to my knowledge this was the first time that any public money was put into compensation, because in those days there seemed to be an axiom that industry had to pay the whole thing. If industry couldn't pay it, well, it was just too bad for the workman. Where a person had lost one eye, it seemed he was almost denied a job. No industry wanted to hire him because if he lost the other eye, then he would have total disability, and that industry would be stuck with that amount of money.

So the principle of paying some of this out of public money was introduced. I think that was a pretty sound principle. I was on the committee which recommended that at the time. I remember there was a great fight, a great hullabaloo about it, but eventually that principle was adopted, and I think properly so. The idea of the blind workers' compensation, as set out in that previous act, is being carried on in this act and I think that is a very excellent thing.

There is one other section that I want to deal with, and that is the classes. I dealt with this the last time this bill was before the House in the second reading. There was a time, or there is today, the money incentive to keep a good record. I think this is good. When safety is preached right from the top, and practised right from management down throughout the labor force, there is a better accident record than if management doesn't try to take a stand on safety, a far better record. I've seen this happen many times in the coal fields.

Today, you can understand that the board doesn't want to have too many classes. In my view, because of that, there is a tendency to class some industries with others where it does nothing but discourage the industry that is having a very safe and a very excellent record. For instance, when you class the lignite mines, deep-seam mines, with the mines of Grande Cache, you've got two cats of an entirely different color. They are different situations entirely. The record of the Atlas mine at East Coulee is a tremendously excellent one, almost impossible to improve. They have had top rating right through, but they still get stuck for a higher rate of compensation than they normally would, because they are in with a class where the hazard is much greater, where the techniques of safety have not yet reached the degree in the deep-seam mines.

I would like the minister to take a look at these classes and see if we can't . . . Where we have one industry in a whole group that shows an outstanding record, let's not penalize that group and undo what we're trying to do, because we're trying to make every industry safety-conscious from the top down, and the more safety-conscious they become, the better safety record we have. I don't think there's any doubt about that. But when you shove them in with another class and, because of the actions of others over which they have no control and no participation, they have to pay a higher rate of compensation -- and it will be higher now because of the increased ceiling -- then it becomes discouraging. And it undoes much of what the government and the board are trying to do to prevent accidents.

The best compensation in the world is to have no accidents. No accidents. It's only when an accident takes place that this act is required, when the misery, loss of time, cost of money, and so on comes into play. With every accident you can avoid, you're helping to avoid that misery and cost and so on. So I think it's worth while looking into these classes, and where there's a case where what we're trying to do in safety is being shoved in with another class where the accident rate is high, then I think, even at the rate of having more classes, there should be a class created.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, first I must say that I'm impressed with the degree of interest in the subject by all hon. members. Many of them will recall that it hasn't been my privilege to attempt to lead legislation under this particular heading in the House before. Certainly my first impression of the level of interest in the subject on the part of hon. members is that it's commendable.

I think, Mr. Speaker, that some of the more detailed points are properly left to the committee stage. Yet, I don't want to pass off by saying that some of the important things that were raised tonight. I wonder if I could just generalize this type of explanation, as to the principle of the bill.

Basically, \$365 is a minimum. Hon. members will see that wherever the reference is to \$365, it is, that the compensation is "the greater of" that sum and another sum. The other sum is covered by a manner of calculation which follows.

That \$365 minimum, subject to its being greater, is the same for the disabled workman as it is for the surviving widow or widower, if the surviving widow or widower is taking the benefit under this act. The only differences from the \$365 minimum are if the person who is in the place of the parent is a foster parent, or if a widow or widower is taking under the previous act. The question of whether it's appropriate to have a different level of benefits under the previous act than under this act is really just a discussion of what judgment should be applied when the House is considering the appropriate extent and application of retroactivity. I think there are many things that can be looked at on a dollar basis at committee stage, but that's the basic framework.

I want to deal, if I can, with a few of the specific points that were also raised, Mr. Speaker. The timing of the report when it came to the government was one of the questions. I'm sure my memory of this is not incorrect. It came late last year, not in 1975. It was used for the legislation introduced in the earlier Bill 20 in the 17th Legislature.

The hon. Member for Jasper Place raised a couple of points, one in regard to the actuarial basis -- I think the hon. Member for Drumheller raised something too that ties so much to that. If you go right back to the beginning, really what was being involved here was that a worker would receive something whether he was to blame or not. That was a very interesting principle in the law. It changed the law very, very significantly at that time because there had been decades, going back into the 19th century where industry, I suppose, and regard for it by parliaments and legislatures, so that it became a matter of legislation, began in about the 19th century.

In those days, the injured workman would sue his employer for negligence. Of course he had the opportunity of losing his case by having it established that somebody else, either him or his fellow workman, not the company, was responsible. The claim didn't seem to help the workman or his survivors all that much. It seemed there were legitimate reasons to do something that would be of benefit to both parties -- certainly of benefit to the workman if he didn't have to take his suit to show that someone other than himself was responsible for the accident, particularly in fatal accidents, certainly of benefit to the employer if they realized they could regularize their operation and fit in their liability on a pretty predictable basis.

What would the employer do in this century, as opposed to when industrial accidents began to become a concern of legislatures, if it wasn't for legislation of this type? Depending on what business he was in, he'd be buying some pretty hefty insurance policies and paying some pretty hefty premiums for them. If he didn't do that or was uninsurable or if there were accidents that he was responsible for, of course he'd have to find a way other than that to pay for them.

Therefore, I don't really feel that industry's complaints are very loud or very vocal on this question of assessments under different classes. I think only a little bit of reflection is required to have them realize it's not a bad deal. More specifically to answer the hon. Member for Jasper Place, the structure of the present act is that it will, in effect, be actuarial from April 1975 on. But the benefits this act declares for people who had no rights under this act in previous years would be paid out of the General Revenue Fund. So in that sense, that part of it was a departure from the actuarial principle. It's just as simple as that. What are frequently called the catch-up provisions of this legislation are being paid from the General Revenue Fund.

Now those sums are significant. I'm glad that some hon. members paid attention to the fact that the original concept was actuarial, because I wanted, if I could, to indicate to them the amounts government had contributed within the last few years. It will just take a moment to give hon. members that information, subject to my ability to find it in this book. Here it is. In the period '69 through '71, provincial government contributions per year reached a maximum of \$343,000 in 1971. I won't bother with '70, but in '69, because we started there, there was \$254,000. So you can see it wasn't growing very fast. In each of the two years, '72 and '73, just over \$600,000 per year was provided out of the General Revenue Fund. But then in 1974, because of benefits that were brought in under previous legislation, the government moved in a significant way, having regard to the circumstances that we are all very familiar with of these recent months and years, when you look at cost of living changes. In 1974 and 1975, it was very similar again. Additional funds in the neighborhood of \$2.9 million and \$2.7 million [were provided] in each of those two years. So, it has become a matter where General Revenue Fund

contributions are large and certainly have made it possible for benefits to be paid that probably couldn't have been paid out of the fund, without damaging its reserves and investments to an extent that their actuary would advise against.

Now there were specific questions as to how this works in regard to volunteers. I think this is an area where the board will probably want to move slowly. There were two points that came up in that respect. One is, who is really going to be enveloped by this? I think the only answer to that is that the board will produce regulations in due course. Hon. members will have noted that employers have an obligation to apply, in order to be covered. Coverage is not automatic, and the board can lay down terms and conditions. Those terms and conditions, in the form of a board order or regulations, will be what determines the extent to which this will be applied. I am glad that hon. members have agreed that it is a useful departure, and a useful field to get into.

On the question of whether or not the authority of the Lieutenant Governor in Council is in any way impaired by the fact that that section exists, there are major sections in the act which, in effect, provide that regulations made under the initiative or within the jurisdiction of the Workers' Compensation Board are, in fact, regulations of the Lieutenant Governor in Council. They deal with a wide variety of items. There is no impairment in this amending bill of those powers of the Lieutenant Governor in Council. So, I think the extent to which the board is moving into the field of regulations where the adoption of them by the Lieutenant Governor in Council is not a prerequisite of their coming into force, is limited to the amendment to Section 9, which is on the first page of Bill 20, and about which several hon. members have made some remarks.

In closing, Mr. Speaker, perhaps there are just two other items. One is provisions of Sections 26, 27, and 28. One of the advantages of changing the system of the medical board will be that the backlog of cases for medical examination should be dealt with much, much more expeditiously. This is seen to be to the advantage of the workmen to have that done. It has been a considerable source of frustration to people who have had to wait upon the empanelling of a three-man medical board before important questions could be asked and answered about their individual cases.

Weighed against that is the question of whether or not one doctor can perform an examination which is as valuable to the board and to the workman as three doctors could under the medical board concept. I think there is a counter-balancing effect there. I suppose there might be cases where it would have been to the advantage to have the medical board system continued instead of the individual specialist. But some experience, at least, showed that one of the difficulties being experienced with the medical board was that doctors, being very busy in their practices, of course, found it difficult to meet, for some of the requirements of the act were three doctors had to be present. That being so, concerns were expressed about whether or not the fullest attention was being directed to the individual medical problems. I don't think workmen, in general, will feel disadvantaged by the changes relating to the medical examinations, Mr. Speaker.

The only other point I wanted to make, in concluding, is that figures available as at January 1975, and I haven't updated them since, would indicate that the benefits in Alberta at that time, \$275 compared with Saskatchewan's \$325, Manitoba's \$250, and Ontario's \$260, as well as British Columbia, a composite type of support system which would yield up to \$488 a month -- the result, therefore, is that we would be moving very significantly ahead of all of the other provinces mentioned, except British Columbia. Now that deserves a little bit of further explanation of its own. Most of these benefits, because they're minimums and because they're geared to other things and because people on workers' compensation are entitled to have other sources of income if they wish, if they are able, without having any deterioration of their benefits under The Workers' Compensation Act, result from other incomes. In many circumstances, our act would yield a better result than the British Columbia one.

I want to provide the example of the person who had paid into the Canada Pension Plan for the necessary period of time and had a typical benefit of \$139 from the Canada Pension Plan. Because of the way the British Columbia plan is set up at their scaling up of support to \$488, that would be all the person would get, including his Canada Pension Plan. In other words, the B.C. contribution at that point would be only \$349. That's the way their system works. Under our proposal, we would still pay the \$365, and the Canada Pension Plan, or any other type of income the person might be able to have, would fit in. Using that figure of \$139 as a typical example would yield an income in Alberta of \$504 a month. So the structuring of the plan, the unconditional nature of the payment in Alberta weights it in favor of the workman in significant ways. I think that in order even to say there was a better plan at all in Canada, a very wide number of examples would have to be examined, and typical cases would have to be looked at.

I don't think any hon. member would doubt that the example I have used is a satisfactory one to close on, and is not atypical in any way of the sort of situation that a workman receiving the minimum total disability pension might be in.

MR. CLARK: Mr. Speaker, before you call the question, I wonder if I might be permitted to ask the member a question so that we have the information when we come back to committee study.

I would like to ask the minister if he could tell us what percentage of the recipients is at the minimum of \$365?

AN HON. MEMBER: Question.

[The motion was carried. Bill 20 was read a second time.]

Bill 21 The Unfair Trade Practices Act

MR. HARLE: Mr. Speaker, I move second reading of Bill 21, The Unfair Trade Practices Act.

I think first, Mr. Speaker, I should mention something about the history of the bill, to remind us of what has happened to this particular piece of legislation. It was introduced first on November 5, 1974 as Bill No. 78, The Unfair Trade Practices Act. At the time of introduction, the Minister of Consumer Affairs indicated that it was not intended to proceed to Royal Assent, but would be allowed to die on the Order Paper so that the consuming community and the market place would have an opportunity to react to its contents.

That bill was then reintroduced on February 13, 1975 as Bill No. 21. In the interval, there had been submissions made on Bill 78. Those submissions were tabled in the Legislature on February 13, 1975. Since then, additional submissions have been made. Those submissions in turn have been tabled in this session of the Legislature, all except one where the consent to table was declined and another letter which came in after the material had been prepared for tabling, but which merely supported one of the other submissions.

I would like to talk about some of the basic principles contained in the bill. I might say that this particular bill and the earlier one, Bill 78, have never been discussed in this Legislature. Therefore I hope that there will be contribution to the debate on this second reading.

One of the basic principles is that there is a minimum standard for the conduct of sales promotions in Alberta. It's an attempt to achieve truthful representations to consumers, and known defects have to be disclosed by suppliers. Where breaches occur, there are remedies for aggrieved consumers, but no criminal sanctions are provided for, except where there has been a refusal to provide information or the providing of false information to the director.

It can be asked, well, what are the benefits to the consumer? I think the main benefit is the principle of mediation, which is introduced on the supplier's undertaking. This was not in Bill 78, but was put into Bill 21 in response to the submissions received. There are several remedies under the bill. These are somewhat similar to those available in the law courts today and perhaps may be easier of proof. The unfair trade practice itself can be stopped before it hurts others. This particular principle is really not available in the law today.

Another question that can be raised is the problem of the benefits to businessmen generally. I believe the main benefits are that there will be a minimum standard applicable to all competitors, and that businessmen will be able to find out which trade practices are acceptable and which are not. If a competitor is doing something which a businessman believes is unfair, he'll be able to ask the director to investigate, and the practice, if it is unfair, can be stopped. Businessmen, I believe, prefer certainty to uncertainty, prefer to know the rules related to their business activity, and they should find as many benefits in the legislation as consumers.

The need for the legislation arises, I believe, in this way. Advertising itself benefits consumers. It provides competition. It provides knowledge to consumers about available goods and services, and it saves the consumer time and money when he tries to locate goods and services he wants. But today, much advertising is based on motivational research. The quality of goods and services advertised may not be part of the representations made. In many instances, consumers find they are less knowledgeable about many goods and services which are, in fact, available.

In this regard, the existing law treats buyers and sellers as being equal. The basic rule, I presume, is caveat emptor, and the Concise Oxford Dictionary interprets that to mean "let the buyer see to it", which I presume means literally that the seller can disclaim responsibility for the buyer's disappointment. The existing law today recognizes that a seller is allowed to use a puff. The law today is not concerned with trivialities, and, except in cases of criminal activity, says that the only parties who can complain about a transaction are the parties themselves, that is, the seller and the buyer.

This was perhaps a satisfactory state of affairs when we did not have large advertising budgets available to sellers; when there were less complicated products and services than are now available; when there was no such thing as motivational research; when there was no TV, radio, and mass-media advertising, which I suppose could be classed in some ways as propaganda; when there were no large corporate sellers with large financial resources; and when products were mainly produced locally, whereas today they come from all over the world.

It might be said, well, is there not other legislation which is sufficient? The Criminal Code, of course, applies to transactions which can be included in the definition in this bill. We have other pieces of legislation as well: The Sale of Goods Act, The Conditional Sales Act, The Bills of Sale Act, The Bulk Sales Act, The Collection Agencies Act, The Credit and Loan Agreements Act, The Direct Sales Cancellation Act, The Frustrated Contracts Act, The Garagemen's Lien Act, Investment Contracts Act, Licensing of Trades and Businesses Act, Alberta Lord's Day Act, Securities Act, Combines Act. This is just a sampling of the acts legislatures and parliaments have passed which enter into the conduct



of business transactions between buyers and sellers. But none of these acts seems to cover the areas mentioned in Bill 21.

The Criminal Code and the Combines Act provide for criminal sanctions. The Combines Act covers advertising, misleading prices, and facts which are deceptive and misleading. Perhaps a defect in the criminal and criminal-related legislation is that the standard of proof is high in order to obtain a conviction. Many sections of criminal law are summary conviction matters and, therefore, are subject to the six months time limitation. Criminal sanctions themselves may be too severe in the minds of some consumers who are unwilling to become witnesses in criminal court. The consumer may have the satisfaction of being in a way responsible for obtaining a conviction, but that consumer and other consumers are still left without the remedy perhaps they really wanted, that was: to be recompensed for the result of the unfair trade practice, or to have the practice stopped expeditiously, before further harm was done.

The more detailed principles contained in the bill are perhaps these. It must first be noted that only certain transactions are included, and I would ask members of the Legislature to be sure to study the definition of goods and services contained in the bill. Only certain types of unfair acts and practices are covered in the bill. The wording itself may appear quite broad, but the acts and practices which are unfair are restricted to things which, I believe, the vast majority of persons will accept as unfair.

There will be a new person in the government service, a director of trade practices, who will require inspectors and other persons to administer the act. The director will be able to enter premises and take records which may be relevant in determining whether or not a supplier has engaged in an unfair trade practice. The director will be able to mediate with a supplier and, if the supplier agrees, will be able to get a supplier's undertaking to refrain from using the act or practice, and to give redress to consumers who have suffered losses.

The supplier himself may go to court, at any time after giving the undertaking, to argue that the act or practice was not unfair or that it should be varied. The consumer may, in turn, take an action to court to have the act or practice declared unfair, either because he wants to fight the issue himself, or because he feels that the director hasn't done his job, and he thinks the director's decision not to act is wrong. The director may go to court if he cannot get an undertaking or if he believes that is the route that should be taken in the first place. The director may also continue an action commenced by a consumer, if he feels the consumer should have continued his action but for some reason or other the consumer decided not to proceed.

Another principle which is strange to our present legal system is that a consumer organization, as defined in the bill, may commence and maintain an action in court.

And last, the provisions of the bill apply, notwithstanding any agreement, waiver, or release which might attempt to restrict the right of the consumer to seek the protection of the bill.

As I indicated at first reading, the government will be presenting amendments to the bill at the committee stage. These amendments will be in response to the submissions, written and verbal, received since February. However, I do not expect that there will be any change in the major basic principles in the bill, unless there are some additional points which are brought out during the debate. I hope to be able to answer questions raised by members, if not when closing debate, at least when the bill goes into the committee stage.

This is an important piece of legislation. It is legislation which changes the concept of our present laws, gives an opportunity to consumer organizations which simply didn't exist before, gives an opportunity to government to attempt to control practices which are deemed to be unfair by a director. This is a concept which is completely new. I'll be very interested in hearing the reaction of the members to this particular bill.

Thank you.

MR. CLARK: In commenting on Bill 21, I'd like first of all to congratulate the new minister on his first major presentation in the House. Let me say that I have a great deal of sympathy with a number of the things he said as far as Bill 21 is concerned.

The minister talked about a bit of background. I think it was in something like 1969 that the first consumer affairs act came in. The basis of that act, which really talked about maintaining liaison, disseminating information, investigating complaints, and then co-operating with other government agencies, has basically been the guts of the consumer approach in Alberta from 1969 until right now.

I would have to say to the minister that I see a number of favorable principles in this bill. But to get right down to the nitty-gritty of the bill, it seems to me this bill is going to be as successful as the minister or the government want to make it. So very much hinges on the director and whether the director is going to be aggressive or whether, in fact, the director is going to take a rather *comme ci comme ça* approach.

It's interesting to reflect. When this bill was introduced -- I believe it was in the fall, or it could have been the early session this year -- the former Minister of Consumer Affairs said outside the House, the legislation is going to be there and people can use it if they want to, kind of thing. It would seem to me that would be a regressive approach as far as the government is concerned. The government should be as enthusiastic about letting this kind of legislation be known to Albertans as the government is enthusiastic about pumping out press releases about a number of frankly less important things that the government does.



And so the first real comment I want to make is, as good as this legislation may be in some respects, there will certainly be some areas where I'll be critical later on or in the committee work. But this thing will only work if we have a director and a minister and a government who are really committed to making this work. Because when we get into the bill, we see where the director may, in fact, become involved. The director may take on a case that a consumer doesn't feel he can afford to go further with. It's in those areas I would suggest the early life of the new director and the early life of this new bill will really set whether this legislation will be successful, or whether it's going to be put on the back burner.

It's interesting to look at the report from the Department of Consumer Affairs last year. I think it says there were something like 248 or 250 cases that, despite the best efforts of the department, couldn't be [settled] to the satisfaction of the consumer. Now I'm not suggesting that in all those 248 cases the consumer was right.

I note, going on further, that four cases were referred to the Attorney General's Department. This really is the second point I would like to make. I'd like to ask the minister if it is the intention of the government to have one or two legal beagles, if I might use that term, in the Department of Consumer Affairs. Or is the Department of Consumer Affairs going to have to rely upon legal advice and assistance from the Attorney General's Department? I'm sure the Attorney General's Department will feel that all the legal advice should come from the Attorney General's Department. But I would suggest to the Minister of Consumer Affairs that he might very well equip his department with perhaps two or three, if I might use the term, very able lawyers, not lawyers who would take six months to become acquainted with the new land titles amendments and so on, but lawyers who would really be on the ball, and could come to grips . . . pardon?

MR. NOTLEY: How about the Attorney General's Department?

MR. CLARK: No. That is why I'm suggesting they shouldn't go to the Attorney General's Department. These people should be in the Consumer Affairs Department itself. If the department is going to have to rely on the Attorney General's Department, it becomes a very convenient way of passing the buck. We were going to move on this one but, you know, we didn't get the help we wanted from the Attorney General's Department. I've been on the other side of the House, and I know how that works on many occasions.

I'd also like to know from the minister, what type of additional staff does he see involved in this particular area? He mentioned a director, but it seems to me we must have much more than a director. When we're discussing the bill in second reading, and certainly when we are in committee, it would be a pretty appropriate time, it seems to me, for the minister to give us some indication of what kind of staffing patterns he sees for the next three or four years. Perhaps that would also be an appropriate time to say that the Department of Consumer Affairs was going to be involved in establishing regional offices. I believe there is now one in Calgary.

MR. SPEAKER: The Chair has noted with approval the suggestion of the hon. member that the question of staffing and administration be dealt with at the committee stage.

MR. CLARK: Mr. Speaker, I appreciate that. That's just so the minister will have the information at hand.

If I might carry on in that very general area dealing with the principle of the bill, it would be interesting to know when the offices at Fort McMurray and Peace River are to be opened up.

I think it is with some regret that we must move on this kind of legislation. I, for one, feel we must move with this kind of legislation. But it is somewhat regrettable that such organizations as consumer groups on one hand, and the Better Business Bureau on the other hand -- which I think represents something like 12 per cent of the businesses here in Edmonton -- haven't been able to perhaps be more effective in these areas themselves. I don't think anyone could question the sincerity of either the Better Business Bureau people in Edmonton or Calgary, or those people in the consumer groups. But the hard, cold fact is that neither of these organizations, either singly or collectively, has been able to come to grips with a number of the legitimate problems in this particular area.

The last comment I would like to make, Mr. Speaker, at this particular time, deals with the regulations portion of this particular bill. The hon. minister and I were on a committee dealing with regulations. I would just like the hon. members to look at Section 20 of this particular bill. If you look at (c) and (d) -- I recognize we have new legislation here -- (c) gives the Lieutenant Governor in Council the power to exempt "any class of consumer transaction from the operation of all or any provisions" of this bill. Let's clearly understand what we are doing here. We are really giving power to the Lieutenant Governor in Council, as I understand it, to completely exempt any kind of transaction the Lieutenant Governor in Council feels is appropriate. We are really saying that if they, or some other government to follow, should so choose -- and I don't think that even this Executive Council would do this -- and their motivation was in that direction, that the Lieutenant Governor in Council could exempt every operational section of this bill. I would be very interested in hearing from the minister why he feels there is need for this kind of power. Because this kind of section, as I see it, simply lends pressure to the Minister of Consumer and Corporate Affairs to have exemptions made in this area, and this area, and this area. If the minister doesn't have the power to make the exemption and can say to the people involved, look, we have to wait until the next

session, that is one thing. But if those people who want exemptions, especially if those exemptions are for rather questionable reasons, it seems to me that this kind of section isn't good at all. I think (c) is the worst of the two sections.

As far as (d) is concerned, it really deals with generally respecting any other matter necessary for carrying out the purpose and intent of this act. I think this kind of section is commonly referred to something like a Henry VIII clause. I believe that is the terminology. I would be interested in having the minister comment on that section too, because it seems to me that if there are other sections that are needed in this act, and we have to have this by regulation in the next few months, then let's bring legislation back next fall and put it here in the legislation, and let's take out [clauses] like (c) and (d).

The last question I would like to ask the minister is, when does he expect the bill will come into force, in light of our experiences with a certain other act seated close to it.

MR. NOTLEY: Mr. Speaker, I agree with the hon. minister that the bill we are dealing with today is an important one, and when one puts this in the perspective of total government activity, it is certainly important that we have an unfair trade practices act to protect the consumer, at least partially.

We have a government which is spending a good deal of money promoting business in one way or another. We have the Alberta Export Agency, the Alberta Opportunity Company, et cetera. So, legislation which would at least set out some minimum levels of protection for the consumer is an important step. And I agree with the minister when he says that in this day and age of heavy advertising, very skilful advertising, the importance of legislative protection for the consumer takes on more meaning than it might have 30, 40, or 50 years ago, when that sort of subtle suggestion on the airwaves, in the newspaper, on the billboards, et cetera, was not quite so prevalent.

However, there are several questions I have about the bill, and several observations as well about the contents and the provisions therein. I assume, from listening to the minister's speech, that when he talks about mediation, we are really talking about voluntary compliance, in so many words. I would like the minister, when he concludes debate, to be a little more specific on that. As I read, I believe it is section -- well, I can't find the section right now -- but as I read through the bill, it is certainly my understanding that the mediation role is there. This is important because clearly, if all these complaints have to be taken to court, that's a rather cumbersome approach. Frequently, an active director can remedy complaints and make sure the supplier or the company involved in selling the goods rectifies a complaint. If that can be done without going through legal action, so much the better.

So the principle of voluntary compliance, in my view, is really necessary if consumer legislation is to work. Having said that, and making it very clear that I think that sort of out has to exist, we must be very specific in the offences that constitute an unfair trade practice. I would also say, Mr. Speaker, that in my view, if these offences get to the point where they go to court and are proven, penalties should be attached to the offences themselves.

I note in reading this bill that the only penalties that exist don't really relate to unfair trade practices as such, but rather for failing to give information or giving untrue information to the director or during the investigation. That's well and fine, Mr. Speaker. But if we're going to have teeth in the legislation, I say this is after the fact. The first move should always be voluntary compliance. But if that doesn't work, it seems to me that there has to be teeth in the legislation, and those teeth have to be related directly not just to failing to give information, to stone-walling the director so to speak, but also the penalties have to be related to the practice itself.

Mr. Speaker, I notice that other legislation in the country is much more strict. In the province of British Columbia, for example, fines of up to \$100,000 exist, plus the cancellation of their business licence, for corporations that are found guilty of an unfair trade practice. So that once the voluntary compliance route is attempted, if that route isn't followed in B.C., legislation certainly exists so that a settlement can be arranged beforehand. But if it doesn't work, and the thing does go to court, and the company is proven to have been guilty of an unfair trade practice, then not only is there a very heavy fine, but they can also lose their licence to operate.

Now I would hope that that sort of situation would be extremely rare. I have no doubt that it will be rare, but it seems to me that kind of ultimate sanction has to exist if consumer legislation is to have any real meaning.

I have to express some concern too, Mr. Speaker, about the duties of the director. I notice in Section 7 the director, where he has reasonable and probable grounds, so we're not just saying to the director that if you get a crank complaint you can look into it. It's very clear here, where the director has reasonable and probable grounds to believe that a supplier has engaged in or is engaging in an unfair trade practice, the director "may".

This is the point that I would bring to the attention of the Assembly, Mr. Speaker. I really question whether we should make that an optional situation. It seems to me that there's a strong argument for the director "shall", because once again related to what we're saying here, where the director has reasonable and probable grounds -- in other words, where there's strong evidence that an unfair trade practice exists, the question then is, are we going to leave it optional, or is the director to be clearly empowered, ordered by the legislation, to undertake action?

Now I relate this to the point raised by the Leader of the Opposition. Certainly a large part of this legislation is going to be dependent upon the skill and the ability of the director plus the commitment of the government to stand behind that director to make sure we do have adequate consumer protection. But, Mr. Speaker, as long as we leave the rights of the director in a rather vague way, it seems to me we undercut the ultimate effectiveness of the legislation.

Again I say this, Mr. Speaker -- I think it's very important that this be put in context -- I say this, making it clear that we must have the voluntary compliance route first. In other words, this kind of toughness is needed, but it is needed in an ultimate way, not as the first move. The first move, it seems to me, must be to attempt to work the thing out voluntarily. I am pleased to see that that is the position taken by the Consumers' Association of Canada, as well as most responsible businessmen.

Mr. Speaker, the other point that troubles me somewhat is the definition of what constitutes an unfair trade practice in Section 4. Obviously, most of the unfair trade practices listed I agree with. But what concerns me is that we have not listed two practices which, in my judgment at least, are clearly unfair, and those are price fixing and unconscionable pricing.

Now, Mr. Speaker, it can be argued that there's no point putting price fixing in because we have federal legislation, anticommon law legislation, which protects the consumer from that. I say, with greatest respect to those who make that argument, that that is nonsense. Our federal anticommon law legislation really doesn't protect anybody. The whole process is so cumbersome and slow, and the penalties so marginal, that anticommon law legislation to date in this country has been a failure, far less effective than even the antitrust legislation in the United States. If we had tough anticommon law legislation on federal statute books, that would be one thing. But we don't.

Bearing that in mind, it seems to me, Mr. Speaker, that it is really an unfair trade practice to fix prices. In my view, anyone who is found guilty of fixing prices should be penalized in this province.

I noticed, in 1974, one of the more publicized questions in the Legislature -- the hon. minister will recall it well -- was the question the Member for Drumheller put to the then Minister of Consumer Affairs about the pricing of antifreeze, and whether or not gouging was acceptable. I say this quite sincerely -- I suspect that the Minister of Consumer Affairs at the time said more than he meant to say, by saying that this was just practising free enterprise, that somehow price gouging was consistent with the practice of good old free enterprise. Well, Mr. Speaker, I don't think it should be consistent with the practice of good old free enterprise. It seems to me that it is an unfair trade practice. Those people who talk about the so-called free enterprise system and its preservation should be very clear to insist that those suppliers of services, whoever they may be, who conspire to manipulate the market or take unfair advantage of their position -- perhaps because of their individual enterprise being the only one in a community and therefore they have a real advantage having a captive market -- but this sort of thing is not really consistent with the best traditions of free enterprise and should certainly constitute an unfair trade practice by any definition.

Mr. Speaker, the purpose of the act is worth while. Certainly there are many features of the act which are attractive and, as a consequence, merit the support of members. Even those of us who may have misgivings about certain of its provisions would like to see stronger legislation over the long haul.

Let me just conclude by stressing how important I think it is to achieve a real balance between the suppliers and the consumers. I mentioned this when I began, and I want to conclude on it, because it seems to me there is ample evidence to indicate that we are doing all sorts of things for business. Many of those things, as a matter of fact, I concur with. But by the same token we must have legislation with teeth, and a competent director backed up by sufficient personnel to do the job. And that personnel shouldn't just be located in Edmonton. We should have decentralization of it through the regional offices.

I think the question the Leader of the Opposition raised in this respect is a good one: what is the government's intention of decentralizing consumer protection throughout Alberta? It seems to me that that is the balance that has to be achieved if we are to balance equity for the consumer against the many benefits which this Legislature and this government are trying to gain for business.

MR. GHITTER: Mr. Speaker, in rising to present a few comments relative to this bill, I wish first to compliment the hon. Minister of Consumer and Corporate Affairs with respect to the manner in which he described the bill, and the manner in which he presented it today. It was certainly a clear and concise description and in keeping with what is required for a bill of such an important nature. However, as I listen to the members of the House on my right, Mr. Speaker, I fear the balance legislators often endeavor to create relative to consumer affairs often doesn't act for the benefit of the consumer, and in the long run has a deteriorating effect on the ability of the business community to survive.

I make these comments, Mr. Speaker, supporting the bill as I do from the point of view of the tremendous powers that are being granted by this bill to a director of the department who, I trust, will have good judgment in dealing with these extraordinary powers. First, it must be understood that the bill is setting forth and enumerating a considerable number of what are regarded by this bill to be unfair trade practices. It is going well beyond the scope of common law in enumerating these unfair practices and is

placing a tremendous onus upon the director, in his determination, as to what really does constitute an unfair practice within the parameters of this particular bill.

The director, if he determines there is an unfair trade practice, of course has some very extreme and wide powers. Undoubtedly, in certain circumstances he needs these powers. But undoubtedly as well, an overzealous director who isn't guided with great care and caution by the hon. minister, as I am sure he will do, can be carried away, causing great havoc in the business community.

After all, this same director, Mr. Speaker, has the power to come in on an ex parte order, can expropriate books, records, inventories, goods, and moneys of a business on the basis of an affidavit or thoughts that that director may have which at a later date may prove to be erroneous. That director also has the power under the present wording of this bill to proceed to a judge and obtain an ex parte order which would allow the director to close down the business. Those are very severe powers, powers which I would suggest may at times be required, but powers which must be dealt with only in extreme situations.

I would suggest, Mr. Speaker, that many of the businesses in our community today -- honorable businesses endeavoring to do an honest job, and I regard that to be most of them -- are coming to the stage where they are being regulated and legislated to death. Many businesses in our communities are spending half their time dealing with government people coming into their offices: the federal consumer affairs department, the provincial consumer affairs department, the unemployment insurance department, the Workers' Compensation Board, the income tax department, and on and on we go. Day in, day out, the doors of businesses in our communities are being hammered by different people from different walks of government who are coming to these businesses demanding details, demanding records, demanding this, demanding that to the point where many of our businesses are just fed up with government as we try to protect the consumer. Rest assured, Mr. Speaker, that when we have legislation with good intention and good purpose carried to extremes by some civil servants, the end result is that the person who pays is the very person you are trying to protect, namely the consumer. Because that is passed on to the consumer in one way or the other.

Mr. Speaker, as I hear the hon. member, who oddly enough is on my right -- and I've always been used to seeing him over in this corner -- talking in terms of his solutions pertaining to matters which are missing in this particular legislation, namely, price fixing and unconscionable prices, I wonder who will determine what is an unconscionable price. We have seen the government in the Province of British Columbia determine that rents in that province were unconscionable. As a result, they have placed a level on rents in that province at 10.625 per cent. We've seen what has happened in that province when a government has interfered with the normal flow of commerce. We have seen people who can't find housing. We have seen good housing turned into ghettos. We've seen people moving out of the market and not constructing buildings any more.

We've seen the same type of interference with the market flow in the Province of Saskatchewan where unconscionable so-called gouging resulted in one of the most basic industries in that province fleeing from that province because it couldn't tolerate what was occurring with government interference. The government was waving the flag of consumerism, but, at the same time, hurting the very people it was trying to protect, its own people, as industries left that province, as businesses closed down in southern Saskatchewan.

So who will be the judge of what is unconscionable? We now have in the Province of Alberta an Unconscionable Transactions Act, and we have courts of law that will determine whether or not a particular act is unconscionable. Our courts have had a lot of trouble with that legislation. Our courts have dealt with it from the point of view of unconscionable interest rates, and the judgments our courts have rendered in those areas have been all over the place. If our courts are having difficulty dealing with what is unconscionable, heaven help us if we give this right of what is unconscionable to someone whom we hire to work in a government service.

I would suggest, Mr. Speaker, that this act goes far enough. In fact, if this act is not dealt with with care, with discretion, and with good judgment, this act will have gone too far. I only make these comments to the hon. minister knowing that he will treat this bill with the care and caution required. I think we would be remiss as legislators if we did not look at this bill and look at the dangers which are inherent in the bill in this age of consumerism, in our political zealotry to come forward to try to protect the consumer. In the very end result, we may be doing him more harm than good.

MR. TAYLOR: Mr. Speaker, I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. member have leave to adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, before moving adjournment, tomorrow morning we would proceed with consideration of His Honor's speech. If there is time, we might continue with bills at the latter part of the day, between 12 and 1 o'clock. I move the Assembly do now adjourn until tomorrow morning at 10 a.m.

MR. SPEAKER: You have heard the motion for adjournment by the hon. Government House Leader. Do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: The Assembly stands adjourned until tomorrow morning at 10 o'clock.

[The House rose at 10:15 p.m.]

