

## LEGISLATIVE ASSEMBLY OF ALBERTA

Wednesday, December 10, 1975

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

## PRAYERS

[Mr. Speaker in the Chair]

## INTRODUCTION OF VISITORS

MR. NOTLEY: Mr. Speaker, I take very great pleasure in introducing to you, and through you to the members of the Legislature, Mayor John Ternaway of the town of Spirit River in my constituency. Mr. Ternaway has been mayor of the town of Spirit River for the last year. In addition to his various public pursuits has been active participation in the Progressive Conservative party. Apart from that handicap he is an excellent citizen. He is seated in the members gallery. I would ask him to stand and be welcomed by the members of the Legislature.

MR. R. SPEAKER: Mr. Speaker, it gives me pleasure to introduce to you, and through you to the members, a member of the town council of Vulcan, Mr. Gene Waskewich. Mr. Waskewich is very active and certainly takes a very keen interest in the economic development of Vulcan and area. I'd ask him to stand and be recognized.

MR. KOZIAK: Mr. Speaker, it's my honor, on behalf of the Hon. Neil Crawford, Minister of Labour and Member for Edmonton Parkallen, to introduce from his constituency, from the school of Mount Carmel, which also has students from my constituency of Edmonton Strathcona, 50 students from the Grade 9 classroom, accompanied by their teacher, Gordon Harris.

Before asking them to rise, Mr. Speaker, I would like to share with the House the fact that this is in a sense my alma mater. Twenty-one years ago I was in this grade in this same school.

AN HON. MEMBER: You didn't pay enough attention.

MR. KOZIAK: Mr. Speaker, I would ask that the members of this class rise and be recognized in the normal fashion by the House.

MR. GETTY: Mr. Speaker, I'd like to introduce to you, and to the House, a group of students from the Brookside Grade 5 class

who are with us today. They are accompanied by their teachers, Miss Nelson and Mr. Norris. They are sitting in the members gallery. I would ask them to stand and be recognized by the House.

MR. KIDD: Mr. Speaker, it gives me great pleasure to introduce to you, and to the members of the House, Caroline Godfrey, the good mayor of the good town of Cochrane in my constituency, and Mr. Tom Buchanan, the executive assistant and labor relations officer of the Alberta Urban Municipalities Association. They are in the members gallery. I would ask them to rise and be recognized.

## TABLING RETURNS AND REPORTS

MR. LOUGHEED: Mr. Speaker, I would like to table in the Legislature correspondence I received yesterday from the president of the Civil Service Association of Alberta, and a copy of my reply, so it may form a part of the legislative record.

MR. GETTY: Mr. Speaker, I'd like to table three items: two motions for a return requested by the House, and the annual report to March 31, 1975 of the Department of Mines and Minerals.

MR. RUSSELL: Mr. Speaker, I'd like to file two copies of reports dealing with Photochemical Air Pollutants in the Urban Airsheds.

MISS HUNLEY: Say that again?

MR. HYNDMAN: I would like to ask leave to revert to Introduction of Bills.

MR. SPEAKER: May the Assembly revert to the Introduction of Bills?

HON. MEMBERS: Agreed.

## INTRODUCTION OF BILLS

Bill 80  
The Temporary Rent  
Regulation Measures Act

MR. HARLE: Thank you, Mr. Speaker, and members of the Assembly.

Mr. Speaker, I beg leave to introduce Bill No. 80, The Temporary Rent Regulation Measures Act. The purpose of the bill, Mr. Speaker, is to introduce into the province a form of rent control which is in keeping with the intent of the announcement made by the Prime Minister on October 13, and in the white paper on the anti-inflation program.

The bill is a temporary measure to regulate rents from January 1, 1976 to June

30, 1977. During the period from January 1, 1976 to December 31, 1976 rents may be increased up to 10 per cent, but a landlord must receive approval for increases he wants which exceed the 10 per cent level. Two rent increases will be permitted during this period. In the last six months, the permitted increase is 9 per cent. New construction and residential premises not rented during 1975 will be exempt so as to encourage the development of additional rental space in the province.

A moratorium is being placed on the conversion of rental premises to condominiums from January 1, 1976 to June 30, 1977.

[Leave granted; Bill 80 introduced and read a first time]

#### ORAL QUESTION PERIOD

##### AOC Loan Guarantee

MR. CLARK: Mr. Speaker, I'd like to direct my first question to the minister for small business development. I'd like to ask if he would outline, very briefly, the details surrounding the \$1 million guarantee by the Alberta Opportunity Company to Seismic Service Supply (1958) Ltd.

MR. DOWLING: Yes, Mr. Speaker. The guarantee is being dealt with by the Opportunity Company because of the financial expertise in that organization. The guarantee involves a contract with the Indonesian government for a supply of water well drilling equipment and expertise, exported from Alberta to that country. The term of the guarantee is, I think, a minimum of three years. I could be incorrect on that, but it's for about three years.

It brings to Alberta the total amount of the profit, and the guarantee is returnable to the province in terms of the amount of equipment and expertise sent to Indonesia over a period of time. We realize the return of our investment in this enterprise, as does the Bank of Montreal which is one of the major financial contributors, and the Export Development Corporation federally, about the same time.

##### Regional Air Carriers

MR. CLARK: Mr. Speaker, a supplementary question, or a question flowing from the orders in council at the first of the week. I'd like to ask the Provincial Treasurer if he would explain the details surrounding the \$4 million guarantee to Time Air Ltd.

DR. HORNER: Perhaps, Mr. Speaker, I could respond inasmuch as, while the guarantee goes through the Provincial Treasurer and the Department of Business Development and Tourism, it in fact originated in my de-

partment. The guarantee to Time Air is for the purchase of aircraft, and is fully secured by the general debentures to the company and partially secured by a personal guarantee of the principal.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Is the same privilege available to other private air carriers such as, I think . . .

MR. NOTLEY: Bayview.

MR. R. SPEAKER: . . . Bayview Air, into the north?

DR. HORNER: Well, Mr. Speaker, we've been doing a great deal of work with all the third-level carriers. There are essentially three in the province at the moment -- Time, Bayview, and Mackenzie Air -- which are in that category of having some scheduled services on a so-called third-level basis. We have been working with all of them and will be continuing to do so to try to establish additional third-level carriers on a viable basis in other areas of the province that are now served. The three aircraft involved in the Time guarantee are to enable them to upgrade their fleet and to give better service to the areas they serve.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. As I understand it, the department is carrying out a study with regard to third-level carriers.

Has this study been completed? Will it be made public?

DR. HORNER: Well, Mr. Speaker, there's no study as such. I wouldn't think there would be a report. We are certainly working with the federal ministry of transport and with the third-level carriers to work out details on how we might expand. It is our present intention to look at a tendering procedure and see whether we can't work it on that basis, so we will be fair to all.

DR. BUCK: A supplementary to the minister, Mr. Speaker. In light of the fact that Time has this guarantee, does that mean that PWA will not be flying into Lethbridge?

DR. HORNER: Mr. Speaker, that's pretty hypothetical. That's a different question entirely. As we work with the board of directors of PWA in coming months and years in regard to streamlining their operation so it will be just a first-class regional airline, it may well be that in the future Lethbridge might be served.

##### AEC Shares Sale

MR. CLARK: Mr. Speaker, I'd like to direct my second question to the Minister of Energy and Natural Resources. I'd like to ask if he would explain rather briefly to the House the circumstances surrounding the

order in council for \$1,334.60 to pick up part of the costs relating to promotion for the share-offering of the Alberta Energy Company, this good private enterprise company.

MR. GETTY: Mr. Speaker, there was an occasion to mark the completion of the first year of operation of the Alberta Energy Company. That involved bringing together all the people within and outside the government who have played such an important role in bringing together this unique investment vehicle within our province. The occasion is the one the hon. member is referring to.

MR. CLARK: Mr. Speaker, perhaps I could rephrase the question to the minister. I think it's important to rephrase it, because in the order in council that was passed it was at the Edmonton Plaza Hotel, being expenses related to Alberta Energy Company share-offer promotion -- share-offer promotion, as opposed to a one year get-together.

MR. GETTY: Mr. Speaker, if it says a share-offer promotion, it's incorrect.

MR. CLARK: A supplementary question for further clarification. Then is the minister telling us the order in council is incorrect?

MR. GETTY: The order in council isn't, but that description is, Mr. Speaker.

MR. CLARK: A supplementary question to the minister. Is it the government's intention to take action to rectify the order in council? In fact, this is the legitimizing reason for the expenditure of funds, for share-offering promotion, which in my judgment seems to be very contrary to the securities commission legislation in this province.

MR. GETTY: Yes, and it would be. It is my intention to correct it, Mr. Speaker, if that is the way it presently reads, because that is incorrect.

#### AEC Christmas Party

DR. BUCK: A supplementary to the hon. minister on the same matter, the Alberta Energy Company. Will any public funds be expended to have this Christmas party with the Edmonton branch of the Alberta Energy Company and the Calgary branch being brought together tomorrow night in Calgary? Will public funds be extended in that operation?

MR. GETTY: Not to the best of my knowledge, unless you could call some of the money I put up to purchase shares as public funds.

DR. BUCK: Oh no, I mean, we all know \$75 million of public funds is in there. I just wanted to know if other government

funds would be put in for this Christmas party in Calgary.

MR. GETTY: No, Mr. Speaker.

#### EEC Link

MR. PLANCHE: Mr. Speaker, my question is for the hon. Premier. I read where the European Economic Community has given a stamp of approval for a contractual link with Canada despite an objection raised by Denmark. If I can quote from one of Calgary's newspapers, "Conference sources said Denmark insisted that the Canadians should abandon their . . ."

MR. SPEAKER: Would the hon. member come directly to the question please.

MR. PLANCHE: I'm wondering if Mr. Premier would comment on the implications of the request by Denmark that Canada abandon its two-price system for petroleum products.

MR. LOUGHEED: Mr. Speaker, as for the implications, my quick reaction is -- as we've said on a number of occasions, as I mentioned in the House -- that the contractual link for Canada as a trading nation with the European Economic Community is a very important one. I believe the concern Denmark expressed arose out of the position it took that Canada was operating on a two-tier pricing of oil, charging less to its own people than it was outside the country, and if that qualification by Denmark persisted and resulted in the failure of the contractual link to proceed, that that would be unfortunate for Canada.

As I've mentioned in the House, I feel very strongly that Canada as a nation and Alberta as a very important trading part of it need to have broadened markets and, certainly, access to the European Economic Community. I took the report initially as being one whereby considerable progress had occurred in that the European Economic Community has apparently crystallized and approved the concept of a special contractual link with Canada. The implications, I think, are very significant for Alberta and of a long-term nature.

#### Physically Handicapped Benefits

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Social Services and Community Health. It concerns the physically handicapped.

Is the minister in a position to report to the Assembly whether or not appliances for the physically handicapped will be considered under the extended benefits program?

MISS HUNLEY: We have had that matter under consideration, Mr. Speaker, but I'm not in a position to report to the House any major progress at this time.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the minister give the Assembly any statistics as to the cost of providing appliances under the extended benefits program? Does the department at this stage have at least preliminary statistics on this matter?

MISS HUNLEY: Mr. Speaker, we have gathered and assimilated some information in order to assess the cost of this plan. Unfortunately, we have been unable to find out how many physically disabled there are. We don't feel our register is accurate. If we describe a person as handicapped and extend it to every handicapped person, which has been one of the submissions we've received, then how do I define what's handicapped? If you're deaf, obviously you're handicapped if you wish to become a telephone operator; but if you're deaf you might become an excellent typist. So how far do we go in extending benefits to those who are handicapped? As for seeing any universal program develop, until we can outline more specifically what we wish to do, I simply don't see that it's possible or even reasonable.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Is she in a position to advise the Assembly as to the time frame seen by the government for the delineation of those who qualify, and on what basis?

MISS HUNLEY: No, Mr. Speaker, I'm not able to do that. It's a matter which is under continuing review and is part of our department considerations under our present budgetary restrictions.

MR. NOTLEY: Mr. Speaker, a final supplementary question dealing with the physically handicapped, to the Minister of Transportation. Has he had an opportunity to have discussions with city of Edmonton officials on rapid transit to make sure that the facilities are accessible to the physically handicapped?

DR. HORNER: Not insomuch as it relates to rapid transit, Mr. Speaker. We have, of course, assisted the city of Edmonton in its experimental transportation system for the handicapped through our urban transportation policy. However, we will be talking to them with regard to rapid transit and the handicapped as well.

MR. NOTLEY: Mr. Speaker, a final supplementary question for clarification.

MR. SPEAKER: The hon. member's previous question was a final supplementary. We're going to have difficulty with definitions by-and-by.

#### Uniform Contract

MR. R. SPEAKER: Mr. Speaker, a question to the Minister of Agriculture. Yesterday, he indicated he would table the contract with

Uniform.

Is the minister prepared to table that contract today?

MR. MOORE: No, Mr. Speaker, but I'll try to have it by tomorrow.

MR. R. SPEAKER: A supplementary to the minister, Mr. Speaker. Would he indicate the first priority research program which Uniform will do for government?

MR. MOORE: Mr. Speaker, I would prefer to leave that as well. I think the contract will indicate what the priorities are.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Was any consideration in giving the contract to Uniform due to the \$9,000 deficit it has at the present time?

MR. MOORE: As a matter of fact, Mr. Speaker, the considerations with regard to the contract with Uniform took a number of months to conclude. Indeed, the formal beginning of the contract occurred on August 1 of this year.

#### Preventive Social Services

DR. BUCK: Mr. Speaker, I'd like to address my question to the Minister of Social Services and Community Health. It arises out of the discussion she had with the group in Medicine Hat this fall.

Can the minister indicate if the preventive social services program is going to be severely curtailed in the coming year?

MISS HUNLEY: Mr. Speaker, that's a budgetary item. I guess we will have to wait until the budget is presented.

DR. BUCK: A supplementary, Mr. Speaker. Will the minister indicate if there's going to be a return to local input to the planning of preventive social services?

MISS HUNLEY: Mr. Speaker, the hon. Member for Clover Bar implies that local input had been eliminated. This is not correct. We did have categories under PSS because of the great interest in the province in day care and senior citizens. Considerably more money was allocated to those particular items in the current budget. The other areas of preventive social services received an 11 per cent inflationary increase. In Medicine Hat, I did give them an undertaking that I would consider a lump sum in the PSS budget, but I have not yet made a firm decision on that.

DR. BUCK: Mr. Speaker, another supplementary. Can the minister indicate what role the municipalities will play in respect to the social services delivery system?

MISS HUNLEY: The municipalities will play the same role they've always played, Mr. Speaker. They will determine their priorities with the budgetary restrictions we

have and then proceed to carry them out capably, as I hope they always have and always will.

#### Oil Recovery Rate

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Energy. Is he able to give us an approximate figure in regard to the recovery of oil from conventional wells?

MR. GETTY: Mr. Speaker, that would vary considerably with the fields. For instance, in the heavy oil fields at Lloydminster, which is considered conventional crude but of the lowest gravity, it would range from 5 to 15 per cent. Then secondary recovery systems can be implemented which could bring that up as high as close to 40 per cent. There are other very prolific fields in which there's a great deal of porosity and permeability, where the recovery could be very high. Both primary and secondary recovery methods could bring it up to as high as 65 to 70 per cent. But there is a whole range of fields in-between which are also affected by the various reservoir characteristics in place.

So it would be very difficult. However, I think it would probably be possible to come up with some kind of average, which I'd be happy to do for the hon. member.

MR. TAYLOR: Supplementary to the hon. minister. Are (a) the government and (b) the companies carrying out any research to increase the percentage of recovery? If so, are we being successful to any degree?

MR. GETTY: Mr. Speaker, yes, we are. As a matter of fact, we are spending increased amounts of money in this area. The authority that handles it is the Petroleum Recovery Institute, which is jointly funded by the provincial government and industry, and works in close conjunction with the Energy Resources Conservation Board. It's something we should devote greater and greater funds to, because in this case, you don't have to look any further for the oil. You know it's there, and the real key is to recovering more of the oil in place and not leaving oil in the reservoir in the future. So, it is something we are devoting greater amounts of money to.

DR. BUCK: Mr. Speaker, is the hon. minister in a position to indicate -- or does he have the information available -- what percentage the Imperial Oil pilot project at Cold Lake is recovering in the in situ situation in the tar sands area?

MR. GETTY: Mr. Speaker, I don't have the figures from the Cold Lake experimental project, but for the short period of time it has been in operation, I think, some estimate could be made.

However, I think the hon. member would recognize that recovery is based on a history. In other words, you have 100 per

cent in the reservoir. Over a long period of time, you might produce 15, 20, or 50 per cent. So you need historical facts in order to realize what the recovery is actually going to be.

DR. BUCK: Mr. Speaker, does the minister have any indication of what the recovery percentage is in the in situ method as opposed to the open mine system they're using at Great Canadian Oil Sands? Is there any relationship there, or does the minister know?

MR. GETTY: If I understand the question, you're asking whether the in situ method would have a greater recovery than the present mining method. No in situ methods are now operating commercially in the oil sands, Mr. Speaker, so it's very difficult to make any guess. I'm afraid we'll just have to wait for history.

#### Credit Card Accounts

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Attorney General. Could the minister indicate what the department's position is regarding whether interest can be charged by credit card companies on outstanding accounts for which an itemized statement of account has not been sent to the credit card holder?

MR. SPEAKER: The hon. member is really asking a question concerning a matter which is much more directly a legal opinion than a matter of government policy. It is something which would have to be determined by the courts.

MR. CLARK: Mr. Speaker, perhaps a supplementary question then. In light of the fact the hon. member asked a similar question earlier in the House, and the Minister of Consumer and Corporate Affairs undertook to check the matter out, what is the government's position with regard to the situation?

MR. FOSTER: Mr. Speaker, I have not personally addressed my mind to the matter of whether it is possible to attach such interest charges to credit cards. I could do so, if that's the wish of the House, or indeed the wish of the member. I'd be happy to inquire into it and speak to him privately, if he likes.

MR. MANDEVILLE: A supplementary question, Mr. Speaker, to the hon. Minister of Consumer and Corporate Affairs. Has there been any contact with the major credit card issuers in Alberta in regard to interest rate charges?

MR. HARLE: Mr. Speaker, the whole question of the legal position of credit card issuers charging interest during the period of the postal strike is not clear. In fact, I have indicated to the hon. member the sections of The Credit and Loan Agreements Act which apply. In addition to the

difficulty of interpreting the wording in the act is the jurisdictional problem between outfits like Chargex and Master Charge which are part of the banking system. So the understanding I have from the law offices of the Crown is that it is not clear.

If consumers examine their statements when they do receive them -- which I did on my own and found I was charged with 86 cents interest, which I paid. If they feel they shouldn't pay it, they can decline to do so and see what happens.

#### Rent Regulation Bill

MR. CLARK: Mr. Speaker, I'd like to direct my question to the Minister of Consumer and Corporate Affairs. In light of the fact we're advised by the Clerk's office that no copies of the rent control legislation are available, will it be available this afternoon for hon. members?

MR. HARLE: Mr. Speaker, I understand it will be, as soon as we can get it out and distributed.

MR. CLARK: A supplementary question. Can the minister be a bit more definitive than that? Will copies be available this afternoon?

MR. HARLE: I understand, definitely this afternoon. It's just a matter of timing as to when they're distributed.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister, dealing with the legislation. It flows from the explanation the minister gave.

Does the legislation take effect as of October 13, when the Prime Minister made his announcement? Does it deal with increases in rent since that period of time or not?

MR. HARLE: Mr. Speaker, I'd prefer that the hon. member see the bill when it is distributed. If it goes to second reading, it can be discussed in principle at that time.

MR. CLARK: Mr. Speaker, in light of the minister's answer, is there some question that the government may not take the bill to second reading?

MR. SPEAKER: It seems to me, in the question period we're getting more and more into this matter of getting advance information about bills. I can see an hon. member asking for an index to a bill before its being discussed, or something of that kind. Unless some really exceptional circumstances or a point of order were involved, I think perhaps that questions with regard to bills, especially when they've been introduced, should be saved until they come up for second reading or committee study.

MR. CLARK: Mr. Speaker, might I just speak to the point you make so properly. The reason I raised the question is we were advised that copies weren't going to be available. That's why, in fact, I raised the question.

I'd still like to know if the government is going to go to second reading of the bill.

MR. HARLE: Mr. Speaker, obviously it will go to second reading. I was thinking in terms of if it might go to second reading today.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Government House Leader, for clarification on second reading. Does the government propose to deal with that tomorrow night or on Friday?

MR. HYNDMAN: Mr. Speaker, we would think tomorrow night, hopefully, would be the time to at least start second reading.

#### Coal Mines Safety Act

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Energy. It concerns The Coal Mines Safety Act, which was passed by the Legislature in 1974.

Is the minister in a position to advise the House when that act will be proclaimed?

MR. GETTY: Mr. Speaker, the act has been proclaimed.

MR. NOTLEY: Are you sure?

#### Interim Financial Statement

MR. CLARK: Mr. Speaker, I wonder if I might direct a question to the Provincial Treasurer and ask when the province's six-month interim financial statement will be released.

MR. LEITCH: Mr. Speaker, I would expect it would be released at the same time as the public accounts. I think the practice is not to release it before the public accounts are released, because it does contain information in the public accounts. I would expect both documents to be released within the next 10 days.

#### Land Assessment

MR. NOTLEY: Mr. Speaker, I'd like to direct a question to the hon. Minister Without Portfolio in charge of rural development. With your permission, Mr. Speaker, I'd like just a word or two of introduction. The question arises from a speech given to the Peace River Stock Growers Association. It relates to the question of land use and the use of assessment to determine land use.

I'm wondering perhaps, Mr. Speaker, if I could ask if the hon. minister could advise the Assembly just what, in fact, he's driving at in that proposal.

MR. SCHMIDT: Mr. Speaker, because of the depth of the question, I would suggest I would be most happy to give a written reply if they place it on the Order Paper.

MR. NOTLEY: A supplementary question, Mr. Speaker.

MR. SPEAKER: As has been suggested on previous occasions, perhaps the supplementary could be combined with the question when it goes on the Order Paper.

#### Land Ownership

MR. CLARK: I'd like to direct a question to the Minister of Agriculture and ask if he's in a position to indicate to the House whether the government has been in contact with the federal foreign review board. Can the minister indicate to the House if, in fact, the foreign review board is prepared to look at acquisitions of agricultural land in Alberta by non-Canadians coming within its terms of reference? He alluded to that earlier this session.

MR. MOORE: Mr. Speaker, I have had some conversation with the chairman of the Alberta Land Use Forum, Dr. Wood, on that matter. It is my understanding that he has discussed the matter of foreign ownership of agricultural land in Alberta in terms of large holdings with the Foreign Investment Review [Agency] under the jurisdiction of the Government of Canada. Just exactly what the situation is there has not been determined. I can only say, we'll be continuing to follow up to see if, in fact, there are any ways that large holdings of agricultural land being purchased by interests outside of Canada can be affected by that legislation.

MR. LOUGHEED: Mr. Speaker, perhaps I could supplement the answer and say that it is my intention to make a statement tomorrow regarding this matter. Although I won't have the full information the hon. leader is asking for, I will be able to shed some further light upon the point.

#### Land Assessment (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct a question again to the hon. Minister Without Portfolio in charge of rural development and ask whether it's the government view that assessment in grey wooded areas should be increased.

MR. SCHMIDT: Mr. Speaker, in reply to the hon. member, assessment in total is being looked at. Before any definitive answer as to the total assessment in grey wooded be

changed, I would have to say that assessment in total would have to be looked at.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Would it be fair to assume that the minister, then, was misquoted or misunderstood by the Peace River Stock Growers when in fact he spoke to them and, I understand, left the impression that he was in favor of increasing the assessment in grey wooded soil areas?

MR. SPEAKER: I think by long custom a question of this kind has been considered not admissible during the question period, where a matter that occurs outside the Assembly is brought into the question period in that way. Perhaps the hon. Leader of the Opposition could deal with the point in another way outside the question period.

MR. CLARK: We'll leave it, if he doesn't want to deny it.

#### Incorporation of Professions

MR. McCRAE: Mr. Speaker, I'd like to reply to a question asked by the Member for Spirit River-Fairview of the hon. Premier on Monday of this week. The question dealt with Bill 68, and was whether or not there had been formal contact with the four professional organizations which are given permission in that statute to incorporate.

The answer, Mr. Speaker, is no, it's an ongoing process. The bill had been under discussion with the professions for several years, and the cabinet reached a decision this spring that they would permit the incorporation of these companies. That advice was relayed to the solicitors for the organizations. Indeed the solicitors had formed a committee and worked with the government draftsmen in putting the bill together.

Mr. Speaker, the only contact with any of the organizations was through the Attorney General to the president of the Law Society, and it was in response to his inquiry as to whether the bill would go ahead this fall or next spring. He was advised that we'd go ahead this fall, depending on priorities, with the possibility that it might be bumped back to spring if necessary.

Mr. Speaker, there's just absolutely no connection between Bill 68 and the settlement with the Alberta Medical Association. I'm a little shocked at the innuendo and suggestion in some of the questions that have been coming over here . . .

SOME HON. MEMBERS: Order, order.

MR. SPEAKER: Order please.

DR. BUCK: Easy, easy. Don't get sensitive, Stewart.

## Land Assessment (continued)

MR. CLARK: Mr. Speaker, perhaps I might direct a question to the Minister Without Portfolio in charge of rural development once again so that he has a chance to clarify the situation. Was the minister outlining government policy when he indicated to the Peace River Stock Growers that in the government's opinion assessment on grey wooded soils should be increased?

MR. SCHMIDT: Mr. Speaker, in reply to the Leader of the Opposition, if they would check the total context of the speech, it was made on behalf of a general opinion and certainly was not speaking of government policy.

MR. CLARK: Mr. Speaker, a supplementary question. Would the minister define for us the difference between government policy and general opinion, when in fact it's coming from the minister?

MR. SPEAKER: Possibly the hon. member might have recourse to a good dictionary in this regard.

## Cultural Grants -- Review

MR. CLARK: Mr. Speaker, a question to the Minister of Government Services, then. I'd like to ask if he has received the report from the Provincial Auditor with regard to the question of the Auditor's review of the grants as far as the cultural portion of his former department is concerned.

MR. SCHMIDT: Mr. Speaker, I assume the Provincial Auditor is working on the final draft of this report to the hon. Premier.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has he received a final report, a preliminary report, or first report -- any report from the Auditor on the matter under review?

MR. SCHMIDT: Mr. Speaker, I'm quite sure that once the final report is received by the Premier, he will table this report in the House, or whatever other intentions the hon. Premier has.

MR. LOUGHFEED: Mr. Speaker, in answer to the question, I haven't yet received the report from the Auditor.

## Land Assessment (continued)

MR. NOTLEY: Mr. Speaker, I'd like to direct a supplementary question on the grey wooded soils issue, this time to the hon. Minister of Municipal Affairs, and ask whether he is in a position to advise the Assembly whether the government is, at this time, giving any consideration to increasing the assessment in grey wooded soil areas of the province.

MR. JOHNSTON: Well, Mr. Speaker, with respect to assessment of grey wooded areas, I'm certain we'll be looking forward to the results of the Land Use Forum before any decisions can be made in that area. As to my own preference, I haven't got one at this time.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. Are any studies going on at the present time, by any committee, task force, or what have you, with respect to increasing assessment in the grey wooded soils areas?

MR. JOHNSTON: Not to my knowledge, Mr. Speaker.

## Heritage Trust Fund

MR. LEITCH: Mr. Speaker, perhaps I could take this opportunity to respond to a question asked of me a few days ago by the Member for Spirit River-Fairview regarding the rate of interest earned on moneys that would form part of the heritage savings trust fund. I'm not sure I can answer it in precisely the terms in which the question was asked, but I can report to the House that those funds now in the consolidated cash investment trust fund are earning approximately 8 to 8.5 per cent per year.

Coal Mine Safety Act  
(continued)

MR. GETTY: Mr. Speaker, I want to change an answer I gave the hon. member for Spirit River-Fairview having to do with The Coal Mine Safety Act. While the O.C. has been prepared, it has not yet been passed by cabinet proclaiming the act, Mr. Speaker. That also gives me one other problem, however, which I'm glad he drew to my attention. We have been dealing with regulations under the act which would not be properly passed until the act is proclaimed.

DR. BUCK: You can apologize.

MR. CLARK: We accept the apology.

MR. NOTLEY: Mr. Speaker, I accept the minister's explanation. I must confess a little bit of amusement at the gales of laughter seemingly putting me in my place over his incorrect statement.

Anyway, Mr. Speaker, the supplementary question I'd like to ask the hon. minister is whether he can advise the Assembly what the reasons were for the delay in proclaiming the act. I gather the regulations prepared by the ERCB were provided to the government about a year ago.

What were the reasons for the delay in proclaiming the act?

MR. GETTY: The reasons for the delay, Mr. Speaker, were in order to make sure that



there was full consultation with industry on the various regulations, which are quite detailed and have considerable impact on the industry.

#### ORDERS OF THE DAY

MR. HYNDMAN: Mr. Speaker, I move that you do now leave the Chair and the Assembly resolve itself into Committee of the Whole to consider certain bills on the Order Paper.

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

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

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#### COMMITTEE OF THE WHOLE

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of the Whole Assembly will now come to order.

#### Bill 81 The Temporary Anti-Inflation Measures Act

MR. NOTLEY: Mr. Chairman, I really have a series of questions here. Perhaps I'll pose several of them and then allow other members to participate, and come back to additional questions.

The first question I'd like to ask, Mr. Chairman, is to try to clarify in my mind the concept of jurisdiction here. As I read Bill 81, it is almost exclusively directed toward wage guidelines in the public service as such, both directly and indirectly. The minister made it clear when he introduced the bill that he felt price controls, professional incomes, and so on really came under the federal program.

My question, however, really is this: if it's not possible to obtain an agreement with Ottawa -- I suspect the government assumes it is possible, but let's take the other case and assume that it isn't -- what kind of controls will there be on prices? By implication then, is the government accepting the proposition that those other areas are under federal jurisdiction? The question really is to try to ascertain what, in the minister's mind, the bounda-

ries are of proper federal jurisdiction on this matter without an agreement, and in the event that we are not able to agree on a deal with the federal government.

MR. HYNDMAN: Mr. Chairman, I think it's important to make the distinction -- as I think the honorable gentleman has partly -- Bill 81 applies and relates to compensation in the public sector of Alberta. The federal government is involved in the area of pricing in the private sector, and compensation and pricing in the federal public sector. Therefore, because the federal government is involved in pricing in the private sector, whether the provincial government either enters into an agreement, or proceeds under PART 2 to set up our own board, that would not directly affect the federal government being, and continuing to be, in the private sector pricing area.

MR. NOTLEY: Mr. Chairman, let me just follow that through then, if I may. The government here accepts the constitutional proposition that federal jurisdiction over private sector pricing is, in fact, correct. It seems to me in other provinces there's some dispute as to whether private sector pricing in total should be under federal control.

MR. HYNDMAN: No, I think that conclusion couldn't be drawn from the bill. It's not possible for a provincial jurisdiction, under the BNA Act, to give away its jurisdiction with regard to the private sector area. Certainly the federal government at the moment has moved into the private sector area with regard to corporations 500 or above, or construction companies 20 or above. That would not preclude in future, if there was a situation into which it was indicated the provincial government should move -- the provincial government has the opportunity, constitutionally, to make moves in that area if it wished to do so at some future time.

At the moment, though, if there is one level of guidelines by the federal government in the private sector, it would seem very unrealistic to suddenly have two levels of guidelines, which would add to the confusion I think there already is in the area.

MR. MANDEVILLE: Mr. Chairman, I'd just like the minister, if he possibly could, to explain what the definition of the public sector is going to be. How are the guidelines going to define the public sector? I realize they're going to be set out in the regulations. When will the regulations be made public?

MR. HYNDMAN: Essentially, for the purpose of this bill the public sector of the province of Alberta is going to be defined as: the provincial Crown and its agencies; municipalities and local bodies performing a function of government, such as school boards; Crown corporations; Crown municipal corporations; and such other bodies as universities, hospitals, nursing homes and the like. That would be defined by regula-

tion as being the provincial public sector, in respect of which the bill applies vis-a-vis compensation.

It's difficult to predict when those regulations would be brought forward. I would think within not too many weeks, though, because negotiations with regard to an agreement have been going on in an informal way and will be going on after royal assent is passed. So the next weeks will be busy ones in terms of deciding whether an agreement can be arranged, what kind of an agreement if one is possible, and if not, then moving to the Alberta board.

MR. MANDEVILLE: Another question. It says on page 8, for the purpose of carrying out the duties of the act, the board "may" notify an employer or an employee as to whether they're going to fit under the guidelines. Does that mean the board is not going to have to notify employers or employees? Does that mean it can either notify them or it can't? It's on page 8, Section 13.

MR. HYNDMAN: No, I think it would be understood that in all cases, if there are parties involved -- either employers or employees -- in the public sector, the board would give them clear notification that something they have done or a collective agreement they are about to enter into would be the subject of review by the board.

I think that's to be distinguished from the question of what bodies the act applies to. That's a matter of law to which, I think, the reading of the act will infer. In other words, after passing the act and after the regulations defining the provincial public sector are promulgated, people in the areas of public service, Crown corporations, municipalities, school boards, will know they are covered. But I think the next step to which the hon. member was referring was whether the board would be intervening either if it felt there was going to be an agreement which violated the guidelines, or if one did. So there would certainly be, in our view anyway, a full notification opportunity for the parties to prepare for any position they would like to take.

MR. CLARK: Mr. Chairman, I wonder if I could just pursue the same point my colleague raised with regard to Section 13(2). I think the real question comes, to be very blunt about it, to why we have chosen to use "may" there rather than "shall". It seems a pretty basic kind of guarantee, if this board is set up, that it's incumbent upon the board to make use of some sort of media, and this really says The Alberta Gazette which I think is regarded by most people as the organ of the government as far as official notification is concerned. If I recall or understand the point which my colleague's making, this says to the board, you may or you may not. I think a fair case can be made to say, if this board is set up, in fact it shall use The Alberta Gazette for the purpose set out here.

MR. HYNDMAN: I'm certainly prepared to look into that, Mr. Chairman, and the suggestion which has been made. Perhaps we could hold that. Then either later on this afternoon or tomorrow, we could well continue committee. I could have further opportunity to look into that, to see what the arguments could be on either side.

MR. CLARK: Mr. Chairman, one other area I would just like to pursue right now. Yesterday in second reading, the minister indicated that, in the course of what the government was doing to support this program, [for] those agencies which came before the Public Utilities Board, certainly the Public Utilities Board would be taking into consideration the federal and provincial programs. I'd like to ask the minister to explain to us, has the government sat down with the Public Utilities Board? Have some guidelines been discussed with the board? What's the board's attitude with regard to the AGT application? In fact, have there been any discussions between the board and the government on this whole question of not only AGT but all sorts of other groups which come before the board? Just where are we at there?

MR. HYNDMAN: Well, I certainly haven't discussed anything with the Public Utilities Board with regard to the way in which it relates to this act. I'll probably have to consider doing that when the act is passed. But as I did mention, the Public Utilities Board in Alberta has been regulating [and] will continue to regulate. The important point is, while the board will take cognizance of, and in its duties will be operating under the general ambit of, the anti-inflation guidelines, they are only guidelines. Only if the cabinet wanted to send a board decision to the federal board would it go to the federal board.

In other words, the Public Utilities Board, being a provincial board established under provincial legislation, would essentially be kept in Alberta. Only if the Alberta government wished to have a decision passed on to Ottawa would it then be passed on -- which is pursuant to what the guidelines indicate. The reason for that is, of course, in Alberta when there is a large company which is subject to regulation, it may well be that in a growing province where there has to be a large capital investment for electricity or power or light for Albertans in 5 or 10 years, there may have to be a substantial capital investment now. The board makes a decision with regard to rate of return. That rate of return may have to be higher than the guidelines in order to guarantee that Albertans down the line will have the sewer, water, light, and heat which is going to be needed, with massive capital investments now.

So there could be and there can be situations where the normal federal guideline will be exceeded in Alberta by a PUB decision, by reason of the fact that we need these investments. Capital investments have to be made which would have a rate of return which will still be the

guideline required above the, say, 10 per cent or cost passed through.

MR. CLARK: Perhaps, I can have another run at the same question, Mr. Chairman. Really what I'm interested in finding out is: have there been discussions between the cabinet or representatives of the cabinet or the Attorney General and the Public Utilities Board, to say to the board, we're committed at least to portions of this program for 18 months, in the best interest of Alberta and in the best interest of Canada and so on? Has there been that kind of discussion, and what's the reaction of the Public Utilities Board? Has the government really taken a hands-off approach to the Public Utilities Board and simply left it, hoping the board will respond to the legislation here? Have there been these kinds of formal discussions?

MR. HYNDMAN: Well, it's possible, Mr. Chairman, that the Minister of Utilities and Telephones has had discussions. I have not, but I would think that the point raised is an important one. If there is, for example, a letter, direction, a suggestion, or discussions following this act being passed -- and perhaps it has to be following the federal regulations -- I'd be happy to make available to the House the contents of that suggestion, direction, guideline, or indication from myself or any other member of the government to the board as to what way we feel it should take the federal guideline into account. I have not so far done this.

MR. CLARK: Mr. Chairman, I wonder if I might ask the minister one further question. Would the minister undertake to check with his colleagues, either the Minister of Utilities and Telephones or the Attorney General, who I guess is formally responsible for the Public Utilities Board, if in fact there have been any discussions to date?

AN HON. MEMBER: Yes there have been, actually.

MR. YOUNG: Mr. Chairman, on the same point. Is there an intention to communicate with the PUB, with those agencies that are covered by the PUB agencies and [those] utilities that must go to the PUB, to express the government's concern that the guidelines succeed and that they should have a very sharp eye to their operations to try to conform as much as possible, without of course sacrificing the basic system of utilities that will be needed for future expansion?

MR. HYNDMAN: Yes, I think that would be the nature of the communication, the guideline, the direction we would make to the board, that they should conform as much as possible to the guidelines, bearing in mind their responsibility for approving utility rates that will reflect the capital construction needed, but on a rate of return basis and not with changes in depreciation

being made as the federal guidelines indicate.

MR. NOTLEY: Mr. Chairman, I can appreciate the distinction the minister made. However, as I read over the white paper, as I understand page 15, there is provision under the federal guidelines:

In the case of the hold-down [of] dividend payments per share, exemptions may be granted where a firm can show a higher pay-out is needed in order to raise new equity capital . . .

That's page 15 of the federal white paper, it's not the provincial bill. But I take it, Mr. Chairman, that we can refer to the federal white paper as well, because really we're dealing with both matters at this time.

It would seem to me that under the federal guidelines that would allow certain exemptions for the attraction of additional capital, which a company like Calgary Power or Alberta Power may require for future utility development in the province.

MR. HYNDMAN: That's very true. We felt that perhaps, though, that may not go far enough, in the sense that that is based on a Canadian common denominator. With Alberta the fastest growing province in population and many other indicators, it may be that we would wish to have that definition very broadly expanded, in the sense that our needs for capital in the utilities may be more than the average Canadian needs.

MR. CLARK: Mr. Chairman, I wonder if I might deal with some, perhaps, projections the government has in looking at the possibility of having this program operate in Alberta from the standpoint of Alberta operating its own program, as opposed to not being able to work out an agreement with the Feds. Does the minister have any indication . . .

MR. HYNDMAN: I just want to say, Mr. Chairman, when the hon. Leader of the Opposition says "Alberta operating its own program", it should be clear that would be within the substance of the federal guidelines.

MR. CLARK: I'm thinking in terms of Alberta having to proclaim Sections 3 to 41. Can the minister give us some indication of what they're looking at staffwise? Can you give us some indication of the numbers of people who would be seconded from various government departments, as opposed to additional people coming on staff? I suppose it would also be an appropriate place to ask, is it the government's intention to put a member of the Legislature on this board, for example, because it's now possible?

DR. WALKER: God help us!

MR. HYNDMAN: Well, we'll consider the hon. Leader of the Opposition as a member, although I don't think he was suggesting that.

MR. CLARK: Just so the record is very straight, I wasn't volunteering at all.

MR. HYNDMAN: Oh, well, in that event, Mr. Chairmar, no. At the moment we would not see a member of the Assembly on the board.

It's difficult to project the costs of operating such a board. Certainly that is one of our problems, in the sense that we have said we feel government expenditures should be reduced in terms of their rate of expenditure. If there is to be a new program, in the sense of a new board, that means there's going to be higher expenditure. If that did occur, we would attempt to minimize the costs by largely seconding personnel from existing departments to serve on the board. Undoubtedly the chairman of the board, and the chairman of the appeal board in Alberta as well, would not have to be members of the civil service. Undoubtedly [they would be] people from outside with commensurate abilities.

As to the approximate amount of money or the number of people involved, it's very difficult to say. I would suppose the cost might be in an area of probably \$300,000 to \$500,000 in a given fiscal year. But those are simply extrapolations from the federal board cost. The federal board has a budget of \$4.5 million from October 13 to March of next year. Now that is going to end up at something [like] \$12 million in one fiscal year for the federal board. Granted, ours would be smaller. The federal staff is now 240 and I believe Mr. Pepin indicated it could go to 500. So it's very difficult to determine at this moment. But we would try to establish a board with the minimum number of people necessary to run it effectively, as many as possible seconded from the public service of Alberta, in leased space, which lease would terminate in 18 months, and with one, two or three people from outside who would probably be the senior executive members of the board.

MR. CLARK: Following along, Mr. Chairman, would the minister be in a position to indicate if he's given any thought to departments that he would, in all likelihood, second people from? It would seem to me the Department of Consumer and Corporate Affairs would hopefully have some of the kind of expertise we may well want on this program. I'm sure, after having the piece in the legislation that makes this seconding possible, the government's giving some thought as to where these people might come from. I'm not thinking in terms of personnel, but in terms of what areas of government endeavor would people in all likelihood be seconded from.

MR. HYNDMAN: Certainly I think Consumer and Corporate Affairs would be one. I think Treasury would be another. The Department of Labour would probably be a third, maybe the Department of Education. Perhaps the Department of Municipal Affairs, insofar as municipal entities are involved: firemen, policemen, inside workers, outside workers. I think those would certainly be five of the departments.

MR. NOTLEY: Mr. Chairman, perhaps I could raise two or three related questions. The first question deals with the proposal in the federal summary that there be a 10 per cent cutback in consultant fees, travel, elimination of first-class air travel, suspending normal schedules for replacement of departmental automobiles, et cetera. My question to the minister would be: what does the Government of Alberta propose to do with respect to these federal recommendations in applying them to the province? For example, will we be cutting our consultant fees by 10 per cent? Will we be suspending the normal schedules of depreciation on departmental automobiles, et cetera?

MR. HYNDMAN: Well, Mr. Chairman, my understanding is that those statements and specifics related to what the federal government said it intended to do with regard to its federal civil service. I suppose they could be interpreted as suggestions for provinces. But I think that kind of situation is going to be covered very directly by the 11 per cent guideline announced in September, which applies to government operations themselves, and which is having and will have -- I think members will see in the spring budget -- a very massive effect in terms of cutting back new programs, and efficiencies and economies in the provincial government.

As I say, that is what the federal government is doing. I would think those might be taken into consideration. I think quite a number of others will be found when the budget comes forth in the spring, because an 11 per cent increase is roughly half what it was last time.

MR. NOTLEY: Mr. Chairman, to follow that through. There is an important distinction though, Mr. Minister. The provincial plan calls for 11 per cent guidelines as to increase. The proposal of the federal government here in applying these particular ideas is for a 10 per cent decrease. I think that's a rather important distinction. So I would like some indication from the minister at this stage as to whether there has been any initial consideration by the government as to a decrease in consultant fees, for example.

MR. HYNDMAN: I think there might well be decreases in certain areas of expenditures for the operation of the government. Whether they will be in those areas, I wouldn't want to say. I think our consultant fees at the moment are modest. We take the approach that we want the best possible independent objective information of the highest calibre in order to make effective and efficient decisions. It's a matter of judgment, I guess, as to whether those consultant fees are too high or too low. But those are the kinds of decisions we wish to make. That's the basis on which we hire consultants. I would think there will be a number of belt-tightening reductions in a number of areas of government expenditure on its own operation.

MR. CLARK: Isn't he eloquent.

MR. NOTLEY: Yes, he does wax very eloquently on the subject. Not entirely convincingly, but eloquently.

Mr. Chairman, I'd like to ask the minister what the situation will be with respect to insurance company operations. We see insurance rates going up generally. As I understand the federal guidelines, they apply quite clearly to companies of 500 employees or more. But there would surely be a number of insurance companies with less than 500 employees, especially if you don't consider the agents as employees but as agents in their own right. So my question is: will there be any controls of insurance companies in that category of under 500 employees? Or would that section of the insurance industry supplied by smaller companies be exempt from the controls?

MR. HYNDMAN: Well, the insurance industry in Alberta is in the private sector. I note in the federal government white paper the statement is that "Insurance premiums should be increased only by the amounts required to cover net increases in the cost of claims and operating expenses." I think it's gray; it's not certain at the moment whether that means companies with only 500 or above, or whether it refers to those companies with 500 or less.

Certainly though, the federal regulations could cover that area in the private sector. I suppose they might not cover government-operated insurance companies, so they could perhaps go higher than that. At the moment, whether they're covered is a gray area. However, I suppose the federal government would have the option, if they're not covered at the moment, to declare them an industry of strategic importance in fighting inflation, and then cover them. But I would think if some of the larger companies are restricted to a cost pass-through basis with respect to premium increases, a number of public and commercial pressures would ensure that smaller companies would do the same. In any event, I think we'd be talking to them through the government insurance board in that regard, to maintain certain uniformity and general cognizance within the guideline.

MR. NOTLEY: Mr. Chairman, just to pursue the matter for a moment. It's because there seems to be an inconsistency. The federal document makes it clear that insurance rates are not to go up any faster than actual claims evidence would indicate as justifiable on one hand. That's clearly set out in the document. On the other hand, companies of 500 employees or less are not covered by the statutory power of the anti-inflation board if, in fact, they don't comply with the regulations. So it does strike me that this may impose an obligation on the Alberta Insurance Board to keep an eye especially on what's going on among the smaller companies not covered by the federal legislation.

MP. HYNDMAN: I suppose part of the difficulty, Mr. Chairman, relates to the question of who actually sets the premium. I suppose it's partly a joint operation in the sense that the overall gross premiums based on experience and loss records are probably set or influenced in a major way by larger companies; whereas the premium or the commission charged by the agent, who is undoubtedly outside that category, would not be. So there would be the question of the agent, I suppose, tripling his commission which would be seen in the premium paid; as opposed to the company setting the rate on the loss experience being only 10 per cent. But I'll try to get some more information on that, if there is any, and report to the House.

MR. NOTLEY: I would take it that if the agent were to triple his rate, he would be caught by the federal guidelines at the local level, would he not?

MR. HYNDMAN: Everyone in the private sector is within the federal guidelines. Only some of those guidelines will be enforced by law in the regulations. So I would think, unless the federal government in its paper means that all insurance premiums and the total composition of premiums are covered, you'd then have the small private sector operator covered by the guidelines but not necessarily by the regulations.

MR. MANDEVILLE: Mr. Chairman, Sections 18 and 19 make provision for the board to impose penalties on anyone who contravenes the act. Now when you get down to Section 19, it indicates that the board at any time can rescind an order. Could the minister explain what the purpose of Section 19 is?

MR. HYNDMAN: Mr. Chairman, I think that might be in a situation where, perhaps, if the board has started its operations and over the course of the first 2 or 3 weeks has had to make some immediate decisions with regard to a fine or some sort of penalty, and then finds over the course of the ensuing 9 or 10 months that that perhaps wasn't so fair -- wasn't reasonable, wasn't equitable in the sense that maybe information wasn't available -- they might like to go back and say, well, we thought that figure was too high and we'll cut it in half. I think it's to provide flexibility after the initial few months when the board is really operating partly without too much information.

MR. TAYLOR: Mr. Chairman, I wanted to ask four or five questions, based on the fact that we do complete an agreement with the federal government. The first one is: will that agreement set out the responsibility of enforcement? Will the federal people enforce this, or will it be like bingo is today in the Criminal Code, placed upon the Attorney General to enforce in each province?

MR. HYNDMAN: Well, if an agreement is possible under, for example, Section 4(3) of the federal act, then the enforcement pro-

visions of the federal act and the federal administrator and the federal board would apply with regard to issues they handle relating to public service compensation areas in Alberta. If there was no agreement and we then moved to implement the bill and set up our own Alberta board, the Alberta enforcement provisions as found in this bill would be those used in the Province of Alberta. They are essentially similar. The basic difference is in the search and seizure provisions, which are almost Draconian under the federal act, which we do not have in this.

MR. TAYLOR: In other words, the federal government will be responsible for enforcing its own legislation in each province?

MR. HYNDMAN: Yes, it would be, under Section 4(3).

MR. TAYLOR: I'm glad to hear that. I think it's very, very awkward and very unfair to many provincial governments when the federal government passes a law which is difficult or unreasonable to enforce, then places the responsibility for the enforcement upon the Attorney General in the province.

The second point that I'd like to deal with is with reference to offences under the federal legislation. I'm asking some of these because I haven't actually seen the federal legislation. Where a person is guilty of charging -- and I'm thinking about food now -- more than what appears reasonable under the act, is there provision in the federal act to force that retailer to roll back the price, or to give a refund?

MR. HYNDMAN: Yes, that provision is in the federal act with regard to those private sector areas that come under the regulations. In addition to that power there is also a power which permits a penalty of 125 per cent to be levied against the offending party. So if a retailer gets into the position of having to roll something back, then he can't simply say, well, I took a chance; I'll just pay back what I should have paid before. They're going to have to pay a penalty of 25 per cent in addition to the rollback. That would apply under certain conditions, so I guess that's a very effective method of assuring that the guidelines will be adhered to.

MR. TAYLOR: Again, I secured this information from a CBC program, which I don't consider too reliable in many cases, but it was suggested that the federal legislation in regard to food would consider an overcharge only on the gross proceeds of that store for the entire year. Now, this sounded very, very odd and very, very unfair to me. If that is the way it is, then any store can charge exorbitantly for some things and go under the price for others, and come out with a margin that's permissible under the act. In effect, they may have been an offender in charging people too much for sugar, beef, bread, or the essentials, and giving away other

things at prices where they are able to make up that difference and not lose too much. There's a possibility of gerrymandering or manoeuvring if that is the case.

Has the minister any information as to whether it is authentic that the decision of the federal board is going to be based on the gross proceeds of a year, rather than on any individual article sold in that store?

MR. HYNDMAN: I don't have any precise information on that, although I know there is a concept of consolidation within the federal guidelines, though I'm not sure what the federal regulations will say. I imagine they'll be much more precise and definitive. But I'll attempt to get further information on that and report to the hon. member.

MR. TAYLOR: There are just two other items I'd like to get the minister's views on. In the first place, is there going to be some method of dealing with credit buying, or will credit buying [continue] to be carried out as it is today, pretty well behind a blanket? You don't know anything about it until a long time afterwards.

Credit buying, in my mind, is one of the real causes of inflation in this country. Many of the stores are guilty of urging people to buy even though they haven't got the money to buy the thing, and it's not essential, at least in my view. It's not a matter of life and death like food, clothing, or shelter. Then their high interest rates actually raise the price so that in some cases the person is, in effect, paying one and a half to three times the price for that item, which of course is very inflationary. I'm wondering what controls there are to deal with this matter of credit buying and selling.

MR. HYNDMAN: Well, Mr. Chairman, the only controls which I believe are going to be involved relate to the white paper, which states that "banks and other financial institutions", which I think would possibly include finance companies, "are expected to conform to the general principle: that . . . increases in service charges and interest rates . . . should be justified by increases in the interest rates which they pay . . ." That may have application to a finance company, but it doesn't directly deal with the point raised by the hon. member.

I don't believe there is any direct control of credit buying, in the sense of stating that a person or a couple can only buy X per cent of their income on credit, or something of that nature. I think many would feel that that is rather a matter of education and that it is perhaps dangerous to have the state making decisions as to how one spends one's disposable dollars.

I think, though, that probably one of the salutary effects of the whole anti-inflation psychology will be that people will look at what they need rather than what they would like to have as a convenience. I think maybe there'll be a mood in the community and in the country of getting

back to the old values of making do with what you have, of updating or repairing what you have, of belt-tightening, of trying to squeeze 101 cents out of a dollar. I think this would probably have an effect on credit buying over the course of the 18 months.

MR. TAYLOR: I was just thinking I could make one or two comments on credit buying. It seems to me that credit buying is getting completely out of control in this country, as it did in the States a number of years ago. People are encouraged to buy way beyond their means, which sometimes means bankruptcy or disaster for them further down the road.

Today in Canada you can buy almost anything by credit. I think this is good to a degree. It enables us to enjoy many things long ahead of the time we're actually able to pay the cash, providing we don't go overboard and commit ourselves to things we just aren't able to pay for in the proper time.

One thing that worries me, and it's not so common in Alberta now but I understand it is in some other provinces, is credit buying of funeral plots and funerals, where you pay now and die later. In many cases I have checked, you're paying three times the price to die if you buy it by credit. As a matter of fact, you can hardly afford to die. This is just one item that shows how inflationary this credit buying can really be.

I really think the hon. minister, in discussing this with Ottawa, should give some thought to raising the importance of credit buying with the federal authorities. Exempting banks and other financial institutions, I think, is a very bad move. If certain items should be exempt, fine, but certainly there shouldn't be a wholesale exemption of banking and financial institutions.

Certainly some steps should be taken in regard to those who are offering cars and everything else at practically no down payment, and then, in the final analysis, we find we're paying up to 20 and 25 per cent interest during the lifetime of that contract, which is certainly very highly inflationary.

The last point I have, and I'm sorry for taking so much time, is that I'm a little concerned about utilities: telephones, gas, light, power. I know our Public Utilities Board is there to protect the consumer's interest, but I think the board should take a second look now, in the light of the federal legislation, to try to make sure the utility companies aren't going beyond those regulations. If the small merchant has to live within them and tighten his belt and use restraint, certainly Calgary Power and Alberta power should do the same thing.

I think it's even worse in regard to municipally owned utilities, where they do not come before a board at all, where the increase can simply be granted by a municipal council. In this respect, the people aren't even given their day in court, where they can have their case heard. The munic-

ipal council can simply pass the by-laws and, other than representations to the councillors or aldermen, that increase can be made. Some increases have already been made beyond the limits of the federal legislation. So I'd just like to mention these points to the hon. minister, in the hope that some of these things can be cleared up when the agreement is being discussed.

I do think it's important for everybody in Canada that we have these temporary anti-inflation measures passed, that we have agreement with the federal government, if agreement is possible. The more the dollar erodes, the harder it's going to be for everybody, but really hard for the poor whose dollar isn't going to go as far as it otherwise should; for those on fixed incomes, as the Premier has often mentioned; and thirdly, those who have savings. If those savings that were worked for and saved for a person's old age keep eroding and eroding and eroding, he finds that he finally only has a very small portion of what he thought he had. It may well mean the state will have to look after these people in the end, and I think that is a bad procedure. I think the more we can prepare our people to look after themselves during their senior years, the better it's going to be.

Thank you for the time. Thank you for the answers, Mr. Minister.

MR. HYNDMAN: Mr. Chairman, just a few comments in respect to the last question. I think it's important that senior citizens and other people relying on retirement pensions or trust funds -- those funds are not subject to the guidelines. They are deliberately excluded.

With regard to banks, the honorable gentleman felt there was concern with regard to their being exempt. Banks and other financial institutions are not exempt. I might just quote from page 18 of the white paper:

Banks and other financial institutions are expected to conform to the general principle: that is to say, increases in service charges and interest rates charged by these institutions should be justified by increases in the interest rates which they pay and increases in their operating and other expenses.

That would be some safeguard there.

He suggested the Public Utilities Board take a second look. I think they will go so far as to take even a third look, in relating the impact of decisions they make on the people who have to pay the utility charges. He also mentioned, quite properly, municipal utilities. Certainly the job and the wise decision-making of elected local officials will be very important in the sense that when they are setting utility rates, for example in the city of Edmonton, they will want to be, and we would expect them to be, cognizant of the anti-inflation guidelines. They are elected by the people, in this case in the

city of Edmonton, so we feel we shouldn't be interfering or overruling what decision they make. However, I would think the citizens will want to follow very closely the decisions by the local councils in respect to municipal utility rates, and to offer them advice appropriately.

MR. NOTLEY: Mr. Chairman, I'd like to go back to a point that Mr. Taylor made about the operation of the price control feature. As I understand the federal guidelines, prices are going to be controlled not directly, price by price, but rather on the basis of this per unit profit, and it cannot be any more than 95 per cent of the previous five years' average. That's my understanding.

I may be wrong, Mr. Minister, but if that's true, let's take the case of Mrs. Smith's grocery store. Now, in Mrs. Smith's grocery store, the price of bread suddenly rises to \$1 a loaf. It would seem to me, as I read the guidelines, assuming that Mrs. Smith's grocery store is large enough that it comes under the guidelines -- so I guess we've got to make that assumption even to fit into the category -- but assume that she has 501 employees in this great grocery store. The price of bread is now \$1 a loaf. Now, as I understand the guidelines, there would be no way of dealing with that specific price as such. Rather, what the federal anti-inflation board would do is ask Mrs. Smith to explain the price, but she would explain it in the light of her per unit profits, averaged over five years. If that price was up but her per unit profits were within 95 per cent of the five-year average, as I understand the guidelines she'd be able to retain that price. But on the other hand, if that price pushed her average to, say, 96 per cent of her five-year average per unit profits, she would have to bring it down.

So what I'm really getting at, and I think what the Member for Drumheller was raising, is just how will these guidelines apply to specific prices? Because it strikes me that the method the federal government has developed, if I understand the guidelines -- I've read them over a number of times -- is that they are looking at the gross situation, rather than the specific price.

MR. HYNDMAN: I think this is an area where we'll have to await the specifics of the federal guidelines to get definitive information, but my understanding is that it may relate to the question of whether it's possible for Mrs. Smith to allocate cost to an individual product. In some cases it will be, in other cases it won't. In the case of a dollar loaf of bread, whether it would be possible to allocate the cost, if she buys from a separate bakery, I imagine it would be more easily capable of allocating cost than if she's making it herself with the various components of a loaf of bread. But the Minister of Hospitals and Medical Care has some information on that, and it might be helpful to the committee.

MR. MINIELY: I think, Mr. Chairman, my impression of the federal guidelines is that the hon. Member for Spirit River-Fairview is probably accurate as to how they will be administered. I think it's more a matter of administration, but I think also that, philosophically, the federal government has taken the approach that a consumer buys a wide range of products. If you're taking food as an example, whereas bread might go up 20 per cent because of certain economic factors relative to flour, they're taking the broad-brush approach to the fact that when consumers feed their families, or whatever it is, a wide range of food products is involved. Therefore, one price in fact may go up more than another. Some prices may in fact go down.

So by taking the approach that the gross, and in effect the net, of your major food suppliers or food marketers, must be within the guidelines, they are allowing for variance higher than the guidelines on a particular, individual food product. But looking at it from the point of view of the broad-brush approach to the food consumer, the average cost of food, as an example, must not exceed the overall federal guidelines in prices. Individual items could exceed. That's my understanding of the approach and philosophy they're taking, and I think the hon. member for Spirit River-Fairview is right on that approach.

MR. NOTLEY: Mr. Chairman, if I could just follow it through. It really does disturb me a little bit, although I can see difficulties in applying the present mechanism price by price by price, too. But I see a lot of difficulties with the tack they're taking.

Let's go back to an example the Member for Drumheller raised in this House, in 1974 I think it was, the price of antifreeze. Suppose the hon. minister goes into an Imperial Oil dealer and discovers that the price of antifreeze has doubled. It may well have doubled because of a peculiar set of circumstances which applied at the time of the increases in 1974. In order to get a rollback, on your antifreeze the board would then have to prove that the per unit profit of whatever company it is -- Imperial Oil, Gulf, Texaco, whatever it may be -- is more than 95 per cent of the last five years' average. Now, that strikes me as being a rather cumbersome procedure, and it really won't eliminate the cases of outrageous gouging on particular items, in my view.

MR. HYNDMAN: Well, I indicated I think the whole program is going to be cumbersome in many ways, Mr. Chairman. But I would think that, realizing the board has power to intervene in anticipation of a price rise in a high-visibility item such as that, it may well be that, if the federal board in its regulations doesn't initially cover a situation like that, it might well do it later on.

With regard to the question of groceries, I suppose the approach used is something like the approach one sees occa-



sionally on composite food prices, whereby we take a normal bag of groceries of essentials -- say bacon, eggs, milk, and bread -- and compare what that cost in 1965, '70, '71 and in the months of '75, and use that on a store by store or chain by chain basis. I think this might be the approach which would be used in determining whether it was in the guidelines. Certainly, the cost is going up. I know a friend of my wife bought \$36 worth of groceries in a bag a while ago, and they were stolen out of her car. They were in the glove compartment.

MR. TAYLOR: Mr. Chairman, one further question on the point, if I could. I would like to see the hon. ministers who are discussing this with the federal authorities try to close up some of these loopholes that may well defeat the whole bill if they're permitted to stay. In the radio program I mentioned, I think the lady from Newfoundland was the one who was speaking. She said that the board had given information that it was not prepared even to look at an exorbitant rise in one of the products, because the gross proceeds were within that five per cent range.

I think this is pretty bad, and I would think the board should have authority, and should be willing, to look at exorbitant increases in the essentials of life such as milk and bread. If you even confined it to the good old staples, like milk, bread, and oatmeal, I would be reasonably happy, because at least then people could live within the range of the guidelines. But if it's simply not even going to look at it unless the gross proceeds are beyond this five per cent, I think we're leaving a really big loophole for people, who are not using their responsibilities as corporate citizens, to gouge the people and destroy what we're trying to do.

MR. HYNDMAN: We're certainly considering those representations, Mr. Chairman. I think one other area of involvement of the federal board that I might mention is that not only can the federal board move in when there is an obvious move that defies the guidelines as written, but it also can move in and become involved when there is a situation that is wrong in the sense that it offends the spirit of the act. I think that may be a section of the act the federal board would use to move in on sections where maybe on a strict accounting basis it's impossible to determine what happened. But they can say, well, you're just offending the whole spirit and concept of anti-inflation fighting, and we have the authority to move in on you. I think that could be another area where they could move.

MR. TAYLOR: Is it the intention of the federal board to have sub-boards in each province?

MR. HYNDMAN: I understand it won't have sub-boards, but it will have 27 or 28 offices across the country where persons may phone in complaints about price rises

and obtain information. To my knowledge, there is one administrator and one board in Ottawa.

MR. NOTLEY: Mr. Chairman, before we leave that subject, I wonder if I could ask a supplementary of the minister. We have these 27 offices throughout the country, and the individual consumer notices that there has been an inordinate increase in a particular commodity. You go to the Edmonton office, Calgary office, or whatever it may be, and you lay a complaint. My question really is: from your discussions in Ottawa last week, have you got any idea what kind of speed we can expect in terms of dealing with these complaints, because I can visualize that the anti-inflation board is going to be deluged with just thousands and thousands of complaints about specific price increases.

What I am not so sure about is that it has the administrative capability for investigating those complaints quickly enough to do anything about it. There's not much point in investigating the price of anti-freeze, you know, if it's July by the time you get to the bottom of the pile.

So I'm sure that in your meetings in Ottawa there must have been some considerable discussion about the administration of the act and the board, and the speed we can expect in dealing with specific complaints. So I wonder if perhaps the minister could advise us how long it's going to take Mrs. Jones from the time she registers her complaint with the board in Edmonton to the time in which there can be some kind of effective remedy, if in fact a remedy is required.

MR. HYNDMAN: Mr. Chairman, the federal government hasn't volunteered any definitive information on that topic. I imagine, with the board starting its operations, they really don't know what the experience will be down the course of the next number of months. I understand they have received about 20,000 phone complaints in their Ottawa office, some of which they were able to answer there, some of which related to how the act would be administered. I think we will just have to wait and see the progress of that.

Certainly with regard to their decisions, I understand they had approximately 90 major decisions to make; they made about 5. But I expect the speed of the decision-making would increase insofar as the initial decisions would form precedents: the decisions with regard to teachers in Ontario, the Falconbridge Nickel decision, and those kinds of things. But I think the speed in some areas will increase. As to how fast complaints will be handled, I don't think anyone really knows at the moment.

MR. NOTLEY: Mr. Chairman, just one final comment on the subject before we move on. I'd just like to stress my personal feelings that, if the federal anti-inflation board is to be taken seriously, it really has to settle these claims quickly. Mr. Stanfield quite accurately described the

whole concept of wage and price controls as "rough justice" -- and rough justice it is. But if there is an inordinate delay in settling these cases and if there are 20,000 complaints in Ottawa, one can just visualize what that means right across the country.

But what disturbs me even more, Mr. Minister, is we've had 90 major cases and only 5 decisions. While I can anticipate the pace will pick up a bit, the fact of the matter is that 5 out of 90 in 2 months is not something which gives me cause for confidence in the set-up as it presently operates. I just want to reinforce the opinion that early action on the price control features and some clear-cut examples which set precedents early in the game are going to be pretty crucial if Mrs. Plumptre and Mr. Pepin are to be taken seriously.

MR. HYNDMAN: I think two major principles have been established by decisions to date. One is the rather narrow or broad, depending how you look at it, definition of historical relationship with regard to elementary and secondary teachers, and the question of the Falconbridge Nickel mines where a wage amount higher than the normal guideline was allowed because they couldn't get workers up there. So I think, once these principles are established, many of the other 85 cases can be settled more quickly. But that's speculation on my part, because I haven't talked to the board. I'll consider passing on the submission of the honorable gentleman about speed and inordinate delay.

MR. CHAIRMAN: The hon. Member for Bow Valley.

MR. MANDEVILLE: Mr. Chairman, my question is on another section of the act, if the Hon. Leader of the Opposition is on this.

MR. CLARK: I wonder if I might just follow along this question of the office locations. I believe the minister said there would be something like 27-28 offices across the country. It's my understanding they're going to have one office to serve three prairie provinces from the standpoint of administration, and the other offices would virtually be places you phone in and pass the information along. I hope I'm wrong because, if that's really all it's going to be, it will be like the situation with unemployment insurance, where, in fact, you have to wait virtually for the -- if you'll pardon the expression -- gospel to come from Winnipeg. It's just not a good situation at all. I wonder if the minister can enlighten us in that particular area as to what understanding he has.

MR. HYNDMAN: Mr. Chairman, at the moment I don't know what the details are of the sites of the various offices, but I'll attempt to find out as much information as I can on that.

MR. CLARK: I wonder if I could get information on more than just the sites, Mr.

Chairman, if I might. I hope we wouldn't end up with a situation of one office where there are going to be some people and hopefully some action taken in western Canada -- and that office be located in Winnipeg. It seems to me that really leaves the rest of western Canada with not much more than just a kind of answering service. I appreciate the regard for the cost involved in the program. Nevertheless, during this initial period of time, the board is going to be psychologically accepted by Canadians or it's going to be seen in another point of view. I think that's rather important for all of us to keep in mind.

MR. MANDEVILLE: Mr. Chairman, under the legislation, the anti-inflation board will be reporting to the cabinet. Who will the appeal board be reporting to? What are going to be the powers of the appeal board? Will the appeal board be able to rescind an order without going back to the anti-inflation board?

MR. HYNDMAN: Mr. Chairman, I don't believe the Alberta board, if it is implemented, reports to the cabinet. It does report to the cabinet if it feels there should be certain changes in the regulations with respect to the guidelines -- regulations made by the Lieutenant Governor in Council. It wouldn't report either with regard to an appeal in the sense that once the Alberta board makes a decision there are routes of appeal available: first, within 30 days, to the Lieutenant Governor in Council; within 60 days, to the Alberta Appeal Board; or, at any time, on the question of law or jurisdiction, to the Supreme Court.

With regard to the appeal board -- I've just forgotten the question posed on the appeal board by the member.

MR. MANDEVILLE: My question was, Mr. Chairman: could the appeal board rescind an order without going back to the anti-inflation board?

MR. HYNDMAN: Yes, I believe it could. The appeal board would have wide powers either to vacate the order appealed against, or vary the order, or reaffirm the order. It also has power to refer the whole matter to the Alberta board for re-consideration and variation if it wishes to do that. So there are about five options the appeal board can have when a case comes before it.

MR. CLARK: Mr. Chairman, I'd like just to refer to a comment I made yesterday in second reading. It dealt with this question: once this legislation is passed, how does the government really plan to impart to Albertans what we've done? I raise the question because, as indicated yesterday, we sent copies of the bill out to a large number of people and repeatedly the question came back: where do we find the provincial government guidelines? Where do we find some kind of explanation as to the arrangements which will be worked out between Alberta and Ottawa?

I recognize you can't do that until

either we have an agreement with Ottawa or we don't. But I want to impress upon the minister the importance of simply setting out, especially for people in the business community, what the arrangements are. Frankly, I was more than surprised at the lack of understanding as to how the province was going to be involved in the private sector, because it's certainly my understanding the province doesn't intend to be involved in that area. More than one person came back and said, well, you know, where can we get copies of the guidelines? How do they apply to us provincially? So I'd make that representation to the minister.

Secondly, I'd like to ask the minister, with regard to Section 17(6) on page 13 of the bill -- as I read this particular section -- if it gives to the board really more power than laws passed by the Legislature here. Looking at it very carefully:

An order of the Board made pursuant to subsection (2), clause (a) or subsection (3), clause (a), is binding on the person against whom it is made notwithstanding any agreement that was entered into after October 13, 1975 (whether before or after the order was made), notwithstanding any other Act or law enacted or made before or after. . .

That's a rather far-reaching section. I would question the advisability of having the "or after" in there. If we get into an "or after" situation, we may be very wise to bring it back to the spring session or fall session. As I read that section, we're really giving the board more powers than this Assembly itself has. I'd like the minister perhaps to explain that particular area.

MR. HYNDMAN: Well, on the first point, Mr. Chairman, I think it's a very useful suggestion to try to communicate to Albertans in selective ways, and to try to over-ride the very great complexity of this whole subject and, indeed, the legal way in which the act is written and in which the act has to be written. I think, for example, some sort of messages by various means, in a simplified way, of what the bill covers and what the bill does not cover, to the business community and to the other important groups -- labor, agriculture -- in the community would be very useful. We'll certainly consider that.

On the question of the section on page 13, subsection (6), the need for that I think is apparent in the sense, if the anti-inflation program is to be effective in the Alberta public sector after and retroactive to October 13, that would relate to a number of collective bargaining agreements and decisions which might be taken in that area which would be made pursuant to and legally under the existing labor acts, the Crown employees proceedings act. Therefore, those two would be in conflict. We can't have in an anti-inflation program a collective bargaining agreement entered into at 20, 30, 40 per

cent which offends against the guidelines. If the board moves in and says the guidelines apply at a certain lower percentage, in order to make that order effective, it has to override The Labour Act.

Now the point was made that this relates to any laws enacted. Well, it would be after the proclamation of this particular part, if it was proclaimed. I suppose one way to handle the matter would be to bring them up when any acts were raised at that following date that dealt with or conflicted with this section. But if I could be allowed to look at that section, particularly the words "or after", I'll do so and then come back to the honorable gentleman.

MR. CLARK: Mr. Chairman, may I just follow the second point the minister made. I think it's important we recognize what we're getting ourselves involved in here is that it's possible that some of the agreements entered into, for example, between the government and some areas of its own public service may find themselves running contrary to the spirit and intent of the federal legislation, if I understand the situation properly. That's why there's a need for the first portion in here. But it's the "or after" bit . . . Surely to goodness if we pass legislation in this Assembly that is contrary to this legislation, and we're not wise enough on that side or this side to recognize it when we're doing it, that doesn't say much for any of us here.

MR. HYNDMAN: Well, Mr. Chairman, I'll look into the second point. On the first point, the honorable gentleman is correct that most if not all of the agreements with regard to the public service, I think with one or two exceptions, were effective as of April 1. Almost all were concluded prior to October 13. One or two may be outstanding. So those might be subject to the guidelines, but certainly with regard to next year's negotiations those would all be subject to the guidelines.

MR. NOTLEY: Mr. Chairman, I have a number of questions dealing with PART 1 of the bill. Perhaps I could just pose them collectively and then the minister could answer them individually.

The first question, Mr. Chairman, relates to Section 3(2):

The provisions of the provincial guidelines [will] be in substantially the same terms as the provisions of any federal guidelines that relate to the same subject matter. . . .

The question of "substantially the same terms" leads me to a number of specific questions which I'll pose to the minister now.

One of the provisions in the federal scheme provides the basic protection factor which we all know about -- 8, 6, and 4. But it goes on to suggest that if the consumer price index increases at a higher rate, there will be adjustments upward in the following year equal to the differences

between the two rates; in other words, equal to the difference between the rate of salary increases and the consumer price index.

My first question then, Mr. Minister: does "substantially the same" include this basic package? Flowing from that, it would be interesting to me to determine how we are going to compute the two indexes, whether actual inflation will be done on a quarterly basis, six-month basis, yearly basis, or what. There is also the question of whether there would be any retroactivity which workers could collect, or whether that difference would be carried on in the coming year.

Let's take 1976 for example, the first year of our agreement. We have an 8, 6 and 4 with a 2 per cent productivity bonus, which I assume . . . Let me just ask that question while I'm at it. I assume the productivity bonus would be included, but let me specifically pose that to the minister. The question really is, if the cost of living goes up by 12 per cent in 1976, and we have a 10 per cent settlement, will that 2 per cent be carried on into the last 4 months of the program?

Now, the second series of questions really relates to the past wage experiences and the impact that's going to have in the public sector in the province. As I understand the past wage experience adjustment, if the adjustments have been under the average there's provision for 2 per cent more. If they have been above the average, then there will be 2 per cent less, a deduction of 2 per cent.

I would be interested in how the government proposes to deal with that in the regulations as they apply to certain sectors of the public service that will come under the provisions of this act. We've seen nurses, for example, who have had a substantial catch-up salary in '74 and '75. Are they going to be restricted by the basic protection factor less 2 per cent because they had a substantial catch-up salary increase in 1974-75? Mr. Chairman, the question really is, how are we going to be dealing with the catch-up salaries which have occurred in the public sector in the province?

I had one additional question dealing with the application of the guidelines in those areas where contracts had expired prior to the introduction of the federal guidelines but weren't settled, they were still in dispute. I assume they are covered by the federal guidelines, but there is a good argument that they shouldn't be. I'd like to know whether the province has taken any position on that question as well.

MR. HYNDMAN: Mr. Chairman, it's very difficult to answer those questions in detail, for two reasons. First, I don't think we can attempt to second-guess what interpretation might be placed by the board on these various provisions of the guidelines, or indeed what interpretation might be carried forward by our board if it were energized.

Secondly, it's even more difficult to

offer a definitive answer because the federal regulations will, I gather, set forth in a much more definitive way than the guidelines, exactly what will happen with regard to the four questions posed by the hon. member. Certainly my reading on the 2 per cent indicates that carries on every year. It may be reduced or increased from 2.08, which is now applied, to a slightly lower or slightly higher figure.

But basically, with regard to the foundation of the member's question, what is meant by stating that the provincial guidelines will be in substantially the same terms is that while any number of people can come up with any number of various formulae for having an anti-inflation program, the federal government has devised this formula, after considerable study, I gather, which is set forth in essentially five pages in the white paper. It's not perfect, certainly. If it is a shambles, after a short time we would go our own way.

But if the position of the federal government is going to continue to be that they will follow essentially the terms they've set forth in the guidelines for incomes in the rest of their white paper, the provincial board this would set up would have essentially those same approaches. Now, that certainly allows for variances in interpretation between the way the provincial board of Alberta might interpret substantially the same regulations as opposed to the federal government.

But if one is going to have some kind of national plan, some continuity, some degree of national common denominator, I think the hon. member will concede that to have 10 provinces going all over the map on guidelines we'd end up with a program that, because of the disparities between workers in various provinces, would in effect be doomed to failure. So it's that balance of having a degree of national uniformity, and yet there will be some individual provincial interpretation. But not being able to second-guess what the federal government's doing, and not having the regulations, I'm afraid I can't answer the questions in detail.

MR. NOTLEY: Mr. Chairman, just to respond briefly. I can appreciate that it's difficult to answer the questions in detail. I'm reassured in part by the minister's answer that at least the guidelines as set out in the white paper are acceptable to the provincial government. So the "substantially similar" concept will, as I take it then, include such things as the adjustment upwards if there is a cost-of-living increase in 1976 beyond the terms of the guidelines. Fair enough.

Mr. Chairman, there are several other questions I wanted to put to the minister. When you had your meetings in Ottawa, what kind of discussion took place on what seems to me the rather difficult area of whether a firm has 501 or 499 employees? Now, you're going to run into this, admittedly, wherever you set your benchmark: whether you set it at 1,000, 100, 50, 10, or 2,000. So admittedly it's a problem. But there must have been some discussions as to what

is going to occur.

Let me just cite an example. Company A has 503 employees at this stage of the game. They come under the federal price control provisions. However, they don't want to come under the federal price control provisions, because it may well be that there is a short-term possibility of substantially improving their position. So what do they do? The obvious thing to do is lay off 4 people. You have 499 employees, and you no longer come under the guidelines. I hasten to add, this is going to be the situation wherever you set the benchmark.

However, my question is specifically, what kind of discussion took place on this kind of issue? If I were an employee of a concern that was in around that category, and there was some opportunity for the company to increase its prices and not wanting to come under the federal guidelines, it would trouble me more than a little, unless there were some safeguards set out, either by the anti-inflation board or somewhere, that layoffs to bring a company down to the level of operation so it doesn't come under the guidelines would be considered an unfair labor act, or whatever the case may be.

MR. HYNDMAN: Mr. Chairman, I think it would be inappropriate for me to respond directly to the member's question. Because I think it's a long-standing principle in federal-provincial relations that neither the provinces nor the federal government -- with respect to meetings carried on with ministers or officials unless they're televised, the subject matter of the meetings is not disclosed until there are agreed announcements on both sides.

However, the hon. member is right, in the sense that the historical ingenuity of Canadians in finding ways around various acts and statutes is consistent, and will be consistent in the months ahead.

I would think the federal regulations will tell us more about this. As pointed out, a decision has to be made somewhere -- 500, and 20 for construction companies. I gather from news today this may be changed, or other strategic areas such as grain handling may be added. But I would hesitate to comment on what the regulations would say. There may be some mechanism in them to deal with employees or companies that decide to have 7 people resign for the purpose of coming under the 500.

Again, perhaps it boils down to the spirit of the guidelines, as to whether they're being followed in spirit or not. However, undoubtedly some loopholes will be found by various companies, and by individuals and wage earners, which I guess is the way the Canadian income tax act was developed over the course of time since the First World War.

MR. NOTLEY: Mr. Chairman, just to respond and then to add an additional question. I would certainly make representation to the minister that in the absence of a definitive position by the federal government on this matter, and hopefully they will arrive

at some kind of mechanism to deal with it, perhaps they could do it under the concept of the spirit of the program. There may be some means of doing it that way.

But if that isn't done, it seems to me one of the changes the Minister of Labour might consider here would be to look at the concept of declaring this sort of thing an unfair labor act as such, and making the necessary adjustments or amendments to The Alberta Labour [Amendment] Act during the spring session of the Legislature, so employees are not going to be caught as a result of ingenuity on the part of management. It's well and fine for the management to be ingenious, but for the employee who gets caught in the door, that's not so hot.

Okay, the question I'd like to . . .

MR. HYNDMAN: Mr. Chairman, I have further information on that point, if the hon. member is going on to another one. I note that in the federal act, Section 3(5) makes it pretty clear there's a snapshot picture being taken of a company in terms of its employees on October 14.

What it says is that, "Where, on October 14, 1975 . . ." -- I'm paraphrasing -- "a private sector supplier of commodities . . . employed five hundred or more persons . . ." he shall be "deemed to employ five hundred or more . . ." for any time thereafter. So, it was that evening of Thanksgiving that was counted. Whether he's above or below that in subsequent days won't help him in any way, shape, or form. So he's caught in that fashion. I think that goes part of the way down the road to assisting the question.

MR. NOTLEY: Fair enough. I think that probably settles the matter.

Mr. Chairman, another question I'd like to ask the minister to advise is, on page 10 of the summary, dealing with stock options, I gather this is a case where a stock option is exercised, as opposed to being obtained.

MR. HYNDMAN: I don't know, Mr. Chairman. It certainly does include all forms of compensation, fringe benefits, bonuses, and stock options. What kind of stock option it is, I guess we'll have to wait and see what the regulations say. I imagine the federal government will be fairly inventive in that area.

SOME HON. MEMBERS: Question.

MR. R. SPEAKER: One question. I'm not sure whether this was covered earlier or not, but the section on page 11, PART 3 under Enforcement says, " . . . is likely to contravene the guidelines . . ." It says it a couple of times in Section 15(1).

I look at the board, and I think they have enough responsibility where the act is being contravened, rather than making suppositions. What really is the purpose of that in the act?

MR. HYNDMAN: Well, I think it can save a lot of time and difficulty in getting

conclusions and decisions faster, and speed up the process, as mentioned by the hon. member for Spirit River-Fairview.

I suppose an example might be that if there is a situation where it's obvious to the parties involved that the guidelines ceiling is being contravened by 10, 20, or 30 per cent, and that if this occurs, there is probably going to be considerable public outcry, a considerable delay in time, the board will then have to begin a formal hearing. If it's so obvious that this is coming down the road, the board would have the opportunity to act. I don't know whether they've actually done that yet, if they haven't acted until after the fact, so far.

MR. NOTLEY: Mr. Chairman, there's one final area I want to deal with before we conclude committee stage. I raised it during question period, but perhaps committee stage gives an opportunity for a little more discussion on it. It deals with the whole question of farm gate prices being exempt, and then relating that question to the operation of farm marketing boards.

I understand Mrs. Plumptre has been successful in forcing back an increase as a result of lower feed costs. There's actually been a reduction, I believe in Ontario, of 1 cent per dozen to the egg producers in that province. It seems to me that if, as a result of marketing boards being brought under the operation of the act, there's a reduction at the farm gate, that violates the spirit, at least, of Mr. Trudeau's announcement. It may well be that you can apply the guidelines to the operation of the board itself. I don't think anyone objects to that in terms of hiring people, and what have you. But surely the farm gate price should not come down, in my view anyway, if we're going to be consistent with the position the Prime Minister took.

As I understand Mrs. Plumptre's continued crusade -- which I must give her credit for, even though I disagree with it totally, and I see at the Unifarm convention that Mr. Munro, you know, made some very strong statements about the anti-inflation board and this particular preoccupation of the board -- it seems to me if we're going to bring the boards under the provisions of the act, and there are reductions in other aspects, such as feed costs, that's going to work its way back to the farm gate.

Perhaps the Minister of Agriculture is going to be in a position to answer my question, or perhaps the minister who sponsored the bill, but I see a contradiction between not interfering with farm gate price and bringing boards under the act, at least as it relates to the final payment obtained by the farmer.

MR. HYNDMAN: Mr. Chairman, I think I will ask the hon. Minister of Agriculture to comment, because my knowledge of egg marketing is less than encyclopedic. Therefore, I'd ask him to perhaps offer a few comments in that regard.

I think the basic rule is, the infla-

tion guidelines will or will not apply, depending on the degrees of price competition. In my mind, there are about four categories, which I could elaborate on if the hon. gentleman wishes it.

MR. MOORE: Mr. Chairman, the situation as we understand it is that, with respect to those marketing boards, such as the Alberta Hog Producers' Marketing Board which doesn't establish a quota or establish a price, they will be free from any restrictions with regard to price movement. On the other hand, those such as the egg marketing board, the marketing of milk, broilers, and turkeys, which have within their makeup an ability to establish quota and to fix prices at a level, would be subject to the controls of the federal board.

It is our view that all those boards have operated with those kinds of controls, at any rate, and that the Canadian Egg Marketing Agency, which has a formula for pricing of eggs that relates to feed and production costs, has been responsible with respect to the movement up or down of its prices. Indeed, it's quite possible that the prices of milk, eggs, or broilers could move down if the formula used by those boards -- or in the case of milk, the Public Utilities Board here in Alberta -- determines there was a decrease in the costs of production because of feed grain costs or some other input to that. Indeed, the Canadian Egg Marketing Agency, since October 13, raised the price of eggs 1 cent per dozen, and once again since then has lowered the price of eggs by 1 cent a dozen.

We don't view with any great alarm the board's supposed control over those agencies which set prices and establish quotas, because in fact they've been operating in much the same manner as I understand the federal board will operate, in terms of ensuring that there isn't a built-in excess profit and that the increases in cost to the consumers are only those increases which need to be passed on because of increased cost in production. I don't know if that . . .

MR. NOTLEY: Mr. Chairman, I accept much of the minister's answer. The only caveat I would register is that I have a lot more confidence in the officials of the marketing boards themselves to be able to make the judgments on such things as the variables, the feed costs, and what have you, than quite frankly I have relating to the federal anti-inflation board, with the greatest respect.

I'm not here to use my position in the Legislature to make caustic comments about Mrs. Plumptre, but I just don't believe Mrs. Plumptre has demonstrated, in her two-year tenure in the chairmanship of the Food Prices Review Board, any even fleeting understanding of the problems of rural Canada.

MR. MOORE: I think it's fairly mutual throughout agricultural circles.

MR. NOTLEY: I don't think there's much doubt about that. I think that's probably one thing on which you could get a unanimous vote at both the Unifarm convention and NFU convention, and maybe even among Conservative caucus members from rural areas and an NDP caucus member from rural areas.

Anyway, the point I'd like to make, Mr. Chairman, is that I have more confidence in the boards making these decisions than I do in having the anti-inflation board. I would just simply say to the government that I hope you keep a close watch on it. If we find that the federal board begins to confront marketing boards where there are quotas, and affects the final farm gate price of Alberta producers who are covered under boards with quotas -- such as the broiler board, for example -- it seems to me we have to raise the dickens.

MR. MOORE: Mr. Chairman, hon. members know that the commitment given by the Premier, with respect to our being involved in the entire anti-inflation effort, was that farm gate prices would not be affected and they would be allowed to move. We recognize that the federal board may at some point come in and say to the Canadian Egg Marketing Agency, or a milk marketing agency, your increases were more than we think they should have been, and you need to justify that. I think all we're saying is we have confidence, as the member has suggested, Mr. Chairman, that our marketing boards, both nationally and provincially, are doing a good job of establishing prices in a fair way to both producers and consumers.

Until such a case arises that the federal board does say to one of our marketing boards, your price increase has been more than we think is necessary, it's difficult to say what the results will be. Certainly if it's one of our provincial marketing boards in Alberta, I'm sure they'll be able to justify their cost increases.

MR. HYNDMAN: Certainly, Mr. Chairman, with regard to such marketing boards as emanate from the Legislature or an act of the Province of Alberta, Alberta will retain the final say over the way in which, and whether, they come under the guidelines.

MR. NOTLEY: And there will be no effect on the hog marketing board, period, because it doesn't set quotas; no interference at all?

MR. HYNDMAN: In our view it should be clearly excluded. It's not a price setter or a price [inaudible].

MR. CLARK: Mr. Chairman, I wonder if I might ask the minister if the government has given consideration to putting, right in the bill itself, the question of this commitment as far as the price of resources is concerned, oil and gas primarily, and the very important aspect of agricultural gate prices.

Did the government give consideration in fact to including that right in the

legislation? It would be in, well, I guess before Section 3. But it seems to me there would have been an advantage to that, to spell it out pretty clearly.

MR. HYNDMAN: Well, Mr. Chairman, I think it would be unnecessary and perhaps clearly superfluous to do that, in the sense that with regard to energy prices, the other three pieces of legislation which we have -- The Petroleum Administration Act and the two natural gas acts which came in in this fall session -- I think clearly set forth the position of Alberta with regard to energy prices, and clearly indicate that we wish them to continue to be excluded.

On the question of farm gate prices, I think it's clear with regard to the statements I've made about the final authority residing within Alberta, within the Alberta Legislature and government, in respect of any marketing board that emanates from legislation of this province. That fact makes it unnecessary to have a definition, and it would be a very complex one, of what a farm gate price is, in our particular act.

Also, I think that the history of this government over the past four years in protecting the right of provincial action in areas where we feel the rights of the province should be protected, and in negotiating tough agreement -- I think that record is clear, and it's a good one, and that members on the other side realize that if we made a mistake in that area not only they, but a number of others, would be on our doorstep very quickly. We're very, very cognizant of that, I might add.

Mr. Chairman, the Leader of the Opposition did ask that two particular subsections be looked into. I'd be happy to do that and to adjourn debate in committee, as he wishes at this time, and bring this back for consideration on those two points at some future date.

I beg leave to adjourn the debate.

[Motion carried]

Bill 73  
The Municipal Affairs  
Statutes Amendment Act, 1975

MR. JOHNSTON: Mr. Chairman, an amendment has been circulated with respect to Section 30.

[Section 30 as amended agreed to]

[Title and preamble agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 73, The Municipal Affairs Statutes Amendment Act, 1975 as amended be reported.

[Motion carried]

Bill 84  
The Provincial Court  
Amendment Act, 1975

MR. FOSTER: Mr. Chairman, an amendment has been circulated. It clarifies some parts of the bill. There are a couple of additions, however. One is to provide that my office "may designate a judge to act in the place of the chief judge" where the chief is ill, absent, or otherwise unable to act, since he's unable to appoint someone in his absence. We're changing the reference from "administrative" judge to "assistant chief" judge. We're clarifying the responsibilities of the chief judge in enquiring into complaints that may have been made to him, and in the rights of judges who may be complained of.

[Amendment agreed to]

[Title and preamble agreed to]

MR. FOSTER: Mr. Chairman, I move that Bill 84 as amended be reported.

[Motion carried]

MR. HYNDMAN: Mr. Chairman, I move the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Dr. McCrimmon left the Chair.]

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[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills: No. 73 and 84, and begs to report same with some amendments.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bill, Bill 81, and begs to report progress on same and asks leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, do you all agree?

HON. MEMBERS: Agreed.

GOVERNMENT BILLS AND ORDERS  
(Second Reading)

Bill 58  
The Motor Vehicle Administration Act

MR. FARRAN: Mr. Speaker, first let me apologize for the proofreader's marks on this bill. The printer has been having problems. I know it's the desire of the House to deal expeditiously with business, espe-

cially with the rapid approach of Christmas I ask you therefore to be tolerant, and promise to get a better copy from the printer before third reading.

Mr. Speaker, I rise to speak on this bill with some humility and a plea for understanding from my fellow members. You see, anything I say about the sorrowful situation on the roads has probably been said before so often it's become hackneyed, and cliches begin to lose force. For example, we've all heard that motor vehicles can be compared with lethal weapons, and heard people say that an irresponsible driver is as dangerous as a man with a loaded gun. Like dull sermons on Sunday, lessons so often repeated become boring, and the listener develops what they call in the trade "consumer resistance". So if I sound like a preacher today, please remember that I can prove from the record that I am a sinner.

I don't quite remember whether it's Hell hath no fury like a repentant sinner, or Hell hath no fury like a woman scorned -- with due apologies to the hon. Minister for Social Services and Community Health. Anyway, any Jesuit, as the hon. Speaker will remember, can tell you that zeal is the greatest in recent converts. And I can qualify as a recent convert.

But the lesson has to be repeated, because it's so true. We may believe we have civilization generally in our country and province, and so we have, but there are barbarians out there in the highway jungle. We must, in the interests of the majority of law-abiding citizens, strive constantly to try to bring them into the 20th century; to educate them out of their wild, savage habits at the wheel of a motor vehicle and, if all else fails, to use the strict as well as the honeyed words to control their excesses.

The internal combustion engine has been a great boon to mankind. Whereas it once took two to three days to get from Calgary to Edmonton, we can now do it safely in three to three and a half hours. I say "safely", because there will be those who boast they can do it in two to two and a half hours; and they talk as if this were a great accomplishment when, in fact, it's evidence of a juvenile and immature attitude.

AN HON. MEMBER: True.

MR. FARRAN: If we are to increase safety on the roads, if we're to reduce the incidence of sudden death and dreadful injury, if we're to reduce the high cost of vehicle damage and its direct effect on insurance premiums, we must break that immature attitude. It's that machismo, that adolescent bravado, that's at the root of so many of our accidents, whether the driver is drunk or sober.

There's nothing brave or manly about driving fast. There's nothing to be admired about a yob who jumps from lane to lane, who roars past at 20 miles an hour over the speed limit, who's so aggressive that he'll never yield or allow a break to somebody who legitimately wants to change



lanes. That sort of person is a yahoo. I understand that teenagers in their current vernacular call him a greaser, but that may only be consumer reaction against Brylcreem ads. He's certainly not civilized, and he's as much a menace to the safety of his fellow citizens as a mad dog in a crowd. If we are to break the psychology that thinks it smart to take off to a jack-rabbit start at the traffic lights, we must get this message through.

Insurance premiums are high, not only because inflation hits us through the high cost of auto body repairs. Insurance is expensive because there are too many mad dogs driving cars. There are too many accidents, period. The first sign of spring: the blooming idiots on the road. The first sign of winter: the traffic jams caused by the foolish virgins who are not ready with their snow tires, who still gun their motors, spin their wheels on the ice, don't have enough sense to realize that you can't stop on a slippery street if you drive too fast.

I love that story about the guy with the poor eyesight who was driving to work with frosty windows, a common experience of winter in Alberta. After two near accidents, his passengers suggested that they stop and scrape off the ice. He said, "It wouldn't make any difference. I left my glasses at home."

Safety councils, motor associations, traffic experts, task forces in every jurisdiction come up with suggested remedies. They pass motions, Legislatures pass laws, but no amount of motions, no amount of laws, no amount of penalties will change the situation until we get at the root and change driver attitude.

Where has the homesteader good-neighbor principle gone? Did it disappear as soon as we stepped into an automobile? Today cars are an almost essential part of life. We've just got to restore order on the road because our lives depend on it. As the kid said in the safety slogan contest: "He looked, she didn't; he is, she isn't."

It's with these thoughts in mind that the government has introduced a new motor vehicle administration act. A new act was necessary to reflect the division in the former Department of Highways: the motor vehicle branch and law enforcement going to the Solicitor General; safety, engineering, transportation and planning for all modes of transportation being combined in the Department of Transportation. This act makes it clear that all licensing and enforcement rests in the motor vehicle administration act, while the rules of safety on the road and moving violations remain consolidated in The Highway Traffic Act. But the opportunity has also occurred to include some much-needed reform at a time when traffic safety is very much in the mind of the public.

Our first step was to reactivate and revitalize the driver control board. The popular cry is for stiffer penalties, more Draconian measures, impounding vehicles, sending offenders to jail. There may be some merit in increasing the severity of deterrents, but I said the main problem

lies in driver attitudes. If that is true, and I believe it is, the problem involves far more people than those who are apprehended and convicted. The solution must be in education towards a more civilized approach.

It's the same attitude we're taking towards alcohol. Drink may be a benefit if handled with moderation. We're not opposed to drinking, only to drinking too much. So the aim is to develop a more civilized attitude towards drinking, to break the crude and uncivilized practice of drinking to get drunk, or measuring the success of a party by the number of stiffies under the table. Similarly, we aim at encouraging a more civilized approach to driving. The whole principle of this policy is that driving is a privilege.

I am therefore placing heavy reliance on the driver control board. As an extension of the licensing process outside the courts, it depends for its validity on this principle: that driving is a privilege and not a right. Every privilege carries a corresponding responsibility. If that privilege is abused and responsibility is not shown, the driver control board will first try to change attitudes. They'll persuade and cajole drivers with bad records. They will order educational courses, defensive driving, anti-impaired driving, elementary driving courses. They can even recommend treatment for alcoholism. Only in the last resort will they use their power to suspend.

It's because we are concerned with attitudes that we have appointed to the driver control board members with corrections experience, and have appointed full-time civil servants. The chairman is Mr. McPherson, former head of the adult probation branch in Calgary. His expertise in pre-sentence reports, in conditions on probation orders, and on follow-up for offenders, was considered more important than any individual expertise in driving itself. The caseload will be heavy, probably 6,000 cases a year.

Here are some of the statistics: 5,838 drivers received one-month suspensions for the fiscal year ending March 31, 1975, for exceeding 15 demerit points. During the same period, there were no drivers, of course, excused from suspension; 716 drivers were suspended on a second occasion; and 311 drivers suspended on a third occasion.

The driver control board will begin with those with the worst records, working through, hopefully, to those with less serious records. They can order retesting, or re-examination. Our demerit system is a good one in theory. It's never been properly enforced. One can forgive Mr. Justice Kirby for apparently not knowing that we even had one, and for recommending in his report that we institute one like B.C. With the driver control board we hope to make the demerit system work.

This week an order in council was passed under The Public Service [Administrative] Transfers Act to transfer 66 highway patrol officers to the Department of the Solicitor General. In addition to

duties in connection with overloaded trucks and dangerous cargoes, they will be deployed in the area of traffic licensing enforcement. By that I mean that they will be an enforcement arm for the registrar; will pick up suspended licences not surrendered, and will enforce the decisions of the driver control board. They will also report on the habits of suspended drivers. The demerit system will be made to work.

I'd like to quote a few recommendations from safety organizations and tell you what's being done. This covers other than the big task force report from Mr. MacKenzie.

The Insurance Agents' Association of Alberta, delegation to cabinet, October 1, 1975, recommended 16 year olds receive a probationary licence for two years and a permanent licence only at the age of 18. They recommended increased use of the impaired driver project and traffic court clinics, and they recommended compulsory mechanical inspection of motor vehicles.

The Alberta Safety Council, in a brief to cabinet on September 3, 1975, recommended that the initial licence be a provisional one, for 2 years, and it should not be issued to applicants under the age of 16. At the end of a 2-year period, the licence should be changed to a full licence if a study of the driver's record for the provisional period meets a required standard to be established in relation to demerit points and accident record. They recommended passing legislation to require the use of seat belts, and I've already discussed that in the House. They recommended a reintroduction of periodic motor vehicle inspection for all vehicles in Alberta, based on reasonable mechanical condition standards.

The Alberta Motor Association, in a brief to cabinet on August 13, 1975, recommended that the government be urged to establish a vehicle inspection program in Alberta, which would require the safety inspection of all used motor vehicles.

The overall situation is this: in 1971 we had 813,603 vehicles in Alberta. By 1974 this had risen to over a million vehicles: 1,057,108 vehicles. The motor vehicle accidents had risen from 50,000 to well over 66,000. Fatalities had risen from 461 in 1971 to 573 in 1974. That's almost as bad as the record in the north of Ireland. The payments, under The Motor Vehicles Accident Claims Act, where uninsured drivers or unidentifiable drivers had been involved, had risen from \$1.75 million to well over \$2 million a year. In that time, our population had only gone up from 1.6 million to 1.75 million.

So in this act, although it is mainly a consolidation of old laws which have stood the test of time in the division between the two departments, the following new initiatives are included. The first one is proof of insurance before the sale of licence plates. Next year we'll require the production of the pink card before the validating tab for licence plates will be sold. So the legislation before you requires insurance companies to give every one two pink cards so that they can con-

tinue to order their licence plates through the mail, and retain one at home so they drive legally.

The second item is there will be no more scooter licences for drivers under the age of 16.

The third is that learners' licences will still be given to those from 14 to 16, but a full licence for drivers between 16 and 18 will be probationary.

The reportable accident limit has been raised from \$200 to \$350.

Suspension penalties will be six months for impaired driving on the first offence, six months -- and this is a new initiative -- for serious criminal negligence, which is commonly known as hit-and-run, and three months for refusing to take the breathalyzer.

Anyone applying for an abstract of a driver's record will now have to apply in writing. There is permissive legislation in the act for a requirement for a certificate of roadworthiness before the sale of a registration certificate or licence plates. This is permissive in case it is needed as a tool to assist the hon. Minister of Transportation if he decides within the next year or so to fetch in some program of vehicle inspection.

Generally speaking, maximum fines have been increased from the general level of \$100 to \$200, in keeping with the inflationary effect on the dollar.

Powers to seize suspended licences have been strengthened.

I will devote just five more minutes or so to each one of those new initiatives. It might save time in committee.

First, proof of insurance -- effective next year proof of insurance will be required. Although the details will be contained in the regulations, it is necessary to include in the act this requirement for insurers to provide two pink cards. The reason is that it is compulsory to have insurance in Alberta and, as a further step toward enforcement, it doesn't seem reasonable to sell plates to the uninsured. Of course, the insurance can be cancelled later, but there is provision in the act for the department to be notified of cancellations, and we're trying to set up a system with the superintendent of insurance whereby that notification of cancellations can be properly recorded centrally.

The hon. Attorney General stated the other day that the deductible on the motor vehicle accident claims fund has been raised to \$100 in parallel with inflationary pressure on the dollar. They say this fund is expected to pay out some \$2.5 million in the current fiscal year, as opposed to \$1.8 million in 1971.

Scooter licenses. Safety organizations, including those I've quoted, have continually stressed the dangers inherent in motorcycle riding in a climate where road conditions are often treacherous. A two-wheel vehicle relies on rider balance, and is far less stable than a four-wheel vehicle. When brakes are applied suddenly on a slippery road, the motorcycle can skid or slide like a curling rock into the nearest obstacle. It's also less conspi-

cuous and visible to car drivers, especially if it's weaving in and out of traffic.

For these reasons, only the most mature and responsible drivers should drive motorcycles. Yet we've been deliberately allowing them to be ridden by 14 year olds, who obviously are not usually mature. Some are not sufficiently strong even to pick up their Japanese-made machines, even if they're under 100 cc. Sales pressure results in peer pressure, which ends up with pressure on the parents to surrender against their own inclinations and buy a bike. The argument is, if the government thinks it's okay, it must be okay. Well, from here on we don't think it's okay.

MR. COOKSON: Hear, hear.

MR. FARRAN: Here are statistics: 26 motorcyclists were killed in 1974, 25 in 1973, 24 in 1972. There were over 1,000 motorcycle accidents last year; 14 people under 16 were killed, and the number of accidents involving people under 16 was 736.

Although we wouldn't force a boy to sell his bike, and existing operating licences will continue or be renewed, no new licences will be sold to children under the age of 16 for use on the highways. The learner's licence, however, will remain for 14 to 16 year olds, despite the fact that we're the only ones in Canada to do this. The motivation is to encourage driver education, particularly in those schools that opt for such a program. The learner must still be accompanied by an adult driver over 18.

However, the regulations will provide that operators' licences for those between 16 and 18 will be considered probationary and revocable by the Driver Control Board for bad driving habits, notwithstanding accumulation of demerit points. Of course they will normally order educational courses. Alberta is the only province where 16 year olds can get a full operator's license.

Raising the reportable accident limit from \$200 to \$350. Inflation has taken its toll in the auto body shops, and this is reflected in dollar statistics for accidents, making comparisons meaningless on a dollar basis. Hence, higher insurance premiums. A simple bump or scratch can now cost well in excess of \$200.

Many people are unavoidably in contravention of the law when they fail to call the police to the scene because they've underestimated the cost of repair. Many people who would rather not claim or prejudice their insurance record are forced to call the police for a minor scratch. And the police, who should be out on the streets enforcing the law, are frittering away their time with minor parking lot bumps and scrapes.

There are so many vehicles on the road now. One-car families in 1950 became two-car families by 1960. They were three-car families by the '70s, and now they're moving into four-car families. On our congested city streets, it's a miracle if you can avoid a scratch for a year.

Penalties. Fines and penalties were

set in 1971 and inflation has also eroded their deterrent effect. The fines are too low. In terms of disposable income, they make no sense. In addition, there's a climate of public opinion that calls for stricter penalties against erring drivers who are penalizing the public through social costs, insurance costs, and danger to property and person.

Suspension of licenses for impaired driving is a popular topic today. The federal Minister of Justice is in the process of amending the Criminal Code in this regard. I understand the federal amendment will facilitate roadside breathalyzer tests and will make "refusal to blow" an identical offence to impaired driving. In many regards, discretionary power for judges under the Criminal Code to give conditional suspension will be removed, recognizing that licence suspension is a licensing function belonging constitutionally to the province. However, unless superseded by a more severe sentence from a judge, "refusal to blow" in Alberta will remain at three months suspension -- a less severe suspension than impaired driving. A new suspension of six months is included for criminal negligence in recognition of the seriousness of this offence, which is at least as serious as impaired driving.

Alberta Check Stop will carry a harder sell in its advertising back-up theme. It has been well received and well supported by the police. In addition, the Liquor Control Board is enforcing the conditions on liquor licences to refrain from selling to seriously intoxicated people and minors.

In future, suspended licenses must be surrendered, either in court or after service by mail. The patrol division will seize those not surrendered and will check on the habits of suspended drivers. We will endeavor to urge the courts to take a more serious view of driving while suspended.

The powers of the Driver Control Board are spelled out. I mentioned the permissive power to require a certificate of roadworthiness. The act also contains permissive powers to refuse the sale of a licence if fines are not paid. This is a possible tool that may be used to carry through the thrust of the Kirby report, which refers to endeavoring to minimize imprisonment as a penalty for non-payment of fines.

I have dwelt on these points in some detail while in committee, in the interest of speeding up the business of the House while in committee. The balance of the bill contains provisions that have been in the law for some time. In fact, the wording has stood the test of time, which is an important legal consideration.

Thank you, Mr. Speaker. I move second reading of the bill.

MR. TAYLOR: Mr. Speaker, there's great joy in heaven today.

AN HON. MEMBER: Another sinner talking?

MR. TAYLOR: I've found out -- with the help of the honorable speaker -- there is more

joy in heaven over one sinner who repents than over 99 just persons who need no repentance. The only thing I was happy about was that we didn't have 100 members in this House, or we might have felt it a little personal.

I think the outline given by the hon. minister is a very excellent one. There weren't any wasted words. It covered the matter very, very well. I'd like to make one or two comments on some of the items in the act.

In the first place, I'd like to congratulate the minister on the way he set up the act. I think it's done very excellently. While we can always improve on the layout of legislation, I think the quicker we get to a place where the ordinary layman can find what he's looking for without going to a lawyer -- with all due respect to our legal people -- the better that act actually is, and the more useful it will be.

SOME HON. MEMBERS: Agreed.

MR. TAYLOR: Now the next I'd like to deal with is the Driver Control Board. In my view, the steps being taken by the government in connection with the Driver Control Board are very excellent ones. The demerit system is taking a lot of people off the road, as the report outlined by the minister and the return showed the other day. The demerit system is doing something else. It's showing those who do not learn by their mistakes when they have a second suspension and then a third suspension. When a person gets to that point where he's had a third suspension because of the demerit points, then something should be done. Either the person is incapable of driving, or he just doesn't care about the law, or there is something physically or mentally wrong.

In my view, one of the functions of the Driver Control Board which can serve the people of this province well will be that of the rehabilitation of our drivers. We all make mistakes. When we show by our actual driving and conviction record that we are unable to drive properly and safely, and if we have a chance to go before people to whom we can speak personally and off-the-cuff, it may well be, with the record in front of the Driver Control Board, that person can be shown just why he's making mistakes. Then if he can't learn, of course he should be taken off the road. I don't consider it a right for anybody to be on the road, if they can't assume the responsibilities of being on the road. As long as I assume my responsibilities, I think I have a right to drive the car or a vehicle. But, if I can't assume those responsibilities, then that right disappears. I believe that indication of rehabilitating drivers can be a tremendous function of the Driver Control Board.

The government can put on tremendous safety programs -- and the Check Stop program was a good one. It can publish a lot of material. It can put a lot of ads in the newspapers, and messages over the air. These are all good. They all serve

their purpose. But, after all that is done, one driver who doesn't pay any attention can cause the death of several innocent people. So, really, driving comes down to the individual. Unless we can get the message into the hearts and minds of every individual, we're going to have accidents on our streets, and innocent people are going to die. They are going to be injured and suffer all the inconvenience.

In my view, the Driver Control Board should be an excellent means of getting that message into the mind of the individual who has already shown he is doing something wrong on the road, when he's had two or more suspensions under the demerit system. That individual can be dealt with in that way. The board will have authority to suspend, to warn, to do a number of things involving that individual. It seems to me this is one of the most important forward steps taken in this legislation. Yes, we've had a driver Control Board over the years, and it has done a good work, but giving it additional responsibilities and making it responsible to view these people who have shown they are unable or unwilling to meet the requirements of a driver is, I think, a tremendous advance. I congratulate the government on bringing in this method, this story.

It's not only suspensions. Sometimes people are killed because a driver is fatigued. He doesn't know enough to stop driving when he's really tired. I wonder how many of us are guilty of that very thing. How many of us have had to pull to the side of the road and sleep for 5, 10, or 20 minutes, or get out and run around the car 5 or 6 times because we're trying to put in long days? Responsibilities are there. You know, if you have a conviction and you've caused it because you're overtired, it is not fair to the individual who has to suffer. It's not fair to other people.

Again, driving when we're angry -- we're angry at somebody else, so we get on the road and we're angry at everybody on the road. Sometimes that can reflect in our driving.

I'd like to say a few more words on this bill, Mr. Speaker, so I beg leave to adjourn the debate.

MR. SPEAKER: May the hon. member adjourn the debate?

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, tomorrow afternoon will be the normal private members' business. As to Bill No. 80 introduced today, a number of members and perhaps the public would be interested in assessing it. We would begin second reading of that on Friday morning, so the Assembly would not be sitting Thursday night.

MR. SPEAKER: Before adjourning the Assembly, I should perhaps mention that the provision of the biblical reference to the hon. Member for Drumheller was done without any knowledge of the use that might be made of that reference.

December 10, 1975

ALBERTA HANSARD

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The Assembly stands adjourned until  
tomorrow afternoon at 2:30.

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

