

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, April 8, 1976 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

**head: INTRODUCTION OF BILLS**

**Bill 24**  
**The Attorney General**  
**Statutes Amendment Act, 1976**

MR. FOSTER: Mr. Speaker, I beg leave to introduce Bill No. 24, The Attorney General Statutes Amendment Act, 1976. Mr. Speaker, this omnibus bill amends several provincial statutes with respect to minor matters. I'll be pleased to provide full details to the House on second reading.

[Leave granted; Bill 24 introduced and read a first time]

**Bill 36**  
**The Department of Housing**  
**and Public Works Amendment Act, 1976**

DR. WEBBER: Mr. Speaker, I beg leave to introduce a bill, The Department of Housing and Public Works Amendment Act, 1976. The main purpose of this bill is to transfer responsibility for the administration of realty held, used, or occupied for public works from the Department of Government Services to the Department of Housing and Public Works.

[Leave granted; Bill 36 introduced and read a first time]

**Bill 230**  
**An Act to Amend**  
**The Motor Vehicle Administration Act**

MR. APPLEBY: Mr. Speaker, I beg leave to introduce a bill, An Act to Amend The Motor Vehicle Administration Act. Mr. Speaker, this bill basically provides that if a person is convicted of driving while impaired, refusing to take a breath test, or driving while disqualified by reason of a previous conviction, the vehicle which he is driving may be impounded on the first offence for a period of 30 to 60 days, on the second offence for a period of six to 12 months, or on a subsequent offence to seizure and forfeit and being sold by the Crown.

MR. NOTLEY: Are you going to put that under Government Bills and Orders, Lou?

[Leave granted; Bill 230 introduced and read a first time]

MR. HYNDMAN: Mr. Speaker, I move that Bill No. 36, The Department of Housing and Public Works Amendment Act, 1976, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

**head: INTRODUCTION OF VISITORS**

MRS. CHICHAK: Mr. Speaker, I have the great pleasure today of introducing to you, and through you to members of the Assembly, a Grade 9 class of approximately 40 students from Parkdale School located in my constituency of Edmonton Norwood. I think Parkdale has established a record among the schools in that area for having classes attend the Legislature to observe participation in democracy. I think they are very active in studying the role of government. I look forward to future competition. Mr. Speaker, I'd like the students in the public gallery to rise and receive the welcome of the House.

MR. JAMISON: Mr. Speaker, it's my pleasure today to introduce to you, and through you to members of this Assembly, 30 Grade 5 students from the Robert Rundle School in the historic town of St. Albert. They are seated in the public gallery with their teachers. I would ask that they stand and be recognized by the Assembly.

MR. HYNDMAN: Mr. Speaker, it's a pleasure today for me to introduce to you, and to members of the Assembly, some 50 enthusiastic senior elementary students in Grade 6 at St. Rose School in the constituency of Edmonton Glenora. They are accompanied by their teacher, Miss Krpan. They are in the members gallery. I'd ask that they stand at this time and be welcomed by the Assembly.

**head: TABLING RETURNS AND REPORTS**

MR. LEITCH: Mr. Speaker, I would like to file a copy of an order made on April 6, 1976, under The Government Emergency Guarantee Act.

**head: ORAL QUESTION PERIOD****Agricultural Loans**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the Minister of Agriculture. I'd like to ask the minister if he has had the opportunity to discuss with either his counterpart, the federal Minister of Agriculture, or officials of the Farm Credit Corporation, the allocation of FCC funds that will be available in Alberta this year.

MR. MOORE: Mr. Speaker, those talks are going on among the chairman of the board of directors of the Agricultural Development Corporation and his counterparts in the Farm Credit Corporation. We hope that toward the latter part of this month we will know the approximate allocation in terms of FCC's lending to the province of Alberta.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is the minister in a position to indicate if the FCC made available approximately \$100 million to Alberta farmers last year and as a result of federal retrenchment and commitments they couldn't fulfil which they made prior to the end of last year, that amount may be down to something like \$25 to \$35 million for the year we are embarking upon?

MR. MOORE: Mr. Speaker, I believe I indicated earlier in the Legislature it was my information that when you take the amount that the Farm Credit Corporation actually lent during the past fiscal year together with that amount committed by accepting applications in advance and delaying payment of funds until the new fiscal year, they lent or agreed to lend in excess of \$100 million. I'm not sure at this point exactly what will be available in the new fiscal year. I would hope to have that approximate information prior to the end of the month.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. It deals with this question of how much FCC funds are going to be available for Alberta.

As a result of his discussions with Mr. Ordze, the chairman of the Ag. Development Corporation, has the minister had any indication that the amount of money available from FCC will be well less than half the amount available last year? Has there been that kind of indication from Mr. Ordze to the minister?

MR. MOORE: Mr. Speaker, once again, I want to make it perfectly clear that when you add the amount of funds actually lent during the last fiscal year by the Farm Credit Corporation to the commitments made in terms of accepting applications for funds that would come out of the new fiscal year, those two items together would indicate that the amount of money in terms of FCC loans available for the new fiscal year we're in would be substantially less and perhaps only half of what was lent in 1975-76.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. In light of the fact that FCC is going to have perhaps half or less than half the amount of money available for Alberta farmers, especially young farmers trying to get started next year, has the minister given any direction to the Ag. Development Corporation with regard to its lending policies as they apply to young farmers attempting to establish a viable operation? Is the ADC going to pick up some of this slack?

MR. MOORE: Indeed, Mr. Speaker, I've given no directions to the Ag. Development Corporation at this point. There are two important items that I will be discussing with the board of directors and the management of the corporation in the next few weeks. One is the question of the interest rate charged by the Ag. Development Corporation. As some hon. members would know, FCC's interest rate was adjusted upwards on April 1, as was the interest rate of the Bank of Canada some weeks before.

As well, we want to discuss the level of lending the Ag. Development Corporation might do for land purchases in particular in the new fiscal year. That discussion will be in light of some opinions expressed

that one of the factors tending to increase agricultural land prices in Alberta and elsewhere in Canada could well be the level of money available from a variety of sources, including both federal and provincial lending institutions. We think it's important to have some discussions in that regard and to be very sure that our lending programs and the extent to which money is available is not one of the major factors pushing up agricultural land prices.

MR. CLARK: A further supplementary question to the minister. Has the minister discussed with the chairman and given direction to him that the policy of the Ag. Development Corporation with regard to lending to young farmers will be tougher this year than it has been up until now, in light of what the minister has said? Is there going to be a general screwing down by the Ag. Development Corporation?

MR. MOORE: Not really, Mr. Speaker. In the last few months our normal practice in the Agricultural Development Corporation was to be a lender of last resort. As such, we ask individuals requesting loans to apply to other lending institutions and in particular to the Farm Credit Corporation.

During the course of the last few months that federal lending organization has been out of funds and unable to make loans. So, then we get into a difficult situation with individuals who might qualify under Farm Credit Corporation lending programs coming to the Agricultural Development Corporation and saying, we can't apply or even get a turn down there because, in fact, they haven't got any money. In that case, we have generally asked them to wait until the new FCC fiscal year so that they might be provided with funds in that regard.

I want to make it perfectly clear, Mr. Speaker, that if there is a withdrawal in terms of the total dollars lent by the federal lending agency to the extent we think there might be, the Agricultural Development Corporation will not be prepared to fill that void. We expect our lending during the course of the next fiscal year to be approximately equal to what it was in the past fiscal year. I will be working with the board of directors of the corporation in developing policies which will leave us in a position of providing those dollars, Mr. Speaker, in the best way we can, consistent with our objectives of maintaining the family farm and getting new and younger farmers into the business of farming.

MR. NOTLEY: Mr. Speaker, a supplementary question for clarification to the hon. Minister of Agriculture. Do I take it from the hon. minister's answer that one of the options the government is considering at this time, bearing in mind the increase in bank prime interest rates, is in fact to increase the interest rates charged by ADC in the province of Alberta?

MR. MOORE: Mr. Speaker, the last review of interest rates charged by the Agricultural Development Corporation was, I believe, in October 1975, wherein the lending rate for direct loans was increased to 8 per cent. Since that time, on April 1 of this year the Farm Credit Corporation's lending rate — and indeed before that, the Bank of Canada's lending rate — was increased.

The board of directors of the Agricultural Develop-

ment Corporation will be meeting later this month, and decisions will be made with regard to whether or not ADC will increase its interest rate. I'm not at liberty to suggest now what that decision will be.

MR. NOTLEY: Mr. Speaker . . .

MR. SPEAKER: Might this be the last supplementary on this topic.

MR. NOTLEY: A supplementary question, again for clarification, dealing with the question of interest rates. At this stage, is the department studying as an option the recommendation that when the ADC board meets, ADC interest rates be increased from 8 per cent?

MR. MOORE: Mr. Speaker, the department does not make recommendations to the Agricultural Development Corporation. Decisions of that nature take the form of me, as Minister of Agriculture, meeting with the chairman of the board of directors of the Agricultural Development Corporation for discussions.

MR. NOTLEY: Mr. Speaker, if I may, just to clarify that. Is the minister then going to make . . .

MR. SPEAKER: We've gone on at very considerable length. I would suggest that if there's time, we can come back to this topic.

#### Public Inquiries

MR. CLARK: Mr. Speaker, I'd like to direct my second question to the Premier. It flows from the comments the Premier made in the House two days ago with regard to the question of public inquiries.

My question to the Premier is: has the Premier had discussions with the Alberta Ombudsman with regard to the possibility of the Ombudsman assuming some responsibilities of, let's say, initial investigation prior to a public inquiry?

MR. LOUGHEED: Mr. Speaker, I don't believe I have. We had a meeting some weeks ago and covered general matters, but I don't think that particular subject was raised. The reason I'm somewhat hesitant is that I have some recollection of the subject being discussed with his predecessor in terms of amending legislation. I might point out that that is only one of a number of options we're reviewing with regard to judicial inquiries relative to the impact upon the civil liberties of innocent people.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. Is the Premier in a position to outline the government timetable with regard to this particular matter of judicial inquiries and the implications they have for innocent people who become involved? What kind of timetable is the government looking at?

MR. LOUGHEED: Mr. Speaker, I don't really think I can respond to the hon. Leader of the Opposition on that question as effectively as I'd like. It is a matter I hope to get to at the conclusion of this spring session with the Attorney General and with others who have expressed interest. Certainly we would welcome any views from opposition members.

#### Highway 40

DR. BACKUS: Mr. Speaker, my question is for the Deputy Premier and Minister of Transportation. What is the progress of the environmental impact study on the routing of Highway 40 from Grande Prairie to Grande Cache?

DR. HORNER: Mr. Speaker, that matter, which of course is of major concern to the people in Grande Prairie, is moving on. We've now opened an office in Grande Prairie, and a joint study of the environmental impact of the road is being undertaken by my department, along with the Department of the Environment. The office in Grande Prairie will welcome input from local people in the area.

#### Basement Suites

MRS. CHICHAK: Mr. Speaker, my question is directed to the Minister of Housing and Public Works. In view of the difficulties experienced with regard to rental accommodation, has the minister considered as yet making representations to the mayor of the city of Edmonton to consider development of basement suites?

MR. YURKO: Mr. Speaker, I met with the mayor of Edmonton on Monday of this week for approximately two hours and had an in-depth discussion on a number of matters in relation to housing and community development. One of the areas I did indicate to him was that I was requesting he re-examine the by-law with respect to the construction of basement suites in the city of Edmonton. In my opinion this is a viable form of housing in a situation which is very tight, as it is in Edmonton. I also indicated that I'd follow this up by letter to him. He suggested that they will look at the matter. I think the by-law has now been in effect for some six to seven years, during which time few, if any, basement suites have been built in the city of Edmonton.

MRS. CHICHAK: A supplementary, Mr. Speaker. Could the minister indicate whether the mayor made some suggestion as to the time it would take to have some decision on this question?

MR. YURKO: No, Mr. Speaker. He obviously has to deal with a rather cantankerous council. Recognizing that, this will always take some time.

MRS. CHICHAK: A supplementary, Mr. Speaker. Is the minister in a position to indicate whether the mayor has had any representations from the Edmonton public to examine this area of demand?

MR. YURKO: No, Mr. Speaker. He didn't indicate whether he had representation from the Edmonton public at large.

#### Northeast Alberta Regional Commissioner

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Premier or the hon. Government House Leader. It stems from the fact that tonight we're going into the study of municipal affairs in the subcommittee on estimates.

Mr. Speaker, my question is: at what point in the legislative agenda does the government propose the Northeast Alberta Regional Commissioner report to the subcommittee?

MR. HYNDMAN: Mr. Speaker, I believe last year the members of the subcommittee moved a motion requesting the appearance of the Northeast Commissioner. I don't know whether the subcommittee has done that. But it seems to me it would be within the bounds of the subcommittee to say if it wishes to hear the Northeast Commissioner. Then he would be available to appear. I don't know personally whether he's automatically being made available. I don't think that would occur unless the committee indicated interest at some previous time, a week or two ago. I don't know whether that has happened. Perhaps the hon. Minister of Municipal Affairs could elaborate further.

MR. JOHNSTON: Mr. Speaker, I had not had any forewarning whether the commissioner would be required this year as has been the case in the past year. But I can have the commissioner available at 8 o'clock if that would be convenient for the members considering my budget.

MR. NOTLEY: Mr. Speaker, to clarify that matter with the hon. Minister of Municipal Affairs. Will the commissioner be able to be present tonight? Fair enough.

MR. JOHNSTON: That is correct, Mr. Speaker.

#### **Oil Storage Underground**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Energy and Natural Resources. Has the government made any decision on building underground oil storage using salt caverns in northeast Edmonton or elsewhere?

MR. GETTY: No, Mr. Speaker. No decision has been made in that regard.

MR. TAYLOR: A supplementary to the hon. minister. Has the feasibility study on underground salt caverns by the Alberta Petroleum Marketing Commission been completed?

MR. GETTY: Mr. Speaker, on their own initiative the Alberta Petroleum Marketing Commission prepared what I would call a very preliminary proposal which involved the storage of oil and then its production at some time in the future. This was considered by the energy committee of cabinet. It was a very preliminary proposal, one which we felt needed quite a bit of additional information. We've asked the Petroleum Marketing Commission to obtain that information. I'm sure it will be back on the agenda of the energy committee of cabinet at some time in the future. It's something that has some attractive features and some still unanswered questions.

MR. TAYLOR: One further supplementary to the hon. minister. Has the salt cavern type of oil storage well been experimented with or used elsewhere?

MR. GETTY: Yes, Mr. Speaker, it has been used in other countries.

#### **Corporate Income Tax**

MR. ZANDER: Mr. Speaker, my question is directed to the hon. Premier. May I be permitted to have a preamble to the question, as the hon. Member for Drumheller was? Some time ago an indication was given in this Assembly as to the future plans of the Government of Alberta entering the corporation tax field.

My question, Mr. Speaker, is: is the Premier now in a position to relate to this Assembly how these negotiations are progressing?

MR. LOUGHEED: Yes, Mr. Speaker. On behalf of the Government of Alberta, we have clearly taken the position that in due course we will move out of the arrangements with the federal government, and we will establish our own corporate tax system; if you like, a business incentive system. Therefore we will be in a position to design our corporate tax arrangements to fit the priority needs and the corporate situation in this province, rather than merely to fit within the larger orbit of the national approach.

It's a very complex question. Hon. members will recall that in the previous Legislature the Provincial Treasurer of the day presented an opening position paper as to directions that we might take relative to small business incentive systems. That is being followed up now by the Provincial Treasurer. There are a number of members working on the matter in addition, and we've had discussions with various business groups and the public generally.

I think, though, it should be made clear to the Legislature that important as it is to have that particular system, it's a very complex matter. We want to be in the position when we move that we're as well prepared as we possibly can be for those complexities.

The Provincial Treasurer may wish to add to my answer.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. Is the Premier in a position to advise the Assembly whether Alberta will move into the corporate tax field at the end of the present fiscal agreement with the federal government?

MR. LOUGHEED: Mr. Speaker, that's a question of timing that certainly would be considered in terms of appropriateness. It's balanced by two factors. I think that we would be more concerned with moving into our own corporate tax or business incentive system when, frankly, we're ready with our own system. So if a short-term extension is required, it would be requested, and I'm sure the federal government would concur.

We will have to balance that with whatever surprises we may hear from the federal government with regard to this general matter at one of our future lunches, which I gather is to occur in mid-June.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Premier. At this stage, does the government have any tentative timetable for the introduction of Alberta's entry into the corporate tax

field? If not at the end of this fiscal arrangement, are we looking at a one- or two-year extension? What is the practical timetable at this stage, barring unforeseen circumstances?

MR. LOUGHEED: Mr. Speaker, that's exactly the sort of question I'm not prepared to respond to. This is a matter that will require a great deal of adjustment for a province of our size in terms of population. It will take a considerable amount of work. There will certainly need to be a high degree of input. We would need position papers following the ones already presented. I would certainly not feel in any way that we should tie our hands relative to any sort of a timetable.

MR. CLARK: Mr. Speaker, a supplementary question to the Premier. At the spring or fall session, is it the intention of the government to follow the position paper made available in the House, I believe about two years ago, with further interim position papers?

Might I pose a second question at the same time? If my recollection of the Federal-Provincial Fiscal Arrangements Act is accurate, it's incumbent upon the province to advise the federal government one or two years before the province intends to pull out. Has Alberta advised the federal government of that intention?

MR. LOUGHEED: Mr. Speaker, yes. If I recall — again subject to checking — we made that communication at the time we announced that we were going to move into our own corporate tax system. We advised them accordingly.

Whether there will be any further position papers would be difficult to assess. The Provincial Treasurer, of course, has been involved, as hon. members are very well aware, in the matter of program budgeting and will be involved shortly with regard to another matter having to do with a certain degree of funding.

MR. CLARK: Mr. Speaker, one further supplementary question to the Premier. Has the cabinet met with the Alberta Chamber of Commerce and received their views on the question of this rather major move by the province?

MR. LOUGHEED: Yes, Mr. Speaker, we have. We've had some interesting discussions with the Alberta Chamber of Commerce, which I believe I may have mentioned in the course of my remarks in the House on a previous occasion.

We have publicly expressed our disappointment with the response by the Alberta Chamber of Commerce to the suggested incentives proposed in the initial document. We have had a considerable amount of input from the business community and the public at large that there is some considerable desire in this province for small business to have a very effective tax incentive system, and that that is sometimes a great deal better than many of the other measures a provincial government can take to support and encourage small business.

We've registered our disappointment with the Alberta Chamber of Commerce. We hope they will reassess their position and their view.

### Personal Income Tax

MR. PLANCHE: Mr. Premier, I wonder if you could advise this Assembly what your position will be on the personal income tax.

MR. LOUGHEED: Mr. Speaker, the difficulties with regard to the personal income tax question are extreme — in the high number of personnel involved in the administration. At this stage the Executive Council is of the view that it is unwise for the government of a province of 1.7 million people to get involved in the administration of personal income tax as distinguished from corporate income tax.

I would add one caveat though. In June of this year, if the federal government has some views with regard to tax arrangements that we think are extremely unfair to provincial governments, we certainly would reopen that question, as I'm sure other provincial governments will do.

### Municipal Assistance Grants

MR. JAMISON: Mr. Speaker, I would like to direct a question to the Minister of Municipal Affairs. I would like to ask the minister if any changes are going to be made in the formula for municipal assistance grants in 1976.

MR. JOHNSTON: Mr. Speaker, just for clarification, I believe the hon. Member for St. Albert made reference to 1976. Of course, that will be one of the considerations this House will have under way tonight, and presumably some time next week as we consider the estimates. If the hon. member cares to go beyond that, I could certainly elaborate.

MR. JAMISON: Mr. Speaker, I did have a supplementary. I purposely put the "1976" in there.

I was wondering if the minister would consider a formula in future years — if there's going to be no change this year — of doing municipal assistance on a per capita basis, and taking in the growth factor in municipal assistance.

MR. JOHNSTON: Mr. Speaker, the hon. member underscores one of the suggestions brought to me by many elected municipal officials, together with members of the Legislative Assembly, in consideration of the way unconditional grants are given to municipalities. Certainly we have had under consideration for some period — that is, the short period since I've been involved — the way this formula has evolved and the way it has been applied. Some of the recommendations are forthcoming. I'm sure we will be considering these as I make my subsequent presentation on priorities as we prepare our budget for '76-77.

MR. JAMISON: A final supplementary, Mr. Speaker. I wonder if the minister could inform the Assembly when municipalities can expect their 1976 municipal assistance grants.

MR. JOHNSTON: Mr. Speaker, there's no reason to believe it will be any different from last year. I believe it's a two-part arrangement, wherein part is given in

June and the subsequent part is given sometime in the early fall.

#### **Foothills Hospital — Kidney Transplant**

MR. KUSHNER: Mr. Speaker, I wish to direct this question to the Minister of Hospitals and Medical Care. Following the example of some of the senior MLAs, a short statement seems to be in order. So I'm going to try to make one. This is with reference . . .

MR. SPEAKER: The sins of the Chair are coming home to roost.

MR. KUSHNER: Mr. Speaker, it's following a question I asked the minister last week with reference to the kidney transplant team at the Foothills Hospital in Calgary. The minister did state at that time that they were putting together a team.

I wonder if the minister could inform the House if they have any specific date in mind.

MR. MINIELY: Mr. Speaker, in reply to a question last week from the hon. member, I believe I indicated the board had advised me that they were recruiting and interviewing potential applicants to round out the kidney transplant team at the Calgary Foothills Hospital as quickly as possible. They felt they had interviewed several promising applicants, but I am not in a position at this time, Mr. Speaker, to indicate any definite timetable when they might have made a choice to enable them to reinstitute the kidney transplant program.

MR. KUSHNER: A supplementary question, Mr. Speaker. I know we're in a very difficult area. But since it has been some time now and some equipment has been tied up, my point is: in view of the fact that it's a hard team to put together, I wonder if the provincial government would reconsider rehiring Dr. Abouna.

MR. MINIELY: Mr. Speaker, I think I have indicated very clearly on several occasions — not solely with respect to the particular matter at the Foothills Hospital, but in fact with respect to similar kinds of situations perhaps having received less publicity but very similar in nature — that these are obviously the kinds of problems for which decisions must be made and responsibility must be taken by individual hospital boards who are elected or appointed to exercise that public responsibility. I do not see it being wise for a minister sitting in the city of Edmonton to act or attempt to act in a capacity of a superjudge over the responsibility of hospital boards on these kinds of matters.

#### **Coal Policy**

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Energy and Natural Resources. What is the present status of an agreement, if any, between the provinces of Alberta and Ontario with regard to the uses and allocation of Alberta coal?

MR. GETTY: Mr. Speaker, there is no agreement between the provinces of Alberta and Ontario regarding the use of coal. The province of Ontario has advised us that they are converting from burning natural gas to generate electrical energy, and would like to make some parts of that conversion to nuclear energy and some parts to coal. They have approached our government to see whether we can give an indication if coal that is surplus to our own needs would be available for the province of Ontario.

We've assured them that if, in fact, coal is surplus to our needs, it would be our desire to have it available to other parts of Canada as a first priority, before being exported from the country.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Would this demand from Ontario accelerate the development of the coal reserves in the province?

MR. GETTY: Mr. Speaker, I guess you'd have to say it might, depending on the size of their needs. It is relatively complicated, because it also requires a major transportation investment, in terms both of rail cars and of facilities at the Lakehead in order to handle the continuous stream of coal that would be necessary to build a plant in Ontario to convert the coal to electrical energy. It would have to be a reliable long-term supply. So in that regard, I guess it would be safe to say it would increase the production of coal in our province.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. This is with regard to Alberta's coal policy, which I understand the minister is going to present to the Legislature.

Will any agreements with Ontario be delayed until the coal policy is presented to the Legislature?

MR. GETTY: Yes, Mr. Speaker. We've made it clear to the province of Ontario that any of our discussions would be subject to a coal policy decision being made by the Government of Alberta.

MR. CLARK: A supplementary question, Mr. Speaker, to the hon. minister. In the course of the deliberations between Alberta and Ontario, has discussion taken place with regard to the facilities that need to be constructed at the Lakehead? Candidly, has any commitment been given by the Government of Alberta to the Government of Ontario, or Ontario Hydro, with regard to long-term supply, so that in fact they could make some commitments as to construction of facilities at the Lakehead?

MR. GETTY: No, Mr. Speaker, unfortunately we were unable to give any commitments in that regard. We told them of our desire to serve other parts of Canada with coal, should it be surplus to our needs. But in light of the lead times required, we felt they would have to risk, in a way, that capital investment, understanding of course that we will certainly help a sister province if we can. But we were unable to give them a commitment.

MR. CLARK: One further supplementary question to the minister. Absolutely no commitment has been given by the minister or the Premier or anyone in the

Government of Alberta to the Ontario government or any of its agencies with regard to a guaranteed coal supply, so they in fact would go ahead with building facilities at the Lakehead.

MR. GETTY: Mr. Speaker, I can't always speak absolutely for everybody, but I think the Premier is close enough to me that I can say that he hasn't, and I haven't. When the hon. member says there's been absolutely none, there was certainly none representing the cabinet of our government and of any others.

#### Coal Testing

MR. TAYLOR: Mr. Speaker, a supplementary to the hon. minister. In view of the remarks you just made, I hope this will in no way interfere with the testing of Alberta coals in Ontario.

MR. GETTY: No, Mr. Speaker, it won't. Because Ontario Hydro is so anxious to obtain some of the, I'd say, very valuable coal from Alberta, we have also requested that they give consideration to testing a blend of coal. I think it's been mentioned in the House before that they might take some of the slightly lower quality coal from the Drumheller area, blend it with the higher quality coal from the foothills, and in that way perhaps manage to keep two separate areas in production; and in the area of the hon. Member for Drumheller, keep viable some economic activity that has been going on for some time.

#### 4-H Clubs

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Recreation, Parks and Wildlife. Has the minister received the report from the five-man task force that was appointed to determine in which department 4-H was to be placed?

MR. ADAIR: Yes, Mr. Speaker, I have that report on my desk. It's under review right now. With the session on, I haven't responded to it at this point.

MR. MANDEVILLE: Mr. Speaker, a supplementary question. Can the minister anticipate at what date they'll be determining in which department 4-H will be placed?

MR. ADAIR: Well, Mr. Speaker, at the moment, 4-H is in Recreation, Parks and Wildlife, and doing very well indeed — very healthy, I might add, at this particular point.

We have, though, the report of the task force, which will be reviewed. I can't give you a specific date when the report will be responded to.

#### Plastic Pipe

MR. BRADLEY: Mr. Speaker, my question is directed either to the Minister of Agriculture or the Minister of Social Services and Community Health. In view of the fact that plastic pipe intended for the distribution of natural gas has been used for potable water distribution by farmers within the province, has the minister's department undertaken any plans to

ensure that neither farmers nor livestock are in danger from toxic materials such as arsenic or lead which may be absorbed by the water from the pipe?

MISS HUNLEY: Mr. Speaker, I'd be happy to take that question to the Provincial Board of Health and inquire as to their studies in the matter.

MR. MOORE: I'd like to say, Mr. Speaker, I know that news releases have gone out with respect to the use of pipe designed for natural gas installation, asking farmers to make sure they don't use it in water supplies.

MR. BRADLEY: A supplementary, Mr. Speaker, to the Minister of Utilities and Telephones. In light of the fact that gas co-ops use the greatest percentage of plastic pipe for natural gas distribution, would the minister recommend to all gas co-ops that such pipe should not be resold for the purposes of potable water distribution?

DR. WARRACK: Certainly, Mr. Speaker. I'd like to undertake to evaluate and very possibly implement that matter. It sounds like a very positive suggestion.

#### Coal Policy (continued)

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Energy and Natural Resources. I'm going back to the coal question, once again.

In light of the fact there have been no commitments made by the Government of Alberta, is the minister aware of any commitments with regard to long-term supplies having been made by Alberta coal companies to Ontario Hydro or to the Ontario government?

MR. GETTY: Well, Mr. Speaker, I suppose a coal company could enter into a contract with, say, Ontario Hydro. But it would always be subject to obtaining regulatory and permit approvals from the government. So they may enter a contract of some type, but I'm sure it would always be subject to getting the approvals of the government.

MR. CLARK: The question wasn't, may they? Does the minister know of any who have?

MR. GETTY: I know that there has been discussion between Luscar Ltd. and Ontario Hydro. I don't know whether they have a signed contract.

#### Genesee Fire

MR. ZANDER: Mr. Speaker, my question is addressed to the Minister of Energy and Natural Resources. This also deals with coal.

I wonder if the minister can relate to the Assembly what the government is doing about the fire in the coal seam at Genesee, which I understand is on Crown lands and is also in the lease Edmonton holds on that south shore of the North Saskatchewan River.

MR. GETTY: No, Mr. Speaker. But I would look into it for the hon. member and report to him.

**Professions and Occupations  
Committee Recommendations**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Advanced Education and Manpower. No short explanation is necessary.

I'd like to ask the hon. minister: has the government reached any conclusions in regard to the major recommendations of the professional occupations legislative report, popularly known as the Chichak report?

DR. HOHOL: No, it has not, Mr. Speaker. A committee is reviewing it. No final determinations have been made.

MR. TAYLOR: A supplementary to the hon. minister. Is there any purpose then in private bills asking for incorporation being accepted?

DR. HOHOL: It's probably a question better answered by my colleague, the hon. House leader. But given the capacity of all hon. members, associations, and societies to read and study the report referred to, I would see no particular reason a private bill should not come forward and get consideration in the context of the report, which has not been officially approved or accepted.

MR. TAYLOR: One supplementary. Does the hon. minister recall that An Act to Incorporate the Institute of Accredited Public Accountants of Alberta was turned down by the committee last year pending the finalizing of the report by the government?

DR. HOHOL: Yes, I do, Mr. Speaker. I was at that meeting and the circumstances in that case, given that there are two associations in that occupation already, led most of us in that committee to conclude that that is one case, and there could be others, that might be affected in a way not consistent with the association's final aspirations, were the report referred to this afternoon passed or accepted.

**Kananaskis Park Proposals**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the Minister of Recreation, Parks and Wildlife. I wonder if the minister can inform this House if he has had any requests from organizations to allow skidooing in Kananaskis park.

MR. ADAIR: Mr. Speaker, first of all the proposed Kananaskis park really has not been put in place yet. We'll begin work on it this summer. As I said in answer to a question earlier in this session, the department is looking at expanded opportunities that may well include snowmobiling in the park. I should point out that the park is not a fact yet.

MR. KUSHNER: A supplementary question to the minister, if I may, Mr. Speaker. Is the minister in a position at this time to inform this House if the boundaries of Kananaskis park have in fact been established?

MR. ADAIR: Mr. Speaker, we have proposed boundaries. I can't give them to you right now. I haven't got them at my fingertip, but I could have them made available to you.

**Agricultural Loans  
(continued)**

MR. NOTLEY: Mr. Speaker, I'd like to direct this question to the hon. Minister of Agriculture. It flows from a question asked by the Leader of the Opposition concerning financing through ADC and the FCC.

Mr. Speaker, my question to the hon. minister is: is the minister at this point considering recommending to the ADC board that ADC interest rates be increased?

MR. MOORE: Mr. Speaker, I think I answered that earlier by saying that toward the latter part of this month I expect to meet the board of directors and the management of the corporation for some mutual discussion with regard to the interest rate.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Can the minister advise the House whether he has any preliminary position on this matter?

MR. MOORE: Yes, Mr. Speaker, I have. Considering the movement upward in the Bank of Canada's interest rates, as well as the Farm Credit Corporation's interest rates, I doubt very much if there will be any reduction in ADC interest rates.

MR. NOTLEY: Mr. Speaker, the hon. minister's answer would do credit to Mackenzie King. But perhaps I could rephrase it and ask the minister whether he would rule out, at this time, any increase in interest rates, or whether in fact he's going to recommend an increase in interest rates to the ADC board.

MR. MOORE: No, Mr. Speaker. Until we've had those discussions, I would not want to make any commitment as to whether there will be any change.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the minister made any representation to the federal government with respect to FCC cutbacks? As a matter of fact, has he discussed this matter specifically with the federal Minister of Agriculture?

MR. MOORE: Mr. Speaker, I believe it was the subject of a discussion at a meeting of federal and provincial ministers of agriculture in December last year, very shortly after the announcements were made. Specifically, I don't believe my office has corresponded directly with the federal Minister of Agriculture, although I know considerable talks have been held between officials in the Farm Credit Corporation and the Agricultural Development Corporation.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. During the course of these discussions, is the Government of Alberta taking any



official position with respect to FCC financing in the province of Alberta? More specifically, is it opposing any reduction in FCC lending in the province of Alberta?

MR. MOORE: Mr. Speaker, I don't believe it's a matter of being opposed or in favor. With respect to farm credit, surely we have to arrive at positions jointly with the federal government with respect to the amount of money that is lent, and so on, that are beneficial to Alberta farmers. As I indicated earlier in the question period, it may well be that a decision to reduce to some extent the amount of credit available will have an influence on keeping the price of land within reach, in terms of a productive value.

As indicated earlier, I expect to be having some discussions on that very subject later this month with the Agricultural Development Corporation board of directors and management. When we've had those discussions and come to some conclusions with regard to interest rates and the level of lending from ADC, Mr. Speaker, I'd be happy to report to the Assembly.

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

MR. SPEAKER: Might this be the final supplementary question. We've run slightly over time.

MR. NOTLEY: Can the minister advise the Assembly whether the Department of Agriculture or the Government of Alberta has commissioned any specific study to assess the question of the relationship between the availability of farm credit and the price of land?

MR. MOORE: Mr. Speaker, I don't believe there is a specific study, but that's the kind of work I expect officials and the board of directors of the Agricultural Development Corporation to be doing from time to time.

Mr. Speaker, while I'm on my feet, might I have permission from the Assembly to respond to two questions that were asked yesterday, as well as a statement made by the hon. Leader of the Opposition?

#### **Lamb Processing Plant**

MR. MOORE: The first question, Mr. Speaker, asked by the hon. Member for Bow Valley, was whether a manager had been hired for the Lamb Processors Co-op in Innisfail. I'm pleased to advise that a gentleman by the name of Mr. Murray Nelson has been employed since March 29 as the new manager of that plant.

#### **Rat Control**

MR. MOORE: The second question, Mr. Speaker, asked by the hon. Member for Drumheller, was with regard to newspaper articles yesterday indicating that yellow phosphorus, which has been used in rat poisoning in the United States, was responsible for the death of two children. I'm pleased to advise that

the province of Alberta has not used yellow phosphorus as a rat control poison or for any other pest control programs. It's our view that there's no need to use such toxic compounds for rat control, since safer poisons such as warfarin have been used effectively in Alberta for over 20 years.

#### **Agricultural Society Grant**

MR. MOORE: Finally, Mr. Speaker, if I could, I'd like to respond briefly to statements made yesterday during the question period by the hon. Leader of the Opposition with respect to the conduct of certain people within my office. I'd like to report further on the question raised relative to the financial situation of the Mannville Agricultural Society.

My executive assistant attended a meeting involving the council of the county of Minburn, a representative of the Department of Recreation, Parks and Wildlife, representatives of the Mannville Agricultural Society, and representatives of the Department of Agriculture. The purpose of the meeting was to discuss the financial situation of the Mannville Agricultural Society, with a view to arriving at alternative solutions.

The meeting was based on developing a spirit of co-operation among the various groups involved in the area. Many suggestions for solutions were discussed at the meeting, Mr. Speaker. Among these was one which involved the present mill rate assessment which is levied for recreation and provided to the agricultural society. It amounts to \$12,500 each year. My executive assistant asked whether it would be possible for the county to make a lump sum payment to the agricultural society instead of the annual payment of \$12,500.

The objective of the ensuing conversation was directed at reducing to manageable proportions the present debt load against the Mannville Agricultural Society complex. The following morning, the secretary-treasurer of the county of Minburn telephoned my office and discussed the situation with my executive assistant. The secretary-treasurer was pursuing the discussions of the previous day in light of finding a workable solution to the situation. The suggestion he was pursuing involved a one-time payment by the county to the agricultural society in lieu of the \$12,500 annual payment.

He indicated that before the council of the county could consider such a move, four conditions would have to be met: one, that the county would not become a successor to the facility; two, that an authority other than the county would be responsible for the operation of the facility; three, that the county would receive the annual mill rate, equal to \$12,000, which previously had been committed to the ag. society; and four, that the facility would be eligible for, and receive, the maximum recreation grant.

Mr. Speaker, based on these suggestions, the department has been working with the Mannville Agricultural Society with a view to having a society in a position of being able to present a viable proposition to the council of the county of Minburn at its April meeting.

Mr. Speaker, further to remarks made by the Leader of the Opposition yesterday, there was no arm bending. There never has been any arm bending of

the council of the county of Minburn by my office. All efforts directed towards the Manville Agricultural Society have been based upon developing a spirit of co-operation in the county, and towards finding a viable solution to the current financial situation of the agricultural society there.

## ORDERS OF THE DAY

### head: MOTIONS FOR RETURNS

MR. FOSTER: Mr. Speaker, I move that the following motions for returns stand and retain their place on the Order Paper: 130, 156, and 157.

[Motion carried]

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

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

- (1) the number of patients in Alberta receiving clinical abortions in 1975, paid for by the Alberta Health Care Insurance Commission, who have been aborted (a) once before, (b) more than twice;
- (2) the number of patients receiving an abortion in 1975 who were under 15 years of age.

MR. MINIELY: Mr. Speaker, over noon hour I discussed with the hon. Member for Drumheller an amendment to the motion. The reason, Mr. Speaker, is the fact that it would take some time and substantial cost to break down the number of abortions performed in the way the original motion is worded, "once before", over all years since abortions were allowed under the federal legislation — also in part (b), "more than twice".

So I discussed with the hon. Member for Drumheller an amendment basically deleting in clause 1 after (a), "once before", and after (b), "more than twice", and changing it to: "once before in 1975". The amended motion, Mr. Speaker, would now read as follows:

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

- (1) the number of patients in Alberta receiving clinical abortions in 1975, paid for by the Alberta Health Care Insurance Commission, who have been aborted once before in 1975;
- (2) the number of patients receiving an abortion in 1975 who were under 15 years of age.

Mr. Speaker, I believe that's acceptable to the hon. Member for Drumheller, and the Clerk [Assistant] of the Legislature received a copy of this before the sitting this afternoon.

MR. TAYLOR: Mr. Speaker, I agree to the amendment. I did want the other information, but with the extensive cost involved, I would certainly not want to go ahead. So I appreciate the amendment prepared by the hon. minister.

MR. SPEAKER: Could we be quite clear about the amendment. Is the purport of the amendment under

(1) that it will disclose how many were aborted twice in 1975?

MR. TAYLOR: Mr. Speaker, I realize they may be unusual cases, but it is quite possible.

MR. MINIELY: Mr. Speaker, that is correct. With the limited amount of time and effort, we were only able to limit it to those who were aborted more than once in 1975. That's accurate.

[Motion carried]

161. Mr. Taylor proposed the following motion to the Assembly:

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

- (1) the number of habitat stamps sold for the purpose of establishing and maintaining fish and wildlife habitat during the fiscal year ended (1) March 31, 1974, (2) March 31, 1975;
- (2) the amount of money in the fish and wildlife habitat fund on March 31, 1975.

[Motion carried]

MR. MINIELY: Mr. Speaker, the Assembly having agreed to the amended Motion for Return No. 158, I would like to table the answer.

### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

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

Be it resolved that this Assembly regrets the failure of the government to take action to curb the high rate of increase in Alberta house prices, and be it further resolved that the Assembly urge the government to take immediate legislative action which would:

- (1) prohibit the practice of real estate agents trading on their own accounts, and
- (2) implement a speculators' or unearned increment tax, with a once in a lifetime exemption for current owner-occupied homes, to remove the incentive for unproductive speculation in land and housing.

MR. NOTLEY: Mr. Speaker, before moving into this motion — which calls upon the government really to do two things: prohibit the practice of real estate agents trading in their own accounts, and secondly, implement a speculators' or unearned increment tax — I would just like to quote from the April 17, 1974, *Hansard*. At that time I asked Mr. Miniely, who was the Provincial Treasurer, whether the Government of Alberta was considering legislation similar to the land speculation [legislation] in Ontario. At that time the Provincial Treasurer said:

Mr. Speaker, that, along with other factors, are [all receiving] continuing assessment with respect to and between budgets of the province and that is an item certainly that is under consideration as well as others between budget presentations.

Mr. Speaker, that was what was said on April 17, 1974. Then we look at the *Calgary Herald* of

February 13, 1976. After the release of the Land Use Forum [report], the Premier held a news conference. That particular article says:

The premier hopes a final decision will be made on a new land speculation tax this summer. The key to the government's thinking will be Ontario's experience with a levy similar to a system the forum suggested.

Mr. Speaker, on February 13 the Premier suggests that the key to the government's thinking will be the experience in Ontario. The former Provincial Treasurer told us on April 17, 1974, that we're considering this sort of tax.

Then we look at what happened the other day in *Hansard*, March 30, 1976. I asked the hon. Minister of Housing and Public Works, "What steps are being taken by the Alberta government to monitor the so-called speculators' tax in the province of [Ontario]?" The minister in charge said:

Mr. Speaker, I'll have to take that question under advisement and check with my officials to see if any active monitoring is going on with respect to this matter in Ontario.

Mr. Speaker, two years after the former Provincial Treasurer advised us they were considering it, a few months after the Premier indicated they were watching the Ontario experience, we have the Minister of Housing and Public Works standing in this Legislature and saying he's going to have to check with the department to see if any monitoring is taking place. It's this sort of thing, Mr. Speaker, that leads one to conclude it's necessary for other people to take some initiatives on this matter.

Mr. Speaker, I would be the first to recognize we are going to make more money available this year. There's no question about that. Not quite as much as one would see by a cursory study of the estimates. I notice in the estimates there is an increase in lending this year, some 130 per cent, which no doubt hon. members will try to raise during the course of this debate. They should keep in mind, of course, that many of the programs which draw heavily on the public purse were not announced until the middle of 1975. As a matter of fact, the starter home program was announced toward the end of August 1975. In actual fact, the increase is somewhat less than the 130 per cent indicated in the estimates.

Nevertheless, I would recognize that more money is being expended by the provincial government. What I think has to be asked, Mr. Speaker, is: is more money enough? The answer clearly is no. More money has to be coupled with a package of proposals which will deal with the problem of escalating house prices, property values, and the ever-increasing difficulty Albertans are finding in obtaining a home of any kind, whether that home is purchased, a condominium, or rental accommodation.

Mr. Speaker, I hardly need to look at the MLS statistics to remind members of this House that we've seen some very substantial increases. Overall in Alberta, between 1974 and 1975 the average home increased from \$37,000 to \$47,459, an increase of 27.3 per cent. But members also know that in the first three months of 1976, there has been a huge escalation which has now placed Calgary with the highest home values anywhere in Canada.

Mr. Speaker, that may be fine if hon. members are in a position where they are selling their homes. But

for the many thousands of young people especially who are on the market, who have to buy homes, this increasingly limits the access to housing for many, many thousands of our people.

Mr. Speaker, during the course of the Land Use Forum, a number of technical reports were prepared. Technical Report 4C, prepared by planning and development for the Land Use Forum, suggests there is going to be a continued increased in property values in our two major cities. It's one thing to look at these huge prices today: \$61,000 for an average MLS listing in the city of Calgary; \$57,000 or \$58,000 in the city of Edmonton. But what's going to happen? According to Technical Report 4C, by 1981 an average 1,100 square foot home in the city of Edmonton or Calgary will cost \$100,000. By 1986, ten years from now, that average home will cost \$175,000.

Mr. Speaker, the point is that the tremendous increase in the cost of housing is far outstripping wages and salaries. What does this mean? It means if you look at the availability of housing, in 1961 almost 70 per cent of the wage earners in the city of Edmonton could afford to own a home some day. By 1986, that will drop to 21.1 per cent. In other words, almost four-fifths of our people will not be able to own a home. Mr. Speaker, that's a significant change in the pattern of prices. Wages and salaries are going up, admittedly. But they are not going up nearly as quickly as the price of housing.

So, Mr. Speaker, it's incumbent upon members of this House to evaluate some of the reasons for this spiralling increase in home costs. It's not only important for us to look at this from the vantage point of the prospective home-owner. But what's going to happen after the so-called rent control period is up on July 1, 1977? Will the government extend the rent controls? A house in Calgary which last fall was worth \$48,000, is now worth \$61,000. If something isn't done to deal with the spiral, who knows, it could well be worth \$70,000 or \$75,000 by the end of the control period, or perhaps even more.

Now what's going to happen, Mr. Speaker, when that landlord no longer has to face the constraint of controls? Well, pretty obviously he's going to try to increase the rent to get a return on what will be now his new-value home. Instead of \$48,000 it will be whatever the value of the home is, inflated not by any realistic costs at all, but by this whirlwind inflation which is engulfing the housing market in the province of Alberta. The only inevitable consequence of that, Mr. Speaker, is that once the controls are taken off, if we still have a tight housing situation — there's every reason to believe that it's not going to be solved overnight, even with the extra money being thrown in this year — rents will rise sharply. They will rise to the new level of what the average MLS listing happens to be at that time.

Mr. Speaker, what is at stake then is not just the capacity of the prospective home-owner to buy a home. What is at stake is what happens to the renter after these controls are taken off at the end of 15 months.

Mr. Speaker, the government will argue that the starter home program has been introduced. As a matter of fact, when that program was announced, I applauded it. I think it has a good deal of merit. But no matter how much more money you put into the

starter home program, if you allow a whirlwind of inflation to push up the value of homes, you are not really going to get full value out of that program. So while increasing the supply is a desirable move, and is basic to any overall housing program, I'm suggesting to the members of this Assembly that it has to be coupled with other initiatives, if we're going to restrain the increases in the cost of housing in the future.

No one in this Legislature is going to suggest we should bring housing prices down to 1971, '72, or '73 levels. As a matter of fact, were we to do that, in a sense that might be unfair to many people who've now got themselves caught in long-term mortgages. But we have to assess what steps can be taken to slow the rate of increase, so we're looking at 3 or 4 per cent increase instead of 25 or 30 per cent, or the kind of increase that has occurred in the last three months of this year, which is bordering on Argentine inflation rates.

Mr. Speaker, that's why this resolution is so important at this stage of the game. The minister has stood in the House and warned about unprofessional conduct. He has implied that people should be very careful before they buy, and that people should be ready to sell for a little less. But the fact of the matter is that no amount of warning in the Legislature is a substitute for action. This government has 69 seats in the Legislature. It's got a mandate to act: not just to warn, but to act. Mr. Speaker, I think that what I hear throughout the province, but especially among working people who find that their wages and salaries are controlled, is a simple assertion that if our wages and salaries are going to be controlled, this government had better do something about controlling the price of housing. If you're going to control our livelihood, [you'd] better look at the housing market as well.

Mr. Speaker, let's deal then with the specifics of this resolution. Turning first of all to the question of agents trading in their own accounts, I was interested, in looking over the *Edmonton Journal* on March 27, 1976, [to] see an ad. We've had all sorts of discussion in this Legislature about previous ads. The Member for Drumheller raised an ad about the rent control question. Here's an interesting ad:

ARE YOU  
INTERESTED IN  
REAL ESTATE CAREER?  
More millionaires have been  
created through Real Estate  
than any other industry  
ARE YOU INTERESTED IN LEARNING  
WHAT THE REAL ESTATE INDUSTRY  
IS ALL ABOUT?

And then there's a guest speaker, and the meeting is going to be held at the Edmonton Inn

ONE NIGHT ONLY  
Call 429-5402 for reservations.  
Spouses welcome.  
No cost or obligation.

Well, Mr. Speaker, I think this ad perhaps says quite a bit about the present real estate industry. It says you can make a lot of money in real estate.

Now, no one is arguing against fair and reasonable return. But what has happened in the last few days?

What has happened in the last few months? It's pretty obvious that real estate agents have, in fact, been trading on their own accounts. Let's just take one or two examples: a house, 12107 42 Street, sold by the owner in December 1975 for \$25,400; relisted in February 1976, at \$35,000. The new owner is an agent for Sicoli Realty. Let's look at another example: 4226 115 Avenue, sold in September 1975 for \$21,000; relisted in February 1976 at \$37,700. The new owner is Rocky Ridge Holdings. One of the principals of Rocky Ridge is an agent of Silversands Realty, the agent in the previous sale.

Well, Mr. Speaker, I am sure many hon. members will rise and say, well, fair enough, trading in their own accounts is unprofessional conduct, and surely we should ask the real estate agents to handle the matter themselves. Why bring in big government to interfere in what should be a professional matter? Well, Mr. Speaker, I would remind members who take this point of view that they should look at Article 11 of the real estate code of ethics. It says:

The Member shall not acquire an interest either directly or indirectly for himself, or for any corporation in which he is a shareholder, director or officer, property listed with him, or his firm, without making the true position as known to him known to the listing owner in writing; and in selling the property owned by him . . .

Mr. Speaker, the fact is that despite this code of ethics, real estate agencies are not practising it. I'm not suggesting with any broad brush that all real estate agents are acting irresponsibly. That would not be correct. Many real estate agents in this province are acting very responsibly and are credits to their work, no question about that. But I'm saying that some are acting irresponsibly; and a code of ethics, which is voluntary at best, is not a substitute for legislative action.

Mr. Speaker, again we come back to that man pushing a broom. He simply says that if we can control his wages, as we now do under the federal anti-inflation program, which this Legislature supported almost unanimously, is it not equally valid that we should be able to say to the [real] estate agents who are acting unprofessionally, yes, we are going to provide legislative prohibition so that you can't do this sort of thing.

Mr. Speaker, what about the question of speculative profits? Let's look at the other side of this resolution. The Land Use Forum, as members know, suggested the introduction of an unearned increment tax. It says on page 101 of the Land Use Forum [report]:

Land is unique amongst capital goods in that it is a non-depreciating asset. Major changes in land values are the result of actions by municipal or provincial governments in changing land use. The use of both capital gains and unearned increment taxes deals justly with these land characteristics.

Mr. Speaker, it goes on to say:

The concept of government capturing profits from increased land values which it has created is fair and reasonable.

That's the recommendation of the Land Use Forum.

Mr. Speaker, I think we have to take a close look at other places, in North America and in Canada particularly, where we have had variations of the unearned

increment tax. As a matter of fact, members may recall that at one time the province of Alberta had an unearned increment tax. But let's look at Ontario, where on June 3, 1974, Royal Assent was given to a so-called speculators' tax. It provided for a 50 per cent unearned increment [tax] on land speculation. This has subsequently been reduced to 20 per cent, because federal authorities wouldn't permit deduction of a speculators' tax for income tax purposes.

Mr. Speaker, the question is: did it have any effect on cooling down the housing market? That's the issue. Did it have any effect? It's now been in operation for two years. Well, we don't know authoritatively, because the provincial government isn't monitoring it, or at least when the provincial minister was asked that the other day he said he had to check with his officials. We don't have any authoritative monitoring of the Ontario speculators' tax.

But according to the Canadian Real Estate Association, the average increase in property values in the province of Ontario in 1975 was only 5.4 per cent — the smallest increase in Canada. That has to be contrasted, Mr. Speaker, with Alberta, where we had an increase of 27.3 per cent. That was the increase during 1975, not counting the whirlwind increase we've already had in 1976. The increase in the province of Ontario was 5.4 per cent.

I suggest, Mr. Speaker, that when one looks over the housing policy of the Davis government, the only conclusion one can reach is that, in fact, the speculators' tax is the only significant string in the bow of that government. So it must be having some effect. Yet, Mr. Speaker, we in this Legislature are apparently not in a position where the government has sufficiently monitored so we can have an authoritative assessment — at least if one takes the minister's statement of the other day that he would have to check with his officials to find out. It's pretty obvious that a speculators' tax is not given very high priority by the government if the man in charge of housing in the province of Alberta has to check with his officials to find out whether any monitoring of the Ontario scheme is taking place.

Mr. Speaker, I want to deal with two or three other issues as well. It seems to me that suggesting that people go slow in buying homes is not really an answer. It's not going to solve the problem. People know perfectly well that unless they can foresee some solution down the road — they've heard from this government before, you know, that we're going to solve this problem. The idea of increasing supply isn't new. Virtually every minister has talked about it when Alberta housing was discussed during the estimates of the Department of Municipal Affairs. You know, we're going to solve this problem. We're getting Alberta housing on the road. It's going to be solved. I hope it will be, down the road. But I would not become so enthused with the fact that we built 25,000 homes last year that I would jump to the conclusion we're going to solve this problem.

The minister himself, in his debate of the Speech from the Throne or the budget speech — I forget which — indicated that we need 100,000 homes over the next four years just to stand still. What people are asking for, Mr. Speaker, is an indication from this government as to whether there will be specific policies, a package of policies, which will cool the present whirlwind of inflation in the housing market.

I suggest to you that when one looks at the preliminary information on the unearned increment tax or speculators' tax in the province of Ontario, the evidence clearly indicates that it does restrain housing costs. We've got to shift investment.

The other day the hon. Member for Calgary Buffalo was talking about real estate agents trading on their own account. I think we have to shift other types of investment. We have to shift the investment of lawyers, doctors and well-heeled people, regardless of their professional income or business or what have you, away from investing in existing housing stock. Simply because they buy a house at \$50,000 in January, they think it's going to go up to \$65,000 or \$70,000 in June. That kind of investment is hardly going to be socially productive.

The whole purpose of an unearned increment tax or a speculators' tax is to shift investment to more useful purposes in society, rather than just allowing a concentration and, with that concentration, the spiral which occurs.

Mr. Speaker, I want to deal very briefly with one other aspect of the housing question which I think is important too: the strangle hold major developers have on land in the major cities. I notice that CMHC prepared a report. It was written by Mr. Peter Spurr in August 1974. It makes a number of observations which I think are all interesting. Edmonton and Calgary are listed among the six worst cities in Canada for urban land monopolies. In Calgary, the top four developers — Nu-West, Western, Dawson, and Carma — held more than 9,700 acres of land. In Edmonton, the top five developers — Western, BACM, Great Northern, and Allarco — held almost 20,000 acres of land. The major developers in both Edmonton and Calgary hold enough land to meet all the land requirements for the next 10 years.

Mr. Speaker, members may well have received a rather plaintive letter from the manager of a small construction company in Calgary called Pilot Construction. The point this gentleman makes about land is also worth noting, I think. He says, and I quote from part of his letter to me of April 5:

The present supply of serviced land for independent builders in Calgary is critical, and at present there is nothing to indicate that this situation will change until more land is serviced and unless some annexation is permitted.

Then it goes on to say:

The present trend of only large companies being financially able to purchase and develop land creates a serious problem, because most of the larger developers are also in the business of building residential properties and can supply their own construction divisions with land and do not have to provide any land to other builders, or a builder must be a shareholder member of the developing company in order to obtain land.

This gentleman is making a plaintive call to make land available to the smaller contractors in our major cities so that they too can continue with the business of building houses.

[Dr. McCrimmon in the Chair]

Mr. Speaker, in general conclusion, the reasons for this resolution are manifold. I repeat, this govern-

ment is making more money available. That's fine. But more money isn't enough in itself. More money must be coupled with a package of policies which will dampen inflation.

I also want to repeat the point that certainly has been made to me by many working people the other day when I spoke to the CUPE convention in Medicine Hat: if we're going to have our wages controlled, let's see something done about housing prices in this province — not theoretical discussion, not all sorts of talk about not wanting to interfere with the free market situation. If you're going to control someone's wages, [control] this sort of huge increase in [the price of] housing, [such] that you have to have an income of \$23,000 or \$24,000 in order to be able to qualify for a mortgage.

The other day a gentleman came to me. He wanted to buy a condominium in St. Albert, valued at \$54,000. In order to qualify for that mortgage, he had to have an income of \$24,000. Now, Mr. Speaker, that is a serious situation. We just cannot sit back and say, well, we'll solve it down the road. I would say to the minister that when I read *Hansard* — the minister was out when I mentioned this point — I see that as far back as 1974 the government claimed they were going to be monitoring the Ontario tax. We still have no significant report. I wonder how serious the government is on that matter.

I say to members of the House that while more money can be made available for mortgages — more money is — what good will more money be if the rate of inflation is so high that in fact the additional money is simply eaten up by inflation.

I conclude by saying to you that the motion I presented is by no means a total housing policy. Many, many other facets should be examined. But here are two steps which are reasonable, which would go a long way to dampening present escalating housing prices. I simply say to the government that it's time to pull the act together and bring in not just policies that make more money available, but programs which will shift the present speculation to other areas. Not that we will get housing back to where it was before, but at least we can begin to look forward to a sensible rate — 3 or 4 per cent, perhaps the level of Ontario — rather than the 27 or 30 per cent increase which is making housing a luxury far beyond the capacity of most Albertans. Mr. Speaker, I believe housing should be a right. It should be the objective of this government to make it a right.

Thank you.

MR. MANDEVILLE: Mr. Speaker, in making a few remarks to this resolution, I'll certainly be the first to say that the cost of housing is getting out of reach of a lot of people in the province of Alberta. However, I think there are several reasons we are facing a high cost of housing in Alberta. One of the big reasons which we face in society today is when your demand gets greater than your supply, that really escalates the cost of any product you're dealing with. That's a situation we're facing in the province of Alberta today, the fact that our supply is down and our demand is up.

Another area which really is hurting as far as the overall cost of housing is concerned is the high interest rates. It's a big item, Mr. Speaker. At the present time, it's affecting some of our people who

bought houses in 1971. They're reviewing the five-year term interest rates right at the present time. They're increasing them from 9 to in the neighborhood of 12 per cent. It's going to put a burden of up to \$50 per month increase in payments on some of the home-owners who bought in 1971. This is something they weren't prepared for. It's certainly going to hurt.

I think one of the areas we would help ... That was a resolution I brought before the House a year ago: to provide a grant by the government to municipalities for front-end services. I think this would have been a step in the right direction. I understand it has been turned over to the municipal finance committee. I hope they'll be coming up with a decision in this area in the near future. I do think it will help bring down the cost of housing.

Also, this far I'm pleased the government is going to put a large portion of the heritage fund into housing. I think we can't go too far in this area, because it's only going to be a loan. It's going to be paying the province a return to the heritage fund in interest rate. What would be a better heritage to leave our young people in the province of Alberta than to own a home of their own?

I think one of the biggest problems we're facing — if we don't control the cost of housing, or if there isn't some method or programs to stop the escalating prices in housing — is the 'affordability' of a house. As the hon. Member for Spirit River-Fairview indicated, the cost of housing in Calgary is escalating at a high rate: 30 per cent in the last 12 months, and 185 per cent over the last 10 years. So how many of our people can afford a down payment for a house such as this? It's almost impossible for them to think of buying a house.

The maximum you can pay for a house and get a mortgage through the Alberta Housing Corporation is \$34,000 on a new home, or \$34,000 on an existing home. So it pretty well puts all the houses in this bracket in the Calgary area out of reach for anyone to go through the Alberta Housing Corporation or any of the other lending agents, unless they go into the private field to finance them.

However, I don't think we need legislation as far as real estate agents are concerned. If they had a strong association, similar to the doctors, lawyers and so on, they could have a code of ethics and enforce the code of ethics through their association, the same as happens now with these other professions I am talking about. I think our agents definitely should be more responsible in the area of their salesmen. A lot of problems arise as a result of our real estate agents not being responsible or not keeping their salesmen in the areas where they're exploiting the people. I think this should be stopped.

Another area where I think we could have some improvement is the real estate licensing exam. Mr. Speaker, it's far too simple. They ask such questions as: if you're a real estate salesman, can you sell real estate in Alberta? True or false? This is pretty simple. It's easy enough for me to understand. We also have such questions as: who is the mortgager? Who is the mortgagee? Who is the grantor? Who is the grantee? Who is the lessor? Who is the lessee? If we can get the resolution the hon. Member for Medicine Hat-Redcliff proposed to the House into effect, I don't think we'll need anything like this in our

real estate exam. I would like to see us tighten up and make it harder for real estate salesmen to get licensed.

Also, as far as real estate agents are concerned, I think it should be much stiffer. Our salesmen and agents should be able to understand and realize values. At the present time, I'll have to admit, there are lots of salesmen and agents who are not concerned. They just go out and get a listing. If they can get a listing at any price, they'll take it. I think if you're going to list something, you should list it at a realistic price. Our salesmen should also be concerned about who can afford to purchase property. They shouldn't be selling something to someone who can't afford it, and who loses his down payment and gets into a contract he can't carry out. They should also be concerned and knowledgeable in the area of financing, to know whether they should go through the Alberta Housing Corporation, commercial credit, or whatever financial institution they should go through.

If we just had a good, general business practice as far as the real estate salesmen and agents are concerned, I would certainly think it would solve a lot of problems in this area. Possibly we could have the Department of Consumer Affairs get involved in, say, monitoring the price of housing in the province to see just how far out of line the prices of houses are.

Mr. Speaker, Section 2 of the resolution says, "implement a speculators' or unearned increment tax, with a once in a lifetime exemption for current owner-occupied homes, to remove the incentive for unproductive speculation in land and housing." Well, anyone who has worked in the field of capital gains, which is fairly new in the province of Alberta and the Dominion of Canada, and who has seen the problems faced when trying to establish values in 1971, wouldn't like to see us get involved in trying to establish values such as is recommended in this resolution. If we did get this tax in, I don't think it would be going back to the consumer. It wouldn't be going back to the person who was selling. Most of the money would be going to our government.

At the present time, real estate agents or salesmen are not allowed by legislation to sell without advertising, making it available to the public before they purchase any of the property themselves. However, I realize this can be overcome, and many of them are doing it. As far as capital gain is concerned, at the present time real estate agents don't qualify for capital gain. They have to pay tax on 100 per cent of their revenue. So they don't have the benefit of getting involved in capital gain and only paying on half the gain they get at the present time.

In concluding, Mr. Speaker, I'm certainly going to agree that something has to be done in controlling the cost of housing. It is escalating far too fast. I don't think legislation will solve the situation we're facing. I think we have to come up with programs that will increase the supply. I would like to see us possibly come up with some method of assisting real estate agents in setting up an association of their own that could police their own profession, if you'd want to call it that — whatever you want to determine they are, whether professional or what they're involved in. And a tougher exam, so that we don't have too many people in the field of real estate agents, and also toughen up on our salesmen in the

real estate field.

Thank you, Mr. Speaker.

MR. MUSGREAVE: Mr. Speaker, I'd just like to pass a few comments to the House. I would like to suggest that any government that didn't perform its monitoring process but at the same time produced 25,000 houses, when the target was only 19,000, has done a very commendable job in my view.

Mr. Speaker, I would like to point out to the members of the House that recently there was a change to The Real Estate Agents' Licensing Act, whereby "A licensed person shall not trade in real estate (a) as an agent or salesman in any other name than that which appears on his licence". Similarly, he cannot trade in real estate "on behalf of himself or another person without disclosing to the parties he is dealing with that he is licensed ...".

Mr. Speaker, I appreciate that while those items may not be of significance to the hon. Member for Spirit River-Fairview, I think they are an attempt by this government to overcome some of the difficulties facing the real estate industry. I know there has been a concern by the industry itself. It wishes to have a requirement in its act that in effect would prevent agents from dealing in property. In other words, agents would be agents in the true sense of the word.

Mr. Speaker, I think the real estate industry right in this city is concerned with the problems that are facing us. Only last week [there was] a meeting of past presidents, who were concerned about unethical practices of members. They are meeting again tomorrow to try to determine to what extent the industry could influence its membership by by-laws or in some way to help the industry do its part in curbing inflation.

In view of this, Mr. Speaker, rather than continuing with the present motion, I would like to move an amendment to the motion of the hon. Member for Spirit River-Fairview. My amendment would read:

Be it resolved that the government consider further programs to assist in the creation of adequate and affordable housing in the province of Alberta, such considerations to include an examination of the necessity to control real estate agents trading on their own account and the necessity to implement a speculation or unearned increment tax.

Mr. Speaker, I have a copy here for the opposition members.

Mr. Speaker, dealing with the resolution as amended, I'd like to add a few of my own concerns. In my view, Mr. Speaker, this Assembly should praise the government for its action in providing the climate for a vigorous demand for housing. When one considers the billions of dollars that have been invested in our resource industries and all the spinoff industries that result from it, we can see why we have a strong demand for housing in our province.

In Calgary we have many buildings under construction and many that are just filling up with engineers, accountants, lawyers, and computer programmers, all working on such projects as Syncrude and its supporting services. Similarly, Mr. Speaker, there are people working in Edmonton, Red Deer, and Fort McMurray on similar phases of similar projects.

We are bringing in many young people, and many of our own citizens are setting up their own families

and homes. They are making good wages, in spite of the comments from the hon. Member for Spirit River-Fairview. They're not all sweeping floors at low salaries. Also, Mr. Speaker, many women are becoming permanent members of our work force. Thus they have the desire and the resources to buy homes. Those who are not able to come into houses without help are being assisted through such federal programs as the assisted home ownership program or our own core housing incentive program.

Mr. Speaker, in my view, housing costs are rising in Alberta because, as said earlier, more people, particularly young people, are coming here from all over Canada. There is the considerable rising income of our own people. Also, Mr. Speaker, a significant factor is developing, particularly in western Canada. Many of our homes are housing far fewer people than in the past. Many homes that housed four, six, eight people are now housing two or three. With the high cost of money today, people are not leaving these homes, for obvious reasons.

Mr. Speaker, when I was chairman of the land committee of the city of Calgary for the past five years, I could see why housing prices and land prices were rising. For example, owners were farming land in suburban areas, some that cost as little as \$1 an acre. Many had farmed it for 15, 20 years or more. When they went to sell it, they were asking prices ranging anywhere from \$5,000 to \$15,000 per acre. So I suggest to you, Mr. Speaker, we don't have to look too far to see why housing prices are rising.

Likewise, when I was on city council, we had land that we had recovered under tax recovery acts, for nothing. Yet when we wanted to build housing, when we wanted to construct senior citizens' homes, we sold it at the market price. We sold one parcel of land, I remember quite vividly, for well over \$100,000. So, Mr. Speaker, who's doing the speculating there? The city of Calgary on behalf of the senior citizens, and the province of Alberta has to pay the bill.

In my view, Mr. Speaker, another factor in why land is becoming so expensive is that cities are becoming nicer places to live. There's more industry, more jobs, more ability to live, buy homes, and develop properties.

But, Mr. Speaker, another reason we have rising prices is that many people in our communities today are gambling in real estate — lawyers, doctors, accountants, schoolteachers, farmers, firemen, policemen — you name it. There's hardly an occupational group or profession in the province of Alberta today ...

AN HON. MEMBER: NDPers?

MR. MUSGREAVE: ... that isn't buying and gambling in housing.

AN HON. MEMBER: Communists?

AN HON. MEMBER: New Democrats?

MR. MUSGREAVE: Everyone. Mr. Speaker, in my own constituency, R4 land that in November was \$1,000 per front foot is now \$1,350 per front foot. Continual ads are running in the city of Calgary newspapers for R2 and R3 land.

For example, 18 months ago the owner had an R2 lot appraised and it came in at \$18,000. At that time she wanted to build a duplex on the land, but no mortgage money was available, none at all. This year, when she again had the land appraised, the price was \$37,000. She had it appraised by a professional appraiser, not a real estate agent. I would suggest to you, Mr. Speaker, that the price has gone up because of the market.

[Mr. Speaker in the Chair]

Mr. Speaker, I'd like to return to the notion advanced by the hon. Member for Spirit River-Fairview that perhaps some of the people in the industry have ethics that are not in keeping with what we consider the best. I agree that many real estate agents — I know many of them, and I've had business dealings with some — are certainly sharp traders. Some are strangers to the truth, some are uninformed, some are lazy. But in my view, Mr. Speaker, the majority are hard-working, conscientious citizens trying to make a living in a very competitive industry. They're raising families, starting careers if they're young people, and they want to establish a good reputation.

You know, I find it very laughable when the hon. member quotes a newspaper ad which is obviously a come-on by a company in the industry to try to get agents. The reason they are trying to get agents is there's such a huge turnover, 33 per cent every year. Of every three agents working in January, one is gone by December. Mr. Speaker, the kind of industry that loses one-third of its working force in less than 12 months hardly strikes me as [one] that's going to create millionaires overnight.

Mr. Speaker, I don't need to point out to you, but perhaps I would like to point out to the hon. Member for Spirit River-Fairview, that real estate agents quite often perform a function particularly for those of us in the oil industry who are on the move a lot. Quite often, because of their trading abilities, they are able to guarantee a floor price for your home. They are able to give you good advice when you're suddenly forced with a quick sale. I think these are the kinds of things the more responsible members of the industry are trying to develop.

Mr. Speaker, getting back to the comment some people have suggested, that the agents set the price of housing, what member in this Legislative Assembly who has a house would sell it without checking a newspaper ad, without checking with an agent? Perhaps he'd ask a friend what the market price is. He might even get an appraiser. Is there anyone in this Assembly who is going to sell his house below market because he wants to try to curb inflation? I doubt it. Mr. Speaker, if you sell your house and you need the money for retirement, obviously you're going to get the maximum amount. If you need it for business, you're going to do the same.

In my view, Mr. Speaker, I think our whole society, though, should take a more co-operative approach in curbing inflation. I agree with the hon. member; we all stand to lose if we don't do something about it. Workers will lose their jobs, farmers won't be able to sell their products, and municipalities and governments will lose their taxes. This is one of the rather interesting things — I always listen to some members



who suggest we should bank land, like they do in Saskatoon and Medicine Hat. What they forget to realize, Mr. Speaker, is those land banks were built on the fractured dreams of many people years ago.

I think we could take a positive approach in trying to curb inflation. For example, this government could assist in land banking only where the house prices were kept below \$50,000. A very good, commendable step, Mr. Speaker, would be to force the city of Edmonton to put land on the market that they now have. But why are they not putting it on the market, Mr. Speaker? For the simple reason that they're waiting until they can get the best economic price they can, that's why.

Mr. Speaker, I think it would be in our best interest, when we look at the increment tax, to think about who gets this tax. Would it be the province of Alberta, the city in which the tax was generated, or would it be the federal government? Right now if you trade in houses other than your principal residence, you're faced with a capital gains tax.

Right now, in my humble view, the market is changing. I think people are getting concerned about the high interest payments they're facing. I think that being in a boom-bust economy still, in spite of this government's endeavors to get us away from that, we are suffering if our grain markets turn sour. All we need to do is look at the beef industry and see the problems they're facing.

Mr. Speaker, yesterday when I was driving to the airport, I noticed two For Rent signs on an apartment. Today I noticed another For Rent sign on an apartment. Now, Mr. Speaker, I haven't seen a For Rent sign on an apartment for six months. But in two days I saw three of them.

I would be very concerned, Mr. Speaker, if we resorted to the suggestion made by the hon. Minister of Housing and Public Works today that we went too much in the direction of basement suites. I think with a rich vibrant province such as ours with workers, materials, and all the rest of it, should be able to provide decent housing. I certainly suggest, Mr. Speaker, that going back to what we had to do during the war is not the answer.

Dealing again with the increment tax: I don't know if the hon. Member for Spirit River-Fairview realizes that under recent federal legislation no holding costs are allowed for land speculators, and that includes interest. I agree with him that the major developers are the major owners of land. All I can say as a former alderman in the city of Calgary, if the citizens of Calgary in their own wisdom didn't want to protect their market, that was their problem. If they had voted for the large annexation we had proposed, there would have been many landowners in the city of Calgary. Instead of that, as the hon. Member for Spirit River-Fairview says, they're down to three or four major owners, and he says they've got 9,700 acres. Well, I've got news for him: 9,700 acres is only a two-year supply, Mr. Speaker. So I really don't think they've got as much as he thinks they've got.

Mr. Speaker, there are other areas in housing that I'd like to touch on. I agree there's no question that land is expensive. But other areas contribute to housing costs. For example, cities are making substantial profits out of the supplying of utilities. Do they have to have two sidewalks? Do we really need two? Many subdivisions in the United States don't

have any. Do we need back lanes? Many cities in Canada don't have back lanes. Can we not come up with better design to let people live closer together in harmony, such as exists in European cities?

In the houses themselves, we should be able to use more unique designs. Can we not supply some of the techniques of the auto industry in supplying more housing of good design, good color, long durability, and a modest price? Mr. Speaker, there have to be more people trained in the housing industry. One of Calgary's major developers was recently advertising for a land manager at a salary of \$30,000 to \$50,000 and a land vice-president at \$70,000 to \$100,000. Now, Mr. Speaker, in my view, there's got to be something wrong with an industry that pays such huge salaries for a product which is simple to produce and doesn't come anywhere near the complexity of, say, the Syncrude development.

There are other areas where we could save. For example, legal transactions for housing are relatively simple and they're often done by paralegal help. Why does the profession still charge full fees? Mortgage companies often charge commitment fees or do not pay interest on down payments, again contributing to higher cost. Municipal fees are often too high. Fire insurance often bears no relation to the charges directly related to the housing. Electrical fixtures, for another one, are greatly overpriced. These are just a few of the inputs to housing that could be more carefully examined and refined to lower costs, in my view.

Mr. Speaker, I would say, yes, a number of real estate people are trading on their account. Many responsible firms do not allow this. I trust and hope that the industry will take strong measures to stop this. One of the other concerns I had, not so much with money, is that agents should only be agents, so that when there are people who are ignorant of the market or who are not aware of the kind of money available, they would eliminate this in effect pure gambling by making sure that agents only act as agents.

Now, Mr. Speaker, I would like to touch upon the problem of speculation. I think the bubble is quite close to breaking. It's going to hurt a lot of people. The speculators I couldn't care less about, but it's going to hurt a lot of young home buyers. It's going to hurt a lot of new home buyers. I just hope that they are going to be able to live with the burden they have taken on. I think the best way our government can help this situation is by enlarging our affordable housing. Land banking for low cost, mortgage interest subsidy, and better insistence on design for provincial housing can now be part of our government's action in easing a difficult problem that may blow up in our faces and cause much distress in our communities.

Mr. Speaker, before we implement a land tax, it would be my desire that the government consider the effectiveness of such a tax. Who would reap the benefit? How would it be handled? Would it be a punitive tax? Is it to raise money or is it just to harass the housing industry? These are all questions, Mr. Speaker, that must be carefully examined and studied before this legislation is put into effect.

MR. ASHTON: Mr. Speaker, could you first advise how much time is left?

MR. SPEAKER: Five minutes.

MR. ASHTON: Five minutes. Maybe I should start at the rear — at the end of my speech instead of at the beginning.

Today we've seen some pretty good examples of how it's easier to criticize than to praise, and how it's easier to be negative than positive. It seems that whenever you see success there's a tendency for some people to try to drag that successful group down to their own level.

I take exception to the suggestion that somehow this government has a mandate to take action. That may have been the mandate of the socialist government to the west of us, but the mandate of this government is to take responsible action.

Speaking to the amendment, the resolution asks this government to take action to curb the high rate of increase in the price of housing. Now it's clear that this government has taken more action than any other government in Canada. The record speaks for itself. The evidence of what happened last year is pretty clear. When we go back to the 1960s, when there was almost negligible assistance to the housing industry in this province, and compare that with what is happening today, there are literally hundreds of millions of dollars of commitment to housing in this province. I realize the opposition may argue that because of the stagnant economy at the time and the fact that our young people are leaving the province to find employment, there was no need for government assistance in housing. But we now have a bustling economy. Opportunities for employment are being created for our young people. I agree that it's absolutely necessary that this government accept its responsibility to assist in the housing market.

AN HON. MEMBER: Look at Saskatchewan and Manitoba.

MR. ASHTON: Right. With regard to what's happening in Alberta, all we need to do is look at the press releases released 10 days ago by the hon. Minister of Housing and Public Works as some examples of the action. The first one was: "AHC proposes \$10 million for rural and native housing". Secondly, we see: "\$24 million allocated from AHC's land assembly and development program". "Budget of \$30 million proposed by AHC for public housing". "Alberta Home Mortgage Corporation proposes budget of \$242 million for 1976-77". "Alberta Housing Corporation proposes \$2.8 million budget for housing for the handicapped". "\$39.8 million proposed for Alberta senior citizens' housing by Alberta Housing Corporation". "\$18 million budgeted by Alberta Housing Corporation for development in Fort McMurray". Mr. Speaker, I suggest to you that that's action.

I won't say much more about the general housing situation in regard to the positive thrust this government has taken, because I expect when the resolution comes up again, many government members will wish to comment and elaborate in more detail on that.

However, talking to some of the specific recommendations of the resolution — although I have many comments to make on that, I think because of the time, Mr. Speaker, I will beg leave to adjourn the debate.

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

HON. MEMBERS: Agreed.

head: **PUBLIC BILLS AND ORDERS  
OTHER THAN GOVERNMENT ORDERS**  
(Second Reading)

**Bill 220**  
**An Act to Amend**  
**The Fire Prevention Act**

MR. PURDY: Mr. Speaker, I bring this Act to Amend The Fire Prevention Act before the Legislature because of the inadequate legislation we have in the province right now. We only have to look at The Municipal Government Act, under Sections 155 and 156. The fire prevention by-law says the council of a municipality may pass by-laws for purchase of equipment, and so on. Fire protection of the citizens is under 156. It says they may pass by-laws in that regard. It's not mandatory legislation as we should have.

Mr. Speaker, the amendments I'm bringing forth give the fire commissioner of the province of Alberta recommendations, as he sees fit, to have a municipality adequately upgrade fire-fighting apparatus, equipment, and related facilities; adequately upgrade staffing and training requirements as a municipality; and give adequate protection to the members of the municipality the council is responsible for.

Mr. Speaker, I think the amendments I'm bringing forth today are mainly for rural Alberta. As we travel rural Alberta and look at some of the situations we have in regard to fire protection, it's pretty grim.

I brought this bill forth last year. I think it was Bill 219. At that time, I wrote to the some 330 municipalities we have in Alberta. I got a very positive response of about 120 replies.

We know that in the history of the province it's been the local authority, such as the municipality, that collects the tax dollar to make fire protection available. We've also seen this with police protection. We've gone a separate route right now by making millions of dollars available to our municipalities for police protection through the Solicitor General's Department. I believe we have a responsibility to our citizens and to some of our municipalities to supply funds, through either grants or loans.

I'd like to go back and look at some of the statistics in the province and at what has happened since the first fire department went into operation here in Edmonton back in 1892. That was a voluntary group. It became a fullfledged fire department in 1906. Calgary was a group of volunteers in 1885, and became a fullfledged department in 1906.

Early activities in the fire service related entirely to fire suppression. Fire prevention activities are relatively new. The Calgary Fire Prevention Bureau was not officially organized until the late 1940s. The fire commissioner for the province of Alberta was appointed in 1919. Until about 1945, duties involved fire prevention, inspection, investigation, and collection of data.

During the Second World War, certain equipment was developed, mostly by the United States Navy,

which has dramatically increased the effectiveness of fire suppression activities in the fire service. This equipment includes such things as fog or water spray nozzles, developed to control fire aboard ships with a minimum of water application. This development has a marked effect on the fire department's capability to fight rural fires as well as urban fires.

Another [development] which made a fire department more available was the advent of self-contained breathing apparatus. Radio communication helped fire suppression.

Following the war, and I think that was the period 1946 to 1955, certain legislation and decisions by the Alberta government affected the development of fire departments in the province somewhat. The Self-liquidating Projects Act allowed municipalities to borrow money for capital works projects and to repay the funds on a self-liquidating base. Many municipalities installed water and sewer systems. This was followed by the development of fire departments in their communities.

A further expansion of fire departments into rural area protection came about partly because of the development of roads in rural municipalities. This was when we went to centralized schools. Because roads had to be kept open for all seasons, some municipalities developed a transportation system [using] a fire truck. Many of these are still in existence and very primitive.

As a result of increased fire department activities in the province, The Fire Prevention Act was amended to authorize the fire commission to conduct regional, local, and central training programs, and to assist the municipalities in providing advice on fire protection matters. Out of this grew local training and the Alberta Fire Training School, which has been operated and is located at Vermilion. This training school has been expanded over the past few years, and demands exceed the capabilities of the staff and the facilities. In other words, more and more people from volunteer fire departments are sent by municipalities to take advantage of this school at Vermilion.

The thing facing many municipalities right now is organization of a fire department. Mr. Speaker, I guess I've got about 15 years' experience in this, as a member of a volunteer fire department. [I am] still active with the department in my own hamlet of Wabamun. I acted as deputy chief for two years before the provincial election, and then after [being] elected, gave up that responsibility.

There are actually no real guidelines on how to organize a fire department. This is coming into concept now with the fire commissioner's office. I think we've got to follow some pretty basic routes. A fire department's fundamental functions are: one, fire suppression, and two, fire prevention.

Then you get into the investigation of source. This is where your fire commissioner's office comes as a valuable asset to local fire departments. That's for fire ignition source investigation. These men are being used more and more every day for fires in urban and rural areas.

Another aspect of the organization is equipment maintenance. A lot of people don't understand and don't realize the work that goes into maintaining a fire department if you have equipment.

The other thing is the training of men. You can form a volunteer fire group of 25 men. You've got to

keep training these people, having your practices, and so on. The word that sticks out in front of us is "volunteer". People will only train so much.

The seventh aspect of organization is emergency medical service. This is where your paramedics come into play, especially in the rural areas. A lot of these fire departments also run an ambulance service, so their training is very important.

With the lack of fire protection in the province, the thing that concerns me is the municipal fire loss. The average fire loss right now in the city of Edmonton is about \$8.79 per capita; for a population of 25,000 to 50,000, \$10.62; for 10,000 to 25,000, \$16.09; 5,000 to 10,000, \$17.41; 2,500 to 5,000, \$16.77; 1,000 to 2,500, \$16.39; under 1,000, \$26.87; and for summer villages it's a shocking figure of \$162.47.

In the rural areas — and this is what this debate is about — in counties and municipalities of 25,000 to 50,000 the fire loss is \$31.48; for 10,000 to 25,000, \$29.85; 5,000 to 10,000, \$23.05; 2,500 to 5,000, \$28.77; 1,000 to 2,500, \$35.84; and under 1,000, \$33.60.

We only have to look at the 1974 annual report of the fire commissioner's office tabled in this Legislature in 1975. In 1974 we had 21 fire deaths, and injuries by fire have increased by 57 from the previous year. The fire death rate in this province stays at about 4.85 deaths per 100,000 population.

Comparing '74-'75 with '73, the number of residential fires remained about constant. A significant increase occurred in the number of fires and the amount of loss reported in outdoor fires and transportation vehicles. In the outdoor type we get a lot of grass fires getting into hay land, and many other things.

Mr. Speaker, I'd just like to point out to the members of the Assembly that some of our counties and municipalities have no fire-fighting equipment at all. These are based on 1975 figures: Thorhild, Forty Mile, Barrhead, Athabasca, Smoky Lake, Paintearth, St. Paul, Vermilion River, Lac Ste. Anne, Smoky River, and IDs 1, 2, 3, 4, 5, 6, and 13, 14, 15, 16, 20, 21, 23. Other departments that have equipment may belong to a regional firefighters' association and it may be stationed in some of the nearest towns. Minburn is that particular county. Others like it are Provost and Westlock with maybe only one apparatus for the rural area.

We had a discussion about a month or two ago in regard to the county of Lac Ste. Anne, where a number of fires have occurred. The urban municipalities such as the summer village of Alberta Beach or the village of Onoway would not release their apparatus to fight a rural fire. I agree with the authorities in these towns because they are the ones paying for the fire equipment. They would only have to release that equipment to fight a rural fire and then something would happen in their own jurisdiction. The outcome of that meeting was that the municipal council is now looking at purchasing some equipment. But they still need assistance through the provincial government because of their high tax base up there.

Mr. Speaker, there are some municipalities which have done a pretty commendable job in the province of Alberta with regard to supplying fire-fighting equipment to their people. One I can cite is Warner, another is Camrose, and the county where I reside, the county of Parkland, the county of Flagstaff, and

many more. So it's an area where some have protection and some don't.

In the bill I'm also recommending that we set up fire areas so that rural municipalities would overlap. I'm not suggesting we get away from what we have done with our school divisions where children have to go to the school in the particular municipality in which they reside. With this particular act agreements would be signed between municipalities that one county would help cover the other.

It's interesting to note, Mr. Speaker, that in 1975 the British Columbia government set up a study which reported to the Attorney General. It was done by Mr. Hugh L. Keenleyside. Their terms of reference were what I'm talking about now. The Votes and Proceedings of that particular Legislative Assembly read:

the survey will consider the needs of all fire services, full time, part paid, part volunteer, and the volunteer brigades re standards of service excellence to be set; better training programs and facilities beyond the present travelling institutional [groups]; up-grading the status of the Provincial Fire Marshal's Office and the question of establishing district offices in a number of Interior points in the Province; . . . assistance to local fire forces, particularly those municipal forces with few or none paid officers; the need to extend the fire-protection services to areas of the Province where at present the local RCMP officer is the sole fire brigade.

There are a number of recommendations in this report that I agree with, and I would like to share some of them with the members of this Assembly. They found out, as I pointed out to this Legislature, that there is no compulsion on municipalities to establish or maintain a fire department. We find this in both Alberta and British Columbia. Except where there are locally established fire departments, as is the case in some of the larger fully paid departments, no qualifications are required for fire officers. There are none in this province either, unless a municipality wishes to send the fire officers and volunteer men to the Vermilion school, which usually runs during June.

Another finding of theirs was: "Due to lack of funds many fire departments are poorly equipped with apparatus and supplies." This is the same in this province. We have no standardization of apparatus where one department could trade with the other if it were warranted. They say:

No effort has been made to standardize fire fighting equipment which results in difficulties in cooperation between departments and unnecessary expenditures due to the personal judgments . . . municipal authorities.

I could see that by standardization of equipment you would certainly have less expenditure.

There is inadequate protection insurance for fire-fighting personnel in such matters as injury, liability, and death. I'm not sure, Mr. Speaker, what individual volunteer fire departments have done in this province for protection of their members. I know the county of Parkland has a blanket policy, but I'm not quite sure what other towns or municipalities have done.

Here's one that's very common with Alberta — the fire hazard situation on Indian reserves. Looking at

the fire report which was tabled in the House, the loss in 51 fires on Indian reserves was \$257,924.

So I think, Mr. Speaker, I've outlined to the Assembly some of the concerns I have, some of the concerns of Hugh Keenleyside in the British Columbia report, and that they match the concerns I have in the province of Alberta. I'll welcome the debate of the other members.

MR. ZANDER: Mr. Speaker, in speaking to Bill 220, at this time I know the need for fire-fighting equipment in the rural areas, especially in the towns of 1,500 to 2,000 population which really can't afford a fire-fighting unit. It is necessary. But, Mr. Speaker, I don't think at this time the municipalities — I'm thinking of the towns of 1,500 and 2,000 population and of the counties and the M.D.s that have an assessment of less than \$20 million — can really afford a unit, although it is needful. That, of course, means these units will have to be subsidized to some extent by grants.

Mr. Speaker, I would like to look at what happened in the county of Parkland some 17 years ago. At that time the county made a decision to purchase units, perhaps one a year, maybe one every two years, until finally, when I left the county in 1971, we had seven units fighting fires throughout the counties. But you also have to look at the geographical location of the towns and hamlets in the area to make arrangements to fight, to house, to operate, to train, and to keep viable units operating within a 20-mile distance of each other. If you have a fire-fighting unit more than 20 miles distant, or of course overlapping, I think the fire unit is of relatively little use. If you can't get to a fire in less than half an hour, or perhaps three-quarters of an hour, most times it's too late.

But let's look at the cost of fire-fighting equipment today as compared to at that time. Mr. Speaker, we were talking of \$16,000 per fully equipped unit. Of course, to house the unit you'd have at that time almost \$20,000. You're looking at a unit price of \$36,000 or \$40,000. Today, if we had to build and maintain a unit of that nature, we're looking at \$80,000 to \$100,000. And then it would not be fully equipped to handle all emergencies.

But let's look at the other part of it, Mr. Speaker, where it would be possible to house some of these units in conjunction with our towns. The town I come from has a population of over 5,000 people and has only one unit. But it also houses the unit which belongs to the county of Parkland. It has the ability to use both units within its borders, if it wishes to do so and if it's needful. But we cannot expect the town to leave itself unprotected to fight a fire out in the rural areas and use both trucks. That is the reason the agreement has been reached by the town. They use their own men to fight the fire. The county pays the men who fight these fires. I believe the price now is \$6.50 an hour. I remember at one time it was \$2.25. Only in this way, Mr. Speaker, can it be rational and less expensive to bring the fire-fighting units out into the rural areas.

Today we are asking for industry to decentralize from the major cities, and industries are coming out into the rural areas. Of course, the one thing they expect is fire protection.

Mr. Speaker, when we look at some of the mill rates levied by the counties and M.D.s today, I am

fearful to see what the costs would be of adding another 5, 10, 15, 20 mills to maintain one or two units within its borders.

I know the bill is well intended, and I have every sympathy to provide fire protection to the people in the rural areas. Unless this government comes to the rescue in some manner — I think you probably heard the minister speaking yesterday in the question period, where some of the municipalities and counties have borrowed beyond their means of repayment. I believe that, through a grant, perhaps through the years, through low interest rate repayment over 20 years, in some manner, we can bring some fire-fighting equipment into the rural areas.

In the southeast corner of my constituency, they have a very old unit for which the county gave some money — I believe it was \$500. It is an old truck. I think its vintage is about 1945. It is providing a good service. But they have to put on various plays, bingos, and dances to get enough money to maintain and house the unit. It has to be heated. But, Mr. Speaker, last year after I saw the fire that went through that hamlet — it almost wiped out an entire block and a half — it led me to believe that a unit of that nature, once the fire has taken hold in a high wind, hasn't got a capacity to fight, although it is helpful in the first stage of the fire.

Last year in my constituency, in the county of Leduc, we lost a life. A 6-year-old girl was burned to death. In the county of Leduc there is no fire-fighting equipment. Through the mercy of the county of Parkland and the town of Drayton Valley, they answered the call. This year, I understand that they have an agreement with the other county to help to pay for some of the fire-fighting in there.

I think co-operation between adjacent municipalities, such as the county of Parkland and the county of Leduc, which has a fire truck within five miles of its borders . . . They have fought fires within that area. I don't know whether the county of Parkland has ever received payment. I think there has to be some way that there's co-operation by agreement, where property and life is at stake they co-operate to the utmost to protect the lives of one another. Many times, Mr. Speaker, I have seen all units out of the fire hall at Drayton Valley fighting fire out in the rural areas. Under the insurance underwriters, I don't think that if a fire occurred in that town at that time one of the units would have to return.

I'm very sympathetic, Mr. Speaker, to try to get fire-fighting equipment into the rural areas by whatever means, because the expense, as I mentioned before, is now beyond the means of any municipality, unless of course they have high assessment. But industry going out into the rural areas today demands fire protection and police protection. If we're going to entice, convince, or use whatever means to have the industry move out, decentralize, I think we as a government will have to pick up part of the costs of providing such protection, by whatever means it may be. But I do believe that we have a responsibility to the people and the industries in the rural areas.

MR. NOTLEY: Mr. Speaker, in making a few comments with respect to Bill 220, I certainly accept the motive behind the bill. Clearly, there is no question that in fire-fighting both equipment and facilities in the rural areas range from being margin-

ally adequate to, in some cases, seriously inadequate to, in other areas, totally non-existent. So there's really little question that some move has to be taken.

I would suggest to the mover of the bill, however, that in listening very carefully to his introductory remarks, I didn't disagree with the points he made. I think they are all valid points and brought a number of interesting statistics to our attention. For example, the fact that smaller communities, rural districts, summer villages all have very high per capita losses due to fires is well worth noting.

What I thought was perhaps lacking in the introductory debate, Mr. Speaker, was an assessment of the bill itself. A number of concerns about the bill have been brought to my attention. I want to deal with them in a moment. I would suggest to the government that this is an important enough matter that it would be wrong simply to talk the matter out at this session and let the thing go to the bottom of the Order Paper. I would hope that the hon. Minister Without Portfolio in charge of rural development might well take upon himself the assignment of looking into the whole question of fire-fighting and equipment, cost-sharing, what have you, in rural Alberta.

I don't often agree with the hon. Member for Drayton Valley, but I think he made a number of useful points in the debate this afternoon. There's no question that we all share the concern about lack of fire-fighting equipment, but the question is how we are going to be able to deal with this situation in such a way that we don't place — some of our rural municipalities are already in trouble — them in absolutely impossible situations. It seems to me, Mr. Speaker, what is needed on the part of the government is a review of the problem, and I would say under the direction of the Minister Without Portfolio in charge of rural development. I consider this an important enough matter that it should be dealt with, and dealt with soon.

I would suggest, however, that in addition to discussing this matter with representatives of rural municipalities, small hamlets, towns, villages, what have you, the views of a number of other groups should be sought as well, among them the professional firefighters in the province of Alberta.

Now, Mr. Speaker, I want to take just a moment to look at this question of the financial impact. I realize that one of the good things about Bill 220 is that it provides the authority for funding, that is to provide funds to municipalities to upgrade fire protection. But unfortunately this is not a money bill. We can pass the bill if you like, but there is no commensurate decision that forces the government to make money available in fact. We can talk all we like about forcing municipalities to provide adequate fire protection, but if we're going to be serious about the matter, there has to be, at the very least, some kind of cost-sharing commitment from this government.

For example, Mr. Speaker, I think of the little village of Hines Creek, which has a fire engine very much like the fire engine the Member for Drayton Valley referred to. It provides some minimum fire protection. As I read Section 4 of this act, if all of a sudden we're going to have very stringent conditions about upgrading the equipment, and little Hines Creek suddenly has to buy an \$80,000 unit when at the present time, I think, they've got about a 1952

truck, that's a pretty substantial problem for a town of 450 or 500 people. Frankly, I agree that it's a little naive to assume that antiquated equipment in some of these places is adequate.

I'm simply saying to the members of the House that if we're going to deal seriously with this matter, we have to look at the funding, because there's just no point in talking to St. Paul county at this stage. When he introduced the bill, the member cited St. Paul county as one of the areas that doesn't have fire-fighting equipment. Well frankly, Mr. Speaker, I don't know if you'd be able to convince the county councillors of St. Paul, with their \$1 million deficit in two years, that they should spend another \$80,000 or \$100,000 on fire equipment. But it would be very tough to convince the Minister of Municipal Affairs, after what he said in the House yesterday.

I say to the members that in my view this bill, well intentioned as it is, should be the basis of a discussion with the counties and M.D.s, with the smaller centres. The member pointed out that he sent copies of the bill to many volunteer fire departments around the province and got a response from a number of them indicating they were favoring it. No question about that. No one is really opposed to the principle of the bill. But in order to flush this thing out, in my view, there has to be a commitment from the provincial government on some kind of funding formula. Perhaps for some of the smaller centres we're going to have to pick up the entire cost, or a portion of the cost; but, Mr. Speaker, it isn't really adequate to set very stringent guidelines at this stage of the game and then say, well, somebody else will have to look after the financing of it.

We can't have it both ways. We can't have the Minister of Municipal Affairs standing up in the Legislature and giving us lectures as to why local governments have been irresponsible in spending money, and then we, as legislators, passing bills which could very well obligate them to spend money when they're already in some financial difficulty.

Mr. Speaker, the major concern I had, in addition to the obvious one about the funding by local levels of government, is that, first of all, I found it a little difficult to understand why there wasn't any consultation with what you might call the professional firefighters in the province of Alberta. I know when he introduced the bill the member said this bill would apply only to rural districts. Well, Mr. Speaker, as I read over the bill, as I understand it anyway, it is going to have some very definite implications not only for rural districts but for our larger city fire departments as well. That being the case, it strikes me as rather strange that there was no consultation with the firefighters in this province. I must also say to the members of the House that both my office and the office of the official opposition have had representation from firefighters concerned that there was no consultation.

When he introduced the bill, the member referred to previous changes. Changes were made by the former government; but in deference to the former government, before those changes were made there was specific consultation with the organized firefighters in the province of Alberta, so that the amendments introduced came as a result of that sort of specific consultation.

I would suggest to the mover of the bill that, before

we get into changes that are going to have some significant implications, in my judgment anyway it would be only prudent to sit down with the organized firefighters in this province, who know more about all facets of fire-fighting, whether it's suppression of fires, prevention of fires, emergency medical service, fire ignition investigation, or any of the other points the member pointed out when he introduced the bill.

I would simply say, Mr. Speaker, that I'm intrigued by what kind of standards we are going to be looking at. For example, if this bill goes through, will we be following the national apprenticeship and training standards for firefighters in the United States of America? I don't know whether that's a good thing or a bad thing. I'm not a professional firefighter, but it's one of the matters that has been brought to my attention by professional firefighters. I'd like to have some response on that particular issue from the mover of the bill.

In addition, Mr. Speaker, I think we have to ask what impact this bill would have on seniority and collective bargaining. You look at Section 4(1), and one of the points — and I'll just read this out, Mr. Speaker. I know we're not to get into specific debate on clauses, but I think this needs to be said to understand the principle of the bill. I just cite the subclause, "providing for minimum standards for frequency and scope of training of firefighters, fire officers and related staff".

Well, Mr. Speaker, if we're going to get into issues which really are in part subject to collective bargaining, to what extent are we not asking for trouble? And I say that quite sincerely. It seems to me this is the sort of thing [where] we at least have to know what we're getting into. We just cannot come in and with a broad brush sort of sweep away seniority and all these other things that are part of the collective bargaining procedure. As I say to the hon. member who introduced the bill, he may be convinced that it only applies to the rural ... Mr. Speaker, is there a problem with the PA system? We'll go ahead, anyway? Fair enough.

Mr. Speaker, he may be convinced that this deals exclusively with the rural areas, but the firefighters who have talked to me are convinced that it is going to apply to them as well.

What about promotion? Will there be a conflict, for example, with The Firefighters and Policemen Labour Act? Mr. Speaker, I think that's another thing that has to be assessed when we review this particular legislation.

Then there's the question of the assessment section of this bill. I understand, in reading ...

MR. SPEAKER: I apologize for interrupting the hon. member, but I would suggest that, if he wishes to continue while the sound system appears to be not working properly, perhaps he might turn up his volume. I have a signal from *Hansard*, and my system isn't picking it up either.

MR. NOTLEY: Mr. Speaker, I'd be glad to speak louder, or we could adjourn debate if the sound system isn't working. Carry on? Okay. Fair enough.

Mr. Speaker, just to go back to where I was. The whole question of promotion was also brought to my attention by some of the professional firemen. For example, will there be a conflict with The Firefighter

and Policemen Labour Relations Act? What about the question of assessment? In reading over the bill, I understand that under the terms of this bill the fire commissioner's office will be authorized to conduct an assessment. Well, Mr. Speaker, I wonder to what extent that is going to be a duplication of work already done by fire underwriters.

It seems to me, Mr. Speaker, that's again the sort of thing which I would have liked to have had explained by the member when he introduced the bill. Perhaps when he closes debate he could answer that specific question.

Mr. Speaker, at a time when we're talking about trimming the fat from government expenditures and restraint, I wonder whether we want to get into a situation where we have duplication of work already done by somebody else. Again, Mr. Speaker, this is the sort of concern the firemen asked me to raise in the House. For example, how many more civil servants are [we] going to have to hire to meet this particular section of the bill?

There's also the question of municipal autonomy. I recognize that if you're going to have decent fire standards in the province, provincial guidelines have to be set out. So in principle I have no difficulty accepting that proposition. But I think it should be noted, as well, that if we follow that route, we are going to be eroding local autonomy to a certain extent.

Mr. Speaker, I notice the Member for Stony Plain has sent over a resolution from the county of Flags-taff. I would simply say to the hon. member — it says, endorsed by the Edmonton union — that the firefighters in the city of Edmonton and in the province as a whole simply want consultation. That's their major objective at this stage of the game, before this bill is passed. They want to be able to sit down with the government to assess the implications as it relates to seniority, promotion, collective bargaining, standards. They want precisely the same thing from this government that they obtained from the former government when amendments were made in the past.

Mr. Speaker, there are difficulties in the rural municipalities as far as financing goes, whether we're talking about municipal districts, counties, or our smaller towns or villages. When you couple that with the concern of the firefighters, it seems to me, Mr. Speaker, that the proposal I made that the government seriously take this under advisement and we ask the minister in charge of rural development to head up, if you like, a task force which would meet with the appropriate people. I'm sure the Minister of Advanced Education and Manpower would also have to be part of this, because the firefighter course in Vermilion comes under his department; and possibly the Minister of Labour, because of the effect this kind of legislation might have on certain labor matters. But I think a task force headed by the minister in

charge of rural development could take a move that obviously is required and overdue.

There is no doubt that rural Alberta needs an upgrading of a fire protection service. But at the same time, let's have the consultation, let's sit down and make sure we have the views of as many people as possible, and then come forward with a bill that not only sets out the authority to spend money, but is coupled with the commitment from the Provincial Treasurer that we're going to provide the funds to make it a reality, so the little hamlet the Member for Drayton Valley talked about can get a decent fire engine, so that Hines Creek can get decent equipment without having to put 10, 15, or 20 mills on the local tax burden. In some of these smaller places, Mr. Speaker, the increase in the mill rate to get the best equipment would be just prohibitive. It just wouldn't be possible at all.

All these things have to be reviewed and analysed. It seems to me, Mr. Speaker, that in light of these concerns, I would simply say to the government that this bill, as it is, should not proceed. But take up the spirit of the bill and set up the task force. Let's very quickly draw the people together so we can come up with a properly funded policy to deal with the problems of fire protection in rural areas.

MR. HYLAND: In [view] of the time, I beg leave to adjourn the debate.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, this evening the two subcommittees, A and B, will meet: Subcommittee A to consider the Department of the Environment; Subcommittee B, Municipal Affairs. Tomorrow morning, the Assembly will proceed again [with] Committee of Supply consideration of the following departments: Attorney General, Labour, Consumer and Corporate Affairs, and Municipal Affairs if that proceeds in its entirety through the subcommittee tonight, similarly with Environment if it proceeds in the subcommittee. The department after that will be Business Development and Tourism.

I move we call it 5:30 and that Assembly do adjourn until tomorrow morning at 10 o'clock.

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

HON. MEMBERS: Agreed.

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

[The House rose at 5:28 p.m.]

