

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, May 7, 1976 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **PRESENTING PETITIONS**

MR. KUSHNER: Mr. Speaker, I beg to present to this Legislature this petition with another 1,000 signatures. These Albertans are concerned, Mr. Speaker.

The Foothills Hospital in dismissing Dr. George Abouna without charging him with incompetence has denied transplant patients the surgeon of their choice. We request that the Government of Alberta reinstate Dr. Abouna immediately.

MR. SPEAKER: May I suggest to the hon. member that he might consider whether there should be any debate included in the report of the contents of the petition. If he commences with a preliminary of the kind which he used today and yesterday, he is introducing an element of debate which, in fairness, other members ought to have the opportunity to comment on, but which cannot be afforded to them on the introduction of petitions. Therefore I would suggest that perhaps such preambles might be omitted from future petitions.

MR. KUSHNER: Mr. Speaker, I'll take that under advisement and I understand . . .

head: **INTRODUCTION OF BILLS**

Bill Pr. 1
An Act respecting a certain
agreement between the City of Edmonton
and Northern Alberta Natural Gas Development
Company Limited

MR. CHAMBERS: Mr. Speaker, I beg leave to introduce Bill Pr. 1, An Act respecting a certain agreement between the City of Edmonton and Northern Alberta Natural Gas Development Company Limited, and dated the 16th day of November 1915. This bill, which apparently comes before this House in like form every decade, extends the franchise of Northern Alberta Natural Gas Development Company Limited for another 10 years.

[Leave granted; Bill Pr. 1 introduced and read a first time]

Bill Pr. 2
An Act to Amend The Mennonite
Mutual Relief Insurance Company Act

MR. GHITTER: Mr. Speaker, I move Bill Pr. 2, An Act to Amend The Mennonite Mutual Relief Insurance Company Act.

[Leave granted; Bill Pr. 2 introduced and read a first time]

Bill Pr. 3
An Act to
Incorporate the Certified
General Accountants Association of Alberta

MR. MILLER: Mr. Speaker, in the absence of my colleague the Member for Calgary McKnight, I would like to move first reading of Bill Pr. 3, An Act to Incorporate the Certified General Accountants Association of Alberta.

[Leave granted; Bill Pr. 3 introduced and read a first time]

head: **INTRODUCTION OF VISITORS**

MR. CHAMBERS: Mr. Speaker, I'm pleased to introduce to you, and on your behalf to members of the Assembly, some 90 Grade 11 and 12 students from the Queen Elizabeth High School, located in the constituency of Edmonton Calder. They are accompanied by their teachers, Mrs. Morris, Mr. Kalke, and Mr. Rogers. They are seated in both the members gallery and the public gallery. I would ask that they stand and be recognized by the members of this House.

MR. HYNDMAN: Mr. Speaker, I'm pleased to introduce to you this morning, and through you to members of the Assembly, some 25 Grade 9 students from St. Paul School in the Edmonton Glenora riding. They are accompanied by their teacher, Mr. Roland Genereux. They are in the members gallery. I would ask that they stand at this time and the Assembly provide them with an appropriate welcome.

head: **TABLING RETURNS AND REPORTS**

MR. JOHNSTON: Mr. Speaker, I'd like to table a response to Motion for a Return No. 108 requested by the hon. Member for Drumheller.

head: **ORAL QUESTION PERIOD**

Oil Pricing

MR. CLARK: Mr. Speaker, I'd like to direct the first question to either the Minister of Federal and Intergovernmental Affairs or the Minister of Energy and Natural Resources. It flows from the Premiers' Conference yesterday.

I'd like to ask either of the ministers, in light of the fact — and I think not a surprising fact as far as Albertans were concerned — that no agreement was

reached yesterday at the meeting of the first ministers, what is the plan from here on with regard to consultation between the province and the federal government. What kind of time frame are we looking at before a new price is established?

MR. GETTY: Mr. Speaker, while I've had an opportunity to discuss the meeting yesterday with the Premier, as has my colleague, the Minister of Federal and Intergovernmental Affairs, the Premier will be in the House on Monday. I suggest that we leave the discussion or questions on the meeting until he returns to the House.

Syncrude Debentures

MR. CLARK: Mr. Speaker, might I direct the second question to the Provincial Treasurer. As a result of his tabling yesterday concerning the debentures and the lending of money by the province to Gulf at 8.125 per cent and Cities Service for 8.375 per cent, I'd like to ask the minister specifically about the report of the consultants.

Is it the position of the consultants and the Government of Alberta that the 8.125 per cent for Gulf and the 8.375 per cent interest rate were the rates at which those companies could acquire money on the open market?

MR. LEITCH: No, it wasn't, Mr. Speaker. What I said yesterday was that there was a difference in borrowing rates on the open market, depending on the credit rating of the borrower. Then I went to the second point, which was, at what rate does the borrower pay for ordinary long-term borrowings as contrasted with long-term borrowings with a convertible feature, and indicated the general business practice was that when there was a convertible feature the interest rate paid by the borrower was between 2 and 3 per cent less than the interest rate that would be paid if there were no convertible feature.

Mr. Speaker, that is so because the convertible feature is very valuable to the lender, since it enables the lender to wait until the financial prospects of the project can be more accurately determined. Then, if it appears the project is going to return a substantial benefit, the lender has the option of converting the debt into an equity ownership and reaping the higher return he would receive as an equity owner as opposed to a lender.

So the rate at which Gulf or Cities Service would have been able to borrow on the open market for a simple long-term debt would have been a little more than 2 per cent higher than 8.125 and 8.375 — somewhere between 2 and 3 per cent, but closer to 2 per cent. The reason for that difference is the convertibility feature and the advantages the convertibility feature has for the lender.

MR. CLARK: A supplementary question to the Provincial Treasurer. From the Provincial Treasurer's comment, then, is it the position of the Government of Alberta in the course of the advice they've received from their consulting firm that Gulf and Cities Service would in all likelihood have been able to borrow on the open market [for] between 10 and 11 per cent?

MR. LEITCH: Yes. Mr. Speaker, I think at the time of the negotiations, the time the terms of the debenture were concluded, borrowing on the open market would have been somewhere in the vicinity of 10.5 per cent for both the companies, bearing in mind that there's a .5 per cent spread between the two companies.

With respect to the convertibility feature and its advantages, I should have added that in this particular case the province of Alberta has the right to convert for the full amount of the loan for a period of five years from the date of the start of production. It's the conversion computation date as defined in the agreements, but essentially it is the date production begins in Syncrude. Under these debentures, the province has a period of five years after that date within which to assess the likely future prospects of the project before it has to make up its mind on conversion.

Policy on Power

MR. R. SPEAKER: Mr. Speaker, the question was to the Minister of Hospitals and Medical Care, but I'm sure he's away for a good reason.

I'd like to direct a question to the Minister of Utilities and Telephones. It's with regard to the resolution from the city of Lethbridge that was raised the other day. Has the minister received that resolution and considered it at this point?

DR. WARRACK: Not as yet. I think it's reasonable, Mr. Speaker, that as a resolution from the city of Lethbridge council, they would forward that in due course. I'd want to review it carefully upon its receipt.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Has the minister reconsidered or considered the government's position on such a matter with regard to a provincially owned power corporation?

DR. WARRACK: Mr. Speaker, I haven't received the resolution yet, so I really don't know what there is to reconsider. At the same time, I would remind the hon. member I did invite the official opposition to tell us their position on this important matter.

DR. BUCK: You're the government, Warrack, and you know it.

MR. R. SPEAKER: Mr. Speaker, our position is very clear, and it was enunciated that day.

DR. WARRACK: What is it?

MR. CLARK: Read *Hansard*. You'll find the answer.

DR. BUCK: We're having a little trouble educating the Minister of Utilities and Telephones, Mr. Speaker.

MR. CLARK: It's a continuing project.

Dodds-Round Hill Project

DR. BUCK: Mr. Speaker, I would like to ask the hon. Minister of the Environment if he can indicate to the

Legislature some of the results of the meeting in Camrose as it relates to the Dodds-Round Hill project, or the Camrose-Riley project as it is sometimes called.

MR. SPEAKER: I respectfully suggest to the hon. member that the opinion would be quite varied as to what the results of that meeting might have been. As the question now stands, it's questionable whether the minister has any responsibility to deal specifically with the object of the question.

DR. BUCK: Mr. Speaker, I would like to ask the minister if he can indicate what work the Department of the Environment has been doing as it relates to the amount of ground water in the Dodds-Round Hill area where the proposed strip-mining project is contemplated to go ahead.

MR. RUSSELL: Mr. Speaker, at this time the department has done no special surveys or consulting work with respect to that matter.

DR. BUCK: A supplementary, Mr. Speaker. Can the minister indicate if he's in a position to tell the members of the Legislature what similarities there are between the German project where they're mining brown coal and the Dodds-Round Hill area, as it relates to surface soil and subsoil?

MR. SPEAKER: I hesitate to interrupt the hon. member again, but it appears we're getting into research work in the question period.

AN HON. MEMBER: That's right.

DR. BUCK: With all due respect, Mr. Speaker, the information is available, and I think it's very important to the people of Alberta. I think the minister could probably give us that information.

MR. SPEAKER: I would have to agree that the information is very important. I would suggest perhaps the hon. member might consider seeking it on the Order Paper in the form of a motion for a return.

Policy on Power (continued)

MR. STROMBERG: Mr. Speaker, my question is to the Minister of Utilities and Telephones. In light of statements made in this Assembly by the minister and statements made by Calgary Power and the Electric Utility Planning Council that by the year 1982 Alberta will face a severe power shortage, I was wondering if the minister could explain the application by Alberta Power presently before the ERCB to now delay commissioning of the Battle River Unit No. 5 from the fall of 1979 to October 31, 1980, because of the considerable surplus of capacity in the year 1980.

DR. WARRACK: Mr. Speaker, that's a good question, and the answer's pretty good as well.

SOME HON. MEMBERS: Oh, oh.

AN HON. MEMBER: A supplementary.

DR. WARRACK: No, I'm not done yet.

The application is before the Energy Resources Conservation Board, and they're assessing that matter at the present time, so their recommendations are not on hand to be part of the answer. The point is that in the planning process there was a need to cover the circumstance of the most rapid load demand expansion possible, and the development of the Battle River No. 5 application by Alberta Power was based on that projection. As the newer information has come to light, they have asked for that consideration.

I want to re-emphasize that that consideration has not been approved by the Energy Resources Conservation Board, and it is at the stage of being considered. In effect, it does not alter the rest of the timing sequence significantly, insofar as power planning in the 1980s is concerned.

MR. STROMBERG: A supplementary, Mr. Speaker, to the minister. Is it true that Calgary Power Sundance Unit No. 6 will also be delayed a year because of overcapacity?

DR. WARRACK: No, it is not.

MR. STROMBERG: Mr. Speaker, my final supplementary to the minister. Would the minister consider having his department do an in-depth study of the accuracy of the power requirements predicted by the Electric Utility Planning Council?

DR. WARRACK: Mr. Speaker, I think I should take that matter under advisement. The matter has been examined with the help of very competent consultants and staff of all areas involved in the Electric Utility Planning Council, which by the way includes government observer members, including the department, and the Energy Resources Conservation Board. The assessments that have come forward are the basis on which power planning is undertaken. At the same time the possibility of an independent view of that information may very well be a worthwhile undertaking, and I'd like to consider it.

Civil Marriage Ceremonies

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Social Services and Community Health. Could the minister indicate to the Assembly what the response has been by the churches in the province to the suggestion that civil ceremonies be made compulsory for marriage in Alberta?

MISS HUNLEY: We have not yet received responses from very many, Mr. Speaker, but perhaps I could take this opportunity to clarify how this actually originated. It came to me first of all as a request from a private citizen that it be considered. Some of the churches knew of it, and they endorsed the proposition that we should consider having civil ceremonies as required by law, then a church ceremony to be at the choice of the individual.

It seemed to have enough merit that I thought we should have additional information. I instructed the

director of legal services in the department to advise the various church groups of this request for consideration, and that's where the matter rests at the moment. My mail the other day, for example, reflected one for and one against. So it's rather interesting, but there has not been a very great response to the present time.

Library Regulations

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Government Services also responsible for Culture. Would the hon. minister have some idea when the regulations under The Libraries Act will be available?

MR. SCHMID: Mr. Speaker, in fact, last Saturday at Lake Louise I did ask the Library Association of Alberta to prepare for me thoughts they have on what the regulations should be all about. Once I have received that, I will of course have the department give immediate consideration to drawing up these regulations and drafting them for submission to cabinet at the earliest possible date.

DR. BUCK: The biggest problem is money, Horst.

Fingerprinting Treasury Employees

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Provincial Treasurer. It relates to the question posed yesterday by the Member for Spirit River-Fairview on the question of fingerprinting of employees in the Provincial Treasurer's Department. The Treasurer indicated he would check on the matter and report to the Assembly.

Is the Treasurer now in a position to either confirm or deny that this practice is going on in some areas of the Treasury Department?

MR. FARRAN: Mr. Speaker, perhaps I could take that question on behalf of the hon. Provincial Treasurer. The police were investigating a possible theft of confidential documents from the Treasury. Of course, it's not only an offence to steal documents, it's also an offence to receive them. It is an offence under the public service administration act for any civil servant to divulge confidential information.

The police methods were routine for this sort of thing: a process of elimination by fingerprinting or polygraph to protect the innocent employees. The giving of such evidence is always voluntary under our system. The investigation was completed on April 15.

MR. CLARK: Mr. Speaker, a supplementary question to either the Provincial Treasurer or the Solicitor General. Who requested the law enforcement agencies become involved?

MR. FARRAN: Mr. Speaker, I understand that the complaint was lodged with the police by the legal counsel for the Treasury.

MR. CLARK: A supplementary question to the Solicitor General. Is the Solicitor General in a position to give us some indication how many employees in the

department in fact have had their fingerprints taken or were subject to the polygraph examinations?

MR. FARRAN: Mr. Speaker, I don't think I could give any exact figure. It's a comparatively small group. Apparently the stolen document was numbered and had a limited circulation. The point was to lift the cloud of suspicion hanging over the heads of innocent people. This is a normal police route taken when an employer complains of theft from petty cash and that type of thing.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister in a position to indicate whether charges have been laid as a result of the investigation by the law enforcement agencies?

MR. FARRAN: No, they haven't, Mr. Speaker.

MR. CLARK: Mr. Speaker, a supplementary question to the Solicitor General. Is the investigation by the law enforcement agency continuing?

MR. FARRAN: Not this phase of it, Mr. Speaker. I think it's fair enough to say that the investigation has really come to a dead end. It served some purpose in that it's cleared the cloud of suspicion from certain employees, but there are 18 terminated employees who could have been involved and who could not be followed up. So, effective April 15, the police have closed the file.

MR. CLARK: Mr. Speaker, to the Solicitor General. Were there any employees who were dismissed or who left the employ of the Provincial Treasurer's Department as a result of the investigation carried out by the law enforcement agency?

MR. FARRAN: Not so far as I know, Mr. Speaker.

MR. CLARK: Mr. Speaker, one last question to the Solicitor General or the Provincial Treasurer. Is the minister in a position to indicate what the document was that mysteriously left the Provincial Treasurer's department and was the cause of the investigation?

MR. FARRAN: Perhaps that question should be put to the hon. Provincial Treasurer. I gather that many documents in Treasury are very confidential — that we shouldn't know what taxes are likely to be next year, or anything like that.

MR. CLARK: [Inaudible] bit more serious than that in light of the investigation. Is the Treasurer in a position to indicate the document involved?

MR. LEITCH: Yes, Mr. Speaker. One of the documents involved was a financial projection prepared confidentially but made public in circumstances which indicated that a breach of criminal law may have occurred. For that reason it was reported in the usual way to the police authorities.

MR. CLARK: In light of that answer, Mr. Speaker, just one further question to the Treasurer. The Treasurer says, one document. Is the minister indi-

cating that a number of documents left the Treasurer's Department and that led to this investigation?

MR. LEITCH: Mr. Speaker, there were two, although I wouldn't offer an opinion on whether they both occurred at the same time or at different times.

Big Lake Recreational Area

DR. BUCK: Mr. Speaker, I'd like to address my question to the Minister of Recreation, Parks and Wildlife. I'd like to know if the minister has received any representation on developing a major recreational area in the Big Lake area northwest of St. Albert.

MR. ADAIR: No, Mr. Speaker. In essence I haven't, although I have a letter from the mayor of St. Albert indicating that he was requesting some information from the Department of the Environment. There was a possibility that should some things happen in [regard to] that request, it could be considered for recreation potential.

DR. BUCK: A supplementary. Has the minister received any representation on developing part of this area as a source of water for the town of St. Albert?

MR. ADAIR: Mr. Speaker, I would have to refer that particular question to the Minister of the Environment.

MR. RUSSELL: Mr. Speaker, I got a similar letter from the mayor of St. Albert expressing his support for the project. I replied outlining the studies under way with respect to water resources in the region, which would include Big Lake; also to the regional utilities study that has recently been commissioned and which would form an important part of the background data that is necessary prior to that specific decision being made. The mayor of St. Albert is aware of that and understands the situation.

Rent Regulation

MR. TAYLOR: Mr. Speaker, my question is to the hon. Minister of Consumer and Corporate Affairs. When a landlord has or places a mortgage on an apartment, is this considered a justifiable reason for an increase in rent over and above the guidelines?

MR. HARLE: Mr. Speaker, I understand the rent regulation officers decide that matter on the basis of whether the mortgage has been obtained to improve or do some work on the premises. If the landlord has obtained a mortgage for that purpose, the interest costs are taken into consideration. However, if a mortgage is obtained to purchase other property or to do something else, then the interest costs are not taken into consideration.

Lottery Revenue

MR. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Culture or the Minister of Recreation, Parks and Wildlife. The question centres around the Western Canada and the Olympic lotteries.

I'd like to ask what is the present disposition of Alberta's portion of the Western Canada Lottery.

When I say present disposition, how much is Alberta's portion? What has been done with it?

MR. SCHMID: Mr. Speaker, the present disposition of the funds realized from the Western Canada Lottery — I think that is what the hon. Leader of the Opposition is asking — 5 per cent of the gross revenue of the Western Canada Lottery is allocated to a ministers' fund, as it is called. It is being used for the development of amateur sport or cultural activities which are for the benefit of all four western Canadian provinces; for instance, the Western Canada Games which were held last year.

The balance of this fund in other provinces is, of course, allocated to the disposition of whoever runs the lottery. In the province of Alberta, the Western Canada Lottery as such is really being run by the Commonwealth Games association, the Calgary Exhibition & Stampede Association, and by the Edmonton Exhibition Association. They dispose of their funds for the public benefit as to their programs.

MR. CLARK: Mr. Speaker, a supplementary question to the minister, so I clearly understand the situation. Will the Alberta government receive any portion of the revenue from the Western Canada Lottery?

MR. SCHMID: Mr. Speaker, directly, no; except as I mentioned before, the ministers' fund, which sometimes would be for the benefit of the people of Alberta. It would probably come through government if necessary, if a certain program would be decided in the future.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Can the minister enlarge on this ministers' fund? How big is it, and who controls it?

MR. SCHMID: As I mentioned before, the ministers' fund results from a 5 per cent charge . . .

MR. CLARK: How many dollars?

MR. SCHMID: How many dollars? In the ministers' fund I think there could presently be around \$600,000. It really depends on the amount of gross revenue from the proceeds of the Western Canada Lottery. That ministers' fund is voted upon by the minister responsible for the interprovincial lottery in the respective provinces: Mr. Desjardins in Manitoba; Mr. Tchorzewski in Saskatchewan; the provincial secretary in the province of B.C., I think it's Grace McCarthy; and myself in the province of Alberta.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. What guidelines is the minister using in distributing the \$600,000? How does the minister plan to account to the Assembly for the disbursement of this minister's fund in Alberta?

MR. SCHMID: Mr. Speaker, first of all, the \$600,000 is lodged with the Western Canada Lottery Foundation. As a minister I do not have access to the fund unless the four ministers decide that there is something, like the Western Canada Games, which would benefit all four western provinces. Then the decision is made to support the Western Canada Games with

a certain amount of money. That money then is paid to the officials of the Western Canada Games.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has any portion of this \$600,000 of the Alberta minister's fund been allocated?

MR. SCHMID: Mr. Speaker, there is no Alberta minister's fund at all. There is the Western Canada Lottery fund from which only moneys which would benefit all four provinces are allocated. A portion of that fund doesn't belong to the province of Alberta. It's an overall fund for the four western provinces.

MR. CLARK: Has any been allocated?

MR. SCHMID: Oh yes, for instance to the Western Canada Games. I think \$100,000 [went] to each province for the training of athletes who are travelling to the Olympics, and certain amounts — I would have to check — for sending cultural performers to the Olympic games from the western provinces. These are the kinds of awards that have been made from the Canada Lottery fund.

MR. CLARK: Mr. Speaker, just one last question for now. I'd like to ask the minister: does the expenditure of these funds have to be approved by all four provinces?

MR. SCHMID: Yes, Mr. Speaker. They have to be approved by all four ministers.

MR. TAYLOR: A supplementary to the hon. minister. May allotments from this fund be made to any amateur sport, or must the amateur sport be tied in with the Olympics?

MR. SCHMID: As an example Mr. Speaker, actually the amount of \$100,000 was awarded to each province for the development of sport in the Olympics. It then is up to the province to decide the individual participants — not the provincial government, of course, but the sports within the province which send the athletes to Ottawa.

If it's for a certain sport, let's say swimming, the discipline of swimming would apply to the Western Canada Lottery fund. To apply for that fund it would have to benefit all four western provinces. For instance, that may be a coaching clinic or even a building for the development of swimming, but again it would have to benefit all four provinces, not just one.

MR. TAYLOR: A supplementary to the hon. minister. If an amateur sport feels that it qualifies, to whom would it make application for an allotment from this fund?

MR. SCHMID: Mr. Speaker, that application could be sent to the manager of the Western Canada Lottery Foundation in Winnipeg.

MR. TAYLOR: One further supplementary. Is there a national Olympic fund separate from the Western Lottery?

MR. SCHMID: Yes, Mr. Speaker, there is. Again, it is allocated to the different provinces as the amount of gross revenue is compiled by the tickets sold.

DR. PAPROSKI: Mr. Speaker, a further supplementary. In addition to the 5 per cent which is apparently allocated to each minister of the western provinces — if that is not true, would the minister clarify that? Who decides where the balance of the fund goes and how it's spent?

MR. SCHMID: Mr. Speaker, as I have said before, the decision-makers in every province are the people who happen to be in charge of selling these tickets. In the province of Alberta it is the Alberta portion of the Western Canada Lottery Foundation. The people involved in that are the Commonwealth Games Foundation, the Calgary Exhibition & Stampede, and the Edmonton Exhibition Association.

DR. BUCK: Mr. Speaker, on a point of clarification to the minister. I just can't understand. Can the minister indicate to the Legislature if there are any legislative controls or guidelines laid out about how this money should be spent? How does the minister report to the Legislature?

MR. SCHMID: Mr. Speaker, once money comes to the province from the Western Canada Lottery Foundation, let's say Alberta or B.C., it reaches a government level and is automatically open to the scrutiny of the Provincial Auditor. The Auditor checks these accounts as much as any other account of the provincial government spending.

ORDERS OF THE DAY

head: **GOVERNMENT BILLS AND ORDERS** (Second Reading)

Bill 19

The Alberta Home Mortgage Corporation Act

MR. YURKO: Mr. Speaker, I move second reading of Bill 19, The Alberta Home Mortgage Corporation Act.

Mr. Speaker, the principles of this bill are well defined and enunciated in the proposed legislation. They refer to the provision of money for mortgage purposes for housing to be built in Alberta, particularly for low- and middle-income people. Secondly, a principle is identified in the bill whereby the corporation can engage itself in the purchasing of mortgages. Thirdly, there is within the proposed bill the opportunity for the corporation to engage itself in the insurance of mortgages.

Mr. Speaker, I would like very briefly to say something about the need for this bill. As I indicated last night, the priority given to housing by this government during the last year has been extensive. In examining the implementation of the programs and policies, it became necessary to examine seriously the reorganization of the Department of Housing and Public Works.

In this regard we did set up a task force in July of last year which, among other things, went to Ontario and looked at their organization. This task force

strongly recommended the approach that in fact is incorporated in this bill.

The reorganization of the Department of Housing and Public Works is more extensive than just the establishment of the Alberta home mortgage corporation. It involves the establishment of a policy and program division within the department. We will be ending up with two corporations. The Alberta Housing Corporation will be primarily engaged in delivery, particularly in the social housing area and in management of existing housing stock. The home mortgage corporation, if passed by this Legislature, will set up the management structure and the machinery which will fundamentally be transferred from the Alberta Housing Corporation into an area of managing money in such a way that the housing or shelter needs of lower- and middle-income Albertans can be met.

Mr. Speaker, it's not my intent to say very much more, except to indicate to the members the import of this bill and the need for this bill in terms of meeting the objectives of housing for the low- and middle-income people in Alberta. On that basis, again I would like to put before you second reading of Bill 19.

Thank you, Mr. Speaker.

MR. SPEAKER: I hesitate to interrupt the hon. Member for Bow Valley but would the Assembly agree that the hon. Member for Cardston might revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS** (*reversion*)

MR. THOMPSON: Mr. Speaker, I'm very happy to introduce to you and the members of this Assembly 10 Grade 7 and 8 students from the St. Mary's School on the Blood Reserve. They are accompanied by their principal, Jim Wells, Mr. and Mrs. Day Rider, and Laurie Plume, a past president of the Horn Society and a very old friend of mine. I would ask them to stand and be welcomed by the House.

head: **GOVERNMENT BILLS AND ORDERS** (**Second Reading**)

Bill 19 **The Alberta Home Mortgage Corporation Act** (*continued*)

MR. MANDEVILLE: Mr. Speaker, in making a few remarks on Bill 19, as we covered our housing situation thoroughly last evening, I do have to agree with the minister that housing gets its fair share of attention in this government. I was pleased with the programs he announced in the budget speech some time ago. One of the programs that I think has been accepted, and has been very beneficial to the citizens of this province, is SHOP. I think this program has gone over very well in the province.

I do have reservations about setting up this other corporation. We'll have two corporations to administer housing. I find now that we have some

problems processing loans through the Alberta Housing Corporation. I'm hopeful that adding another corporation is not going to make it more cumbersome to get our loans through. I think the Alberta Home Mortgage Corporation Act is really a duplication of the Alberta Housing Corporation.

I think there will be a lot of duplication as far as employees are concerned. Are we going to be able to determine where the employees are going to be responsible? Will they be responsible for the Alberta Housing Corporation or for the mortgage corporation? Also, the high administration cost; I see our support staff in the Department of Housing and Public Works has certainly increased a substantial amount.

As was said last night, the paramount problem with housing is certainly the affordability of houses in this province. How many of our low- and middle-income people can afford a down payment for a house, let alone the payments they have to make in years to come? One of the other burdens facing existing mortgages that is just coming to light now is where they're renewing the five-year mortgages. They started on the five-year term mortgages in 1971 and are renewing them now. It's increasing some of our mortgage payments for house-owners as much as \$50 per month, and increasing our interest rates from 9 per cent to over the 12 per cent. A lot of our present home-owners are facing this problem at the present.

Another reservation I have is on the 1.5 per cent mortgage fee added to the purchase price of a home. Central Mortgage and Housing has a 1 per cent mortgage fee. Possibly this would be adequate. I did some checking [of] some of the firms in Edmonton. The main branch of the Bank of Nova Scotia has had two defaults of payments in the last four years. The main branch of the Bank of Commerce has had one default in nine years. At the present time, I see that from January 1, '74, to March 31, '75, they have over \$2 million in the fund. Possibly this doesn't have to be at that 1.5 per cent rate. Possibly this is an area that could be reduced to help as far as mortgages are concerned.

Looking at the services we get from Alberta Housing, and trying to determine what additional powers the mortgage corporation is going to have — at the present time, the Alberta Housing Corporation can issue debentures, have bank borrowings, and guarantee loans. But I see one area that the Housing Corporation can't deal with at this point: it can't buy mortgages. So this is one extra area in the mortgage corporation act that we don't have with the Alberta Housing Corporation.

There is one area I'd also like to have the minister look at. I don't think it's serious, because eventually the homes go to the home-owners anyway. But I see that last year half of the money under the direct loan program went to developers. Possibly more of it could go to the individual home-owners. But as I say, most of it gets back to the home-owner anyway. It's the developers who do put the mortgages on and transfer them to the home-owners. Mr. Speaker, I do think we're getting too many lending agents in the government. Possibly we could use the treasury branches more for lending agents and not be setting up so many corporations.

I was also pleased with the minister's comments that he was working with the federal government to

try to get mortgage interest as an income tax deduction. If we could get into this area and get the federal government to recognize that interest should be a deduction as far as income tax is concerned, I think this would be a big step in the right direction.

MR. SPEAKER: May the hon. Member for Stony Plain revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS**
(*reversion*)

MR. PURDY: Thank you, Mr. Speaker. It's my pleasure this morning to introduce a class of 56 students from the Woodhaven School in Spruce Grove. They are accompanied by their teachers. I believe Mrs. Anderson's there, and Mrs. Lazaroto. I would ask the students to stand and be recognized. They are in the public gallery.

head: **GOVERNMENT BILLS AND ORDERS**
(*Second Reading*)

Bill 19
The Alberta Home Mortgage Corporation Act
(*continued*)

MR. TAYLOR: Mr. Speaker, I won't hold up the debate very long, but one point I would like to have the hon. minister elaborate on is the concern expressed by the Member for Bow Valley in regard to the need for another corporation.

I would like to have the minister, when he is closing the debate, set out why the present additional powers could not be added to the Alberta Housing Corporation, and consequently avoid the expenditure of another president, another whole line of staff, et cetera. It seems to me there is an inclination these days to build empires. While all of these things are nice, they cost additional money. They run up the administration costs and sometimes create difficulties between the corporations.

I notice that the liaison between the Alberta home mortgage corporation and Alberta Housing would actually be through the minister, who will be chairman and under whom both corporations will operate. In the act, the minister is defined as the Minister of Housing, so it would appear that there would be no thought of another minister. The Minister of Housing and Public Works would be minister of both. I think that is absolutely essential.

I think having the deputy Provincial Treasurer as a permanent member of the home mortgage corporation is another very excellent feature, if this corporation is going to be set up. I'm not opposing the setting up of the corporation, but I would like to have the reasons that the powers in this act could not be added to The Alberta Housing Act and thus save a considerable amount of new building, new organization, maybe a whole new empire.

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

HON. MEMBERS: Agreed.

MR. YURKO: Mr. Speaker, in regard to some of the remarks by the hon. members across the way: I would like to indicate first of all that the last time I checked, about 100 mortgages were in arrears with the Alberta Housing Corporation. It should be remembered that the Alberta Housing Corporation is lending money in the smaller centres and providing houses in much higher risk areas than any of the conventional financial institutions. Indeed, it's very difficult to get some of the conventional financial institutions to provide mortgage money in the smaller centres and in some of the northern communities, for example in Fort McMurray.

The Alberta home mortgage corporation will be addressing itself, as is very evident in the bill, to providing mortgage money in much higher risk areas. Therefore, it's anticipated that the degree of default will indeed be greater than that experienced by normal financial institutions.

I would like to elaborate on the question of the need for the corporation. On the basis of the expanded programs, the entire thrust of the Alberta Housing Corporation, as it is today, is very major. For example, within the Alberta Housing Corporation there is in excess of \$100 million of construction of social housing in a number of areas. At the same time, the load of administration of existing housing stock is increasing rapidly. As I indicated last night, the Alberta Housing Corporation looks after about 11,000 units. The most dramatic rise in the whole area of housing input by the provincial government has been in the direct lending area. As the Treasurer announced earlier, this went from about \$5.2 million in 1971 — and at that level it could certainly be handled by the existing organization — to a level of \$242 million today.

We have done some projections in terms of the growth of Alberta society and the need for mortgage money from the heritage savings trust fund through the Alberta home mortgage corporation, and recognize the considerable growth in this area over the next five to 10 years is such that the magnitude of the portfolio envisioned within 10 years is almost staggering. At the earliest point in time it was necessary to consider strengthening management in both areas, so one could relate more explicitly to the delivery and management of existing stock. The second could relate more to the intricacies of the money market, which I do suggest are very complex and extend or detract from the provision of mortgage money as we go into the future and supply housing for Albertans.

It isn't the intent of the Alberta home mortgage corporation to diminish in any way the extent of business by the private financial institutions. But it is the intent of the Alberta home mortgage corporation to provide mortgage money in such a way that housing becomes affordable for low- and middle-income people.

Secondly, it's the intent of the Alberta home mortgage corporation to go into areas of the province where existing financial institutions won't go. Now this type of management, this type of study, this type of examination is considerably different from that experienced by the Alberta Housing Corporation right now. For example, it became evident that a president of the Alberta Housing Corporation and some of the

senior officers would be so preoccupied and loaded with the concept of delivery of a major housing portfolio and the management of existing property that their ability to spend sufficient time in this area of the money market was just not adequate. As a matter of fact, I found that perhaps 10 per cent of the time was spent in this area and 90 per cent in the other. As we were expanding dramatically in the area of mortgages and I could envision a portfolio of very substantial proportions within 5 or 10 years, it became necessary to think of setting up a different form of management.

The substructure of the organization is basically the same as it is now. The people are basically in the same offices, but they will work for a different management structure. They will get different management instructions in terms of carrying out their tasks.

There is no intent to build a vast bureaucracy. It will work very closely with the Alberta Housing Corporation. As a matter of fact, the two will work together and use joint inspectors in most instances. The intent is to strengthen management in recognition of the fact that this area will be handling a portfolio of considerable size within a few years. For example, if you take \$200 million and project it for a few years, you will find the extent of the portfolio that will be managed very shortly.

Mr. Speaker, that's why it's necessary at this time to lay the foundation for a different type of management structure. That is what we are attempting to do. I might indicate this is exactly what Ontario has done. To some degree, we're simply using Ontario's experience and moving in the same direction.

[Motion carried; Bill 19 read a second time]

Bill 13
The Temporary Rent Regulation
Measures Amendment Act, 1976

MR. HARLE: Mr. Speaker, I move Bill 13, The Temporary Rent Regulation Measures Amendment Act, 1976.

Perhaps four basic principles are involved in this amendment. The first is a clarification of the 60-day period allowed to a rent regulation officer to make a decision, so if the decision is not made within that period of time, it is a refusal and automatically creates a right of appeal. There was some concern that this might not be the effect of this section. It was felt it was necessary to make it quite clear that the landlord who has not received a decision within the 60-day period has the right to appeal.

Mr. Speaker, a second principle is an amendment to permit a member of the board or a rent regulation officer to be a competent witness, though not compellable. I might say that when we originally designed the act we felt we had a good precedent to follow in the area of the Board of Industrial Relations, where investigators under the board have the protection not only of not being competent to testify, but also of not being compellable.

In the original drafting of the legislation it was felt that this would probably be sufficient. However, experience with the operation of the program has meant that perhaps we need the rent regulation officers in order to prove cases when prosecutions

are laid. In order to commit the Crown to at least put the rent regulation officer on the stand, he should at least be competent by virtue of the legislation.

On the other hand, we don't particularly want to have him compellable and thereby mean that he can be produced when somebody wants to go on a fishing trip for information. Naturally, once the rent regulation officer is produced in court, the opportunity for cross-examination is available, subject to all the rules of evidence, to go into whatever matters might be gone into. But it's felt that that should only be the case when the Crown feels it necessary to produce a rent regulation officer or a member of the board as a witness.

A third amendment is to the offence section. The section presently states that service of a notice of termination, when a tenant has made an application or a complaint under the act, is an offence. The present wording, however, is felt to be rather restrictive in that it says "by reason only" that the landlord has done this. The amendment is to change it to read, "for the reason or the principal reason" that the landlord has done this.

We've also amended the section to cover agents. This is related to the question I was asked in the House the other day about whether we had had any complaints about landlords having agents give the notices of eviction and then attempting to escape responsibility for the action of the agent. We want to make it quite clear that it can be a landlord or a person on behalf of a landlord, which would include the agency relationship.

The last principal amendment in the bill is an amendment to The Landlord and Tenant Act which will permit a judge, on hearing an application for an order for possession, to refuse the order if the tenant has refused to pay a rental increase not in accordance with the act. We have been watching this situation, and the reports to us so far have indicated that in such cases the judges have refused applications for an order for possession.

We feel the wording of the present section is broad enough, because in fact in the majority of cases they have complained to the board. However, just in case there might be some tenants who have received a notice of termination, have refused to move, and the landlord has applied for an order for possession, but they have not in fact complained to the board, then it's felt we should make it quite clear that if the tenant refuses to pay the rental increase because it exceeds the amount, and no approval has been sought from a rent regulation officer or subject to the necessary appeals, the judge in fact has the right to refuse the order for possession.

I might just cover one or two other items of interest, because they relate to the general principle of the bill. One is the number of cases we have been handling. The total file load at the moment is some 2,613. Of that, 551 have been received from landlords, and 2,062 have been received from tenants. Of that total file load, we have resolved 1,054, which leaves outstanding some 1,559.

With regard to the actual orders, some 200 have been issued to landlords. Of those, 120 were denials of the request to increase the rent; 66 were varied, in other words, the full amount was not granted; and 14 involved instances where the landlord received the full amount he had applied for. The 200 orders which

have been issued affect some 2,652 actual rental units, individual residences. So far, we've received 114 appeals. None has been dealt with yet. However, they are in the process, and no doubt there will shortly be hearings on the appeals and decisions will be made in due course.

Thank you.

MR. MANDEVILLE: Mr. Speaker, just very briefly making a few remarks on Bill 13, The Temporary Rent Regulation Measures Amendment Act, I have to say that the rent controls have certainly been effective. Many people I have talked to, tenants especially, were going to have drastic rent increases on January 1, 1976. However, they weren't able to have their rent increases over the 10 per cent. So it has been very effective.

But some of our landlords, and I would say very few, have been looking for loopholes in the act. One was under Section 38, and I'm pleased to see that there is an amendment to cover that one. That's where an agent could give termination of tenancy instead of the landlord. Before the amendment, Section 38 of the act reads that it was the landlord who could give termination of tenancy. Now the termination of tenancy under Section 38 will also involve the agents, and that will plug one of the loopholes in the original act.

I certainly support in principle the amendments that have been added here to the tenants' rights. I do think the government should look into further areas of rights of tenants, and we have to look into the rights of the landlords as well.

I'd just like the minister, in concluding the debate — I would like to ask two questions. We hear that as a result of the rent controls, rental accommodation construction has slowed down in the province. I would like the minister to comment on this or give his views in this particular area.

Another area I would like him to comment on, Mr. Speaker, is, when the rent act is repealed on June 30, 1977, if it is repealed, will charges be able to be laid where there has been an offence before June 30? Then after June 30, 1977, will it be permissible to lay charges against landlords?

MR. GHITTER: Mr. Speaker, I would just like to get the minister's view as to one other area that may be a loophole in the act, to see if the minister is satisfied that the act covers the situation. It involves services provided by a landlord to a tenant in the nature of parking, other types of facilities, cleaning services, and such, that are referred to in the definition sections of the act.

The legislation seemingly is somewhat ambiguous as to whether or not a landlord is caught if he increases the cost of the services above the 10 per cent. There have been examples in Calgary where parking charges have been increased by substantially more than 10 per cent, in the area of 30 and 40 per cent. The argument has been presented that the definition section of the act, under base rent and definition of rent, does not catch the situation where a landlord increases by more than 10 per cent the service aspect provided to the tenant.

I'm wondering if the minister has had an opportunity to examine that problem, Mr. Speaker, and whether he is satisfied that the present act covers

that situation, which I know is clearly the intention. If there is a view that it doesn't, I'm wondering if the minister would consider bringing in an additional amendment to this legislation to ensure that that is in fact accomplished.

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

HON. MEMBERS: Agreed.

MR. HARLE: Mr. Speaker, referring to the comments of the Member for Bow Valley, I appreciate his remarks regarding further improvement of the rights of tenants and landlords. I'm sure the hon. member is aware of the work being done by the Institute of Law Research and Reform. Hopefully, some very useful material will come from the Institute which will eventually result in more effective legislation in this area.

Regarding the questions he raised, particularly on rental construction, I would have thought the comments in the last couple of days, particularly the discussion of the estimates of the Department of Housing and Public Works, would have indicated the efforts being made by the government to encourage the creation of rental accommodation. It is a market, like any other market. Undoubtedly there is a demand. Because of the fact that the rent measures do not apply to new construction, because we have indicated in the act that the act ceases to have effect in controlling rents on June 30, 1977, I'm very hopeful that we have indicated to those who construct rental premises that we do not intend to continue rent control. We have said on a number of occasions that this is so. We do not believe it is an effective method of making sure that adequate accommodation, proper types of accommodation, and accommodation of various rents are available for the needs of all people.

So, Mr. Speaker, I think the government has done everything possible to indicate to the private sector that they should get into the construction of rental accommodation. Certainly, if one looks at the vacancy rates, the demand is there. I'm encouraged by the number of starts I've seen in rental housing. Now I don't for one minute want to indicate that the problem is solved. It isn't. We recognize that. If we are going to have an easy time at the end of the period of rent control, much more has to be built.

With regard to the comments on repeal, and whether in fact charges can be laid or even continued following the period ending June 30, 1977, I would say this. First of all, the act does not say it is going to be repealed. The act will continue to be in place following the end of the period. All the act says is that there is no control of rents after that period. In fact, one of the reasons this was done was so the act will continue to be on the statute books and can still be used for purposes of prosecution or for deciding issues after it ceases to have any effect as far as controlling rents is concerned on June 30, 1977. The act does not say it is repealed as of that date. However, from an effective point of view, it will cease to control rents except for the fact that there may be some charges which will have to be continued. Some decisions will have to be made. It was done with that in mind.

To the comments of the Member for Calgary Buffalo, I would have to look further into that matter and hopefully could respond at the committee stage of the bill. Of course, it is possible for amendments to be considered at the committee stage. I will look into the matter he has raised and hopefully will be able to comment in time, so if there is any necessity for an amendment it can be done at that stage.

Thank you.

[Motion carried; Bill 13 read a second time]

MR. STROMBERG: Mr. Speaker, may I revert to Introduction of Visitors?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF VISITORS**
(*reversion*)

MR. STROMBERG: Thank you, Mr. Speaker. Today we have with us some 34 students from the community of Strome. They are with their teachers, Mr. Pasychnyk and Mr. Munro; the bus driver, Mr. Erickson; and three mothers. Strome High School has a reputation over the years. In 1972 and 1976 they won the Alberta girls' fastball championship for the province — and hopefully in 1977. They are in the members gallery. I ask them to stand and be recognized by this Assembly.

head: **GOVERNMENT BILLS AND ORDERS**
(**Second Reading**)
(*continued*)

Bill 27
The Land Surface Conservation
and Reclamation Amendment Act, 1976

MR. RUSSELL: Mr. Speaker, I'd like to move second reading of Bill 27, The Land Surface Conservation and Reclamation Amendment Act, 1976.

Outside of two minor administrative or housekeeping amendments contained in the bill, there are two major principles. The first one deals with the legislative authority now being proposed to allow the Minister of the Environment to enter into agreements with persons who are putting up reclamation security, to have part of the income from that security used by agreement into ways and means of the economies and options that might be considered for reclamation for that project.

The other major principle involved in the bill deals with the establishment of the surface reclamation fund. That will consolidate all reclamation deposits the government now has or will have as a result of ongoing projects into one fund to be administered by the Provincial Treasurer.

DR. BUCK: Mr. Speaker, I'd like to compliment the minister on this legislation, because I think it's really appropriate at this time that we realize that quality of life is just as important as quantity. So I would like to say I favor this legislation. It really does put some teeth into our efforts to reclaim some of the projects we're going to be placing under way.

At the same time, I would like to say to the minister that in the past, before worrying about the environment was the in thing, before we even thought about it, there were many, many old gravel pits that I'm sure the minister is aware of. We're trying to get those back into some semblance of order. I'd like the minister to pass on to the Minister of Transportation that many of the side roads, and even the highways of the province, still have mounds and piles of dirt that certainly could be beautified.

I would just like to say, Mr. Speaker, that I certainly support the principle of this bill. I compliment the minister on putting some teeth into it.

[Motion carried; Bill 27 read a second time]

Bill 43
The Stray Animals Act

MR. BUTLER: Mr. Speaker, I'd like to move second reading of Bill 43.

This bill will provide for a new act, being the Stray Animals Act. The purpose of the bill is to provide for an improvement in the handling of domestic stray animals by an improvement in the pounds and by bringing the pounds into line with today's modes of travel.

Mr. Speaker, this bill will also provide for more adequate identification of stray animals, as well as improvement in the disposal of unidentified stray animals, and will make improvements in the manner of collecting for damages by stray animals.

Mr. Speaker, I would like to make a comment on the need for this act. For some time, the municipalities, IDs, and special areas have been asking for an improvement in the handling of stray animals. So, Mr. Speaker, I am pleased to ask for support of Bill 43 on second reading.

MR. MANDEVILLE: Mr. Speaker, I plan on supporting Bill 43, being involved many times in some of these areas myself. The herd law in some parts of our province — if your livestock gets out, if they go through a fence, it's not lawful. The owner of the fence pays for the livestock. The owner of the livestock is responsible for whatever damage is done to the grain and so on. So this is an area that certainly needed to be straightened up and put into perspective.

There are two comments I'd like to make, Mr. Speaker, that I have a little concern with. The section of the act that allows the inspector to enter premises without obtaining the owner's permission — if an inspector is going to go in to investigate an animal on the property, I think he should certainly get permission to do this from the owner.

Another section of the act that gives me some concern is that no appeal is provided for the owner whose livestock gets out. If they get out and are sold within the 14-day period, there's no appeal. There is the possibility that the person who opened the gate and let the livestock out could be responsible for the damage. However, the owner can't appeal in the 14-day period. He can appeal after, but it could be an animal that he might not want to sell. So this appeal period is an area I would like the mover to have a look at. Possibly there could be an amendment in this area.

MR. SPEAKER: May the hon. Member for Hanna-Oyen conclude the debate?

HON. MEMBERS: Agreed.

MR. BUTLER: Mr. Speaker, I certainly appreciate the comments from the hon. Member for Bow Valley.

At the moment, there is provision in The Brand Act for a brand inspector to enter without a warrant. But in every case, if it's at all possible I'm sure the inspector will get permission from the owner of the land. There may be times when it is not possible. That is why we have that section.

It was our concern in selling these animals that they come under more scrutiny by the brand inspector. This is why we propose they be taken to a stockyard or an auction market where they come under the scrutiny of a qualified brand inspector. Every effort will be made to find the owner before the animal is sold. After the animal is sold and expenses are taken out, the owner of the animal will have one year to establish his ownership and to apply to get the remainder of the money from the government out of general revenue. I have some concerns in this area, and I'm very pleased to see that the hon. member has some as well.

With that, Mr. Speaker, I would conclude the debate. Thank you.

[Motion carried; Bill 43 read a second time]

Bill 39

The Occupational Health and Safety Act

[Adjourned debate: Mr. Taylor]

MR. TAYLOR: Mr. Speaker, I wanted to continue on one or two other points in connection with The Occupational Health and Safety Act. I believe I finished the point I was making about the liaison I feel is necessary between the Compensation Board and the department, now that health and safety is going to be moved into the Department of Labour.

The second point I wanted to deal with in the principle of the bill is this matter of safety. While regulations and laws are essential, it seems to me that if you're going to have an effective safety organization in any industry, plant, coal mine, or commercial establishment, safety has to start at the top. It's contrary to many of our beliefs, but actually if safety doesn't start at the top then I have yet to see a very effective safety organization.

In the coal mine, when the mine operators were careless about wearing hard hats or hard shoes or earmuffs to deafen explosion sounds, it soon became very evident that the workmen were pretty careless about it too. Unless the law is laid down by the head of a company that safety equipment must be worn, that certain things must not be done, you'll find carelessness throughout the entire organization.

So I'm suggesting that strong health and safety committees can do a very excellent job, if they are supported by management in an industry or a plant. But if the management is not safety conscious, you certainly don't get very many results from the other organization.

I use this as an illustration of what I'm trying to say.

At one time coal mines had the highest assessment rate in the entire province. As a matter of fact, it got to the point where it was almost killing the industry. Then the Compensation Board itself started a campaign in which the companies were encouraged to give cash awards to the mines having the best safety record over one year. The mine management were instructed that they had to pay attention to safety. That record improved tremendously.

I remember being at a meeting in the old Ukrainian hall in Newcastle several years ago when awards of \$100, \$50, and \$25 were given out. That bit of money — although it may sound like a lot — was just a drop in the bucket compared to what the accidents had cost. When management was willing to take an active part, safety started to become a very, very important thing. The record in the coal mines of the province improved greatly.

At the present time the management in the Atlas mine in the East Coulee field is very safety conscious. One of the best safety records of any mine on the continent can now be seen in that field. I think it's due to the co-operation of all the men, but co-operation of the men came about because the owner of the mine, Mr. Omer Patrick, is very safety conscious. His pit boss, his mine managers, and his fire bosses, right down the ladder, are safety conscious, all determined that no one will be injured in that mine if they can help it. Consequently, they have a tremendous record. I emphasize this because I feel that the health and safety committees are excellent, but we shouldn't forget we need the co-operation of management if we're really going to have safety consciousness.

The health and safety council is going to advise the minister. I notice there are 12 full-time employees. I would like the minister to outline generally how this council is going to act and what he expects it will be doing. Secondly, I would like to know what steps are being taken, other than moving some of the employees from the Compensation Board to this department, to make sure there's very close liaison between the board and its former practices and the department and the practices it will be adopting.

The only other feature I would like to deal with in connection with this bill is the cost of safety. Many people have said — and I have said it myself — that safety doesn't cost, it pays. If you don't have safety, you pay money out in claims, in broken and mangled bodies, and in children and widows left without a father and a breadwinner. But at the same time, if employers are going to continue to be assessed by the department after this year, I would hope they will have some input into what is being done with their money, because it is a direct tax. At the present time they have no choice, except that every accident that is prevented cuts down the costs of accidents. I hope that will continue to be reflected in some way, even if the government eventually undertakes the total cost of health and safety in this province.

I have always favored the philosophy that if a worker loses part of his body in industry, that industry should pay for it; that the cost of that loss should be added to the product; that it shouldn't be suffered only by that worker, his family, and his dependants. I think it's a pretty good philosophy, providing the man is endeavoring to make sure he doesn't get hurt, and providing that when he is hurt only that injury is paid

for by industry. As in compensation, we have extended this now to many other fields, with the result that the compensation act has become a welfare act to a degree.

I think we have to watch that point very carefully. While I support the government contributing money toward certain features in compensation, and have done so for many years, I think we can go too far in expecting industry to pay for things for which they really are not responsible. For instance, several years ago when a man lost one eye, few employers would be willing to employ that worker. They would reason like this: if the man loses the other eye, he'll then have total disability, and we will be stuck with that cost on our assessment in the class in which he was working. So it was logical for the government to say that when a man has one eye, there's a public responsibility should he lose the other eye. Otherwise, the man simply will not be employed. Similarly, the adoption of the principle that a worker is not compensated for his injury according to the number of children he has or the number of wives he has — because some have several — but rather, based on what he is actually earning. I think that's a very sound economic base upon which to assess this.

So I would appreciate it if the minister can [indicate] — if they have clarified their thinking to this point — whether the injury sustained in industry will continue to be paid for by industry, or if this is a plan to transfer all of this into the general revenues of the province within a reasonable number of years.

I support the second reading of the bill. I think many, many people will be watching very carefully as we see this bill go into operation.

MR. YOUNG: Mr. Speaker, I have a few brief comments to make on the bill. First of all, may I say I'm pleased with the appearance of the bill. I'm especially pleased that it is beginning to take greater cognizance of the occupational types of diseases and hazards which take some time to appear, and don't show up as accidents that involve breaking a leg or some other immediate damage to the individual.

Mr. Speaker, first of all I want to say that my view of safety at the worksite and safety in general is that it will come about not so much through legislation as through good sense at the worksite. I think it is correct to assume that legislation can be instrumental in developing appropriate attitudes. But I would hope, Mr. Speaker, that our implementation and administration of this legislation would recognize in large measure that safety is a joint responsibility. It's a responsibility that must be accepted in terms of the willingness of individuals, rather than having it thrust upon them, in most cases. I think the willingness would come about through general recognition by employers of their responsibilities. This will surely be conveyed to them in one manner, that being the nature of the rates they have to pay for workers' compensation.

On the part of the employees, I hope the organized labor movement in this province will recognize a responsibility and will endeavor to communicate with its own members. Of course, that leaves a large number of employees outside the group. I realize that some public information will have to be undertaken toward those persons. So, Mr. Speaker, I'm pleased to note that the joint responsibility can be adminis-

tered with some recognition of the "may" provisions rather than the "shall" in terms of the joint worksite committee.

[Dr. McCrimmon in the Chair]

Mr. Speaker, with respect to the role of government, I should like to say I'm not completely convinced that we have done all we could do with the existing legislation. Workers have expressed to me on several occasions their concern that the inspections which are carried out are carried out with forewarning, the upshot being that by the time the inspector arrives the problem which concerned the workers no longer exists. I think this to be a problem in a very few cases, but it is a problem which apparently does exist; at least, it exists in the minds of these workers. I would hope we take a close look at that in terms of administration.

Mr. Speaker, I also want to note that there is a provision in the bill as I read it — and on this point I take a different interpretation than the hon. Member for Spirit River-Fairview in his discussion of the bill last day — that the department may obtain funding by the Workers' Compensation Board assessments. I find some concern here, and I want to express my concern in this way. While I think it appropriate that some of the activities of this branch be funded in that manner, whether the total funding should come that way and whether it should be open-ended depends to some degree upon the type of program the branch undertakes.

Mr. Speaker, I note that in the report of the Gale commission, on page 163, under their epilogue, the commission expressed a concern. They're talking about safety.

We found in Alberta a regrettable apathy toward the subject. Innocuous motherhood statements and public image protection, coupled with ignorance and perhaps, although unexpressed, fear of the possible cost and inconvenience of adequate protective programs contributed toward this apparent apathy.

Mr. Speaker, this would suggest to me that there may indeed be attempts to mount a substantial public information program. While I think some is necessary, I would be very concerned that we provide a means of a hidden tax, or an indirect tax if you will, on employers which could set in motion a vast, continuing, and expensive program of general effort to alert the public to become safety-conscious.

I have already been approached by one employer who expressed some misgivings about what he deemed was his financial contribution to a program in northern Alberta which in his view went well beyond worksite safety considerations. I would like to express a note of caution here, that we should try to confine the program undertaken to worksite safety consciousness.

Mr. Speaker, that's not to say that a greater consciousness of safety in the home, on the highway, and in many other aspects of our lives may not be desirable. But if it is desirable, I think it should come through another appropriation, a direct appropriation, rather than through assessments on employers through that funding route. Mr. Speaker, I would like to leave that thought with the minister.

The final thought I have — I'm pleased we are

moving in this direction, yet I find I have to express a caution as well. That is the point I first made, the concern with occupational hazard, occupational disease which shows up later on. What we're providing for in this bill is the establishment of what I think the Gale commission refers to as an intelligence service. Mr. Speaker, I believe that service is necessary and desirable. At the same time, I think we all ought to be aware that it's a fine line between an intelligence service and horrendous bureaucracy. It will require a very astute and ever-alert minister to prevent the one from becoming the other. Having been in positions related to government for some five years now, I wish to express my caution that it is very easy for the one to become the other almost unnoticed.

So while I commend and think this is a very desirable move, I would like to express my view that we should proceed with considerable caution and that there should be a continuing examination of how rapidly we move toward the potential this bill has for the collection of information in various areas; and to be assured that our efforts are toward the most likely sources of occupational disease and occupational hazard, not just a hunt for work — if I can express it that way — of employees. Once a project is undertaken, we have employees on-site, the original project may be very desirable. Once that mission has been accomplished, we will find that we have a staff which, under the terms of this legislation, can make a fairly publicly acceptable argument that there are other hazards that need to be searched down.

Mr. Speaker, with those comments, I would like to indicate that I am very pleased to support this bill.

DR. PAPROSKI: Mr. Speaker, as I rise to speak on Bill 39, The Occupational Health and Safety Act, it is a privilege on a number of counts. First, it's a pacesetter in Alberta and Canada and brings health and safety to a level expected in 1976. I hope and have confidence that the minister and the government will follow this through and bring forward this type of health and safety for the workers.

On the other point, Mr. Speaker, I feel it's a very direct response to assist and optimize health and safety for our producers, workers, bread earners, whether they be male or female, and for those who have made and are making our province through direct-line muscle, bone, and sweat work.

Mr. Speaker, representing a constituency of hard workers, and being a product of that kind of family — I'm sure most of the MLAs and the vast majority of citizens in Alberta are — I'm particularly proud and pleased to take part in this debate and in the formulation of this direction for the health and safety of our workers and the co-ordination of health and safety in industry, not only recently as an MLA, as many other MLAs participated in the formulation of this bill, but also serving after the 1971 election on the first Workmen's Compensation Select Committee, which recommended such a co-ordinated direction. So I'm particularly pleased it has now come about in fact.

Mr. Speaker, I would like to put on record that I congratulate the government, labor, management, and of course the minister, all of whom have had input and support regarding this bill, this direction, this co-ordination for health and safety.

Mr. Speaker, I truly think we all believe the safety

of our workers will be improved and maintained by this bill, not only by the bill itself but with the actual publicity and application of the bill when it becomes an act.

With those remarks, Mr. Speaker, I'd like to conclude and offer two other points. Maybe the minister would like to respond in his closing debate. One, I hope that when this bill becomes an act there will be adequate publicity for the regulations and the act itself, that these regulations and the act will be prominently displayed at all worksites, and that intense public relations will begin early and be ongoing in order that the points of the act will indeed be functional and clearly understood by all workers, including management.

Mr. Speaker, the second point is: I hope more health and safety officers will be made available over the next months and years so the application of this act will be assured in conjunction with labor and management.

I ask the minister if he would respond to those two points: public relations via media, but primarily at the worksite; secondly, would you make some comments — I know the quality we have is of top rate at this juncture — particularly regarding the quantity of health officers. I wonder if the minister would respond and indicate whether [by] training programs, bursaries, or some other type of facility we can get more officers on stream.

I urge unanimous support of this bill, Mr. Speaker.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, although there will be much more detailed discussion at committee stage, I think it is timely that I take the opportunity in closing debate today to remark upon some of the points made by other members in support of the bill. Mr. Speaker, I just want to indicate that I very much appreciate the involvement there was in full government caucus and in meetings of caucus committees, where extremely useful work was done on developing this bill into the form that it is — certainly now in what I consider a vastly superior form than the first drafts that were considered. I appreciate that consultation and want to acknowledge it here.

I think a few specific concerns were made. The hon. Member for Drumheller is concerned that we have a suitable liaison between the Workers' Compensation Board and the department. That is indeed an important point. It's hoped that the expertness of the commissioners and people who work in the Workers' Compensation Board, giving them the special perspective they do get from their work in regard to industry in the province, will be a source of continuing advice and comment directed to me and to the officers of the Department of Labour who have the responsibility for this program.

In regard to the operation of the 12-member advisory council to the minister, which will be called the occupational health and safety council, the Member for Spirit River-Fairview made a suggestion that at least half of the membership of that 12-member group be made up of representatives of labor. The hon. Member for Drumheller asked for

some elaboration of how it will function. In response to both of those points, I think no final decision has yet been made whether this will be simply a 50-50 labor-management council or whether it will be a three-party council, which is the way I tend to view the matter as being preferable at the present time, in which case labor and management would likely have equal representation. But part of the other representation could be what we commonly regard as citizen or public representation, or potentially representation by government staff. So it will probably tend in the direction of a three-party rather than a two-party council.

The council has, of course, two purposes. One is the advisory role, the commitment they would want to make to keep themselves contemporary on safety and health issues as they relate to industry in the province and to make sure that advice and consultation is always up to date. They also have a role pursuant to the statute where they can be impanelled in smaller groups of perhaps two or three that could hear specific appeals, where appeals have to be heard pursuant to the act. That gives them an important role. The workload in that area is of course impossible to anticipate at the present time.

Just a couple of other items, Mr. Speaker, that I think are worth mentioning now. The Workers' Compensation Board in conjunction with the St. John Ambulance Association has been running for about a year and a half in the Peace River area a program called "First Aid: Community Training for Safety". This is an experiment. It's an attempt to see whether making the public generally more aware of concerns in regard to safety will have some spinoff on the work force and at the worksite, the theory being that the person who is trained in how to respond to an accident is also more aware of what causes an accident. He is personally more likely to avoid getting into an accident. If that is so, the more people who are aware of the basics of first aid and safety the better.

I won't go into this in detail now, except to say it was tried a little earlier in the province of Ontario. Their figures indicated that at the worksite — which is of interest because of the theory that the spinoff from general safety can have a good result at the worksite — the accident rate dropped in the neighborhood of 30 per cent during the test. No one knows whether that is a direct result of people knowing they are involved in a new experiment, or what the reason is. There are no hard and fast figures yet on the Alberta work in the same field. But the preliminary figures show a startling similarity to the potential reduction in industrial accidents in the neighborhood of 30 per cent.

Mr. Speaker, I wanted to mention the importance of understanding the objective. The hon. Member for Edmonton Jasper Place raised this in regard to the collection of data, the monitoring of health problems, and the interpretation and compiling of data in regard to what are potentially the long-term industrial diseases as distinct from the accident feature of what we're attempting to achieve. I agree with him entirely.

It is the policy of the department as of now, as of the setting up of the new division responsible for occupational health and safety, that a fairly highly selective approach be used in this area, and that we

don't use the scatter-gun approach and create a lot of paperwork, perhaps for little gain. I think enough information is available to our scientists, because it's available on an international basis. It's available on the basis that it's being published with increasing usefulness over the past number of years. But we should be zeroing in on certain diseases and certain types of industrial processes. That is where the first and the major activity will take place.

The question of how much cost industry should bear for the entire program: industry always did bear through assessments the cost of the accident prevention program of the Workers' Compensation Board. On the whole, the figure approximating that and its normal annual growth will still be raised by the Workers' Compensation Board and paid to the general revenue fund.

So the history of this type of program is that it's been paid for partly by industry assessment and partly out of the general revenue fund. The tendency has been that industry pays a higher portion by quite a bit than the part paid out of the general revenue fund from general tax revenues.

I think it will continue that the preponderance of the cost will be paid by industry through assessment by way of the Workers' Compensation Board. Those funds, though, rather than being spent directly by the Workers' Compensation Board, are paid into the general revenue fund once this act is law, and then the department makes the commitment of the expenditure. So you still have the same basis of collection, on the whole, and a more co-ordinated manner of expenditure, and I think there are advantages to that.

[Motion carried; Bill 39 read a second time]

Bill 41

The Workers' Compensation Amendment Act, 1976

MR. CRAWFORD: Mr. Speaker, I take great pleasure in moving second reading of Bill 41, The Workers' Compensation Amendment Act.

I'd like to note at this point that the significant re-enactment of the legislation that the 17th Legislature approved in 1973 set up an advisory council as one of the important ingredients of the overall framework in society that would work with government to make sure that contemporary views of workers' compensation benefits and workers' compensation principles would be in the hands of the government at all times.

It's traditional also to have the once-per-Legislature setting up of the select committee. The hon. Member for Calgary Millican is chairman of that, and that committee is working. So it could well be that as a result of the work of that select committee of the Legislature some of the items that could be dealt with, really at any time, in regard to bringing up to date the provisions of The Workers' Compensation Act will be dealt with after rather than before that committee has brought in its report.

It was nevertheless necessary to bring in a bill at this time, even though we may look forward to a more comprehensive look at it in the not too distant future. Of course, the reason it's necessary to have a further bill at this time, and it has its own important provisions, is that the advisory committee has among its

duties the obligation of advising government on the rate at which compensation should be paid.

So in accordance with the government's fiscal policies for this year and in substantial response to the recommendations that were made, a basic increase in all benefits in the neighborhood of 11 per cent — I think 1 or 2 partial percentage points perhaps below that, it's between 10 and 11 per cent — is being provided for in this bill, in order that all the benefits that have existed under the 1973 act and its amendments will be increased this year, effective July 1, by that figure of between 10 and 11 per cent.

The bill covers a few other areas. The rate at which contributions are made by the individual worker of course affects the rate at which he can draw benefits in the event he is injured. So it was thought timely this year to raise to \$14,500 from \$13,000 the maximum level at which a worker could contribute.

I don't think I'll speak on second reading on the rather self-explanatory provisions of the bill in regard to entering into agreements with other jurisdictions, Mr. Speaker. That is the sort of capacity the board should have and can use on a continuing administrative basis.

The other important feature that maybe should be commented upon is the provision that allows the board to take a look at a subsequent injury a worker may have, without being committed to the idea that they have to deduct from his benefits everything he may have been entitled to receive for a previous injury. This was a specific request to us from the Workers' Compensation Board and strongly endorsed by the advisory committee.

The example they used — and there wouldn't be many examples of this. They would be rare. But they suggest that under the previous wording of all statutes that had been in force to the present time, if a worker lost an eye, for example, he would get a permanent award in that respect, because that's a grave injury and there's no recovery. It would be a partial award, but it would be a permanent one.

Then if after returning to work he sustains a further injury, which might also give rise to a permanent award, the board felt the legislation required them to set the one against the other. They thought that wasn't fair and that in an individual case they should have the right to judge that a person who was twice wounded, you might say, in a way that he would never fully recover, should be able to have that reflected in his compensation.

So that's one of the important provisions of the bill, Mr. Speaker, and one that will enable the board to actually deal with that type of rare situation with the sort of compassion I think the legislators would want them to have.

[I have] no further remarks at the present time in regard to this bill, Mr. Speaker. I do take pleasure in moving second reading.

MR. TAYLOR: Mr. Speaker, there are just one or two comments I would like to make on The Workers' Compensation Act. In the first place, I would like to commend the government for its willingness to deal with workers' compensation annually if necessary. For many years we dealt with workers' compensation once every five years, and nothing but nothing was important enough to bring the act back into the Legislature once that committee reported and the act

was amended. As a result, a number of very sad things happened.

The present government has gone the second mile, I think, in bringing in an amendment even while the legislative committee is working. I think this is all to the good, because after all, if a worker is to receive a benefit, why hold him off one year simply because a legislative committee is studying the whole thing?

So I want to commend the government on its attitude toward workers' compensation. That attitude has been demonstrated a number of times, and this is another excellent demonstration of an excellent attitude.

The other point I'd like to mention is the provision about which the minister just spoke, where a person can secure more than total disability more than once. Now it may be impossible in a practical way, but under the amendment it theoretically would be possible for a person who has lost both legs to be totally disabled under the act, and he would receive the total payment for permanent total disability of that body. Receiving his total disability, 75 per cent of the wages he was making, he then goes to work somewhere else and, say, he loses both arms. Again, he has total disability. So under the amendment he's now able to collect a double pension that would provide him with double the amount or, as a matter of fact, total disability of two bodies.

It may be argued that a man who has lost both legs and both arms deserves that much money, and I'm not going to argue against that. But the concept that you had one body and total disability meant total disability of that entire body is now thrown to the wind. You can get more than 100 per cent disability by having one, two, or three accidents.

To carry the illustration a little further, if the man still was wanting to work, and some people are of that nature — I wish more were of that nature — some people with tremendous disabilities do insist on going back to work. Say he's now lost both legs and got a total disability pension for that, lost both arms so he's now getting a total disability pension for that. Say he goes to work again and loses both eyes in an explosion. Now he's got three total disabilities. Maybe this could never happen. I don't know whether it would or not. I'm wondering how many bodies one man can have, theoretically, and how many times that body can be permanently disabled.

In spite of that, I'm not opposing the amendment. That type of thing may happen twice very, very rarely. I'm doubtful if it could ever happen three times. But there is one angle that does bother me a bit. Over the years I've had a lot to do with compensation. As a matter of fact, for many years the major job of being an MLA in the industrial area of Drumheller was to look after compensation cases. Once every two weeks I would come to Edmonton with a folder full of cases that were not satisfied with the action of the compensation board.

There are some workers I knew of who had 27 accidents, 27 claims. I understand there were some who had gone as high as 60 claims in their lifetime as a worker, 60 accidents of one kind or another in industry. Some of the 27 or 35 that I've known would probably be the permanent partial disability — the loss of a finger, the loss of part of a hand; in one, the loss of a knee. Whenever another accident happened, the board would have all of these on record

under its filing system. Of course, the final pension would have to take those others into consideration, but actually the others were dropped and he got his final pension.

I think there must be something wrong with a person who gets hurt deliberately. A few people do that. During the depression years I remember one man telling my dad, I don't know how I'm going to get by this summer, so in the mine tomorrow I'm going to chop off my toe, and I'll be on compensation all summer. He had his toe chopped off the next day. Whether he did it deliberately or not I don't know, but he was on compensation all summer. But those types are very, very few and far between. But there are some workers who are accident-prone, who almost have an accident every time they turn around. I think the board will have to watch this one very carefully. On the other hand, maybe it's better to give justice to one rather than give an injustice to many, or the other way around.

I'm supporting the bill. I would ask the hon. minister to try to keep tab, if he possibly can with all his other duties, on just what happens in regard to this total disability over the next two or three years.

MR. DEPUTY SPEAKER: May the hon. minister close the debate?

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, in the circumstances, I hadn't intended to make any further remarks, so I would move second reading.

[Motion carried; Bill 41 read a second time]

Bill 46
The Credit and Loan
Agreements Amendment Act, 1976

MRS. CHICHAK: Mr. Speaker, perhaps I should thank the hon. members for their accolades. I think this morning I'm about one of the first to be getting it. I'd turn my hearing up if anyone else was receiving it.

I move second reading, Mr. Speaker, of The Credit and Loan Agreements Amendment Act, 1976, being Bill 46.

Mr. Speaker, as I indicated on first reading of the bill, the basic principles of this bill are threefold. One is to identify credit grantors with greater clarity, in that the definition of credit grantors is expanded to include assignees.

From time to time, there has been some misunderstanding, misinterpretation, or lack of clarity as to whether assignees in fact fell under the same requirements and regulations that the original grantors of loans came under. This simply will clarify that.

[Mr. Speaker in the Chair]

Secondly, Part 4 of the bill is amended basically in the title segment from "Advertising", to read "General". That is to provide for inclusion of additional items under that part of the bill. One of the items included there is, of course, the definition of the discounter. The discounter is brought in under this act.

In Part 4, under the extension of the definition of

credit grantors, such items of principle are brought in as requiring the credit grantors to promptly provide proof of insurance. Where insurance is required with respect to credit agreements entered into, such proof is to be provided to the borrower immediately. It requires the amount of premium to be rebated by the grantor immediately upon either the expiry of a policy or if it was the result of a cancellation or a loan prepayment. Borrowers have had, from time to time, some difficulty in obtaining this rebate, where loss of time or inaccurate charges for services were added on and the correct amounts may not have been rebated. These amendments will require credit grantors to charge the premium only for that portion for which coverage was provided. The balance would therefore be required to be immediately refunded.

Part 4 of the act deals with the new area being brought in, that of the discounter. Section 4 requires an addition to the definition of discounter. It requires that a discounter must register.

If I might just go into a brief outline of some of the requirements in the form of registration for a discounter, they require the disclosure on the part of the discounter in applying. It requires a discounter to register prior to being able to carry on any business following a specified time. The form for registration requires disclosure of business. Any branch offices may not be operated unless they are registered. It requires disclosure of any judgments filed against any of the principals. It also requires a very detailed financial disclosure on the part of the discounter, such as the total number of tax returns acquired, the amount of income tax refunds being paid, and the total acquisition. This requirement is consistent with regulations under other acts, where collection agencies fall under the regulations of The Collection Agencies Act. Trust companies and credit unions have similar requirements. It is not inconsistent with the practice currently being followed.

At this time, one of the other principles is that the discounter must disclose the interest rate charged to a taxpayer or a borrower in percentage, not only in dollars. This morning, I had distributed to members in the House a proposed formula that would determine the method by which the interest rate would be calculated and would require disclosure. If I could just briefly refer to the formula; I think it is an important one that may require some refinement, but basically that is the manner in which it would be worked.

The interest rate required to be disclosed by the discounter to the borrower or to the taxpayer would be determined by a denominator factor which is found by taking the one-year basis over a probable time of 60 days, the time it normally takes to obtain a refund following the filing of a tax return. On that basis, the denominator was found to be 6.083. That, multiplied by the tax refund due to the taxpayer minus the charges the discounter would apply for filing the return on behalf of the taxpayer and any charges for making an advance loan available to the taxpayer. In actual fact, the formula reads: R (the interest rate) would equal the denominator factor, which would be 6.083, times (the tax payable by the taxpayer) minus the net amount the taxpayer finally receives from the discounter, all divided by the net amount the taxpayer would actually be receiving, times the 100 per cent rate.

That would be the kind of formula a discounter would have to apply to calculate and show accurately the amount being charged to the taxpayer. Interestingly enough, the formula requires to be included . . .

MR. SPEAKER: I hesitate to interrupt the hon. member, but it would appear that we're now really in committee type of debate on the bill. We should stick to the principles, otherwise the Assembly may have this debate now and then again in committee.

MRS. CHICHAK: Thank you, Mr. Speaker. I apologize for debating on the principle. I wanted to stress the point that one of the principal matters of the bill was the interest rate. It's a very important factor. I thought it would be helpful to the members of the House to have an understanding of how this might work. However, I appreciate your drawing my attention to the fact that we are away from the principle. We'll certainly get back to it immediately.

The other principles with regard the amendments are: one, the requirement of retaining records by grantors and discounters in the province for a period of at least three years in order that proper auditing might be carried out within a reasonable time.

I just wish to draw members' attention to the fact that it was proposed to have included in the amendments a provision for the supervisor, under whom the requirement for registration of the discounter would be filed, that authority be given to the supervisor to carry out or impose such regulations as would be put forward. Unfortunately this is an oversight in the drafting of the act. I would simply like to draw to the hon. members' attention that we will be bringing forward an additional two amendments to put those two items into place that had been overlooked in the drafting of this bill. That was with respect to giving authority for the supervisor to carry out the regulations as would be put forward regarding discounters, and also to include in those sections of the act the word "discounter" in those areas where they are applicable, along with the credit grantor.

Thank you, Mr. Speaker.

[Motion carried; Bill 46 read a second time]

Bill 48
The Co-operative
Associations Amendment Act, 1976

MR. COOKSON: Mr. Speaker, in moving second reading of Bill 48, The Co-operative Associations Amendment Act, as a preamble I would like to commend the former government on establishing the principle of rural electrification associations, which are dealt with under this amendment through The Co-operative Associations Act.

Some 70,000 farms are served either by and including Calgary Power and Alberta Power through this particular act, which I think serves the vast majority of the farms in Alberta.

When it was set up, the rural electrification associations were required to establish a deposit fund for replacement of lines. Times and things change. At the present time there are some 369 rural electrification association organizations throughout the province. Some 11 have been sold to power companies, and some 20 are considering sale to power

companies.

Basically, Mr. Speaker, the intent of the amendments in general is to shape up the REAs and make provision for more equitable operation, so we don't have this trend starting a massive wave.

Now the most important principle in the bill is the provision for a number of obsolete inactive lines located on property. At the present time, some 6,045 inactive transformer outlets are owned by REAs. The electrification act requires that these be maintained in a safe condition. It has been said that if these could be removed, it could reduce the cost per property owner by the equivalent of \$1 per month. So it has been a request on behalf of the REAs that provision be made for removal in various ways, which are laid out in the amendments.

The provision is made in general to permit REAs to give an alternative provision to owners in such a way that the transformers, et cetera, can be moved and the owners themselves reimbursed or, conversely, to permit the owners to retain these inactive transformer outlets and pay a monthly fee for them to be kept up under the electrical act. So, as I say, it's been asked for by a number of REAs. I think it would be a positive step in improving their financial position.

DR. BUCK: Mr. Speaker, just a few brief words on this bill. I certainly welcome the amendment. When we get into committee study, Mr. Speaker, we'll certainly be trying to find out from the hon. member and the government exactly where they think the REAs are eventually going to end up, because, as the hon. member indicated, there are problems.

Many of the REAs, almost by default, have sort of gone into ownership by the major power companies. In some cases that was not entirely bad, because some of the lines in some areas were almost getting to the point where they weren't really providing as good a service as they should have been. So, at the same time, when we get into committee, we'll probably be talking about power at cost.

Mr. Speaker, with those few words, I support the amendment.

[Motion carried; Bill 48 read a second time]

Bill 50
The Racing Commission Amendment Act, 1976

MR. FARRAN: Mr. Speaker, the only principle in this bill is to make doubly sure that the race tracks can be run in the way they've been run from the beginning of time all through North America.

The tracks are run through the stewards and the judges. At a recent date, one school of thought among lawyers doubted the right of the Alberta Racing Commission to delegate powers to the stewards. They obviously have to do this. There were 250 infractions last year. There can be as many as five simultaneous race meets. There's always the right of appeal to the commission. This is the way it's always been done, so all we're doing is making sure that everything will be according to Hoyle.

[Motion carried; Bill 50 read a second time]

MR. HYNDMAN: Mr. Speaker, I move you do now leave the Chair and the Assembly resolve itself into

Committee of the Whole to consider certain bills on the Order Paper.

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

HON. MEMBERS: Agreed.

[Mr. Speaker left the Chair]

head: **GOVERNMENT BILLS AND ORDERS**
(Committee of the Whole)

[Dr. McCrimmon in the Chair]

MR. HYNDMAN: Mr. Chairman, I will give an outline of the first few bills we'll be considering in committee at this time: Bill 1, which I will speak to on behalf of the hon. Premier; then Bills 6, 7, 8, 10, and 12. If we get through those, I'll give a list of the other ones, Mr. Chairman.

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

Bill 1
The Statutes Repeal Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. HYNDMAN: Mr. Chairman, on behalf of the hon. Premier, I move that the bill be reported.

[Motion carried]

Bill 6
The Calgary General Hospital Board Act

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. McCRAE: Mr. Chairman, I move that Bill 6 be reported.

[Motion carried]

Bill 7
The Alberta Loan Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move that Bill 7 be reported.

[Motion carried]

Bill 8
The Alberta Municipal
Financing Corporation Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. CLARK: Mr. Chairman, I believe that when we were in second reading the Treasurer indicated that he would be bringing back to us the exact situation — at least, the last figures the government had on the question of total municipal debt.

MR. LEITCH: That's right, Mr. Chairman. If the hon. Leader of the Opposition wishes that before we go through committee on this bill, I would suggest that we adjourn debate on the bill and . . .

MR. CLARK: Mr. Chairman, I'm not that fussy, just as long as we're going to get it from the Treasurer before the end of the session. If the Treasurer wants to give it either in committee sometime or just give me a memo on it, that's quite — oh, I'd prefer it in committee. I think it would appear in *Hansard*. That likely would be better.

MR. LEITCH: Mr. Chairman, we're working on it. I'm not exactly sure when we'll get it. I assume we'll get it within the next few days. I'm open to either holding the bill in committee now or passing it in committee and giving the information requested by the Leader of the Opposition as soon as I can get it.

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move that Bill 8 be reported.

[Motion carried]

Bill 10
The Unfair Trade
Practices Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 10 be reported.

[Motion carried]

Bill 12
The Department of
Transportation Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

DR. HORNER: Mr. Chairman, I move that Bill 12, The Department of Transportation Amendment Act, 1976, be reported.

[Motion carried]

Bill 14
The Real Estate Agents'
Licensing Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. McCRAE: Mr. Chairman, I move Bill 14, The Real Estate Agents' Licensing Amendment Act, 1976, be reported.

[Motion carried]

Bill 15
The Municipal and Provincial
Properties Valuation Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. JOHNSTON: Mr. Chairman, I move that The Municipal and Provincial Properties Valuation Amendment Act, 1976, be reported.

[Motion carried]

Bill 16
The Northland School
Division Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. CLARK: Mr. Chairman, when we did second reading of Bill 16, after a well-prepared introduction by the hon. Member for Lac La Biche-McMurray, some questions were asked with regard to what plans the Department of Education has for the election in the area. Elections have just been held in three subdivisions, as I recall.

My question to the hon. member sponsoring the bill is: what's the intention of the department or of the government with regard to moving in the direction of having all nine subdivisions hold elections? I then move on to the question of what other plans the department has as far as the Northland School Division report is concerned.

MR. TESOLIN: Mr. Chairman, I jotted down some of the questions the hon. member asked during second reading. If I may, I'll just list them. I think the question was, what parts of the study were moved

on, accepted, and rejected.

5.4: the assistant director has been appointed. That was one of the recommendations. Recommendations on nominations from appropriate areas were solicited by the department and Northland prior to the recent appointment of trustees.

6.8: although the department did not take the initiative, they were very instrumental in the creation of the curriculum centre established in '74-75.

10.3, that increased use be made of the Department of Education regional office: efforts have been made and directed primarily to the board, but the efforts have been made that the division is made aware of these services amongst their appointed employees.

17.2: the budget and subsequent determination of the special grant has been dealt with. This was done earlier this year than it has been generally in the past.

17.5: transportation support has been adjusted for 1974 from \$90,000 and increased to \$108,000 in 1975. It might also be noted that the new transportation support under the SSPF regulations will support horse-drawn vehicles to further accommodate this division.

17.10: the department is continuing to monitor procedures for short-term loans.

17.14: school districts have been formed at Zama City and Brewster's Camp, effective December 31, 1975. These have been attached to the Northland School Division, but may be transferred at a later date.

17.15: the matter is presently under consideration.

Among other recommendations that pertain directly to the department is the appointment of treaty Indians. [This] may not raise a serious problem, but if and when the board is to be elected, several legal questions could arise. This matter will require further study — also the elections. It will be a slow process, studied continuously.

Recommendations 11.5 and 11.6: building construction and finance changes will require considerable study and, if accepted, will necessitate legislative changes.

MR. CLARK: Mr. Chairman, just two further questions to the hon. member, especially on the question of election. Does the member or the government have any feel for when we'll move to an elected board? Are we looking at a three- or a five-year time frame? I guess what I'm saying is: is there a commitment on behalf of the government to move in that direction as far as the treaty Indians are concerned, as soon as the legal entanglements can be overcome?

The second area would be, what's the situation now as far as the Menno-Simons School is concerned? The member will recall we raised that situation on second reading. Is it going to stay in Northland? As I understand the situation, the people in the area really want it to. Or is it going to follow the recommendation of the report and go into the Fairview division?

MR. TESOLIN: First of all on the question of elections, a specific time frame isn't set up. But it is hoped the department can move in that direction. I'm sorry, I cannot tell you exactly when.

Menno-Simons — I'm sorry, I can't answer that question. But I'll take it under advisement and perhaps memo you.

[Title and preamble agreed to]

MR. TESOLIN: Mr. Chairman, I move Bill 16, The Northland School Division Amendment Act, 1976, be reported.

[Motion carried]

Bill 17
The Alberta Income Tax
Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

[Title and preamble agreed to]

MR. LEITCH: Mr. Chairman, I move Bill 17 be reported.

[Motion carried]

Bill 18
The Pension Statutes Amendment Act, 1976

MR. CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to any sections of this bill?

MR. LEITCH: Mr. Chairman, I believe amendments have been distributed. They are of a technical nature.

MR. CHAIRMAN: Have you all checked the amendments? Are you agreed with the amendments?

MR. CLARK: I take it there are just the two amendments. On amendment (a) with regard to Section 3, is the Treasurer in a position to indicate the significance of "during that service" being added?

MR. LEITCH: Mr. Chairman, it is merely for clarity's sake, as I recall. I'll just check the section to be sure.

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

MR. CHAIRMAN: You've heard the motion by the hon. Government House Leader. Are you agreed?

HON. MEMBERS: Agreed.

[Motion carried]

[Dr. McCrimmon left the Chair]

[Mr. Speaker in the Chair]

DR. MCCRIMMON: Mr. Speaker, the Committee of the Whole Assembly has had under consideration Bill 18 and begs to report progress on the same.

Mr. Speaker, the Committee of the Whole Assembly has had under consideration the following bills: Nos. 1, 6, 7, 8, 10, 12, 14, 15, 16, and [17], begs to report the same, and asks leave to sit again.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, on Monday we'll proceed to the estimates of the Executive Council during either the afternoon or the evening, and on Monday and/or Tuesday committee study of bills with the exception of four, Nos. 20, 29, 36 and 41. The government has given notice of using the one hour on Tuesday afternoon for Government Designated Business, either bills or supply.

I move we call it 1 o'clock.

MR. CLARK: Mr. Speaker, just before you call the motion, I'd like to ask the Government House Leader: is he serving notice that it's the government's intention to call Bill 35, The Alberta Heritage Savings Trust Fund Act, in the early part of next week? It was my understanding we were going to wait until the early part of the following week to call that.

MR. HYNDMAN: Yes, Mr. Speaker. I'm sorry. It's presently intended that Bill 35 would probably not come up for committee study until Monday, May 17.

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 Monday afternoon at half past 2.

[The House rose at 12:58 p.m.]

