

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, March 24, 1977 2:30 p.m.**

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

**PRAYERS**

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF VISITORS**

MR. DOWLING: Mr. Speaker, I have the honor today to introduce to you, and through you to the members of the Assembly, a distinguished member of the Ontario Legislature, the Hon. Leo Bernier, Minister of Natural Resources responsible for northern affairs. Mr. Bernier is accompanied by his assistant Mr. Bill Morris. They are here for several meetings which will take place this afternoon.

Mr. Bernier and his assistant are seated in your gallery, Mr. Speaker. I would ask them to rise and be recognized by the House.

head: **INTRODUCTION OF BILLS**

**Bill 211**  
**An Act to Amend**  
**The Landlord and Tenant Act**

MR. NOTLEY: Mr. Speaker, I beg leave to introduce Bill No. 211, being An Act to Amend The Landlord and Tenant Act. Mr. Speaker, Bill No. 211 is intended to provide security of tenure for tenants in the province of Alberta. It ensures that no eviction can take place without just cause. It embodies the Alberta Landlord and Tenant Advisory Board recommendations of eviction only for specific just cause. Several of the clauses set out in the bill are: failure to pay rent for 30 days, causing undue disturbance, or damaging the premises.

[Leave granted; Bill 211 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. DOWLING: Mr. Speaker, I would like to table the annual report, 1976, of the Alberta Research Council.

MR. RUSSELL: Mr. Speaker, I'd like to file two copies of a Department of the Environment publication called *Environmental Impact Assessment Guidelines*. These are guidelines worked out with industry to help new industries coming to Alberta that must submit environmental impact studies to the government.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. CHAMBERS: Mr. Speaker, I wish to introduce to you, and on your behalf to the members of this

House, 56 grade 5 students from the Glengarry school in the constituency of Edmonton Calder. They are accompanied by their teachers Mrs. Heather Higgs and Mr. Eugene King. I may be wrong, but when we were having our picture taken today I thought I heard some of the students say they liked their school so much they really weren't looking forward to having all next week off for that break. But despite that, they look happy. I would ask them to stand so they can be recognized by the members.

MR. YURKO: Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and to the Assembly, 48 grades 4 and 5 students from St. Bede school in my constituency of Edmonton Gold Bar. They're here with their teacher Norma Skujins. They are seated in the public gallery, Mr. Speaker. This class and this teacher have tested my political knowledge on several occasions. I would ask that they stand and be recognized by the House.

head: **ORAL QUESTION PERIOD****Regional Hospital Costs**

MR. CLARK: Mr. Speaker, I'd like to direct the first question to the minister responsible for hospital services. Is the minister in a position to indicate the government's policy with regard to the construction of regional hospitals? I'm thinking of the one in Grande Prairie, for example. Whose responsibility is it to pick up the land and parking costs?

MR. MINIELY: Mr. Speaker, that policy is in the process of development. We have not made final decisions on the details the hon. leader mentions.

MR. CLARK: Mr. Speaker, very specifically with regard to the hospital in Grande Prairie, will the taxpayers in the Grande Prairie region be expected to pick up the costs of acquisition of land and parking facilities at Grande Prairie?

MR. MINIELY: Mr. Speaker, as I've said, that policy is under consideration. We have not made decisions on the matters the hon. leader raises.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Is the policy in the process of formulation for just the Grande Prairie hospital, or is it for all regional hospitals now being developed across the province? By regional, I'm thinking of the Grande Prairie and Red Deer hospitals specifically.

MR. MINIELY: Mr. Speaker, it's my intention to develop a policy which would apply to all regional hospitals.

MR. CLARK: Mr. Speaker, a supplementary question dealing directly with the Red Deer regional hospital. Is it the position of the government of Alberta that the new hospital being built at Red Deer is in fact a regional hospital serving central Alberta?

MR. MINIELY: Mr. Speaker, there's been no question about that. Both my predecessor and I announced the fact that we were placing priority on developing

Red Deer as a regional hospital. Red Deer, being at the most advanced stage as a regional hospital, is the one [to which] we will have to address the broader policy questions the hon. leader has raised with respect to Red Deer.

MR. CLARK: Mr. Speaker, a supplementary question. Would the minister be in a position to indicate to the Assembly the commitment he gave the mayor of Red Deer, I believe on March 8, when he indicated to the mayor that no additional taxes would be levied on the people of Red Deer or the Red Deer hospital district for the cost of land and the parking structure at the Red Deer hospital?

MR. MINIELY: Mr. Speaker, I don't know where the hon. leader got his facts, but the way he has expressed them is inaccurate with respect to the meeting I had with the mayor of Red Deer.

MR. CLARK: Mr. Speaker, would the minister indicate to the House what he did tell the mayor of Red Deer?

MR. MINIELY: Mr. Speaker, I didn't make any commitments to the mayor of Red Deer. The mayor of Red Deer was in to see me, to see whether I, as the minister of hospitals working with the hospital board, could play a role in asking the hospital board to co-operate with the city in trying to spread any local tax burden, as a result of the portion of costs which may apply to parking or land acquisition for the construction of the hospital, over a period of years on the local tax base rather than in one chunk.

The only commitment I made to the mayor was that I would encourage the Red Deer hospital board — incidentally, Mr. Speaker, I'm meeting with them this afternoon at 4 o'clock — to work with the municipality and the city in trying to minimize the annual impact on the local tax base as a result of costs that would have to be financed locally.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. So no commitment was given to the mayor of Red Deer that none of the costs for the land or the parking structure would be picked up by the city of Red Deer?

MR. MINIELY: Well, Mr. Speaker, in answer to the question earlier, I believe I said that the facts of the hon. leader on those two matters were inaccurate. I repeat that.

MR. CLARK: Another supplementary question to the minister. Has the minister been able to ascertain when the hospital commission sent the letter to a number of hospital boards across the province telling them they would be muzzled as far as capital construction projects are concerned?

AN HON. MEMBER: Order. It's argumentative, Mr. Speaker.

MR. MINIELY: Mr. Speaker, the hon. leader knows very well that officials in any department will send out thousands of communications in a given portfolio or policy area. I believe the hon. leader is referring to a bulletin the commission sent out. But because the hon. leader implied there was a directive, I believe

last week, from me as the minister with respect to that fact, let me make it clear there has never been a directive from me that hospital boards are not able to disclose to the community hospital construction plans as they are developed. I have asked hospital boards, and received excellent co-operation from all boards in the province, to work together to a definitive stage in the interests of developing and determining the needs in the community, and costs which are associated with building a given hospital or nursing home to a stage where the citizens we both serve — the boards are there to serve their local citizens, and I as the minister and we as government and legislators are there to serve the same citizens — are not having local expectations raised in the way we work together co-operatively beyond what is reasonable in any given situation.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister, while he is making concessions. Would the minister indicate to the House that in 1975 a memo went out from the Alberta Hospital Services Commission indicating to hospital boards they were not to make any public announcements or comments on capital projects, that those announcements would be made by the minister?

MR. MINIELY: Mr. Speaker, if such a bulletin went out, and I am examining that, the wording as the hon. leader expresses it was not sanctioned by me as the minister. I will examine that and make sure that what I intend in working together with the boards, as plans are being developed for hospital construction, is accurately communicated to the boards. The particular statement the hon. leader is expressing is not sanctioned by me.

MR. CLARK: Mr. Speaker, a further supplementary question to the minister. Is the minister aware that a directive went out from the Hospital Services Commission in 1975 indicating to hospital boards they should make no public comment about capital construction programs and that the minister would make any announcements? Is the minister aware of a document like that going out in 1975?

MR. MINIELY: Mr. Speaker, I believe a bulletin went out from the commission.

MR. CLARK: The answer is yes.

MR. MINIELY: A bulletin went out from the commission. At this stage I have not read the exact wording of the bulletin. I will. In spite of what the hon. leader is saying, I have indicated the manner in which I have worked with hospital boards. If the actual wording of the bulletin is as the hon. leader describes, I will ensure the communication is corrected in the way that I hope to work with boards on this. I believe though, and I would say in this House, that with respect to the actual announcement of the final cost of a project and final approval of any hospital construction project in this province, when the province is paying 100 per cent of the cost, the prerogative of final announcement should rest with my office and with the government.

DR. BUCK: What's good enough for General Bull-moose is good enough for anybody.

### Planning Act

MR. GHITTER: Mr. Speaker, my question is to the hon. Minister of Municipal Affairs. Would the minister advise the House whether it's his intention to provide us with copies of proposed subdivision and transfer regulations prior to our debate on the principle of the new planning act?

MR. JOHNSTON: Mr. Speaker, we will attempt to table both the subdivision and transfer regulations, a regulation concerning the management and suggested guidelines for the regional planning commissions as soon as possible.

MR. GHITTER: A supplementary, Mr. Speaker. While the hon. minister is in such a good mood, I am wondering if prior to that time he will be providing the House with a general policy statement as to the application, establishment, and criteria relating to the special development areas referred to in the planning act in relation to urban growth.

MR. JOHNSTON: Mr. Speaker, while the hon. member has given us such lucid questions, I'll attempt to give him a good reply. Yes, Mr. Speaker.

### Rent Control

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Consumer and Corporate Affairs is with regard to remarks in the Assembly yesterday. The minister indicated that landlords have been giving notices for several weeks, and can give notices up to March 31, 1977, which can be effective July 1, 1977. The minister went on to say: "I think what intentions landlords are in fact telegraphing by those notices would be of interest to members."

Mr. Speaker, my question is: what type of information has the minister at this time with regard to landlord notices? And why would it be of interest to us as members?

MR. HARLE: Well, Mr. Speaker, I can't respond for the member who asked the question. He may be sort of impervious to the conditions outside this House. But I will say this, Mr. Speaker: we have had indications of increases varying from 20 per cent to 180 per cent.

MR. R. SPEAKER: Mr. Speaker, under those situations which we well recognize and have raised in the House yesterday and at other instances, my supplementary to the minister is: in light of information such as this, on what basis does the minister or the government delay its decision until mid-April with regard to rent controls?

MR. HARLE: Mr. Speaker, in the government's opinion, whether or not to extend The Temporary Rent Regulation Measures Act is a very important decision. We have made the decision with respect to the federal anti-inflation program. We believe the decision on the rent control issue is an important one, and one on

which we should have as many facts as possible before making it.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. I could certainly agree it is an important decision. To repeat my question to the minister, Mr. Speaker: relative to the importance of the matter, what are the reasons that the minister or the government is unable to make the decision prior to March 31 of this year?

MR. SPEAKER: With respect to the hon. member, it does seem that the question has been answered.

SOME HON. MEMBERS: Agreed.

MR. CLARK: It's only been asked.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister indicate whether a study is going on, or information will be presented to the Legislature prior to March 31, substantiating the figures he quoted earlier [in answer] to my first question?

MR. HARLE: I would not think so, Mr. Speaker. The information I gave in my earlier response is in correspondence I'm receiving in the mail, on telephone calls coming in, and from communication with the officials on the Rent Regulation Appeal Board.

MR. R. SPEAKER: Supplementary to the minister. At this point in time does the minister intend to bring in retroactive legislation after March 31 in this Assembly?

MR. HARLE: Mr. Speaker, I can only repeat what I have said. The decision on whether or not to extend The Temporary Rent Regulation Measures Act has not been made. It will be made in April, and the decision will be announced in April.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. Could the minister indicate whether he has had a recommendation from the rent control board with regard to extending the rent legislation?

MR. HARLE: Mr. Speaker, I presume the hon. member is referring to the officials who administer the program. I've had a number of reports from the officials covering a wide variety of topics. I'm sure that among the various topics were suggestions relating to the effects of ending and not ending the program.

MR. R. SPEAKER: Mr. Speaker, my final supplementary to the minister. Is it the intention of the government or the minister to bring in retroactive legislation following March 31, which will make the government look like heroes, to protect renters and landlords in this province?

MR. SPEAKER: Order please. The hon. member is possibly reviving yesterday's debate on which the Assembly has voted, and the question was asked previously in any event.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of Consumer and Corporate Af-

fairs. Has a formal request been made to the Rent Regulation Appeal Board to monitor the notices of increase by landlords in the province?

MR. HARLE: Yes, Mr. Speaker. I have asked the officials to let me know of any information that comes to their attention on that matter.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the hon. minister. What kind of data has come back, not from the letters that have come to the minister's office but from the Rent Regulation Appeal Board?

MR. SPEAKER: Possibly the hon. member could put that question on the Order Paper.

MR. NOTLEY: Mr. Speaker, I'd just like to ask one final supplementary question. Is the government of Alberta monitoring or does it have any mechanism to monitor increases in commercial rents in the province of Alberta that don't come under rent regulation guidelines? Has there been any study or assessment of what the increase has been?

MR. HARLE: No, Mr. Speaker.

#### **Parkland Nursing Home**

MR. NOTLEY: Mr. Speaker, I'd like to direct my question to the hon. Minister of Labour. It pertains to the present labor dispute at the Parkland Nursing Home. My first question, Mr. Speaker, is: is the minister in a position to report to the House at this time the position with respect to the dispute at the Parkland Nursing Home — North in Edmonton?

MR. CRAWFORD: Mr. Speaker, I think it's well known, has been publicly reported, that there is a strike in progress there at the present time. As far as the most recent information I have is concerned, the parties are continuing to meet in the hope of resolving the existing dispute.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has the government made any move at this point in time to meet with both parties to see if a settlement of the present strike can be reached?

MR. CRAWFORD: Mr. Speaker, the question is unusual in that it asks something that is so obvious in all cases where there is a dispute between two parties; that is, the conciliation and mediation services of the department are available at the call of the parties and have, in fact, been used. I think I've had occasion to express in the House before that my impression is that perhaps I don't assist that process too much by beginning to give the details, which really only the parties should give if they wish to.

MR. NOTLEY: Mr. Speaker, a further supplementary question to the minister. Beyond the question of mediation, is the minister in a position to outline to the Assembly whether or not there has been a request from either party to intervene beyond mediation at this point in time?

MR. CRAWFORD: Mr. Speaker, not to my knowledge. The services available from the department that have been provided in this case are the usual services whereby officers of the department are available to help define the issues and assist the parties in working toward a solution. If some other type of action is being asked for, it has perhaps come to the attention of officials, but not to my attention at the present time.

MR. NOTLEY: Mr. Speaker, a further supplementary question. Has the minister had an opportunity to review the disparity in wages presently received by workers in Parkland Edmonton compared to other Parkland homes in the province of Alberta?

MR. CRAWFORD: Mr. Speaker, in connection with any briefing on any issue like this, information is made available that may be relevant to the parties in their bargaining. We receive it on the basis the parties provide it; that is, if the information is to be publicized in some way, both sides normally prefer to do it themselves and not have me do it. So I think I should just say to the hon. member that in recent days and weeks various types of information and statistics in respect to this particular dispute and many others certainly have crossed my desk. But I certainly don't want to be in the position of remarking on what that means to the validity of either side of the case.

MR. NOTLEY: Mr. Speaker, a final supplementary question to the minister. Has any consideration been given at this point in time or has any assessment been made of the government of Alberta acting under the power granted in the fall of 1975, under The Alberta Labour Act, to end strikes on grounds of unreasonable hardship? Has this matter been given any consideration, or will the minister assure the House that no move in this direction is contemplated?

MR. CRAWFORD: Mr. Speaker, I have a policy in respect to the use of Section 163, which I'm quite happy to make known. I've done so in one or two previous disputes that were considered difficult at the time and were ultimately resolved. It's this: we would not use Section 163 upon the application of only one of the parties without a further assessment, on an objective basis, to assist the government in determining whether that step should be taken. When it is taken, of course, it can only be taken as a result of an order in council passed by cabinet after consideration.

If the hon. member's earlier question to me was: had one of the parties asked for this type of intervention, that makes the question a little clearer to me. If that was the essence of the earlier question, I would repeat my answer that if it has recently come to the attention of my officials that one of the parties may have made this request, it has not yet been brought to me.

MR. MINIELY: Mr. Speaker, I would like to supplement the answer of my colleague. In his question, the hon. Member for Spirit River-Fairview leaves the possibility of the implication that unreasonable hardship may exist. I'm in daily contact with my colleague the Minister of Labour, and I think it's important to advise the House that we are monitoring on a daily basis the situation raised by the hon. Member for

Spirit River-Fairview. The patients are being well and adequately cared for. I want to make that matter clear.

#### **Sewage Discharge**

MR. MANDEVILLE: Mr. Speaker, my question is to the hon. Minister of Agriculture. Could the minister indicate what investigations have been undertaken by the department to determine the effects sewage discharge into the Bow River at Calgary is having on downstream irrigation pumping stations?

MR. MOORE: Mr. Speaker, I'm not familiar with the question the hon. member proposes. I'll have to check into it.

MR. MANDEVILLE: Mr. Speaker, maybe I could direct the question to the hon. Minister of the Environment. Could the minister indicate what action is being taken as a result of this problem with the irrigation pumps on the Bow River, also on the Oldman River?

MR. RUSSELL: Well, Mr. Speaker, I think the hon. member and I have been reading the same newspaper. I saw the same article, and I've referred it to the department. I understand a Department of the Environment official was already involved in that issue, and I'll have more to report later.

#### **Wildlife Damage Fund**

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of Recreation, Parks and Wildlife. Is the minister in a position to indicate the reason for the lengthy delays in settlement of claims against the wildlife damage fund?

MR. ADAIR: No, Mr. Speaker. If I may just respond to the hon. member, I think you're relating to those claims that are dealt with after they are all received at the end of the year. They started dealing with them I believe about January 15, and they should be pretty well all processed now. We've had some minor delays but not necessarily lengthy delays.

DR. BUCK: Mr. Speaker, supplementary to the minister. Can the minister indicate if a board is established to review the claims as they come in, or can the minister indicate the mechanism that's used for processing these claims?

MR. ADAIR: Yes, a review board in fact deals with them. It's a co-operate effort between the Department of Agriculture and us in Recreation, Parks and Wildlife.

#### **Bankruptcy Legislation**

MR. KUSHNER: Mr. Speaker, I wish to direct my question to the hon. Minister of Labour. I wonder if the minister is considering giving priority over secured creditors to employees of bankrupt companies, bringing in legislation to protect employees who experience such hardship.

MR. CRAWFORD: Mr. Speaker, hon. members will be aware of the extensive provisions in The Alberta

Labour Act at the present time in regard to the protection of workers' wages with respect to other creditors. However, it's fair to add that in recent hearings conducted publicly in Calgary and Edmonton in regard to The Alberta Labour Act some representations were received on that subject. Among other things presented with the various briefs, it is under consideration.

#### **RCMP Services**

MR. TAYLOR: Mr. Speaker, my question is to the hon. Solicitor General. Have negotiations been completed with the federal government regarding the costs to Alberta of the RCMP?

MR. FARRAN: Yes, Mr. Speaker, I'm happy to be able to report that we concluded the lengthy negotiations over the RCMP master contract about a month ago. The documents have been signed by the province of Alberta. They still await the signature of the Solicitor General of Canada.

MR. TAYLOR: A supplementary. Was the hon. minister able to secure a reduced price from that first quoted by the federal government for the services of the RCMP?

MR. FARRAN: Yes, Mr. Speaker. We were able to reduce the first opening of the federal government for a 60-40 fiscal split in federal favor down to 52 per cent provincial and 48 per cent federal, increasing by 1 per cent a year over a 5-year contract to end in 1981 at 56 per cent provincial and 44 per cent federal.

Although the fiscal split in that contract appears worse than the 50-50 arrangement that prevailed before, it's considerably better than we were first offered. In terms of dollars it's very similar to the old 50-50 split because of the introduction of a direct costing principle whereby the province only pays for the direct costs of RCMP constables being used directly in the province.

MR. TAYLOR: A supplementary to the hon. minister. Will an increased number of RCMP bodies be assigned to Alberta?

MR. FARRAN: Mr. Speaker, I haven't had any problems with them over recruiting for the last year. We have been able to secure all the recruits for whom we've asked, although I'm hoping there won't be any difficulty over the securing of recruits for the 11 Alberta towns which have grown to over 1,500 in population. Because of the success of diversification across the province, a number of small towns have grown to the point where they have to provide their own police forces. I'm just assuming that the federal government will act in good faith and provide the recruits to enter into those municipal contracts.

MR. TAYLOR: One further supplementary to the hon. minister. Was the number of RCMP assigned to these smaller towns heretofore taken from the regular quota of the province, or was it in addition to the regular quota assigned to the province?

MR. FARRAN: Mr. Speaker, we were policing or presently are policing with the RCMP under provincial contract, so there is a small amount of saving in that regard. Additional recruits will still be required.

MR. PURDY: Mr. Speaker, to the minister. Regarding the 11 towns the minister indicated are going to be over the 1,500 population, have all towns indicated they are going to go with RCMP policing contract, or are some going to go on their own forces?

MR. FARRAN: Mr. Speaker, the towns are now signifying their wishes, since they've received the master RCMP municipal contract recently negotiated to conclusion. They're coming in one by one. I think we've received five to date. An order in council is necessary to permit them to establish their own police forces. The only one that has so far opted for an independent police force as opposed to RCMP is the town of Rimbey.

#### School Financing

MR. CLARK: Mr. Speaker, I'd like to direct a question dealing with educational finance to the hon. Minister of Education. Is the minister in a position to indicate to the House the cost incurred by local school boards last year as a result of the slowness of the foundation grants getting out to local school boards?

MR. KOZIAK: Mr. Speaker, I don't have the exact figures at hand. But the hon. Leader of the Opposition will probably be interested in knowing that a good proportion of the boards completed the 1975 calendar year, their fiscal year, with a surplus.

MR. CLARK: 1976.

MR. KOZIAK: The information coming in now would indicate there are many in the same favorable position for the year 1976. Of course included in the information provided is an indication of the moneys spent on interest or earned in the way of interest. In 1975, if my memory serves me correctly, the total interest earned by those boards that earned interest was in the vicinity of \$2 million. Interest paid out by boards during the same period was approximately \$4 million, so it netted out across the province at about \$2 million. The total expenditures of school boards, when you take into account the funds they receive from the provincial government in the way of grants under the school foundation program fund and their own supplementary requisitions, is well over \$600 million, probably close to \$700 million. So on a budget of \$700 million, interest expenditures of \$2 million represent something less than one-third of 1 per cent.

MR. CLARK: Mr. Speaker, now to get back to the answer. Supplementary question to the minister. Did the minister cause an investigation to be done by his department, asking school boards across this province specifically their interest costs last year as a result of the foul-up in the new grant regulations?

MR. KOZIAK: Mr. Speaker, inasmuch as there were no foul-ups, that type of investigation can't take place. Perhaps the Leader of the Opposition is refer-

ring to the comment I made at the trustees' annual convention in the fall, which indicated there was some delay in paying out, not the grants themselves but the increase in the grants. In some cases the delay was a result of the fact that a new act was passed enabling the regulations to be promulgated, and in some cases the delay was caused by late claims by school boards. The isolation of the interest costs in that case was somewhere in the vicinity of \$200,000 to \$300,000, if my memory serves me correctly.

That was partially overcome by an advance of payments in the month of November. Rather than receiving their normal 16 per cent entitlement of the second half payments, the school boards received 26 per cent. The interest earned or capable of being earned on the advance payment offset this substantially. I think the end result was that it could have been around \$200,000.

MR. CLARK: Mr. Speaker, a supplementary question to the minister. Has the minister arrived at a decision yet whether there will be some additional financial assistance to school boards who found themselves having to pay much larger interest payments last year as a result of a foul-up again? I refer the minister to the comments he made on October 1, when he indicated he was considering the possibility of some special assistance to boards as a result of this interest problem.

MR. KOZIAK: Well, Mr. Speaker, that wasn't the way I directed my attention to the matter. If the hon. Leader of the Opposition would care to receive a copy of my speech, I'm sure lots of useful information is contained there. That would clear up some of the misimpressions brought forward this afternoon. I've a whole series of speeches I could provide the hon. member with.

In any event my indication to them was that over time we would be looking at other methods of accelerating perhaps the payments or the dates on which payments are made, not a grant to cover interest expenditures in previous fiscal years. What must be kept in mind of course is that not all school boards in fact have interest expenditures. Many school boards have interest earnings that are greater than their expenditures.

MR. CLARK: A supplementary question, Mr. Speaker. In light of the fact that there'll be no financial assistance to school boards which suffered large interest payments, I'd like to ask the minister if he's in a position to indicate if the transportation grants are in the process of being reviewed, especially as they affect jurisdictions in and around the two largest cities of Edmonton and Calgary.

MR. SPEAKER: With respect to the hon. leader, it would seem we're anticipating to some extent what may be done in the Committee of Supply on the estimates of the Department of Education. I could see that some exception might be made with regard to information that might be needed in advance in order to discuss those estimates more fully. But I would question the use of the question period for the purpose of actually dealing with topics as they would come up in the Committee of Supply.

MR. CLARK: Mr. Speaker, may I rephrase the question then to the minister. Does the Department of Education have any plans at this time to revise the present school bus grant system as it relates specifically to the cities or the areas around the cities of Edmonton and Calgary?

MR. KOZIAK: Mr. Speaker, I recall reading in one of the newspapers the compliment the hon. Leader of the Opposition paid me when the grant figures were released on January 27. Perhaps if he would look at the document appended to that release, the adjustments to the transportation formula are contained therein and probably would answer the hon. leader's questions.

MR. CLARK: Mr. Speaker, then a supplementary question to the minister. The minister obviously plans no additional changes?

MR. KOZIAK: Mr. Speaker, on one hand the hon. Leader of the Opposition suggests that information should go out to school boards early so they can plan. On the other hand he suggests we should make changes every month or in midstream and throw out the planning the school boards have undertaken. I think we can have it only one of the two ways.

#### **Rental Accommodation**

DR. PAPROSKI: Mr. Speaker, a question to the Minister of Consumer and Corporate Affairs. Regarding the rental control measures, I wonder if the minister would indicate whether there's been any impact on the development of new rental apartments in the province?

MR. HARLE: Mr. Speaker, the government policy is contained in the legislation which deliberately exempts new construction. Certainly there is indication that building permits for various types of housing that might be rental were very much increased in 1976. The hon. Minister of Housing and Public Works might want to supplement that answer.

MR. YURKO: Mr. Speaker, In the course of discussions in the House, I indicated The Temporary Rent Regulation Measures Act didn't, in our opinion, affect the supply of new apartment construction for the simple reason there are many incentives in terms of accelerating the supply of new apartment construction in the province. They really are exemptions of new apartments under that act; secondly, the extension of the capital cost allowance by the federal government; thirdly, a very adequate capital supply at this particular time in the province; fourthly, very generous programs by both the federal government and, particularly, the provincial government. There is a fifth one, and I can't remember it right now.

DR. PAPROSKI: A supplementary, Mr. Speaker, to the Minister of Consumer and Corporate Affairs. In addition to the indicated notices of high rent increases by landlords effective after rent control is removed, if and when it is removed, would the minister indicate to the House whether new apartment development will be taken into the consideration of whether or not to prolong rent control measures?

MR. HARLE: Well, Mr. Speaker, I've said on a number of occasions that obviously hon. members in the Legislature may wish to take that into account.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Consumer and Corporate Affairs. It's really a supplementary to [the question of] the Member for Edmonton Kingsway, but also pertains to the first question directed to the hon. minister. The minister indicated the government was reviewing a number of different facts before making a decision. Is the minister in a position to outline clearly to the Assembly what specific steps the government is taking to gain the background knowledge necessary to make a decision? From whom are they obtaining this information, and what mechanisms are they using to acquire this information?

MR. HARLE: Mr. Speaker, I could only say the government is using all the resources and sources of information available.

#### **Dental Services**

MR. R. SPEAKER: Mr. Speaker, I would like to direct my question to one of the ladies of the Assembly, the Minister of Social Services and Community Health, knowing I will get an answer. It's with regard to the shortage of dental services in Fort McMurray. Has the minister conferred with representatives of the Alberta Dental Association or the University of Alberta with regard to supplementing dental services? I understand the demand on dentists in Fort McMurray is very high, and there is need of more personnel.

DR. BUCK: Short of sending me, that is.

SOME HON. MEMBERS: Send Walter.

MISS HUNLEY: Mr. Speaker, I quite often have consultation with the MLA who represents that area about all services, and I've also met with members of the dental association to discuss in general terms how we provide dental services throughout Alberta. Fort McMurray is not the only place which has a problem obtaining dental services. It's a matter that needs to be discussed, and I would also be discussing it with my colleague the Minister of Hospitals and Medical Care to see whether something should be done through the Alberta Health Care Insurance Commission or in some area of that nature. But we do not have a specific plan for Fort McMurray, although we are aware of the problem throughout Alberta.

#### **Benefits to Handicapped**

MISS HUNLEY: Mr. Speaker, while I'm on my feet perhaps I could supplement an answer I gave yesterday to the hon. Member for Spirit River-Fairview. We were discussing mini-pensions and so on, and I referred to the review of the social services act which has gone on extensively for three years. At the same time we were also reviewing income support and supplementation. It would have been more appropriate for me to refer to that particular review and study than to social services, although they are closely intertwined. I wanted to supplement that and correct the name of the act.

### Dental Services (continued)

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. In the minister's considerations with regard to these high demand areas for dental services, is she considering incentive programs through the Health Care Commission?

MISS HUNLEY: It's one of the things that's been talked about. Actually we have had some success in getting municipalities involved in guaranteeing accommodation. It's like a lot of other areas: some places are more lucrative and more attractive than others. I feel that if we can make rural Alberta — people outside the metropolitan areas — appealing, as we're trying to do, we won't have so much difficulty recruiting professional people to go to those areas.

MR. GOGO: Supplementary, Mr. Speaker, to the hon. minister. Has the minister received the report on dental care in rural Alberta from the U of A senate?

MISS HUNLEY: Probably, Mr. Speaker, I get a fair number of reports. I couldn't answer specifically, but I probably have. If I have, it would be going over for assessment in the department in order that they make recommendations to me.

MR. R. SPEAKER: Mr. Speaker, supplementary to the minister. I understand there is an incentive program for veterinarians in the province, and I was wondering if consideration was given to a parallel program for dentists?

MR. CLARK: There is. Maybe the Minister of Agriculture would like to answer that.

MISS HUNLEY: I thought perhaps the hon. member from Fort Saskatchewan might go out and open a suboffice.

DR. BUCK: Mr. Speaker, I've heard my name used in vain. I'd like to say this government has tried to get rid of me the last two elections, and I wish them better luck in the next one than they had in the first. [laughter]

AN HON. MEMBER: Well done, Walt.

DR. WEBBER: Mr. Speaker, I'd like to direct a question to the Solicitor General, if I may.

MR. SPEAKER: I regret to inform the hon. member that the time allowed for the question period has elapsed.

### ORDERS OF THE DAY

#### head: WRITTEN QUESTIONS

131. Mr. Clark asked the government the following question:  
Has the Minister of Agriculture given any direction to

the Agricultural Development Corporation respecting the filing of a statement of claim against the St. Paul Auction Mart and, if so, what direction was given?

MR. MOORE: Mr. Speaker, we will accept the question. The answer is that no direction has been given.

#### head: MOTIONS FOR RETURNS

MR. FOSTER: Mr. Speaker, I move the following motions for returns stand and retain their place on the Order Paper: 101, 115, 127, 128, and 129.

MR. CLARK: Just before the question is called, I'd like to indicate to the House that it's our intention to withdraw motion 129 and rephrase it. So if the Attorney General would like to amend his motion, or I'll move an amendment that we delete 129 from the Order Paper — however you'd like to handle it.

[Motion as amended carried]

130. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing:

Any communications with the federal government containing comments, representations, or the official position of the government of Alberta in response to the document "Young Persons in Conflict with the Law: A report of the Solicitor General's Committee on proposals for new legislation to replace the Juvenile Delinquents Act", prepared by the Solicitor General of Canada.

MR. FOSTER: Mr. Speaker, I'd like to move an amendment to delete from Motion for a Return 130 the words "comments, representations, or", so the motion for a return might read: "... any communications with the federal government containing the official position of the government", et cetera.

[Motion as amended carried]

#### head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

1. Moved by Dr. Webber:

Be it resolved that the Legislature give consideration to the province-wide sharing among municipalities of 50 per cent of the growth in commercial and industrial assessment.

DR. WEBBER: Mr. Speaker, this resolution comes about as a result of a paper from the Provincial-Municipal Finance Council entitled A Proposal for Property Tax Growth-Sharing. This afternoon, Mr. Speaker, I'd like to outline what I think are the needs for such a sharing proposal, along with an outline of a proposal itself.

In the debate that will come out of this particular motion, I would hope that members would consider the principle of the growth-sharing scheme I will describe, rather than get bogged down in the details of the proposal.

Back in 1960 I think, Mr. Speaker, legislation was proposed that a portion of existing and all future industrial assessment among municipalities in Alber-



ta be shared. Legislation was not passed at that time. In the early 1970s a program was examined to share revenue from pipe, power, and railway line assessments on a province-wide basis. That too was abandoned. Currently a section in The Municipal Government Act permits municipalities to enter into agreements to share tax revenues from a particular development in relation to the servicing costs borne by the municipalities. However, this particular section has rarely been used.

I think it's important at this time to discuss this particular motion, which considers the sharing of not only industrial assessment but also commercial assessment, because inequities with regard to the tax assessment base do exist today between municipalities. Secondly, I think it is important now because of economic growth and the number of developments proposed for Alberta. Current examples are Syncrude and the oil sands development — hopefully we'll have more there — petrochemical development; power plant development; and the Procter & Gamble development around Grande Prairie. I think all these developments affect neighboring municipalities as well, of course, as the municipality in which the development is. Unless some sharing agreement is reached in the near future, I think the inequities I referred to will be even greater.

Another reason I think it's important for this to be discussed now is that this particular proposal is different from previous proposals in that it considers the sharing of both industrial and commercial assessment rather than just industrial assessment, as I mentioned earlier.

Mr. Speaker, I think population increases in both urban and rural municipalities have forced them to change their spending priorities, and have raised questions with respect to the equitability and suitability of the municipal fiscal scheme, particularly in the growth areas. Growth certainly creates an impact on communities, whether the population be several hundred or a thousand. Our government has recognized this impact. It is seen in the rapid growth centre grants announced in the Budget Address. Nevertheless there are extreme, wide variations among municipalities in the amount of money spent per capita on individual services.

Given the major role of property taxation for municipal revenue, the taxable assessment base of a municipality is an indication of its ability to shoulder debt and its general financial strength. It's this assessment base that varies widely throughout the province. For example, in the municipal districts there is a range of \$1,425 per capita in Bonnyville No. 87 to \$6,205 per capita in Pincher Creek No. 9. For improvement districts there is a spread of \$896 per capita in ID No. 7 to over \$5,000 — I think this should read \$5,075 — per capita in ID No. 11.

Not only are there wide variations in the assessment base; there are wide variations in the make-up of that assessment base. The assessment on residential and commercial property is the largest contributor to the assessment base of most urban centres. However, the farmland and industrial assessments are the largest contributors in the rural centres.

For example, I'll compare the 1974 figures for the city of Calgary and the MD of Rocky View. For the city of Calgary, 68 per cent of its total assessment base was made up of residential assessment, as

compared with 27 per cent for Rocky View. Commercial: 25 per cent of the total in Calgary, and 3.4 per cent for Rocky View. So there was considerably higher commercial assessment base in Calgary than in Rocky View. But looking at the industrial assessment, in Rocky View 29 per cent of the total assessment is from that source, whereas in Calgary it's only 6.7 per cent.

Mr. Speaker, the commercial and industrial assessment produces revenues without the direct demands on services to people, although roads and utility services have to be provided to the properties. In contrast, the residential development generates a direct demand for services to both property and people, such as recreation and educational facilities.

Although residential development is usually associated with industry, and provided of course that industry and housing locate in the same municipality, revenues and expenditures will generally balance. However, if one municipality attracts the industry and another municipality attracts the housing, the latter of course suffers strains on its finances. It's recognized that in order for a municipality to have a healthy tax base, it requires a substantial amount of non-residential assessment.

Mr. Speaker, the industrial development or the development expected in Alberta is based primarily on natural resources exploitation; in other words, oil, gas, and coal. Many people in the province feel the assessment benefits of this type of economic activity should not accrue only to the municipality which happens to have the development, but it should be shared in some fashion among other municipalities. In particular, the less fortunate municipalities should get some benefit.

The principles and rationale for the sharing of the property tax base among municipalities are, I think, reasonable. However, the sharing of all commercial and industrial assessment is not a viable proposal. Therefore a program of growth sharing, which would involve the sharing of a portion of future commercial and industrial growth, is proposed.

The idea is not to reduce the fiscal capacity of wealthy municipalities. When I mention fiscal capacity, I'm referring specifically to property assessment per capita. The idea is not to reduce this fiscal capacity of the more well-to-do municipalities, but rather to ensure that a portion of future assessment benefits be shared among the less fortunate municipalities. With this proposal, which I'll describe in a moment, all municipalities would be assured of at least some amount of assessment growth.

The proposal has four main parts. I'm referring to the basic outline of the proposal rather than getting involved in details. The first part is that a base year would be established. Secondly, municipalities would calculate the growth annually in their commercial and industrial assessment. Thirdly, 50 per cent of the assessment growth would be used to form a province-wide assessment growth pool. Fourthly, municipalities would retain the assessment in effect in their area in the base year, plus 50 per cent of the assessment growth.

Mr. Speaker, I think it's important to point out that any increase in assessment due to change in assessed value of existing properties prior to that base year, resulting from changes in assessment rates or procedures, would not be considered as

growth.

Mr. Speaker, the motion indicates that it would be a province-wide sharing. The reason for having it province-wide is that it would ensure that all new development in the province would be included in the sharing. Secondly, all municipalities would achieve some assessment from the economic and natural resource developments of the province. Also, the sharing of industrial and commercial assessment would provide a more balanced contribution from each kind of municipality. In other words, there would be a balance between rural and urban municipalities.

In such a scheme, Mr. Speaker, certainly a large number of details would have to be considered. But if the principle of this motion could be debated and possibly accepted, I think that would be a tremendous step forward. However, I do admit that it would be difficult to accept the principle completely until at least some of the details could be worked out. The details I refer to are related to such things as pipe and power line assessment, AGT assessment, machinery and equipment assessment, railroad line assessment — whether these forms of assessment should be included as part of the assessment to be considered in the growth sharing.

Of course the methods of distribution and the formula for distribution would also have to be worked out. The paper put out by the Provincial-Municipal Finance Council goes into some detail on those things.

Mr. Speaker, I think it's also important to note the motion specifies that 50 per cent of the growth would be shared and that the selection of any percentage is somewhat arbitrary. However, I think it would have to be high enough to provide a growth pool of sufficient size to be worth administering, but not so high that there would be no benefit to the site municipality having the development within its boundaries. So on balance of those two factors, the figure of 50 per cent has been recommended.

Mr. Speaker, the growth-sharing proposal is not set out as a solution to all the financial problems of municipalities, nor is it intended as a new revenue source, but rather as a rational and fair distribution of future assessment growth.

In conclusion, Mr. Speaker, I would like to say that preliminary reactions to the proposal have been very positive. At this time I look forward to comments on this debate from other members in this House.

Thank you, Mr. Speaker.

MR. ZANDER: Mr. Speaker, I wish to take a few moments to perhaps take in part a view opposite to that of the hon. Member for Calgary Bow. Since the resolution reads that a certain percentage — of course it reads 50 per cent, and perhaps the hon. member modified the percentage points later on in his address. I certainly congratulate him, because I feel there is a need for a certain percentage. Whether it be 50, 20, or 30 per cent is a matter of decision.

Mr. Speaker, this is the first time we could say that we are dealing with industrial assessment and commercial assessment — which is quite different, from back in the '60s. The proposal at that time was that the industrial assessment would be shared not on a 50 per cent basis but on a basis of services rendered to the industry in that area.

There are quite a number of reasons for and quite a number of reasons there should not be a sharing. Mr. Speaker, I think we will probably take the most favorable one that deals with the two major parts of the province, Calgary and Edmonton. I think we'd have to agree that the industrial assessment in the rural area surrounding the city of Edmonton, some of it right on its doorstep — certainly the city provides a bedroom for the crew, the people who are working there, and of course the city partially benefits from it. Just what the percentage is, Mr. Speaker, I would not know.

But if we go back some years ago — and I think of the industry row, the rural valley east of the city of Edmonton — I think the regional planning commission of that time had left approximately a half-mile distance, a buffer zone, whereby the residential area should not come any closer to the industrial area on the east side of the city of Edmonton. If any hon. member wished to drive out there right now, he wouldn't know where the buffer zone was, because the residential area kept creeping in on the industrial area that was there already. Consequently we have a complete row of homes in the industrial area in that section.

Also we have to look at the village there. It's really not a village. It's a city — Sherwood Park. But it also shares in the benefits of the industrial assessment in that area. It's probably wise in staying with the County of Strathcona to receive the additional tax dollars that come out of the industrial assessment.

There is, however, a great difference in the industrial and commercial assessment that would be situated in the vicinity of 20, 30, 40, or 50 miles outside the city of Edmonton, perhaps even 100 miles out. There is a difference because the services that have to be provided to that industry, whether it be industrial or commercial, are almost 100 per cent in most cases. Roads and highways have to be built to a certain standard to provide services that industry requires. But some industries in the area are probably far remote, such as Syncrude and perhaps gas plants west of my area, numbers of miles out in the area where the department of forestry or the department of highways has constructed and maintains roads. There could be a sharing of percentage points there.

But, Mr. Speaker, when it comes to sharing pipe and power lines, there has to be a complete distinction, because pipe and power line assessment in a heavily industrialized area, in an oil field — the standard of road that has to be constructed to carry such traffic is a burden on the municipality or the county, whatever the case may be, in that area. The services it has to provide are almost 100 per cent of the tax dollars it derives from such services.

We can look at a service rig going onto a local road — Mr. Speaker, I believe I have from 24 to 30 in my constituency, and maybe more I don't know of — that weighs between 110,000 and 120,000 pounds and cannot be dismantled because of the deep zones they are drilling in now. Such a service rig happens to go out at the wrong time, after a light rainstorm — and it must go out because whether that well goes out of production or whether it's on fire, there's an oil spill, or whatever the case may be — and consequently ruins, completely ruins, a stretch of road that would be normal traffic for the resident farmers in the area.

So I believe there has to be a complete distinction when we're dealing with power lines and pipelines. I can also remember, Mr. Speaker, when a break occurs in a power line it doesn't make any difference. Some parts of the province will be without power unless equipment is moved in to deal with such breakage of lines.

I must agree that on the sharing — I would give you, Mr. Speaker, and the hon. members a case in question. I'm thinking of the railway rights of way in this province, the CNR transcontinental going west. I believe it's assessed very low, at either \$800 or \$1,000 a mile, which I think should be adjusted, or perhaps has already been adjusted. There was some suggestion in 1960 that the assessment should be raised to \$8,000 per mile. Now that may be a little high, but certainly there is room for adjustment. But such railways require very minimal service other than the railroad crossings. Most of those crossings under the federal railroad program of sharing on railway crossings — there are some costs. But they are minimal to the amount of assessment we would have out of there. In this area we could possibly say that sharing of railway rights of way based on that assessment may perhaps be 50 per cent, maybe 75-25.

I wonder, Mr. Speaker, when we are to set up a percentage of sharing of commercial and industrial assessment, how would it be fair? Who are the people who would be the assessors? Who would be the people who give the percentage points, and to whom? Let's take for instance the industry row east of the city of Edmonton. I'm sure if the assessment were 50 per cent of the assessment and the tax dollars derived from that industrial row with the county of Strathcona, it would be unacceptable to the county of Strathcona immediately, because they would have to provide certain services they have been providing for their residents, their taxpayers, and ultimately this source of revenue would be cut off. There would have to be a sharing, a gradual phasing-in whereby the assessment or the taxes would not be so drastically reduced in one or two years, so they could function in a proper manner.

Mr. Speaker, as I said just a moment ago, I wonder who is going to devise the formula for sharing. I know my honorable friend from Calgary Bow would not want to be the referee. Mr. Speaker would probably . . . The hon. Minister of Municipal Affairs?

MR. McCRAE: He's too elusive.

MR. ZANDER: He would provide the inspectors, but I wonder who would give the direction.

MR. NOTLEY: Who'd make the decisions?

MR. ZANDER: Let's just leave it at that.

MR. CLARK: We get the point.

AN HON. MEMBER: You'd better quit, Rusty.

MR. ZANDER: The division of percentages is the amazing thing that would really . . . I just wonder whether we as members would be able to sit here and look the minister right in the eye and say, now what have you done to my constituency? With whom have you shared it? How many times would we not

be running into the pressure groups that are out there?

I think maybe the best way to do it would be to let the provincial government assess commercial and industrial assessment and prorate as to the services provided. I know that the service station on 127 Street . . . I think it happens to be a Texaco service station. I don't think the city would want to share that revenue with Stony Plain or Olds, and neither would Swift Canadian. They may want to pay their taxes to the city of Edmonton to keep peace with them, but maybe some of that slice should go off there. Maybe the county of Parkland instead of enjoying an assessment from Calgary Power would lose 80 per cent of their assessment. I wonder if this would be a wise move at this time.

MR. COOKSON: Let the opposition do it.

MR. ZANDER: The hon. Member for Lacombe says, let the opposition do it. I don't think they'll have a chance for a while. Nevertheless we have to deal with this. I think it's fair to say we have to look at tax sharing, assessment sharing. But, Mr. Speaker, I don't believe it can be done on a 50 per cent basis. It must be done on some percentage basis which is acceptable to most municipalities. I wonder if the provincial government or the Minister of Municipal Affairs would want to accept that? Would he want to be the watchdog, the arbitrator awarding the percentage points to each municipality? I wonder how many civil servants we would have to hire to transfer all this assessment, and really would it be worth it?

I think the other question too has to deal with the assessment in the municipalities. It's the rural municipalities I'm thinking of, Mr. Speaker. That is the nature of the travel in summer from the urban centres such as Calgary and Edmonton. I venture, Mr. Speaker, there isn't a road leading to a lake in the backwoods through these municipalities that there wouldn't be at least 50 to 80 cars with trailers on. On weekends the traffic is heavy out of this city, as it is in Calgary. Most of the people head for the country. Where are the roads, Mr. Speaker? They're in the country. And you have to . . . [interjections] We oil them.

The hon. Member for Lacombe is up next, Mr. Speaker. He hasn't got the problems other people have. But they'd like to share in the industrial assessment. So I wonder if the hon. Member for Lacombe would get up and tell us his problems. I think he's getting industrial assessment problems. He wouldn't want the sharing of those, at least in the near future.

When you are dealing with the area — where the hon. Member for Lacombe comes from, he's coming into that area — as in the area to the west here, I believe we have to try to leave the funding there at least for the time being. We are willing to share with our cousins in the cities, but let's not do it immediately. Let's wait a few years. [interjections] The hon. member says, the year 2000, I think that's a little bit early.

Anyway, we could wait a few years down the line before we do this. I can see that if we adopt a resolution of this nature we could really be opening up a kettle of worms or a can of worms that we couldn't close. I don't think the local governments

outside the two major centres or some of the other major centres would really tolerate that kind of deal, at least at this time, Mr. Speaker.

Thank you very much.

MR. CLARK: Mr. Speaker, in taking part in the debate on the motion this afternoon, I intend that my remarks will be quite brief.

AN HON. MEMBER: Agreed.

MR. CLARK: But I could make them longer if you'd care, much longer.

I'd frankly like to discuss three aspects of the resolution before us. I commend the hon. member, Dr. Webber, for putting the motion on growth sharing on the Order Paper.

I think it's interesting to note that this really isn't a very innovative proposal from the Municipal Finance Council. It was first discussed in the Assembly in 1960. At that time members wanted to take the opportunity to check it out. I think you'll find the cities of Edmonton and Calgary were the areas most concerned about a move in this direction.

Now the Member for Drayton Valley, whose comments I seldom agree with but generally enjoy, talked about opening up a kettle of fish here, a kettle of worms. Well the government really brought this upon itself, because on October 23, 1973, an order in council established the Provincial-Municipal Finance Council. This is the major solid recommendation that council has come out with since 1973. We had the notorious Farran committee before that. . .

MR. NOTLEY: Let's lay that to rest.

MR. CLARK: . . . and that really ended up getting the treatment it deserved. After a year or a year and a half reviewing the question, the government put that on the closet shelf. It's now gathering dust.

So it was in October 1973 that the Provincial-Municipal Finance Council came into being. This is the major recommendation that's come forward since October 1973. In the guts of this, it is basically a recommendation thrown out by the Legislature in 1960.

What we really should be discussing here this afternoon is the question of revenue sharing. There have been motions on this question of basic revenue sharing on the Order Paper since 1975.

AN HON. MEMBER: We discussed it last week.

MR. CLARK: Yes we discussed this last week, and we'll be discussing it a great deal more until this government smartens up and does something in that area. [interjections] We can talk about a little move in this direction as far as gross sharing is concerned. But this is nothing more than a fleeting gesture that hopefully the government feels is going to deal with the problems of municipal finance that a lot of municipalities in this province have. [interjections]

MR. NOTLEY: Just quiet a few of the screams, that's all.

MR. CLARK: The hon. member who's moving the motion, will have a chance to close the debate. Hopefully he will contribute something.

AN HON. MEMBER: Testy.

MR. CLARK: Now dealing with the basic philosophy of what's really going on here, I think it's pretty clearly spelled out. As far as local government is concerned, the government's basic philosophy really slipped out at the municipal convention at Jasper last year, when the Minister of Transportation talked about the "children of the provincial government". This is really an attempt today to give a little bit of candy to the children, hopefully to keep the municipalities quiet for a period of time and say, it's all being looked after, it's all being reviewed by the Municipal Finance Council.

MR. NOTLEY: Daddy's going to look after it.

MR. CLARK: That's really what we see here again this afternoon. We see the province's attitude portrayed as the municipalities being children of the provincial government — the situation where over 90 per cent of the money which now goes to municipalities has strings attached.

The real direction we should be taking here in the Assembly is basically the Legislature and the provincial government working hand in hand with the municipalities. We should be moving in the direction of recognizing the tremendous problems that Edmonton and Calgary are going to face in the next years with the kind of growth we see before us. The tremendous pressure being placed upon the rural municipalities around Edmonton and Calgary is no easy problem.

It wasn't very long ago that I was in the Wainwright constituency. They have a unique set of problems in that area. The day is gone when we can set up some kinds of grant programs that are going to meet the needs of all the municipalities. That's the foolishness of not moving toward overall general revenue sharing. All sorts of local governments across this province have expressed support for the basic concept of revenue sharing.

Very candidly, I see before us today the attitude of the government showing through, treating municipalities as children of the province, as opposed to what I think would be a far stronger concept of saying to the municipalities: look, we recognize you're responsible for the provision of services at the local level. As the provincial government, yes we have the overall legislative responsibility. But for the next number of years we're prepared to share revenue with you, fully recognizing that yes, you're going to make mistakes, but also recognizing that we make our share of mistakes in this Assembly. And the government makes its share of mistakes. Because it seems to me we have to recognize again that the whole question of matching grants really leads local governments into projects which they wouldn't get involved in.

Just for a moment we should look at this question of the municipal debt in the province. When the Provincial-Municipal Finance Council was established, I hoped that one of the areas it would look at was this question of municipal debt. The last figures we've been able to pull together — and I believe those figures are for 1974 or '75 — indicate that

Alberta's provincial debt was about 40 per cent above the national average. One of the things I had hoped the Provincial-Municipal Finance Council would have looked at was this question of the municipal debt. It may well be that we can do things in that particular area. But the council to date has been extremely quiet in the area of revenue sharing, also in the area of municipal debt.

The third and last point I'd like to make is simply this: as far as my own constituency of Olds-Didsbury is concerned, if we move on growth sharing, my constituents likely stand to lose somewhat. The Minister of Municipal Affairs shakes his head. When I talk to my local government people, they shake their heads the other way. While I wouldn't want to make any negative reference toward the Minister of Municipal Affairs, I think I'll rely on the judgment of the people in the county of Mountain View on this particular occasion.

I'm prepared to say, yes, let's try growth sharing. It'll have problems, but at least it's a little step in the right direction. But for goodness' sake, don't all members of the House go home and pat themselves on the back and say, what a great job we've done for municipalities by moving in the area of growth sharing. That's just a very, very feeble move in helping local governments. As I've said before, we really should be discussing today the whole question of a much broader look at municipal finance.

The last comment I want to make deals with comments of the Member for Drayton Valley, which I say I generally enjoy although I don't always agree with. It's with regard to his caution about going slow. If this government goes as slow on this recommendation as it has on the planning act, Syncrude and the petrochemical developments will be finished and won't be eligible for growth sharing by that time.

Our figures indicate Syncrude and petrochemical plants in the province make up almost 77 per cent of the combined capital value of projects proposed, under construction, in Alberta at this time. That's 77 per cent of the projects which would be eligible for this growth sharing, Syncrude and petrochemical developments. If the government in its wisdom decided to put this off until after 1979, we'd find those projects wouldn't be available for growth sharing either.

In conclusion, I think the idea of moving in the direction of growth sharing has some advantages. It's a very, very feeble start on the very, very major question of the future of our local governments. For goodness' sake, if the government is going to move in this area, let's move now and not wait until after the Syncrude and petrochemical plants are all on stream.

AN HON. MEMBER: Are you finished, Bob?

MR. JAMISON: Mr. Speaker, I'm very happy today to have the opportunity to speak on this very worthwhile resolution by the member from Calgary. I must say I hope this resolution doesn't end as a nothing. I say that in all sincerity.

With the discovery of oil in the province of Alberta in 1947 and the potential for diversification and decentralization in this province, we had our golden opportunity in 1955. I take opposition to the Leader of the Opposition. I would like to remind him that in 1955 his government was opposed by a party not

represented in the government at this time, the Liberal party. Their plank and platform was decentralization, diversification, and industrialization of this province to some degree using the petrochemicals and the oil and gas industry.

In 1959 and 1963 the former government did take it up and put it in their platform. If the Leader of the Opposition would like to dig out their platform planks of those days, you will find they did. Many years ago, when I was a resident in the town of Ponoka . . .

MR. CLARK: And a Liberal.

MR. JAMISON: . . . and a Liberal, we were very much interested in getting some industry in our town and in the area around Ponoka. In those days, Mr. Ghitter, that was the opposition to the Social Credit party.

Getting back on the track again, in forming a Ponoka industrial development corporation, we did our very best to try to get industry to locate in the town to give some employment, have some houses built, and give a little more viability to the town. We approached the then government on many occasions through their Department of Industry and, I must say, with no success.

I would like to remind the Leader of the Opposition of just one little lesson. The old saying that came out at that particular time was: the former government was more interested in selling the resources and raw materials of the province of Alberta for a nickel and buying them back in the form of manufactured goods for a buck. That was the attitude of the former government, and had been for 36 years.

MR. CLARK: On a point of order, Mr. Speaker.

AN HON. MEMBER: Sit down.

MR. CLARK: The hon. member should recognize that at that time Alberta was getting more than the world price for oil. It's getting less than the world price for oil today. [interjections]

MR. JAMISON: My remarks, Mr. Speaker, were with regard to the potential of diversification and industrialization of the province of Alberta using the oil and gas.

Mr. Speaker, just a few minutes ago I skipped up to my office to dig out a *Hansard* of 1972. In my maiden speech I pointed out to the Assembly I had very grave concerns that if we were to continue in the path of the former government we would end up having just two major centres in the province of Alberta, Edmonton and Calgary. I wasn't very happy to think that Edmonton was going to become another Chicago, and Calgary another Los Angeles. I was really pleased with the philosophy of this government to decentralize and diversify.

Two evenings ago I was talking to two women's groups in the city of St. Albert. I remarked at the time that the city was in the midst of putting through a by-law to borrow \$3.5 million to buy an industrial site located on some of the best agricultural land in Alberta. Back in 1972 I said, and I've said ever since, that I think the idea of getting diversification in the province of Alberta is great, that we need to give some incentive to these towns to grow, and that moving industry into non-agricultural land areas would be excellent.

Getting back to the city of St. Albert, the ratio of taxes in the city is 94 per cent residential and 6 per cent commercial and industrial. Credit must certainly be given to the previous council and this council for endeavoring to get additional assistance without having to put such a tough burden on taxpayers in the residences of St. Albert. That is the only reason they are going after some industrial land: to get industry in their area, to try to lower the taxes for the residents of St. Albert.

I'm a great believer that we should be looking at, and should have looked at some time ago, decentralizing industry, locating it on non-arable land. The municipality it's located in should be given the portion of the tax to take care of municipal services. The rest should go into a general pot and be spread around on a formula, possibly a per capita basis, for the rest of the municipalities. This way we could build up cities and towns for people to live in and would not be using up good agricultural land.

Mr. Speaker, in the motion they regard commercial and industrial. On looking over the two questions, and to get some support from other municipalities that have a tremendous amount of tax base, I agree the urban areas would no doubt have office buildings, warehousing, and shopping centres where the rural areas would go to — but in the rural areas. I want to specify again that heavy industry could be located on non-agricultural land, or very poor land that wouldn't give us any production.

When members are looking at the tax-sharing basis, I'd like to give figures on three municipalities around the city of Edmonton. On a house valued at \$75,000 on three acres in the county of Strathcona, the tax would be about \$350 to \$400. The same type of house in the county of Thorhild — and I have a test case on this one — is \$48. The same located in the M.D. of Sturgeon, with no tax base, runs anywhere from \$1,200 to \$1,800 a year. The reason is that these municipalities have a tremendous industrial tax.

Mr. Speaker, I support this resolution. I'd like to remind the Minister of Municipal Affairs that the people of my area are looking forward to legislation in the very near future for sharing of industrial tax throughout the whole province.

Thank you.

MR. GOGO: Mr. Speaker, I welcome the opportunity to participate in the resolution. I'm particularly pleased that a member from the thriving metropolis of Calgary should choose to sponsor the resolution. Because if history tells us anything, it's that the major centres have always been the main beneficiaries of both commercial and industrial taxation. So I think the member is to be commended for sponsoring the resolution.

Mr. Speaker, I think one shouldn't assume, because the resolution is on the Order Paper today, that the communities of Alberta have done poorly, particularly under this government. I would simply like to point out that the community I come from which, with two exceptions, is 50 per cent larger than any city in the province of Alberta, has done very well. In 1970-71 it received just over \$800,000 from the government of Alberta. Last year, just six short years later, it received over \$4 million.

So I don't think the urban centres could quibble or

argue that they haven't received revenue both from industrial and commercial assessment, as well as assistance from this most generous government and this province of Alberta.

I'm a little puzzled though, Mr. Speaker, at the 50 per cent figure in the resolution. I'm not too sure that's correct. I read a study that indicates that 17 years ago an unnamed former government had a proposal ready for legislation, and they couldn't arrive at a decision. Again in 1970, 10 years after, they had another proposal to share revenue from pipelines, power lines, rail lines, and railbeds. That was abandoned. So I don't think for a moment that it's a simple solution.

Looking at some of the adjacent provinces, Mr. Speaker, we find situations have existed that I don't really think we're particularly keen on happening in the province of Alberta. I'm referring mainly to municipalities being so keen to attract industry and commercial enterprises that they virtually give away their right arm to achieve that. I think they've learned in subsequent years, much to their chagrin, that the tremendous cost of caring for the citizens they attract far outweighs any benefits they may have achieved in terms of commercial or industrial assessment.

I think many members of this Assembly should remember, for those who aren't happy with the representation we as a province have in the federal scene — formerly 19 Members of Parliament and now 21, compared to the city of Toronto that formerly had 26 and is shortly to go to 30 — the price of population is very expensive. Studies from the Provincial Treasurer that I've read indicate that it costs our government \$1,500 for every man, woman, and child we attract to the province of Alberta. Fifteen hundred dollars per person after all the taxes they've paid. This would indicate to me that if a municipality is keen and eager to attract a certain industry that employs 100 people, and the 100 people each have a wife and one youngster, the net cost to the government is going to be half a million dollars a year. That's based on today's costs. I think that's something we should remember.

Of course I know the other side of the coin. If they have certain types of machinery and improvements, not considering the land — because this proposal specifically suggests that land not be assessed differently from today — I'm not too sure that just the assessment of the machinery and the buildings would offset the increased costs to the municipalities. However, I'm more than keen to support the resolution in principle.

I was very interested, Mr. Speaker, in reading the Speech from the Throne, where the government of the province, specifically the Minister of Municipal Affairs, was proposing that we're going to review the assessment of land in general. I think that's probably the more important answer. I fail to understand, Mr. Speaker, how on one hand we in Alberta can have rural land selling at \$1,000 an acre and being assessed at \$40 an acre; and in urban areas the land is assessed at anywhere from \$15,000 to \$25,000 to \$35,000 on a lot.

I think part of the solution to the problem of municipalities having to supply services without that base from which to collect the moneys lies in assessments generally. During the estimates, I expect questions of that nature will not only be asked but

will be answered by the minister.

One shouldn't be too rapid to conclude, Mr. Speaker, that when we get into equalization payments — or tax sharing as it's known — where three provinces in this great nation of ours essentially support the other seven through equalization payments, it necessarily follows that the cities of the province of Alberta should support the rural areas. I don't think it should develop into that kind of debate.

I think, though, that when we see going across municipalities in our province railways, power lines, utility lines, Alberta Government Telephones — and that's probably the best example. Municipalities do pretty well with Alberta Government Telephones in that they receive grants in lieu of taxes. I'm not sure they do particularly well with the rail lines or power lines.

So, Mr. Speaker, I would simply say I found the report sponsored by the minister's department, A Proposal for Property Tax Growth-Sharing, very informative. And why not tax to municipalities machinery, power lines, and improvements? But I think we must remember that fairness has to be the key. You cannot go to a municipality that's had the benefit of commercial and industrial expansion in previous years and try to apply a retroactive assessment against them. I don't think that's fair. Certainly the concept of establishing a base point and a base year, and future increases in assessment for machinery and improvements in buildings could go into that pool — then indeed that pool could be shared throughout most or all of the municipalities in the province.

So, Mr. Speaker, I certainly support in principle the resolution by the hon. Member for Calgary Bow. Again I think he's to be commended for sponsoring the resolution. I'm learning rapidly that there are many members within this Assembly from urban centres like Calgary who indeed have empathy and consideration for other parts of the province. I'm learning more every day, and I'm constantly amazed.

So, Mr. Speaker, I would certainly urge members to support the resolution.

MR. R. SPEAKER: Mr. Speaker, I didn't intend to make a speech on this particular matter, but I felt a few remarks should be made with regard to the resolution.

When we talk about the principle of the resolution, I don't think anything is wrong with it as such. But I think, one, we have a little question with regard to the whole sincerity of the thrust at this point in time. Is the matter going to be brought to the Legislature and discussed? It is going to be passed. There's no question about that. If it is, will the government act on such a directive from the Legislature? That's the first question I raise. I have some question about that actually happening.

Secondly, when we talk about sharing 50 per cent of the growth in commercial and industrial assessment among the municipalities, I think we have to question how that is done. When it is done, I think there are two things that should be taken into consideration: first of all, that funds will be transferred to local government, and secondly that along with those funds being transferred, a responsibility is given to local government. I would like to talk about each of those.

When funds go to local government under a plan such as this, my point of view is that no strings should be attached. Government too often feels it can transfer funds and then [add] a rider as to how the funds should be spent. I think if that is the intent of a program such as this, I'm not necessarily in support of such an act. We have too much of that kind of action by the government at the present time.

The second question, with regard to responsibility: as I talk to councillors across this province, one of the things they raise is — well, they raise more than one thing — that it's difficult to talk to the minister about some of the programs and policies. [interjections]

MR. JOHNSTON: That's not true.

MR. R. SPEAKER: That's the first one. The second thing they raise is that this government continually feels it must check some of the decisions of local government. That is the feeling . . . and the two ministers think it's a big haw-haw, but it's not.

MR. JOHNSTON: It's not true.

MR. R. SPEAKER: They should talk to some of the aldermen of Edmonton and Calgary, the local councillors . . .

MR. JOHNSTON: It's not true.

MR. R. SPEAKER: And it is true. Just last week I talked to two of them, and the issue was raised. I didn't even raise the thing. They said, we get the feeling (1) this government really doesn't want to listen to our point of view, and (2) they don't trust the fact that we can make some decisions, and make them even better than provincial government.

SOME HON. MEMBERS: Agreed.

MR. R. SPEAKER: There's a feeling that this big provincial government — men elected just a few years ago, who served on local councils — now have more wisdom than people at the local level. That's the area of responsibility that has to be raised with regard to a resolution such as this.

If the government is intending to transfer funds, then they'd better transfer responsibility. There are precedents in this Assembly and actions by this government that say responsibility is not the attitude they want to take. Number one — I can raise it, and it will be raised in estimates with regard to the Minister of Recreation, [Parks and Wildlife] — there is no trust in the attitudes and ideas of local government. By the time they've checked and rechecked and decided to give some information to the local executive or representative groups, six months or a year have gone by, and they're way behind local authorities and local representatives. That's one thing.

We talk about responsibility with regard to decentralization in this province. The idea is all right. The Deputy Premier has said we're decentralizing government across this province. But they don't decentralize funds or responsibility to local government. When we decentralize this provincial government, we put buildings in many communities across this province, filled with provincial civil servants who answer [interjections] to the Premier or the ministers here in

Edmonton. The fact is that responsibility is taken away from, rather than given to, local people. That's what decentralization . . . I have a lot of difficulty feeling this motion has sincerity, that it really wants to share with and give to the municipalities, because that isn't the way it's going to happen. Funds will most likely have strings attached. Responsibilities at the local level will be diminished. How in the world can we support something like this and feel excited about it, when it's just a thrust that may be hot air at this point in time?

MR. SPEAKER: I regret to interrupt the hon. member, but the allotted time for debating this resolution has elapsed.

MR. R. SPEAKER: Mr. Speaker, then I beg leave to adjourn the debate.

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

**Bill 203  
An Act to Amend  
The Unfair Trade Practices Act**

MR. TAYLOR: Mr. Speaker, I have great pleasure in moving second reading of Bill 203. As the title states, Bill 203 amends The Unfair Trade Practices Act.

It really has three sections comprising what are considered unfair practices. It makes it an offence for people who carry out these three sections. The first section is

to dilute or reduce the quality of a named product and sell it under the original name,

and the second section of the bill makes it an offence to sell or rent the components of a unit separately at a combined price exceeding the price at which the unit components were previously sold as a set,

and thirdly, it makes it an offence for a manufacturer to sell or rent two or more services separately that previously were sold or rented together at a single price, at two separate prices which when added together exceed the original price . . .

I'd like to discuss the principle of each of these three in order that hon. members may know what we have in mind regarding the bill.

Dealing with constituents, people are constantly bringing to our attention what they consider unfair trade practices. The Department of Consumer and Corporate Affairs monitors and checks on quite a large number of these which are covered by the act. We believe that the three sections we wish to add to that bill will increase the effectiveness of the department in making sure that the guidelines are carried out as long as we're fighting inflation, but to give fairness to people for a longer period than that.

I consider that the vast majority of manufacturers and people who deal with foods and services are honest and endeavor to give a full dollar's value for each dollar. But it's always the exception that makes the rule. We are dealing with some of those exceptions today. If everybody were completely honest in the world we wouldn't require many laws. It's always

the exceptions that require laws and regulations.

First of all, in connection with the section of the bill that states it's an offence "to dilute or reduce the quality of a named product and sell it under the original name": this may be difficult to administer or may be difficult to ascertain, but I think I have one or two suitable examples to illustrate what we have in mind.

Some time ago the car manufacturers of the United States changed a number of their steel parts to fibreglass. Some people are not aware of this until they have an accident and find that the front of their car becomes badly shattered through an impact. If it were steel it would hardly have caused any damage at all. The car manufacturers, however, made that known. It was reflected in a reduced price, because fibreglass was lighter and less expensive than steel. Being less expensive, using less steel, being lighter, and using less fuel, I think it was a good move. The car manufacturers should be commended for that type of thing.

I have been told about a vacuum cleaner, however, [where] the canister that previously held one cubic foot of dust was changed to a canister that only held one-half cubic foot of dust, and continued to sell at the same price. Now that type of thing is entirely what we're trying to get at. Or take a detergent where you see "new and improved" on the package. In checking the advertising on the package, some things are added — sometimes I'm inclined to think the only thing added is water — but it would take a chemist really to ascertain what has been added in order to make it "new and improved". However, in the bill we say that simply adding "new and improved" does not change the designation. But by diluting the product and selling or renting it without changing the name or without stating that, it does become an offence.

This matter of diluting a product and selling or renting it without changing the name under which it has been sold or rented before dilution is something I think the Department of Consumer and Corporate Affairs should be on constant alert to watch and track down, because that could be very, very damaging to people's pocketbooks and to the sense of fairness in the country.

One place where that's going to have to be watched very carefully and where some people have already sent letters to the editors of papers, including the *Edmonton Journal*, is where we're changing now to the metric system. Quite a large body of people are convinced that in changing from the present system to the metric system they're getting a reduced amount of goods, and not with the proper reduction in money. I think that should be checked and watched very carefully. It should be an offence, and it should be tracked down. People who do that should be prosecuted.

The second item we have in the bill is to sell or rent the components of a unit separately at a combined price which when combined exceeds the price at which the components were previously sold as a set. I have a number of examples of this. As a matter of fact it was one example that came to the attention of the researcher in my office that gave us the indication that we should have a bill to contain this type of thing. For some time before the guidelines came into effect — as a matter of fact I suppose for a number of



years — those who collect coins and those who collect stamps secured all the information in one coin and stamp magazine. After the guidelines came into effect it was suddenly announced there would now be two magazines, one on coins and one on stamps. Lo and behold, the price of the one for coins was \$7 and the price for stamps was \$7, whereas previously the information was supplied to both groups at the price of \$7 for their magazine. Granted, if you're going to have two magazines there's going to be some increased cost. But in my view this was an excellent example of trying to beat the guidelines in a more or less legal way. I don't think that is playing fair with the people of the country or with the governments that are trying to fight inflation.

Sometimes we see sewing machines advertised at, say, \$300. Then when you make a check you find that the frame is \$300 and the motor is another \$200. I think this is renting things separately that have to go together.

I don't very often buy things like curtains but, being a bachelor, there are times when I have to. I was quite amazed in one of the department stores in Edmonton when I went to buy a small curtain for a bathroom and saw the price — \$7.98. I was quite delighted. I thought, that's wonderful. When I went to the salesgirl I found that was only for the valence. I didn't know what a valence was, but I found out it was a little thin band that goes on top of the window. Well, why anybody would want to buy the valence and nothing else, I'll never know. I asked her how much it was for the curtains, and then she gave me the price of \$24.98. That was for the sash. I suddenly learned that the sash is the main curtain on the window. I wanted that, of course, but I wanted something else too. She said, well, you have to buy the swag also. The swag is the side curtains that run along. So in order to get a curtain for my bathroom I found I had to have a valence, a sash, and a swag. The swag was \$14.98.

When I went over and saw all this, I noticed that it was all in one package put together by the manufacturer for sale as a unit. But here the store was selling each one as a separate component. The total price was \$47.94. I decided right there and then if I had to pay \$47.94 to put up a curtain on my bathroom window, I'd paint it first. Fortunately I was able to find curtains in other places that were a very reasonable price. So it now has a curtain.

Another example of selling components of a unit separately is something that was noted in one of our department stores just today in fact. It was a lamp fixture — the lamp and the fixture, \$6.95. But if something happened to the shade, you then had to pay \$4.75 just for the shade alone. The whole works was \$6.95, but for the shade alone you have to pay \$4.75. But there is an even worse one, in one of our department stores in the city, where a picture frame with a glass was priced at \$2.49. In checking to see what the replacement glass alone would cost, it was \$3.49. I don't understand why you have to pay more for the replacement glass than you did for the whole component. There are an awful lot of other people who don't understand it either.

I think there's an attempt to fool the people in many of these things. A lot of people today are wanting to shop as quickly as possible. They pay without checking, they buy without checking, and a lot of people are

being forced to pay far more than they should really be paying in my view.

We have one other section in the bill, that is to sell or rent two or more services separately, that previously sold or rented together at a single price, at two separate prices which when added together exceed the original price for the service or the services. I suppose an excellent example of that would be an apartment building that previously rented an apartment and a parking stall for a certain sum of money, then decided they would charge so much for the apartment plus another sum for the parking stall. I believe that's already illegal under our rental control regulations, but in case they disappear I think that type of thing should be illegal altogether. Because they certainly go together.

I came across another case of services. I don't want to offend hon. members of the legal profession in the Assembly, unless they are doing the same thing. The case was where the lawyer handled the transfer of some property and gave a [figure] that he would charge for those services, plus of course the land titles charges. When they got the bill there was the agreed-upon regular charge and the land titles charges, to which the person had no objection. In addition to that, there was a bill for five phone calls at 50 cents each. The last one was the most terrible thing I've ever seen. One of those phone calls was to tell the person to come over to his office to pick up the duplicate certificate of title. On the bill he then had \$3 for handing the duplicate certificate of title across his desk to this particular lady. Now I can't conceive of any lawyer in this Legislature doing that type of thing.

MR. McCRAE: Not at that price!

AN HON. MEMBER: You'd better not, Stu.

MR. TAYLOR: I don't think it's playing the game with the people when you give a fee and then charge that type of thing.

I know we're not supposed to read items from newspapers, and I'm not going to do it. But I would suggest hon. members read Bob Wyatt's column tonight under SOS in the *Journal* and they'll see something similar that happened — not identical, but similar.

Well the whole idea of this is to try to be fair and try to get the small percentage of stores and manufacturers who are taking advantage of the people. In my view they are committing offences.

A very interesting story appeared in the August 1976 issue of *Consumer Reports*. I have had similar instances quoted to me, and even one or two examples I've experienced personally. As hon. members know, in every gas and electric stove

... the temperature of the oven is sensed by a probe containing a volatile fluid, which actuates a valve or switch to regulate heat flow.

This probe-Sylphon actuator would not cost more than 50 cents. This is the view of people well versed in that commodity. But when this Sylphon actuator went out of the stove, the owner of the stove found that in order to replace it he had to buy the entire regulator valve assembly, because the manufacturer didn't make the probe-Sylphon actuator by itself. The entire assembly was \$38.50. So in order to carry out

a repair of 50 cents on the stove, you had to spend \$38.50.

Well some people were not prepared to do that, so they threw the stove out. When someone examined the stove at the city dump, they found two other stoves of exactly the same make. Immediately the owner of the first one got the idea, well, I'll take the actuators off those other stoves that have been thrown away. So he did that. He took them both off and took them home, but found they were faulty the same as his was. So it didn't do much good. Now how many of these stoves failed because a thermostat failed for the want of a 50-cent replacement? Yet in order to replace that, the person has to pay \$38.50. This goes on far too often in some of our larger industries today.

A few years ago I bought a camera. It was an excellent movie camera. I enjoyed it for a good seven or eight years until something went wrong with the winder and the film would catch inside. Consequently I lost a very excellent film I wanted of the village out on Highway 45 which duplicates, almost exactly I'm told, a village right from the Ukraine. I was at their opening. It's a wonderful place, if anybody ever wants to go there; in my view, one of the most excellent places of that nature I have ever seen. It's operated by an elderly but splendid couple.

Here the films that I wanted so badly were spoiled because of this defect in the camera. The part had failed and had broken. So I sent it to the manufacturer. They wrote back and told me that it was true this thing was at fault, but they were no longer making that particular part. Therefore a \$350 camera had to be discarded for want of maybe a \$7 or \$10 part that the manufacturers no longer made.

I mention this because I think it is not playing the game with customers when large companies do this type of thing. Then the owner has to take the entire brunt. So there's an excellent camera sitting gathering dust simply because the manufacturers no longer make a part. I suppose they think it's much better to buy a new camera. But a movie camera of that nature, 16 mm., would probably cost \$900 or \$1,200 today compared to \$350 when I bought mine.

What I'm trying to suggest to the hon. members is that we can't clean up the whole world all in one stroke. For ever and for ever we'll be able to quote those who are not playing the game with people with whom they deal. But whenever we can find these things and point them out and correct them, it makes our community and country a happier and better place in which to live.

So we have no ulterior motives in presenting this bill. We think our Unfair Trade Practices Act is a good one, and we think there are sections in this bill that will improve it.

MR. PLANCHE: Mr. Speaker, I'd like to make a few remarks about Bill 203 today if I may. My honorable friend from Drumheller is always a tough act to follow, and I know he means well with this particular bill. I share his frustrations and chagrin when you go in to buy a \$3 thing, that's attached to a \$50 thing. I'm not so sure that it isn't because labor is getting so high that the \$3 thing, and in fact maybe even the \$15 thing, is a thing of the past.

So looking through this particular amendment and dealing with it perhaps one at a time, first I'd like to

discuss subclause (xxii) where it concerns dilution. Before I became a member of this House I was certain that dilution was a practice carried on by the Alberta Liquor Control Board. However, being a resident of Alberta I've learned to live with it. The other day, however, I was in the liquor store, and they have a new counter now called "35 per cent alcohol". It has a big sign across the top, so it's there for all to see. However, because of the copyrighted size and label-type of some of the brands they're selling, it might well be mistaken in an individual sense for the other 40 per cent alcohol. This concerned me a little, because if I put "diluting" on this one in large print surely "diluting" belongs on the original. So maybe this one should be called "very diluted" or something else. So I do share some of his concern about diluting of products.

On item (xxii), I took the trouble today to talk to a man in the business of selling automobiles. He tells me that a standard Chevrolet now costs between \$6,500 and \$7,000, and to build it out of parts would be about \$25,000. In thinking about that, it seems to me that may be representative of a lot of the problems we have, in that the parts require some stocking, some obsolescence. Surely the freight rate per unit when you ship it, less truckload, is going to be enormous. They are also in a position where as wholesalers they have to supply to middlemen. So while I'm sure he doesn't mean that to apply to things of this magnitude, there may still be some area of confusion that he might like to rationalize before this bill is discussed further.

In the last item where he's talking about "selling or renting two or more services, previously sold or rented together at a single price" not to exceed that price, I have to think about fleet rates for automobiles and several other things that involve quantity discounts. Having been in that particular line of work where we sell product, as you know there is something to be said for fleet discounts. It may well be that because of the large buyer, the small buyer can buy at the price he pays. So maybe he would like to rephrase (xxiv) to read "two or more different services" instead of just "two or more services".

Really that's about all I had to say, Mr. Speaker. Except when you put into effect more and more regulations — this provincial one on top of the federal one — finally the man who buys pays. Surely the largest and most sensible rejection for the charlatan in the manufacturing and retail business is the consumer who simply refuses to buy.

Thank you, Mr. Speaker.

MR. KROEGER: Mr. Speaker, I have had almost as many years contending with these kinds of things as the Member for Drumheller has had in this House. Some of it, not all of it, applies in my area.

One of the things the Member for Drumheller mentioned was total honesty, that if we had total honesty we wouldn't have to have these kinds of bills. Mr. Speaker, in view of the fact that I don't do this often in the House, I wonder if you would indulge me so I could tell an illustrative, very short story to support what I'm saying. You may stop me of course if you object.

When the member speaks of total honesty, this House isn't the only place where you record what happens not only day by day but hour by hour. They

do that on board ship. I guess that's a little flexible. On the particular ship I had to do with, the captain made the log entry one day, the first mate the next. They were two totally opposed kinds of people. One day the mate was reading what the captain had written the day before. He was horrified to discover that the captain had written: "The mate was drunk today." So he pleaded with the captain to see if he wouldn't do like we do with *Hansard* sometimes — we remove it. But the captain was totally honest and said, I can't do that, it's a fact, and there's just no way I can change that. So the mate was resigned to this going into the records. But imagine the captain's horror the next day when he read the mate's entry that said: "The captain was sober today." [laughter] So there is a danger even in total honesty.

Now, I think the previous speaker covered the first part of this amendment pretty well. In the second part I think there is a danger that relates to the kind of business I'm in. It's an extension — I didn't know I was going to get the kind of comment ahead of me, because it relates a bit to what I was going to say about it. Nevertheless, in the kind of business I'm in — that is, selling a basic unit and then you can add unending parts and components to it — it can be misleading. You can take the starting price of that machine, and it really doesn't have that much on it. But that is the price of that part of it, and you can buy it for that. Then it's up to you to check the component list.

When I spoke in the House last, I had a price list that used to have a complete machine. It was all there. You didn't have to do that. But today the additives are about that long on one page for one machine. So the thing is there. One of the reasons for it is that you now have one base machine that will do quite a number and variety of jobs. So if you bought that whole machine, you'd wind up with a lot of components you would never use.

If you really follow through on this basic thing — and this amendment could affect that — you could get into the situation described before where a machine or car, in parts, can cost you four times as much. You can very well go to the parts counter — and I've done this, we're in this kind of business. When a part comes in I'll take a look at it and try to imagine what the price tag's going to be. Having lived with this all my life, I'm still surprised when I pick up a piece of steel that big and can't guess the price of it. I really don't know what all went into that thing. Sometimes I'm fairly close, but quite often I'm out by 50 per cent. So I started questioning the reason for this kind of thing.

I'm going to give this as an example. The other day I was watching my partsman taking an order. The part involved was worth \$6. He was going to have to order this part. Now this wasn't a customer. So I went to the partsman and said, why didn't you give the guy the 6 bucks, let him go, and ask him to buy it somewhere else? You'd have saved yourself some trouble and saved me some money. He said, well how do you figure that kind of thing out? Well, it's not very complicated: a \$6 part, using an ordinary formula, will return you a gross profit of \$1.20 to \$1.40. But he was going to phone in that part number, which would cost the company roughly \$1.50. The minimum freight is \$5, that's \$6.50. Already I've lost 50 cents. So that's one of the prob-

lems you have.

Then you might say to me, why don't you keep that thing in stock? Then maybe you would have made some money. Well, we try to do that. We've got \$200,000 worth of these pieces lying in the bins. That adds up to about \$20,000 a year interest if you've got a good credit rating. So that's not free either. So you have to look at this thing much deeper than just what appears on the surface.

Another thing happens when you are selling components, attachments, or parts for the kinds of machines we deal in. Over the years I have gradually become aware of something. When the machines are very new, you have very little call for the parts. But if they break down, immediately the pressure's on. Because, by Jove that's new. It shouldn't break down, and you'd better be able to support it with a parts service. This doesn't occur very often. So that creates a problem: how many do you stock?

Then as that thing goes down the ladder and gets to be 10 years old, you see something happening. The volume of sales on parts starts to come up. That ought to make you feel pretty good. But what it should do is scare you, because what is happening is that that particular machine is approaching the point where it's going to disappear all of a sudden. And it does that exact thing.

If you have a fellow who's selling components, attachments, or parts for that kind of machine, if he's watching his card and this escalator thing starts to cut in, if he isn't smart what's going to happen is: he's going to say to himself, boy this is a real mover. We've got 200 of those machines out on the market. I'd better get a whole lot of those things.

But that's usually a warning that this thing has approached the point where it's going to cease to be used. Unless that man is watching carefully, what invariably happens is that we wind up with 15 \$200 items of one kind at the end of that season. And the next season, all of a sudden nothing's happening. You should have been able to read the warning. The thing started to go upwards and the sales got better, which was a sure sign they were going to end totally. So you wind up with \$250,000 worth of parts, and if you're not careful they're not worth anything. I'm just suggesting, Mr. Speaker, that there are some problems and dangers in this kind of thing.

Thank you.

MR. GHITTER: Mr. Speaker, in rising to address a few comments with respect to this bill, I'm somewhat intrigued by the selection of private bills we are receiving from the hon. Member for Drumheller. The first bill dealt with massage and body rub parlors, and now we're dealing with adultery. I'm wondering what the next one would be.

With your indulgence, Mr. Speaker, as you allowed my banjo-playing colleague on the right to tell a story, I think it would only be appropriate that you maintain that latitude throughout the balance of the debate so I too could have the opportunity of telling a story, except mine is true. When the hon. Member for Calgary Glenmore talked about the dilution of alcohol at the beverage store, it reminded me of the true story of an elderly constituent of mine who lives in an apartment.

A few years back when we were examining the rules of beverage alcohol in the province of Alberta,

she telephoned me with a complaint about the Alberta Liquor Control Board store. She advised me that she had heard we were examining beverage alcohol in the province and she had a complaint about the store. I'll [call] her Mrs. M., Mr. Speaker, because she hasn't given me her consent to enter [it into] *Hansard*. So I said, "Well, Mrs. M., what is your complaint?" She said, "they're watering down the brandy". And I said, "Well now, that's quite a serious allegation, that they're watering down the brandy. What leads you to that conclusion?" She said, "Well, Mr. Ghitter, I want you to understand that I don't drink. But every now and then, for medicinal purposes my doctor suggests that I should have a little nip of brandy before I go to bed. So I do. I go down to the liquor store and get a bottle of Courvoisier." I said, "Well, that's a very good brandy, Mrs. M. But tell me, how do you know the liquor store is watering it down?" She said, "Well, I know they're doing it, Mr. Ghitter, because it just doesn't last as long as it used to." [laughter]

There's an add-on to that story though, Mr. Speaker, which I found even more interesting. During the last election — I hope the hon. members in the opposition won't hold this against me as being against The Election Act, and I won't be hearing from them outside the House — she called me again with a particular problem in her apartment. So I thought that if I went to visit her it would be kind of an appropriate thing, because I had so many laughs about her bottle of brandy, if I took her a little bottle of brandy. It wasn't to bribe her, because she's a long-time Conservative. It wasn't against The Election Act, Mr. Speaker, I can assure you.

I had the typical bag you get at the liquor store, that beautiful little brown bag that holds the bottle. I went walking into her apartment with the bottle in the bag, unopened, behind my back. I put it on the table in the kitchen and went around the other way, thinking she hadn't seen me. We sat down and she told me the problems she had, all the decorative problems in her apartment and the noise next door.

She said, "By the way, I want you to see my kitchen. It's got some very fine woodwork." So we walked into the kitchen. As we walked by the table, she looked at the bag and said, "Ah, Mr. Ghitter, you brought me a bottle of brandy." How she knew, I still don't know. But she opened up the bag and said, "Should we have a nip?" And I said, "If you insist." It was 3 o'clock in the afternoon. So I opened the bottle and she took out two little glasses and poured half a little nip in each of the glasses. Then she went over, put on the tap, put the glass under the tap, and filled it the rest of the way with water. I said, "Mrs. M., I'm astounded that you're doing something like that, considering you called me a year ago and complained about the dilution by the liquor board." She said, "Mr. Ghitter, I don't mind it when I do it, but I'm not going to have the government doing it for me." Mrs. M. now lives in the constituency of the hon. Member for Calgary Elbow, and I'm sure he gets just as delightful calls as I did.

Mr. Speaker, I'd like to deal briefly with the suggestions of the hon. member contained in Bill 203. I find the dilution sections rather intriguing. It seems to me, Mr. Speaker, that if we were seriously to contemplate the suggestions particularly relating to the diluting of the product, we would be placed in the position where the Minister of Consumer and Corpo-

rate Affairs would be required to build up quite a bureaucracy in his unfair trade practices section. I recall the hon. Member for Drumheller the other day mentioning the problems of how the bureaucracy seems to build when you want something.

But now the bureaucracy would be one of chemists and further directors, one of whom would have the interesting job, Mr. Speaker, of determining whether the dilution reduced the activity or effectiveness. Now that creates all types of ambiguities. For example, Mr. Speaker, if mouthwash has too much water in it, how is this director going to determine whether or not the mouthwash with the additional water has lost its effectiveness? That would lead to some very interesting considerations. It seems to me, Mr. Speaker, that the definition of dilution is one that doesn't fly and one that would create more ambiguity than it has.

But more important, Mr. Speaker, it seems to me the section is redundant, because clearly that matter's referred to in two subsections in the federal Food and Drug Act. In that respect I would like to refer the hon. member to Section 9 of the federal Food and Drug Act, that deals with misleading or deceptive or erroneous impressions as to character, value, quantity, composition, merit, or safety. I would also like to refer the hon. member to the right of the federal government to pass regulations which deal with exactly the matters referred to in these particular sections. It would seem to me, Mr. Speaker, that matters of dilution of products, as I understand some of our rural people do, forcing additional water into meat and poultry so it weighs more and tastes more . . . [laughter] As an urban consumer I have read reports, Mr. Speaker, that suggest some rural people in Alberta . . .

MR. MILLER: I object.

MR. GHITTER: Yes, hon. Mr. Miller, I have. And I've defended the rural people, Mr. Speaker. [laughter] I have suggested that they don't do things like that, but I've heard rumors. That's the type of thing the people in Drumheller will be interested in, I'm sure, if some people are doing that type of dilution.

But of course we have other laws that take care of that, Mr. Speaker. Our fathers in Ottawa have decreed that this is an element of their responsibility and that they can take care of us in matters like that. I believe in Ottawa and I believe they can. I believe the present Food and Drug Act is very adequate to deal with matters of that nature.

Mr. Speaker, I really don't want to deal with the other sections. I think members much better qualified than myself have dealt with that, judging from the expertise of the hon. Member for Calgary Glenmore and his experience in business, and certainly my musical friend on my right. I submit that this bill is well intentioned. Indeed we're all concerned as to the position of consumers and protecting them from deceptive practices. I would be led to believe they are already are protected from one aspect by the federal Food and Drug Act, and I think the dangers of the other two sections have been well explained. As a result, I'm afraid I couldn't support this particular bill.

MR. PURDY: Mr. Speaker, I wonder if the hon. Member for Calgary Buffalo could permit a question?

MR. GHITTER: Yes, sir.

MR. PURDY: Does the Member for Calgary Buffalo only deal in rumors?

MR. GHITTER: Mr. Speaker, I'm afraid that if I said it was a fact, my rural friends would be very unhappy with me. So I'll only deal in rumors and hearsay at the present time.

MR. HARLE: Mr. Speaker, it behooves me to get into the debate today, primarily of course because Bill 203 affects a piece of legislation for which I have ministerial responsibility and for that reason, I think, deserves some comment.

I might say to the hon. Member for Drumheller that I unfortunately had to miss the debate on the bill that was discussed in this period in the Legislature last week. For that I apologize.

With regard to this particular bill and particularly the principle that is contained in the bill relating to the matter of dilution, I would submit to members that in fact there are some other clauses in the bill that might well cover the situation mentioned in principle in the concept of dilution.

I say that because I believe Subclause (iii) in the present legislation really covers that particular matter. The existing act provides for a representation that goods are of a particular standard, quality, or grade. If they are not, then of course there is in fact dilution, certainly from the concept the member mentioned in his debate. Therefore, Mr. Speaker, I think the basic principle the hon. member is trying to introduce is in reality already covered in the present legislation.

I would submit that the area of relating dilution and the words "new" and "improved" that quite often appear on various types of products is also covered in the legislation in principle, again in Subclause (iii) of that particular section. I believe the general concept of saying something is of a particular standard, quality, or grade implies there shouldn't be a dilution in any of those factors. Mr. Speaker, I would therefore argue that the principle contained in that particular clause being added by the amending bill is in fact already covered to a large degree in the existing legislation.

I had a little difficulty with the concept of selling and renting separately the components of a unit or set which had been previously sold or rented. Of course many products are offered for sale as a set. But on the insistence of a consumer, who may wish to mix other components together, the vendor quite often is willing to make an exchange. Of course sometimes he puts himself in a spot. If he does this too often, he may wind up with a number of units he may have difficulty in selling.

I thought the member may have been contemplating situations where price components of a set are advertised but the total price is not given the same prominence. Again it's a type of situation where the principle of price prominence is already incorporated in the present act.

I speculated on what might be intended, and the splitting of prepackaged goods by retailers seems to be an area to which the hon. member was alluding. We do have situations where if the package is split the retailer may in fact charge more for the parts than

for the whole. Again I think it's a matter where the consumer really should be shopping around and comparing prices. If the consumer feels there is no advantage in buying the separated parts, in fact he has a remedy, and that is not to buy them in those circumstances. However, the consumer may feel he's quite prepared to pay a higher price for the part because he can achieve what he wants only with that particular part, whereas the consumer would almost have to buy the whole package in order to obtain what he or she desires. The selling or renting at two separate prices of two or more services previously sold or rented together at a single price is a concept which the hon. member is perhaps adding. It seems to me that if the price is adequately disclosed, the consumer has the remedy of simply not buying.

I was rather interested in the examples the hon. member was putting forward, and perhaps would respond to some of the observations. The argument presented by the Member for Drumheller in favor of the bill is that it would help to fight inflation. I took it from his argument that he realized this might not be an adequate argument in favor of the bill. Because surely if the bill is to apply, I think we should put it in place to cover all types of situations, and not just a situation we happen to be in at the present time, a period of inflation.

The example the hon. member used, of steel parts in automobiles being replaced by fibreglass, sort of raised some thoughts in my mind. I would just speculate on how we would ever have an improvement in efficiency, in products, how we could ever change anything, if industry couldn't in fact change the type of materials used to produce various types of products.

It seems to me we are continually faced with having to see greater efficiency. I think the need to conserve energy today would certainly require us to look for lighter weight materials. It may or may not do the same job, but I think that must be left up to the experience of consumers. I think they're well able to determine whether the object replaced by something else serves a need. If it doesn't, the manufacturer is going to discontinue using that replaced product and go back to something else or change to another type of product.

I'm trying to say, Mr. Speaker, that we must always leave it open to industry and the manufacturer to continue to find new products and services, to package them, and to sell them. Consumers are continually looking for improvements. I would just suggest that improving various parts is something we're going to see more of, especially in this period when energy and the oil and gas that are the basis of a lot of products become more and more expensive.

One of the areas the hon. member related was the type of situation we see very often where the picture frame and glass might be for sale at \$2.49 — I think the member used that figure — then the glass is purchased at \$3.49 as a separate item.

This leads to a further argument I think can be made: in my view the legislation we have on the statute books must not prevent originality, prevent the development of additional or new selling techniques, new merchandising techniques. The loss leader has always been something that is quite often used. The ability to package something and put a plastic vacuum wrapper around it protects the prod-

uct. It's one method of improving the efficiency of operation, selling, making a product attractive. All these gimmicks, if you like, all these merchandising techniques have been developed in the past. I think we should make sure the ability of the merchandiser to continue to develop new ways of selling is a very important part of our life.

In fact, Mr. Speaker, I would go so far as to suggest that it has produced the standard of living we're all used to. As I say, the one argument I think consumers have in their favor is the ability to shop around, check prices, check products. There is more and more material available today for comparison purposes.

So, Mr. Speaker, I would urge hon. members to consider these matters. The member has presented some principles in the bill which, from my point of view, are part of the principles already included in the bill. The difficulty I have with most of them is that they go to the problem the consumer faces. Really, the consumer has the ability and means to compare pricing, examine, look at work that's done on products. We wouldn't want to see a situation develop where the ability to sell somehow has strictures upon it which really result in a less interesting market place.

Thank you, Mr. Speaker.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, as to Assembly business. As mentioned previously, this evening the two subcommittees of the Committee of Supply will meet, Subcommittee A at 8 p.m. in room 312 to consider the estimates of the Department of Social Services and Community Health. There are 23 members on that committee. Subcommittee B will meet in room 119 to consider estimates of the Department of Recreation, Parks and Wildlife. The 27 members on that committee will begin at 8 p.m. as well. Tomorrow morning, upon Orders of the Day, we will move to Committee of Supply to commence review of the estimates of the Department of Agriculture.

I move the Assembly do now adjourn until tomorrow at 10 a.m.

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

HON. MEMBERS: Agreed.

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

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