LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Wednesday, April 19, 1978 2:30 p.m.

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

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. HYNDMAN: Mr. Speaker, increasingly over the past number of years distinguished consular and ambassadorial representatives of key world countries have been visiting Alberta. Such a gentleman is in your gallery today. He is the Ambassador of Venezuela to Canada, His Excellency Francisco Paporoni. Today he has been visiting the Premier, His Worship the Mayor, and various ministers and senior officials, not only with respect to energy and energy-related matters but also on matters related to business development and agriculture. Tomorrow he proceeds to northern Alberta, to the Fort McMurray oil sands operation.

On behalf of the Assembly, I would say that we are very pleased indeed to welcome him. I ask His Excellency to stand and be recognized by the Alberta Assembly.

head: TABLING RETURNS AND REPORTS

MR. HARLE: Mr. Speaker, I wish to table the annual report of the Alberta Automobile Insurance Board, as required by statute.

MR. YURKO: Mr. Speaker, last evening during the discussion of the estimates of the Department of Housing and Public Works I indicated that I would table with the Assembly the number of land development projects undertaken throughout the province since 1975. I might indicate that land assembly projects totalling 3,774 acres were undertaken in 43 communities. Land development projects since 1975, including 1975 of course, were undertaken in 30 communities, bringing on stream some 3,856 lots.

DR. HORNER: I'd like to file with the Legislature, Mr. Speaker, orders and regulations pursuant to The Surveys Act.

MR. FARRAN: Mr. Speaker, I'd like to table the annual report for 1977 of the highway patrol division of my department.

head: INTRODUCTION OF SPECIAL GUESTS

MR. SCHMID: Mr. Speaker, I would like to introduce to you, and through you to members of this Assembly, 37 students who gave us a most excellent and highly entertaining concert this lunch hour in the rotunda. They are the Hammarskjold High School Band from

Thunder Bay. I would like to congratulate their conductor and thank the instructors for taking the students on a trip through our nation, thereby helping to foster understanding amongst all of us, I'm sure.

Mr. Speaker, I would like to have them rise in this Assembly and to have my colleagues congratulate them for this excellent concert they provided us today.

MR. KUSHNER: Mr. Speaker, it's a great pleasure for me this afternoon to introduce to you, and through you to the members of the Assembly, 35 students from Mayland Heights school, which is in my community. Speaking to the teacher Mrs. Barbet, for the last week they have been studying the role of the Legislative Assembly. With them as well — it was very nice of the parents to come — are Mrs. Jones, Mrs. Ratcliff, Mrs. Allerdings, and Mrs. Buhler. At this time I wish they would rise and receive the welcome of the Alberta Legislative Assembly.

MR. SCHMIDT: Mr. Speaker, it's my privilege this afternoon to introduce to you, and through you to the members of this Assembly, 20 students from the Leduc junior high school. They are accompanied by their teacher Mrs. Doreen Fraser. They are seated in the members gallery. I would ask them to rise and receive the welcome of this Assembly.

MR. HYLAND: Mr. Speaker, on your behalf I would like to introduce some 40 grade 9 students from the Hillcrest junior high school, with their teacher Mr. Chemago.

I must say at this time that it's a pleasure for me to do this, because as my constituency is so far away from Edmonton I have never before had an opportunity to introduce students in the House. So it's taken me three years to get this far. I hope in another three years I'll have some students of my own here.

Mr. Speaker, I would ask the students to rise and receive the welcome of the House.

MR. DOAN: Mr. Speaker, I would like to introduce to you, and through you to the members of this Assembly, 22 grade 8 and 9 students from the Delburne Central high school debating team. They have with them their principal Mr. Sabey and their bus driver Mr. Ringdahl. They are seated in the public gallery, and I would ask them to rise and receive the welcome of the Assembly.

head: ORAL QUESTION PERIOD

Federal/Provincial Discussions

DR. BUCK: Mr. Speaker, I would like to address my first question to the hon. Premier. It evolves from a question asked the Prime Minister in the House of Commons on Friday last. This is in relation to the controversy over the sales tax reduction. Briefly, the Prime Minister says:

In so far as the position of the premiers is concerned, I repeat what I said earlier: they, through the ministers of finance, accepted this proposition. They discussed it over a period of several weeks. I find it passing strange now that the premiers, not the ministers of finance, are

saying there has not been co-operation. If the premiers feel that, I'm prepared to see them. Let them come to Ottawa next week and I will make an appointment with them.

My question to the hon. Premier: has the Premier been in discussion with the Prime Minister since last week?

MR. LOUGHEED: No, Mr. Speaker, I've not. I noted that comment in *Hansard*. The Provincial Treasurer, who's not here today, and I reviewed the particular *Hansard* transcript, because it certainly differs both from the first communique that we issued from Yorkton and from the statements given in the Legislature by the Provincial Treasurer with regard to the matter, I believe it would be a week ago last Tuesday.

DR. BUCK: A supplementary question to the Premier. Has the hon. Premier discussed the controversy over the sales tax reduction with the western premiers since the meeting in Yorkton?

MR. LOUGHEED: Mr. Speaker, no. We felt that communique number one, which has been tabled in the Legislature, expressed our views. When we were in Yorkton we were alerted to the Prime Minister's response that the hon. member is reading from, but not in the precise terms of the use of the phrase "accepted". It was more put to us through media communication that the matter had been discussed for a number of weeks.

Of course, as we've already expressed in this House, that's really not what happened. It was not a matter raised at the first ministers' meeting in February. The discussions that occurred with Alberta were presented by way of a possible tentative proposal only, and the final communication which the Provincial Treasurer has alluded to took place only on the day the actual federal budget came down, which I believe was April 10.

DR. BUCK: A supplementary to the Premier, Mr. Speaker. In light of the fact that the provinces and the federal government don't seem to be agreeing on the system of prior negotiations, has the Premier given consideration to making this one of the priority items on the agenda when the western premiers meet this fall, so we can have a definite mechanism set up for negotiating in instances such as this?

MR. LOUGHEED: Yes, Mr. Speaker, definitely. In two ways and at two meetings this matter has to get straightened around. When the premiers meet in Saskatchewan that would not be — and I presume the hon. member was referring to the premiers' conference, not just the western premiers' conference. Both at that meeting in Saskatchewan in August and again at the next first ministers' meeting, there is no doubt in my mind — and if others won't do it I intend to take the lead. I don't think it's the right way to do business on a federal/provincial basis. That is a federal budgetary measure that affects the fiscal position of the provinces, being dealt with as it was in this case.

What we intend to present, and what I will be presenting on behalf of the government of Alberta, is the proposition that if a matter similar to that comes up again, it should be raised at a first ministers'

meeting, or it should be clearly not a matter, as communique number one stated, where the usual budgetary secrecy or confidentiality applies. We should be free to discuss it even publicly within this Legislature. I think that's the only proper way if we're going to have this interexchange of fiscal measures that affect both levels of government.

So I think there's no question: it has to be a matter cleared up in the interests of Confederation.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier, in light of the consultation process the Premier has just outlined. I understand through early morning media this morning that the Prime Minister wishes to announce a program with regard to housing. Prior to doing it, the Prime Minister would like to have consultation with the premiers so that the same type of incident doesn't occur as occurred just a week ago. Has the Premier been contacted with regard to that?

MR. LOUGHEED: Well, it's a remarkable consultation. That's the first I've heard of it. The hon. member may listen more acutely to the media than I. In any event, I'm not aware of what he's raising. Of course, if I receive a call from the Prime Minister now, I'll be alerted as to what the subject matter might be.

MR. R. SPEAKER: Mr. Speaker, a question to the Premier. I wonder if the Premier was planning to have any special ambassador to Ottawa with regard to housing.

MR. NOTLEY: Bill Yurko.

MR. LOUGHEED: Mr. Speaker, I'll be referring to that matter in the House tomorrow in a way that I am sure will fully answer that last question.

MR. NOTLEY: Mr. Speaker, I wonder if I could put a question to the hon. Premier. I think the Premier's comment with respect to these things being discussed at first ministers' conferences is appropriate.

My question, Mr. Speaker, to the Premier: was any representation made to the federal Minister of Finance expressing Alberta's concern at the approach taken by the federal government when the tentative proposal was made to the government of Alberta? I'm not talking about the formal proposal made on budget day, but the tentative proposal which the federal Minister of Finance alluded to in the budget speech.

MR. LOUGHEED: Mr. Speaker, I'm not sure I can precisely answer that question, because all four western premiers discussed the matter, and we all felt that we wanted to respect the traditional budgetary secrecy. The matter was presented to us in that sense. So we did accept it in the way it was presented. Perhaps the Provincial Treasurer can further elaborate on the matter after assessing the record in *Hansard* here today.

I think it's fair to say that in retrospect we all are not satisfied with the way it was done. We were put under the pressure of budgetary confidentiality and secrecy, and that's not a position we're prepared to be in again. MR. TAYLOR: A supplementary to the hon. Premier. Is the Premier aware that the Rt. Hon. Mr. Trudeau might not be at the fall meeting?

DR. BUCK: Mr. Speaker, I hate to disillusion the hon. Member for Drumheller, but he'll be there — the Prime Minister, that is. [interjections] I think they'll both be there.

MR. NOTLEY: I'm sure Mr. Broadbent will invite him.

Trade Discussions

DR. BUCK: Mr. Speaker, my second short question is again to the Premier. This has to do with the western provinces' recent brief to the government of Canada on non-tariff barriers to international trade, where basically we're saying that there should be a commitment to free trade and, in particular, procurement policies whereby government purchases in some countries discriminate in favor of domestic suppliers and against foreign suppliers.

My question to the Premier is: in the recent premiers' conference, has the position in Alberta changed whereby we are allowing other provinces and other companies to come in and bid on projects in Alberta, and if it's a low bid, regardless of where it is, it will go to the low bidder, whereas some of the western provinces do not have that policy? Can the Premier indicate to us if that policy is going to stay the same in Alberta?

MR. LOUGHEED: Mr. Speaker, with respect to the hon. member's question, really they are two quite separate matters. The first matter is the problem of non-tariff barriers that exist internationally, that arise out of purchasing policies by purchasing governments. It's our view — which I know is shared by the other western provinces, and I believe in this case shared by the federal government — that the extent of these non-tariff barriers is really significant in terms of reducing free trade throughout the world.

The second part of the hon. member's question deals with the matter of provincial preference. The position of the province of Alberta has traditionally been, I think for many, many years, that we have stayed away from a provincial preference. We felt that in this enterprise province of ours, in terms of government purchasing in particular, it should be a matter of the lowest tender being accepted, whether or not that lowest tender comes from a business located in Alberta or outside the province. On balance, we felt that was the sound policy.

However, there has lately been a proliferation and expansion of provincial preferences in other provinces, so we are reluctantly being forced to reexamine our position. We don't really like to see the provincial preference. We think it tends to balkanize Canada, and that the enterprise system would be better. However, if every province but Alberta consistently does this, if we have a strong economy and then people from outside are constantly in here bidding, it has some repercussions. We're starting to hear them, and probably all hon. members are starting to hear them, from the business community within Alberta. So we are reassessing it.

The way we've done this is: we've given notice to the other premiers, and when all 10 premiers meet in Saskatchewan in August this will be on the agenda. We will press them to step back from the expansion of provincial preferences. If they are not prepared to do so, we have said we would reassess the government's policy that exists today. That may lead us, and I emphasize the word "may", to go to a position where there would be a preference for Alberta enterprises in putting in tenders compared to those from outside the province.

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DR. BUCK: A supplementary question to the Premier. This relates just to the western provinces. In the western premiers' conference to be held in November, I believe ... No? Anyway, in the discussions held at Yorkton, did the other premiers even listen to the Premier of Alberta when he indicated we would like to have the barriers removed, that we would have trade and have the bidding? Was this discussed in Yorkton?

MR. LOUGHEED: Mr. Speaker, I made a judgment decision at Yorkton, in consultation with my colleagues the Minister of Federal and Intergovernmental Affairs and the Minister of Business Development and Tourism, not to press the matter within the area of the western premiers only. Our judgment there was that it's really a matter that affects all 10 provinces. Although it's quite clear the provincial preferences in British Columbia and Saskatchewan have the greatest bearing upon Alberta, it was felt that we would have a better chance if we could get a consensus across Canada, because quite clearly the other provinces could argue that it's all very well for us to do it, but we then face these preferences in provinces like Ontario and Quebec which are detrimental to our business community.

Land Purchase

MR. NOTLEY: Thank you, Mr. Speaker. I'd like to direct my question to the Associate Minister of Energy and Natural Resources responsible for Public Lands. It flows from a matter that was brought to his attention concerning a very large potential purchase of approximately 8,000 acres of land in the Winfield-Buck Lake area at approximately twice the going rate for land purchases in the area. I should say that those purchases have not taken place, but a buyer is making offers.

My question to the hon. minister, since it has been brought to his attention: has the government been able to identify the name or names of the mystery buyers of this large block of land?

MR. SCHMIDT: Mr. Speaker, our department has received many phone calls in regard to the rumor of the sale and purchase of large blocks of land both east of Winfield and in the Buck Lake area. At the present time, rumorwise, the parcels are large in number and of course price doesn't seem to be a factor. From a departmental point of view our concern is that the assembly of land to this degree — and at present it is still a rumor — meet the foreignownership aspect. At the present time that's our major concern. Part of my concern as an individual is that I have constituents who would be interested in finding out who their new neighbor would be.

In answer, Mr. Speaker: it's still a rumor, and we've

been unable to track down who the potential purchaser will be. Of course we have to respect the basic individual rights of those who wish to sell deeded property.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. associate minister. In view of the fact that at least three or four people have accepted 10 per cent down payments that have been put in trust, so it has moved beyond the rumor stage to the assembly stage, has there been any application by the firms doing the purchasing for any exemption under the temporary regulations regarding foreign ownership of agricultural land?

MR. SCHMIDT: Mr. Speaker, not as of noon today.

MR. NOTLEY: A supplementary question to the hon. minister. The minister indicated he was not able to obtain the identity of the purchaser. In its discussions with the realtors, has the government been able to obtain any idea of the purpose of this assembly? Is it for an industrial project? Is it for one large farming operation, or for a multiple number of farms? Have we obtained any information with respect to the purpose of this kind of major assembly of land?

MR. SCHMIDT: Mr. Speaker, the limited research we've done to date has proven fruitless, and we are no further ahead than when we started.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Have there been any discussions with the Battle River planning commission on this matter, in view of their interest and concern with respect to the land assembly?

MR. SCHMIDT: Mr. Speaker, I personally have not talked to the Battle River regional planning commission, but I have had discussions with the county involved.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. minister. Has there been any assessment of the general problem of younger farmers being able to purchase land in the west-central region of the province as a consequence of offers which are approximately double the going rate of land in the region?

MR. SCHMIDT: Mr. Speaker, the figures that have been quoted, if they are true, would certainly hinder the action of a young person wishing to get into the agricultural field. Some of the land in question, of course, is not of prime agricultural rating. Nevertheless the price quoted would have a bearing on agricultural land that was for sale if an individual were wishing to purchase.

Firestone Plant Closure

MR. LITTLE: Thank you, Mr. Speaker. May I direct my question to the Minister of Business Development and Tourism. Would the minister advise the Legislature whether he has had any communication or meetings concerning the closing of the Firestone tire plant in the city of Calgary?

MR. DOWLING: Yes, Mr. Speaker. Contrary to press reports which indicate that I am too busy to meet with these people, I have most assuredly met with them. The first call I had from the Firestone union was through Mr. Gene Mitchell of the AF of L, who requested, two weeks prior to the meeting taking place, that a meeting would take place. Mr. Mitchell indicated that the principals of the United Rubber Workers of America would not be available during that first week and asked if we would accommodate them on either a Monday or Tuesday. We indicated that Tuesday would be the day. That was satisfactory to three members of the AF of L and two of the United Rubber Workers of America.

At that meeting I was accompanied by two of my associates from this side of the House, the hon. member who asked the question and the Minister Without Portfolio in charge of Calgary affairs. We had an excellent meeting I thought. It was very amicable.

Four things were requested of the three of us. I undertook to do them. The first was that I would contact the president of the Firestone organization in Toronto and ask Mr. Moore, the president, if the company was interested in selling its Firestone operation as is, where is, with all the equipment. I did have some indication from him regarding that, and I think it would be best that I apprize the people I met with before letting the House know of that contact.

The second thing: they asked that we appoint a contact person from our department, which has been done. The third thing was to determine what facilities would be available from either federal or provincial authorities, being the Department of Employment and Immigration federally or of Advanced Education and Manpower provincially, and Labour, to facilitate the relocation to new jobs of the people who were laid off as a result of the Firestone closure. That has also been done. The last one was to do an internal examination of the potential for a feasibility study with regard to the Firestone plant re-opening.

All of those have taken place, Mr. Speaker. We're now in the process of drafting a communication to the principals we met. We understand now that the employees who were involved in Firestone have changed their priorities with regard to what should happen with the Firestone plant; however, we are proceeding as requested.

I should say in addition, Mr. Speaker, that the bulk of those people who are not now employed by Firestone have been relocated in new jobs.

MR. LITTLE: A supplementary, Mr. Speaker. Would the minister also advise what communication, if any, he has had with the United Tire & Rubber Company?

MR. DOWLING: Mr. Speaker, the communication has been within that initial meeting. As I said, it was a very amicable meeting. The principal speaker was the president of Local 635 of the United Rubber Workers of America, Mr. Glen Miller, which is not a difficult name for me to remember, bearing in mind my age.

We did have a very good meeting. That has been our last communication except for a communication by my office staff, which has apprized Mr. Miller that we are in the process of putting the package together and it will be delivered to him very shortly, bearing in

mind there is sometimes some difficulty with the mails.

Insect Forecasts

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of Agriculture. Has the minister received any reports indicating the extent of the tent caterpillar and grasshopper problem in Alberta this year?

MR. MOORE: No, Mr. Speaker, I've not yet received any reports of that nature in my office.

Travel Industry

MR. FLUKER: Mr. Speaker, my question is to the hon. Minister of Business Development and Tourism. I understand your department has undertaken a major promotion regarding tourism in Alberta. Does this indicate any major change in policy, Mr. Minister?

MR. DOWLING: Mr. Speaker, no. As a matter of fact it's a substantial advancement of the policy established early in 1971. We believe most assuredly there are many benefits to stimulate travel within our province and Canada as well. But we really feel it's important that the people of Alberta first of all come to know their own province — 255,000 square miles of the best real estate in all the world. You should know some of the interesting things to see in our province. The hon. Member for Highwood has a great 18,000-ton rock that he stole from my constituency; it is now located in Okotoks. That kind of thing is important, Mr. Speaker.

The program we've undertaken is the holiday passport campaign. There have been 700,000 passports delivered to the residents of Alberta . . .

MR. SPEAKER: With great respect to the hon. minister, I realize he tried to interpose us a rock between the Speaker and his duty, but it would seem that he has embarked on a ministerial announcement, the question having been merely whether there was a change in policy.

MR. FLUKER: Mr. Speaker, is this what TIAALTA means? Is that what you were talking about? Where is it connected with this program?

MR. DOWLING: Mr. Speaker, TIAALTA is the Travel Industry Association of Alberta. It is an organization of private sector people who are elected within the 14 zones. There are 14 zone organizations in TIAALTA. The Travel Alberta organization provides TIAALTA with in excess of \$400,000, which they allocate to the various zones of the province to stimulate the development of the travel industry in the province. They work to dovetail their programs with Travel Alberta and therefore double their money, so to speak. It's with this private-sector attitude that the thing is moving ahead very well.

MR. FLUKER: A supplementary, Mr. Speaker. What is this whole campaign going to cost?

MR. DOWLING: Initially, Mr. Speaker, we're estimating something in the order of \$600,000. As I said, we

are supplying a passport to each home. For those people who travel six zones during the period of a year, a bronze medallion minted by Sherritt Gordon will be available to them and all members of their family. If they travel 10, it will be a silver medallion, and if they travel all 14 it will be gold.

DR. WALKER: Mr. Speaker, I'm very glad to see that the first photograph in the new passport is of Fort Macleod. How do people outside the province get this passport?

MR. DOWLING: Yes, Mr. Speaker, a good question. They can in fact write, or they can get it at the information centre as they enter the province.

MR. SPEAKER: With great respect, I think the hon. minister a few moments ago mentioned the key word, which was "dovetailing". Perhaps on some occasion we could substitute a ministerial announcement for the dovetailing which I've just witnessed.

DR. BUCK: Mr. Speaker, a supplementary question to the minister in light of the question the hon. Member for St. Paul asked about TIAALTA. Is that the same organization that would like a 1978 road map to be used in 1978?

MR. DOWLING: Mr. Speaker, we do an excellent job with the Department of Transportation to keep our road maps updated, and they are probably the best road maps produced in all of Canada. I should compliment the hon. Member for Drumheller for having initiated some of the programs that are still in effect relative to that map.

DR. BUCK: Mr. Speaker, another short supplementary to the hon. minister. In light of the fact that the hon. minister was at the convention in Peace River, has he informed the association that the map presently being used is a 1972 map and will be upgraded to a 1978 map?

MR. DOWLING: Mr. Speaker, what the hon. member says is nonsense.

DR. PAPROSKI: A supplementary to the minister, Mr. Speaker. When one obtains the stamped tourist passport and receives a medallion, does the medallion entitle that recipient to any special benefits or prize?

MR. DOWLING: Absolutely, Mr. Speaker. It provides him with the benefit of having travelled to six zones, which is certainly benefit enough.

MR. WOLSTENHOLME: Mr. Speaker, I don't know whether you would call this a supplementary question. But the hon. minister informed us that the Member for Highwood stole the stone in his constituency. Bearing in mind his age and my age, the stone was moved there by nature many years before either of us was around.

Crown Counsel

MR. MANDEVILLE: Thank you, Mr. Speaker. I'd like to run out another question to the hon. Attorney General. It concerns government lawyers. Does the

Attorney General's department allow government lawyers, upon the request of the lawyer, to go on contract with his department rather than on salary, as a means of by-passing the public service salary guidelines?

MR. FOSTER: Mr. Speaker, there are two parts to that question. The final part is the one that causes me difficulty, suggesting you can by-pass salary guidelines from the Public Service Commissioner's office. But it slipped in very nicely, Mr. Speaker. I almost didn't catch it.

No doubt that will be discussed in the course of my estimates. But the short answer to the first part of your question is yes, a contract is available. At the moment we don't have anyone on contract, but we are discussing that possibility with two, or I think three, lawyers currently in our employ.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Does the present government policy prevent government lawyers from, say, moonlighting or getting involved in practices other than government work?

MR. FOSTER: Mr. Speaker, I think the general guidelines are accepted by government staff. Lawyers are not permitted to carry on legal practice in their private time. They can carry on other kinds of business activity in their private time if they wish, as long as there's not a conflict; but they cannot carry on a legal practice.

MR. MANDEVILLE: A supplementary question, Mr. Speaker. Has the Attorney General approached the cabinet yet regarding raising the salaries of government lawyers?

MR. FOSTER: Mr. Speaker, I couldn't have asked better questions if I had been sitting over there myself. I'm very grateful for the question.

I'll be pursuing that matter with my cabinet colleagues very shortly. I appreciate the encouragement from members opposite.

DR. BUCK: If [inaudible] assistants can get a raise, surely our lawyers can.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General with respect to the proposed contracts. Have any general guidelines been set out for remuneration benefits in the contracts, or will it be essentially, the sky's the limit, whatever we have to pay in order to get a certain person we want on contract?

MR. FOSTER: Mr. Speaker, I don't know of any member of the Executive Council who would be willing to admit that the sky is the limit when it comes to budgets. I'll be very interested in the reaction of the members opposite when my estimates come up. I hope that in some areas there will be that sort of approach to my budget.

No, the sky is not the limit. But we do have the capacity to enter into contracts for certain senior counsel when our salary levels for senior counsel are no longer adequate. Those salary levels would go above, for example, what the Deputy Attorney Gener-

al is being paid. I'm sure there is a ceiling. I wouldn't want to draw a line as to exactly where it is, but I assure the hon. member it's not in the sky.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. I take it from his answer, then, that the contract arrangements would make it possible for lawyers on contract to be earning more than the Deputy Attorney General; that that kind of flexibility will be there. Has the government assessed the impact of this sort of arrangement on the morale of ... [not recorded] counsel working directly for the government?

MR. FOSTER: Mr. Speaker, I think the legal counsel working for the Crown generally are aware of the capacity to contract, and are aware that the senior officers of the department, in addition to being lawyers, are managers and administrators. They're not being paid solely as lawyers.

So perhaps one can make an argument that if we happen to have or need some special counsel, and it was not the kind of work for which you would retain someone from the private bar on a short-term basis, we would then enter into a contract with them, and perhaps the salary would indeed be higher than that of the Deputy Attorney General. That's because that individual counsel was doing counsel work or solicitor's work as a professional. He was not being paid as a manager; he was being paid as a professional lawyer. The thinking is that when lawyers are paid both as lawyers and as managers, the net of that is somewhat less than if they're senior counsel and being paid solely as lawyers.

Mosquito Control

MR. WOLSTENHOLME: Thank you, Mr. Speaker. My question is to the Minister of the Environment. I've been asked about mosquito control. I wonder if the Department of the Environment has a mosquito control program?

MR. RUSSELL: Yes, Mr. Speaker, we've had a biting fly program in effect for some years now. It works on an assistance kind of approach by way of financial grants to participating municipalities. It's been pretty effective, and the estimates just passed by the House contain grants for about 40 municipalities this coming year.

MR. PURDY: Mr. Speaker, to the minister. Has this taken the sting out of the municipalities?

Runaway Juveniles

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Social Services and Community Health. It's been brought to my attention that the number of runaway teen-agers is on the increase quite significantly in Calgary and Edmonton. The minister has a program to deal with the runaways in Calgary. I wonder if she is considering putting in place a similar program in Edmonton?

MISS HUNLEY: Mr. Speaker, we do have a program in Calgary at the present time, and we're trying to gauge its effectiveness. At the end of that time, if possible,

we may be expanding it to Edmonton, or indeed other places, if it becomes warranted. The need exists primarily in the two major cities, and Calgary was chosen as the initial project.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could the minister indicate how long this pilot project will be in effect? Secondly, along with the pilot project, are there any plans to co-ordinate the approach with the Department of Education, local school boards, or local family counselling programs?

MISS HUNLEY: Mr. Speaker, I don't have all the specifics of the way the actual program works. I'm wondering whether the hon. member is anticipating that we should become the truant officers. I don't think that was our intention. Our intention was to attempt to return runaway children to their parents, and we were zeroing in on the city of Calgary in particular. I'll have to inquire as to the exact details of the projected length of the program.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. Could the minister indicate what type of success seems to be evident at this point in time?

MISS HUNLEY: Mr. Speaker, I've only read one initial report, and it was some time ago. I believe at that time the department was feeling as though the project was effective, but perhaps it was early in the game. I'll be glad to check with the officials and determine how they feel about it now, after it's been in effect a short while longer.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the minister. In her review or in any type of studies, is the minister also looking at this problem of runaways with regard to the increased number of teenagers involved in prostitution at the present time? There's a noticeable increase in that rate, and the feeling is that the runaway teen-agers and the increase certainly have some related effect.

MISS HUNLEY: Yes, I'm sure it does. Runaway children are always a matter of serious concern to most citizens, I'm sure. What children do when they're away from home and on the loose . . . They can't always be found. When they are found, of course we try to do the best we can with the situation, whether it's a matter of persuading them to return to their parents, taking them into legal custody, or whatever we can do with a youngster who is "on the loose", I guess you'd call it. It's a matter that we should all be concerned about. But there are no ready answers, as I'm sure the hon. member is aware.

Occupations and Professions

MR. TAYLOR: Thank you, Mr. Speaker. My question is to the hon. Minister of Advanced Education and Manpower. Will there be a policy statement this session on occupations and professions?

DR. HOHOL: Mr. Speaker, during this session there will be a public release on the subject, a series of policy statements dealing with professions and occupations. We anticipate that interested and concerned

groups and individuals will respond, though that happened initially when the report came down in 1973.

Hospital Construction

MR. MINIELY: Mr. Speaker, on Monday of this week a question was raised as to whether or not the Grande Prairie regional health care centre provided for psychiatric beds. The department advises me that in fact 24 psychiatric beds are provided for in the planning of the new Grande Prairie regional health care centre.

ORDERS OF THE DAY

MR. DIACHUK: Mr. Speaker, on a personal point of privilege, on checking Hansard 'blues' of April 18, lines 78.20, 79.3, and 79.4, the hon. Member for Camrose was speaking. If I may refer to it, he stated:

Was that the one you graduated from, Bill? Oh, I'm sorry. That was the Two Hills one.

Then the next sentence was:

Mr. Speaker, with all due regard, I have nothing but praise for the Two Hills retarded school in graduating the Member for Edmonton Beverly. Look what it did for him. Oh, he didn't graduate.

I never was registered in a retarded school, because there isn't such a school in Two Hills. And the Two Hills high school is a very advanced school. On checking my biography in the Legislature, that information is very much correct. So I say to my friend and colleague who provided incorrect information: shame, shame.

SOME HON. MEMBERS: Shame, shame.

head: GOVERNMENT MOTIONS (Committee of Supply)

[Dr. McCrimmon in the Chair]

MR. CHAIRMAN: The Committee of Supply will now come to order.

Department of Consumer and Corporate Affairs

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. HARLE: Mr. Chairman, just to say that of course the members had an opportunity to go through the departmental estimates at subcommittee. Unless there are any further matters that might be raised by the members, I'd not propose to add anything.

MR. CHAIRMAN: Could we have a report from the chairman of Subcommittee A with respect to the Department of Consumer and Corporate Affairs?

MR. KROEGER: Mr. Chairman, Subcommittee A of the Committee of Supply has had under consideration the estimates of expenditures for the fiscal year ending March 31, 1979, for the Department of Consumer and Corporate Affairs. The subcommittee recom-

mends to the Committee of Supply the estimates of expenditures of \$9,278,466.

MR. CHAIRMAN: Is it agreed that the committee receive the report of the chairman of Subcommittee A?

HON. MEMBERS: Agreed.

MR. NOTLEY: Mr. Chairman, I'd like to raise approximately three things during my comments on the estimates of the department before us this afternoon.

First of all, Mr. Minister, I would like you to bring the committee up to date on where things now stand on the whole question of franchise legislation. I raise this because a number of people who've been in the Kentucky Fried Chicken business have encountered some difficulties recently. I gather there were changes in the corporate structure of the firm, and the new people who are taking it over, in Canada at least, are driving a pretty hard bargain on the franchise operators in this country.

Quite frankly, I had never given the issue a great deal of thought until this matter was drawn to my attention. The people who raised it said that one of the things we should be looking at would be general legislation which would set out some basic rights for the franchise operator. Because we have so many different franchises in the country today, I would be interested in what review of legislation in other parts of Canada the department has undertaken, whether there has been any assessment of legislation elsewhere in the world, and whether the government has any particular position on that matter at this stage of the game.

The second issue I'd like to raise, Mr. Minister, really flows from a bill the hon. Member for Edmonton Norwood — I'm pleased to see she's in the House this afternoon — put on the Order Paper, Bill No. 212, An Act to Provide for Warranties in the Sale of Consumer Products. This was introduced last year. When it was introduced again this year, I thought we'd get the Government House Leader jumping to his feet to put it under Government Bills and Orders, but much to my surprise there was silence, and it now sits as a private member's bill.

But it seems to me that the whole question of some kind of minimum consumer warranty is worth looking at, not only because it sets out basic protection for the consumer and gets away from reliance on this totally antiquated, in my judgment, notion of, essentially, let the buyer beware, and that's it. I think there is another aspect as well. Warranties should be written in such a fashion that they are readable for the average person. When we have warranties written in the obscure kind of language that some of our lawyer friends like to use in drafting documents . . .

MR. HARLE: Present company excepted.

MR. NOTLEY: ... present company excepted, we have a situation where even the rights written into a given warranty are not understood in some cases even by the seller and certainly not by the consumer.

The province of Saskatchewan has recently introduced The Consumer Products Warranties Act. Mr. Minister, my understanding is that that particular legislation has met with a good deal of support in our

neighboring province. It's essentially the same sort of proposition the hon. Member for Edmonton Norwood has placed before the Legislature in Bill No. 212. I would just underscore the need, in my view at least, to move quickly on some kind of minimum warranty legislation. I think that's what we're really looking at: minimum warranty legislation.

Mr. Chairman, the third area is to very briefly make a few comments on the whole issue of rent decontrols and landlord and tenant legislation. The two items are really connected. I would say to the minister — this is repeating much of the debate that occurred a year ago — that I really believe rent decontrol has to be related to the vacancy rate. In my view, it isn't good enough to remove controls where we have a virtual no vacancy situation, because the free market situation can't work. I gather that most people in the market argue that we probably need between 3 and 5 per cent before the market place can operate successfully in providing an equitable balance between the owner of a particular property on one hand and the tenant on the other.

Clearly as long as we have the situation that exists in our two major cities . . . I know some have suggested that more units are going on stream. But we've heard this for a long time, and every six months when the CMHC survey comes out it is a monotonous repetition of a virtual no vacancy situation. Really, that has been the case since the fall of 1974. Could I just say as a matter of principle, I believe we have to link rent decontrol to the vacancy rate.

It seems to me that a couple of questions flow from comments the minister has made. The minister has made reference to a fair market value in relation to rents. I would be interested in just what he means by "fair market value". Are we talking about the market value of an apartment building? Are we talking about the market value vis-a-vis the tenant compared to the owner of a new home? What do we mean by market value? It seems to me that's a reasonably important question that should be answered.

Along with the issue of rent decontrol, we have the landlord and tenant legislation. There is little doubt, Mr. Chairman, that in the present arrangement, a very tight market, decontrol shifts the balance to the owner of a building as opposed to the tenant. I think that's essentially the argument or the point of the law research and reform commission quote, I believe on page 6 or 7 of the report. The current tight market situation provides an imbalance of bargaining power in favor of the landlord and "prevents the tenant from using his freedom of contract to improve his position vis-a-vis the landlord."

No one is saying that we want to completely destroy the equation. There has to be a balance between the landlord and tenant. There has to be sufficient return to landlords so they can make a reasonable profit. I would be willing to admit that. But, Mr. Minister, we have to recognize that new apartment construction has been exempt from rent regulation. That was one of the areas of exemption when wage and price controls were introduced in 1975. So we're not talking about rent controls on that type of accommodation. We're talking about rent controls on older units where the cost of construction was a great deal different.

This is where I would come back to what we mean

by "fair market value". What are we looking at? Are we looking at an apartment building built by somebody in 1960, when you could build an apartment for \$3,000 or \$4,000 a unit? Admittedly the cost of building this same unit today would probably be \$30,000 or \$40,000 a unit, substantially higher in any event. But I suppose to the person who has that older building, fair market value would be what that building would fetch in a very tight market. I would argue that at least in the private housing market prices have got out of control. But are we going to relate that to the reasonable rent that particular landlord can obtain in his accommodation in an older building built at a time when costs were substantially less?

The minister can argue, sure, that's fine. maybe the fellow has just bought an apartment building that was built some years ago; what about that individual? Mr. Chairman, again I think we are in a situation where if we remove rent controls, as we are scheduled to do by July 1, 1980, at least some people who built their accommodation 10 or 12 years ago are going to be in a position to reap undue reward from past investments, unless we do one of two things: we completely turn about the accommodation question so there's a surplus of units on the market so the free market system can work, or, alternatively, we have some kind of landlord and tenant legislation with a continuation of a modified form of rent controls until such time as the vacancy situation makes it possible for the market system to work.

MR. HARLE: Mr. Chairman, responding to the hon. member first of all on the matter of the franchise legislation. I'm not aware of the particular incident raised by the hon. member. However, I do have contact with the chairman of the Alberta Securities Commission, and I know that she and the industry are concerned with the present legislation. I've asked her to ... She, obviously understanding the franchise legislation, is aware of the need for some updating of the legislation. That is being attended to.

However, there are one or two other things that have somewhat higher priority. I would suggest that the updating of the Securities Commission legislation itself, and perhaps even commodities legislation, should come ahead of franchise. But certainly work is being done in the area of franchise legislation.

I might also say my recollection is that it was an agenda item, and referred to by the federal/provincial ministers when we met in Victoria. I'm sure the hon. member realizes there are different approaches taken to franchise legislation. We have one type, some of the other provinces have others. I think there's a great need to make sure there's a meshing of this legislation across Canada.

With regard to warranties, again warranties have been discussed at the federal/provincial meetings, in particular the meeting in Victoria. I think the hon. member and members in the Assembly will be aware of the rust corrosion matter dealt with by the federal government. There's a need to recognize something I quite frankly think Saskatchewan has to watch: any time you are dealing with warranties, you are in effect going to affect the cost of the product. I think I'm right in saying that much of the Saskatchewan legislation has not been proclaimed. If it were, their citizens would be having some considerable difficulty

getting products which are manufactured in the rest of Canada. So I think we have to be careful.

I might add that I was rather interested in the response the Minister of Agriculture made on the question relating to warranties on agricultural machinery, when he pointed out that a lot of people would rather have the product and not have the warranty if it's going to result in additional cost. So I think we have to take this matter of warranties very carefully, and I know that all consumer ministers across Canada want to make sure we're proceeding in a regular manner. I'm sure Saskatchewan, if it did proclaim its statutes, would simply be out of step and have some difficulty getting supplies.

On rent decontrol, the hon. member related some of his comments to vacancy rates. I'm sure he is probably aware, and others are aware, that CMHC are surveying matters and statistics they pick up from their survey, but it does not necessarily indicate the vacancy rates on a general basis across the rental housing market.

One of the points that I think has to be made with the present rent decontrol program is the dropping workload. For example, of the landlord applications we've had as of April 17, only 34 are outstanding; and of the tenants' complaints and requests, we have only 233 outstanding. There are only 10 appeals presently outstanding. The result is that we have reduced our staff in the rent decontrol offices from a high of about 53 in 1976 to 38 at present. We'll be withdrawing from Grande Prairie. We'll be reducing staff, if not eliminating the offices, in Medicine Hat, Lethbridge, and Red Deer. In addition, there have been reductions in the two cities. In other words, the complaints are not coming forward nor are the applications, which would tend to suggest to me that in fact there is more of a balance; and the housing that's coming and will come on stream, as described yesterday in the estimates of the Minister of Housing and Public Works, would certainly show a tremendous improvement in that area. However, getting statistics and being able to have statistics still remains somewhat of a problem.

With regard to fair market value, I'm a little puzzled as to what the hon. members is referring to. Fair market value is not a concept that was built into the rent decontrol program, nor into The Temporary Rent Regulation Measures Act. However, we have the concept somewhat in place in the regulations which we passed under The Rent Decontrol Act, whereby we can change the base rents. In that type of situation, the type of policy we're using is obviously to relate the rent in a unit, which might be in an apartment building, and to say, well, that rent should be somewhat the same as the other rents in the building. If the point at issue is a private dwelling house, then it might be, what are rents in the neighborhood of that particular house? That's as far as we've gone with that concept.

With regard to landlord and tenant legislation generally, we're at the third draft stage and there's a great deal of work yet to be done. I agree with the hon. member that there is a need to provide a balance, and we are struggling hard to make sure there will be that balance.

MR. NOTLEY: Mr. Chairman, I'd like to follow up very briefly with some comments on this question of war-

ranty legislation. I suppose the argument can be made that tough warranty legislation in a single market area — Alberta or Saskatchewan — could present some problems, although I just want to separate two things, and that is the provision for a minimum warranty from the provision of understandable, readable warranties.

One of the things the Saskatchewan legislation points out is that the warranty, whatever it is, set out by the manufacturer should be in a readable form. It seems to me that is something that can be done on a small market by market basis. It seems to me, though, that the question of tougher warranty legislation is one where there may be an argument for a co-ordinated national approach. I would like to recommend to the minister that what we should see our consumer ministers undertaking as a national project would be a draft program that would set out minimum warranties and allow certain flexibility where required, but we would then legislate as TO provinces more or less in the same time period.

I don't believe the minister can suggest that is going to be difficult to do. Obviously it isn't easy, because governments have different priorities. But I would remind the minister that the supporting legislation for the Wheat Board showed that in a matter of few months you could get governments with totally different complexions passing enabling legislation. I would say if we were to move in the area of consumer warranty, first of all if the ministers were to develop an agreeable, acceptable bill or piece of legislation, as I see it the next step would be to see that legislation introduced throughout the country.

I listened with interest to the Minister of Agriculture when he indicated that if the choice were paying more for a warranty or getting the tractor for less, people would choose the tractor for less. Of course that happens until there is a breakdown. All of a sudden we have a rather different attitude on the part of people. One of the advantages of a general national approach to warranty is that we would be in a better position to appraise the cost of warranties. For example, how do we know the figures sometimes used by the private sector to say, all right, you're going to bring in warranty legislation, the cost is going to go up by X amount — to what extent are we in a position to judge whether those figures are reasonable or not?

One of the advantages of a general national approach — I'm not saying the federal government doing the legislating, but the 10 provinces legislating in a similar way — would be that if someone wants to buy a tractor the rule book would be the same in Newfoundland or in PEI as it is in Alberta. I think that would be one way of making sure consumer rights are protected and the costs of warranties are spread over the total market in Canada, as opposed to an isolated area.

MR. HARLE: Mr. Chairman, I think we've really anticipated the thrust of what the hon. member has said, because in fact a committee of deputy ministers is now working on that problem. With the other ministers across Canada, it has certainly been my position that we should take that approach and, of course, be continually conscious of the cost such a warranty might do to a product. Because obviously if it be-

comes too burdensome, all it does is increase the price, and of course the consumer has to pay.

Agreed to:

vote 1 — Departmental Support Services:	
1.0.1 — Minister's Office	\$112,673
1.0.2 — Deputy Minister's Office	\$108,370
1.0.3 — Finance	\$172,840
1.0.4 — Personnel	\$92,965
1.0.5 — Research	\$90,356
1.0.6 — Resource Centre	\$79,504
1.0.7 — Administration	\$233,750
1.0.8 — Systems Design	\$125.606

MR. NOTLEY: Mr. Chairman, I could raise this under the Automobile Insurance Board, but I won't. Pages 7 and 8 of the annual report of the Automobile Insurance Board talk about a classification system for identifying different degrees of rates. It says "actual experience" — no question about that; experience of the driver obviously should go into the rate structure — but "that the sex of a driver is a supportable factor in such classification." Then on page 8 it goes on suggesting that Section 3 of The Individual's Rights Protection Act be amended so the use of the sex of any person in termination of insurance premiums would be exempted.

Mr. Chairman, I wonder if the minister could outline to the committee where he, as minister, stands on this particular proposal of the Automobile Insurance Board: that in fact we amend The Individual's Rights Protection Act and allow that kind of classification, which I can only assume will lead to a substantial further hike in insurance rates for young male drivers.

MR. HARLE: Mr. Chairman, the present system the insurance companies use and have used for many, many years is a difference in sex. Of course the reason is that the male has more accidents than the female, with the result that premiums for the female tend to be lower. As I indicated in my answers to questions in the House a few weeks ago, the Human Rights Commission presently has before it one aspect of this problem. I believe I'm correct in saying there is also some interest by the Human Rights Commission in the area of automobile insurance rates.

So far I have taken the position that this matter should be dealt with by the Human Rights Commission, and to see what the results are should they look into it. One of the problems I had at the time was that I knew the report was coming and there would be reference to it, although I didn't know specifically what the board would recommend. I think that's one of the aspects of the problem. There is a recommendation that legislation be amended. At the moment I have taken the position that the matter should be before the board, and to see what the results are. I wouldn't want to prejudge that.

MR. NOTLEY: Mr. Chairman, just to follow that for a moment. Is it the position of the government that they will take the advice of the Human Rights Commission, or is it the position of the government that we are going to wait until the Human Rights Commission reports, take this particular report and the human rights report, weigh the two, then bring in this report?

MR. HARLE: Well, I'm sure representations will be made by a number of hon. members once the two reports are in.

MR. NOTLEY: [Inaudible] the position of the government would be essentially to take its own reports, as opposed to, in essence, saying you're referring this to the Human Rights Commission and we will live with whatever recommendations come from them. I shouldn't say you're referring it, because I gather it's there for some other reason, but we will take the view of the Human Rights Commission. I gather it's going to be an open judgment decision when the Human Rights Commission makes its report available to the minister and the government.

MR. HARLE: Well, as minister responsible for the insurance companies, I might well take one position and have to try to persuade my colleagues as to what should or should not be done. I think it's prejudging the matter until we know what attitude the Human Rights Commission might take.

MR. NOTLEY: At this stage there is some doubt in your mind? There doesn't seem to be a great deal of doubt in the mind of the insurance board at this stage. They're saying there should be an amendment to The Individual's Rights Protection Act. Reading The Individual's Rights Protection Act, I would assume that it's a clear situation, that insurance companies can't do this. But is there some ambiguity in the minister's mind at this stage as to whether or not there would necessarily have to be an amendment to The Individual's Rights Protection Act?

MR. HARLE: Well, I think I've said the position I think it should be, and that is to await the results of any decision that might come, assess the matter, and see whether or not there should be an amendment. At this stage I think it's too early to say one should have a view one way or the other.

MR. COOKSON: On that point, in line with the case made, I think, by the Member for Spirit River-Fairview suggesting human rights should perhaps take precedence over the insurance board on this matter, I wonder if the minister could indicate what the impact on premiums would be if insurance companies were to eliminate the sex and age differences. Could the minister indicate at this time his own opinion on how it might affect insurance premiums if these differences were all eliminated? Who's going to be the loser in this crowd, and who's going to be the winner?

MR. HARLE: Well, that's a pretty difficult question to answer, Mr. Chairman. However, I think the general statement can be made that people who benefit from lower premiums will pay higher premiums.

MR. COOKSON: Mr. Minister, is it fair to say that if we apply the Bill of Rights to this particular business of insurance, the females are going to be the losers and the males are going to be the winners, and the younger males are going to be the winners and our age are going to be the losers? Is that a fair statement?

MR. NOTLEY: That's a subject for debate.

MR. HARLE: No comment.

MRS. CHICHAK: Mr. Chairman, this is the very point on which I wanted to make one or two remarks, the very point the hon. Member for Lacombe raised; that is, the basis on which the premiums are determined by the insurance board and by the insurance companies. I think if we take into consideration that the premiums are set on several points — one is the record of the individual driver, the age of the driver, and the statistics that indicate whether there is some difference with respect to the care and attention with which automobiles are being operated with regard to people in various categories, whether it be male, female, or different age categories.

It would seem to me that if we removed all those differentiations, classifications, and categories, we would [be] put into a position where the insurance companies would be required to set one category and a premium effective with respect to the overall total statistics of safe or unsafe driving. And I think that perhaps all those who might fall into a category overall, who are now benefiting from lower premiums because of the attitude, manner, capability, and competence with which they operate vehicles, would in fact be the losers. We would all be paying for that segment or sector of society that in the majority has a tendency to be less careful and less responsible.

I think to address one's mind or attention simply to the matter of sex with regard to the classification or categories is not looking at the whole issue. We would then have to look as well at the issue of age differentiation. I think the statistics are being borne out that a number of age categories create statistics comprehensively, statistics that indicate where the greatest percentage of cost is related insofar as settlements regarding accidents, be it damage to property or human life. So I would hope that if there is before the Human Rights Commission at this time if I've understood the hon. minister to indicate — the matter with respect to the differentiation of sex, and that the only point being raised, it would seem to me it would be incumbent on the Human Rights Commission to look at the other category of age, in which there are a number of categories irrespective of sex.

If the Human Rights Commission looks only, singly, at the matter before them — that is, the one of sex — I would hope that whatever recommendation comes to the minister he will then consider looking at the whole of the matter before coming to some decision.

MR. HARLE: Mr. Chairman, that would be my approach. I think I have indicated that. The statistics used by the insurance industry of course are gathered in the green book, and there is all kinds of statistical theory behind the various classifications made for assessing the risk undertaken when an insurance policy is placed.

I might add to that and say that where we're involved under the statutory limits of the compulsory part of the policy, those various premiums are reviewed and approved by the Alberta Automobile Insurance Board. The board of course employs its own actuary, so that where premiums are based on slightly different statistics that an insurance company may produce, the board's own actuary tests those

statistics and the information they supply. So in fact there may be some factors beyond the usual ones in the green book which an individual company might consider.

For example, common-law spouse situations. Obviously in some common-law spouse situations each party wants to be treated as a single individual. The single person's rates are generally higher than a married person's. I believe the companies have worked out a system of, if the common-law relationship exists for so many years, they are treated as married and get the lower premium rate. But obviously that depends on the two individuals, because notwithstanding the fact that they may be living together for many, many years, they may still wish to be treated as single.

MR. NOTLEY: Since we're into this topic, I'll make a few observations. Mr. Chairman, I think first of all we have to realize that things are a little different in this province than they were prior to 1963. Prior to 1963 you paid, I believe, a dollar or two dollars — the Member for Drumheller can correct me if I'm wrong — and it went into the unsatisfied judgment fund. But it wasn't necessary to take out compulsory insurance, and as long as you paid your little bit of money into the unsatisfied judgment fund when you obtained a licence to operate a motor vehicle, you did not have to have compulsory PL and PD.

I thought at the time that was an unsatisfactory situation. In 1963 the government moved, quite properly in my view, to bring in the compulsory legislation necessary for people to purchase public liability and property damage. By the same trade-off, once we move from that area where it's up to the individual to the point where as a state we are saying you must take out PL and PD, then, Mr. Minister, we usher in all the ramifications of the rights of the individual. We didn't do that before, because if it was really up to me or to you whether we take out insurance, then I suppose you could argue that insurance company A could have this kind of classification system, insurance company B could have that kind, and insurance company C could have that kind. They could have all sorts of discriminatory arrangements within their classification systems, because it really wasn't a matter of compulsory purchase of insurance.

But when we as a Legislature decided that the driver must have compulsory insurance, we ushered in the quite proper debate, in my view, of where the line is drawn between the demands of an insurance company to limit their risks and the rights of individuals to their own lives and their own privacy. It seems to me that's the situation we are facing today with these various attempts by the insurance industry to reduce risk. I can appreciate that.

If we're running an insurance company, obviously there's statistical information that shows that younger male drivers are more likely to have an accident than drivers 65 to 70 years of age. As a consequence they pay more. Statistical information and actuarial studies will show that a man 21 years of age is more likely to get killed in an automobile accident than a family man of 45 with six kids. Fair enough. Obviously the industry is going to try to have as many classifications as possible to reduce their risk. That's an understandable move for them. I can't blame any insurance company for trying to reduce the risk.

But I say that once we make insurance compulsory, we as a Legislature have an obligation to look at the other side of the coin; that is, how far can the insurance companies move in limiting their risk before they begin to interfere with the rights of the individual citizen? That is not a question we can take lightly. It's not a question we can answer by saying, well, insurance premiums will go up a little bit. Of course the industry is going to tell us insurance premiums are going to go up if we insist that they aren't allowed to classify, classify, classify, classify. If we really say, okay, let the classification system work and let's take away all the barriers to classification, Mr. Minister, we're going to have some very interesting things.

I would hate to say what the incidence of fatalities would be for young male natives between the ages of 16 and 24. Everyone in this room knows that the incidence of automobile accidents and fatalities would be significantly higher. Are we going to allow the insurance companies to say, all right, because you are of native origin and live in Wabasca . . . In northern Alberta they're already saying, you have to pay more rates. But if you're of native origin, you're going to pay more as a result? That's the natural extreme of the whole classification argument.

As I say, the insurance companies are going to push that as far as they can to reduce their risk. Our obligation, and the clear obligation of the Automobile Insurance Board, is to define as narrowly as possible what is an acceptable classification procedure, so it does not interfere with the legitimate rights to privacy of the citizenry. That all becomes terribly relevant once we as a state legislate that people must take out compulsory insurance. I know it's not an easy matter to solve, but I do think it's probably worth while that the Human Rights Commission is looking at it.

I hearken back to — I believe it was 1973 or '74; I could be mistaken — when the hon. Member for Calgary Buffalo introduced a resolution in the House. That resolution, as I recall, suggested we should say to the private insurance industries, stop discriminating on the basis on youth. Set up your classification system on driving record. If people have a bad driving record, charge them accordingly, but don't discriminate on the basis of youth. I remember at that time various hon. members in the House got up one after another to support the resolution, and quite properly so.

The industry will want to use their actuarial tables to reduce their risk. In conclusion, I think our obligation, once we accept the proposition this Legislature did some years ago — that the price of being able to operate an automobile is to take out insurance, PL and PD — the logical consequence is that we must be on guard to protect the individual rights to privacy of our citizenry.

MR. HARLE: Mr. Chairman, I think we've really anticipated the hon. member, because that is in fact what the board does. The board uses the statistics produced by the green book, which is authorized by all the superintendents across Canada, and the collection of those statistics and the statistics that are there. When an insurance company presents for approval a premium which is at variance with the green book statistics, the Alberta Automobile Insurance Board requests the company to demonstrate

why it should have a premium which is at variance with the normal statistics. So in fact they're doing that now.

When you say it's the demand of the insurance companies to limit their risk, I think perhaps that statement really is not an understanding of what is involved in the insurance area. Because after all, insurance is a principle of the many paying the premiums to cover the losses of the few. Then you come down to trying to break it down so that people who have a certain risk start to pay a premium which is proportional to that risk. For example, in this province there are three rating territories, and when you work out all the combinations of categories you get up into many, many thousands of possible combinations.

I know that some of the state-operated systems have attempted to reduce those categories, but one of the consequences of that reduction is that people who have a lower risk invariably wind up paying a higher premium.

Agreed to:

Total Vote 1 — Departmental Support

Services

\$1,016,064 Total Vote 1 — Capital \$2,820

Vote 2 — Consumer Relations and Education

MR. MANDEVILLE: Mr. Chairman, could the minister very briefly outline some of our consumer education programs in effect now; if he's been doing any monitoring as to what effects our educational programs have on the consumer; and if there's any intention of expanding on any of the existing programs or adding any new programs to consumer education?

MR. HARLE: Mr. Chairman, I think at the present time I'd refer the hon. member to page 82, where it sets out basically the consumer education package that's worked in co-operation with the school system, the postsecondary educational institutions, and community groups. As far as the schools are concerned, the concept is to basically provide a resource for teachers. As far as the postsecondary educational institutions are concerned, we are providing funding for consumer education. We're supplying the people to do it and are running courses. As far as community activities are concerned, of course when anybody approaches the department who wants to put on a course and have someone speak on topics, there are resource people available. The general emphasis is to place more on education than on problem solving.

MRS. CHICHAK: Mr. Chairman, I wonder if the hon. minister might make some remarks with regard to whether there have been any complaints to his department with respect to the new direction a lot of advertising has taken with respect to the many products on the market — specifically where the advertisers are now using children as the mechanism by which to draw greater attention to their products, thereby an inducement or enticement for children is used to pit them against their parents to influence the purchase of these particular products. Have there been any significant complaints, or has it been drawn to the attention of the minister whether the consuming public feels this type of advertising is somewhat inappropriate or has undesirable connotations?

As well, I would like to ask the minister if he has any information at hand or is prepared to indicate whether his department receives any significant number of complaints with respect to professional unethical practices; if there is any significant area where there's a greater statistical proportion of complaints to the department on the part of consumers; how significant are complaints, if any, with respect to the nature of warranties; whether consumers are finding that what is basically interpreted to them, or where they are led to believe certain warranties are in existence and in fact they are not, but they uncover that that is not what they had anticipated or interpreted at the time of purchasing various products.

MR. HARLE: Mr. Chairman, with regard to children in advertising, as far as I'm aware not too much has come to our attention. The federal Department of Consumer and Corporate Affairs of course has had a fair amount of concern expressed by the public in this area. I believe they have taken steps to improve that situation. I also believe most of the type of advertising the hon. member is referring to is media advertising. The advertising councils have of course been involved and, from my own personal view, there has been a great and very positive shift in advertising as far as children are concerned.

As far as professional practices are concerned, of course we do have them in the area of real estate agents and insurers. But as far as other types of professions are concerned, I would say no. Most of them are referred to whatever professional body they might relate to.

I believe there is a breakdown of the complaints of various areas in the annual report of the Department of Consumer and Corporate Affairs. I would say the most noticeable area still relates to the automobile.

Agreed to:

Total Vote 2 — Consumer Relations

and Education	\$2,472,412
Total Vote 2 — Capital	\$3,475

Vote 3 — Business Registration and Regulation:

3.1 — Development and Regulation of

Co-operatives	\$387,444
3.2 — Regulation of Insurance	
and Real Estate Industries	\$816,329

3.3 — Regulation of Automobile Insurance Premium \$60.275

3.4 — Business Incorporation \$1,521,751

and Registration

3.5 — Registration and Regulation of Trust Companies \$68,042 3.6 — Regulation of Credit Unions \$473,800

MR. MANDEVILLE: Mr. Chairman, before you get to the total vote, I'd like to ask the minister a question in regard to tax discounters. Does the minister intend to bring in any legislation or regulations as far as tax discounters are concerned as a result of the study that was conducted, which indicated some of the tax discounters were getting up to 612 per cent per year for handling this service? I would like to know if the minister has made any assessment with regard to the

legislation passed in Saskatchewan and Manitoba, where they put restrictions that they have to pay back up to 90 per cent of the money refundable. Is it directing any of the tax discounters from these provinces — from Saskatchewan and Manitoba — to Alberta as a result of this legislation?

MR. HARLE: Mr. Chairman, I think there have been some developments rather more recent than those alluded to by the hon. member. The federal government has just had some amendments to the Income Tax Act on that subject. I understand it proceeded to third reading yesterday and is now in the Senate, as a result of which, I believe I'm correct in saying, tax discounters will have to pay back 85 per cent. I've had several phone calls of late from the industry in this province indicating that no doubt they will have to close up shop. Whether that occurs, we'll have to wait and see.

I might say my position has been not to make any changes in our own legislation. We have taken a position with the federal government that they should speed up the processing of tax returns so the people get their rebates quicker. We have the concern that even if these people are not allowed to operate, the demand for money is so great that the question immediately arises as to where these people are going and what they are going to do. It's all very well to eliminate an industry, but on the other hand where are they going to go? Our fear is that instead of a legitimate business, they are subjected to what I would consider to be loan sharking, loans made in bars, and a real difficult problem for these people for whom there was at least an industry supplying a need

DR. BUCK: Mr. Chairman, a question to the minister. This has to do with automobile insurance in that the so-called 'fender-benders' — I believe if the damage is under \$300 a policeman does not have to appear if there's been no bodily damage. In the city of Edmonton, if two cars collide and it looks like the damage is under X number of dollars and nobody has been hurt, you move the cars out of the road, report the thing, and away you go. Now the representation is made to me that there's so much manpower tied up, which would have to do with the Solicitor General's Department, that a lot of our police, especially in Edmonton, Calgary, and the large cities, spend a lot of manpower and man-hours on these so-called 'fenderbenders. Apparently British Columbia has the limit a little bit higher. If it's below \$500 the policeman doesn't have to come out. Can the minister clarify that for me?

MR. HARLE: Mr. Chairman, I'm sorry I can't. I know there's a reporting limit which is in the statute, and whether or not that is at the right level... Perhaps the hon. member could take his representations to the Solicitor General. I'm sorry, I can't add anything.

DR. BUCK: Mr. Chairman, to the minister. I think the minister should speak to the insurance industry on this matter, because right now, if the limit is \$300 that has to be investigated by a policeman. In this day and age all you really have to do is kick the fender once and it's \$300, and if you kick it twice it's going to be \$500. It's just about that bad. The representa-

tion I'm making to the minister: if he can consult the industry and find out if that upper limit should be raised, so we don't waste a lot of manpower on 'fender-benders'.

MR. HARLE: Mr. Chairman, I agree in a basic way with the representations that are made. On the other hand, I think it is necessary that policemen do get out to the scene of accidents to check that there's insurance and all the rest of it, because after all, that is the one point where it becomes very, very important that a check is made as to whether or not the drivers have insurance coverage.

DR. BUCK: Mr. Chairman, to the minister. Because we have an enforcement division we assume that you have insurance. Everybody is supposed to have insurance. That's the basic premise we operate from. But I am saying that because you don't have to wrinkle much of a fender now, when we get a snowfall you could tie up half the police force in Edmonton just running around straightening up 'fender-benders'. Surely our police force has better things to do than that. I'd like the minister to review that with the insurance people.

DR. PAPROSKI: Mr. Chairman, to the minister. I've heard these comments a number of times, that real estate agents are to provide full disclosure to those who list property. I understand it's the policy of this particular government. On a number of occasions I've heard that where the consumer in fact lists the property and is not aware that he can cancel that particular listing and sell that property by himself or herself, as the case may be ... I'm asking the minister whether he's aware of these kinds of complaints. Is he prepared maybe to consider expanding the type of information that goes to the consumer listing that property so he's aware of his rights? In spite of the fact that he chooses voluntarily to list the property, he should be aware that he can cancel the listing and in fact sell it himself at a future date, whatever the date may be or whatever rules apply.

MR. HARLE: Mr. Chairman, I think the hon. member is relating to a general listing or an exclusive listing, and obviously if you read the contract it tells you a lot about what you can do.

DR. PAPROSKI: Mr. Chairman, is the minister aware ... I'm not asking him for the details now because they may not be at his hand, but my understanding is that the listing can be cancelled in all cases and this is not necessarily specified on the listing sheet. I'm requesting that maybe the department would review that matter with the expectation that information be provided to each consumer, that here are some points you should recognize. It's a consideration.

Agreed to:

Total Vote 3 — Business Registration and Regulation
Total Vote 3 — Capital

\$3,327,641 \$71,600

Total Vote 4 — Regulation of Securities Markets
Total Vote 4 — Capital

\$1,102,430 \$16,200

Vote 5 — Rent Decontrol Administration

DR. PAPROSKI: Mr. Chairman, a very brief comment on this particular item. I'd like the minister to respond to two brief questions regarding landlord and tenant advisory boards, recognizing the good work they've been doing as I've indicated before. I know the minister supports that particular item. Mr. Minister, I wonder if you'd comment regarding the potential of expanding their authority across this province to mediate disputes in a quasi-judicial way, recognizing the stress and cost many tenants must go through, or landlords as the case may be. I'm talking about the many, small landlords in this province. Maybe some of the disputes could be resolved if they had expanded authority to deal with landlord and tenant problems, finally allowing always, of course, the landlords or tenants to go to court proceedings if the situation is not resolved satisfactorily to both landlord and tenant.

Mr. Minister, has funding to these boards increased? Is it the intention of the department to increase the funding to a greater degree, recognizing the possibility and potential of increasing their activity, the good activity they are doing now? And is the minister seriously considering expanding their authority in a quasi-judicial way?

MR. HARLE: Mr. Chairman, the boards are not funded by the government. They are municipal boards which are set up under permissive legislation, and the municipality can take advantage of that legislation to set up those boards. No funding is provided directly by this department. However, we have funded the establishment of an organization that goes by the name of AMSALTAB, I believe, which is all of the landlord and tenant advisory boards that meet together to discuss common problems.

Agreed to:

\$1,359,919 \$1,930
\$2,820
\$3,475
\$71,600
\$16,200
\$1,930
\$96,025
\$9,278,466

MR. HARLE: Mr. Chairman, I move that the estimates of the Department of Consumer and Corporate Affairs be reported.

[Motion carried]

Department of the Attorney General

MR. CHAIRMAN: Mr. Minister, do you have any opening remarks?

MR. FOSTER: Mr. Chairman ... [interjections] What's that? Well, I've got 61 minutes. I think I can

do it in that time. [interjections] And a little longer.

Mr. Chairman, this is the first department that has not gone through subcommittee of the Assembly, so I'm a little at a loss to know what members of the House may be interested in with respect to this budget, particularly members of the opposition. So I think I'll assume they are on the same tack they were last year — that may be a safe response — and begin by dealing with manpower considerations.

The total budgetary increase is primarily accountable by the fact that there are 160 new positions in these estimates, 122 new positions and 38 project positions. I'll just summarize them for the members: 45 in program 1, 68 in program 2, 37 in program 3, four in program 5, four in program 6, and two in program 8, for a total of 160.

Mr. Chairman, I could indicate that by rough category the personnel increases break down as follows: provincial judges, three; solicitors, 14; management category staff, five; judicial clerks — this is primarily program 2, Court Services — 52 positions; support staff in many votes, 62 positions; library staff, two; court reporters, 16; social workers, two; one bailiff; one estates officer; and two investigators — that would be gaming control.

The figures include 42 Kirby positions. This is the third year of Kirby implementation. Of those, 31 positions are in court services. There are three judges, four counsel, and four support staff. That's the Kirby component of the staff.

I'd like now to go through each vote briefly and indicate to the Assembly where the significant budgetary changes are. With respect to Vote 1, it's a total differential increase of \$954,000-odd, which breaks down as follows: wages in my office of \$9,000; \$92,000 in deputy minister, which is largely a transfer in of three positions and a conference funding; a decrease in Information Centre; a decrease in Administrative Services of \$54,000; an increase in Personnel of \$134,000, which is three new positions and two transferred in, with the usual increase in travel, rotation of staff, training, et cetera; an increase in the Finance division of about \$800,000, which is three new positions and a project pool of some 16 reporters and 20 support staff, including the usual supplies and services increase for that vote.

In Vote 2, Court Services, you will note that we have brought all courts under one vote. Some might say we amalgamated them. I'm not sure that's quite the right expression. A total increase in Vote 2 of \$2,085,000-odd; beginning with Court Support Services, an increase of \$433,000-odd, which again includes new staff positions. With respect to court reporters' special duty, an increase of \$101,000 for travel, transcription fee increase, reclassification, and computerization of transcript services equipment. In the chief provincial judge's office there was an increase of \$33,000. Provincial court libraries increased by \$218,000, and supreme and district court libraries by \$51,000. A decrease in provincial court systems improvement of \$90,000. That's largely the fact that our new recording equipment has been acquired, and we no longer need that major expenditure this year.

There is an increase in Provincial Courts of some \$984,000. That's primarily 35 positions being allocated in that area — I can go into detail later if members wish — with attendant increases in wages,

training costs, travel, et cetera. The increase in Juvenile and Family courts is \$255,700-odd: three new positions, and appropriate travel and related expenditures. In this case there's a transfer in of 15 court reporters, and court fees would be increased, of course. Small Claims Courts increased by \$63,000. Supreme and District Courts increased \$337,000, again primarily new positions across the province, principally in Edmonton and Calgary. However, they include Lethbridge, Medicine Hat, Grande Prairie, and Fort Macleod.

Vote 3, Legal Services, an increase of \$1,354,000 made up as follows: an increase of \$465,000 for Crown counsel. That includes a total of 18 staff, including support staff in that area. Legal research and analysis, \$25,000; the law reform grants to the Institute of Law Research and Reform at the University of Alberta, an increase of \$19,000. Legislative counsel increased by \$14,000. Civil law division increased by \$603,000, which includes three new positions in that area, two of them transferred in. Gaming control, an increase of \$157,000, which is essentially three new positions: one assistant chief inspector and two investigators. I mentioned those earlier. An increase of \$57,000-odd in the assistant deputy minister's office; that's essentially our constitutional law section, three positions there. Board of review increased by \$10,000 to cover the board's cost for additional psychiatric examinations requested by the board. Then a series of grants, which I'm again happy to go through if members wish.

Vote 4, Support for Legal Aid, an increase of \$230,000, bringing our legal aid grant in this budget to \$4.1 million. While I'm on that subject, perhaps I could just refer to the legal aid budget for this year and indicate that the total budget this year is expected to be \$4,470,000. That's a \$4.1 million government grant, recoveries of \$360,000, and other income of \$10,000. I have the budgetary figures here, if any members wish to discuss legal aid in that detail.

Vote 5, Protection and Administration of Property Rights, an increase of \$523,440 made up as follows: Public Trustee, \$40,000, which is two new positions in Calgary. I might say there has been no increase in the public trustee's office for several years. Central Registry, an increase of \$326,000. I think hon. members will be happy to hear this is largely to develop a computerized registry system. Our workload is increasing in that system at roughly 16 per cent a year, and we are going to commence file conversion to computerization. There are two new clerk-typist positions in that area in Edmonton. Land Titles has increased by \$130,700-odd, and Land Compensation by \$26,000-plus.

Mr. Chairman, Vote 6, Fatality Inquiries, an increase of \$279,730. This includes two medical investigators and two clerk positions. There was some discussion about the chief and deputy chief medical examiners, forensic pathologists, and that kind of business, which no doubt we will get into in a moment; and the usual office expense increase.

Crimes Compensation, Vote 7, \$35,800 to that board. Vote 8, Public Utilities Board, an increase of \$118,540, which includes two clerk-typist positions, an increase in advertising and in board hearings in rural areas, then certain equipment and the like.

Mr. Chairman, that's a brief overview of the budg-

etary increase of the Department of the Attorney General. I'd be quite happy and interested to respond to questions and concerns of members of the House.

DR. BUCK: I'd like to ask of the minister one or two things that maybe he can enlighten us on and enlarge upon.

First of all, the question my hon. colleague the Member for Bow Valley asked: basically what we're going to do to attract more lawyers into the Attorney General's Department. I know that last year when we passed the budget, relating to the Kirby report we were going to streamline and upgrade our courts. The entire Legislature was enthusiastic about that and granted the funds to the minister. I think we should now look at some type of system, be it going to contracts or whatever method we have to, to attract the top people in the profession to the Attorney General's Department.

It seems it has long been a fallacy that — I know when I was on staff at the university, they used to always say, well, if you can't make it in private practice you can always go to the university. Rightly or wrongly, I think this has carried over into government services. For many years people have said, if you can't make it out on civvy street, come and work for the government. They don't pay as much, but you don't have to know as much. Unfortunately governments have always been branded with that; we take what nobody else wants.

So I think we have to be realistic. If we want one of the best judicial systems in Canada, we have to pay for it. It's just that plain and simple. So I would like to say to the minister that he certainly has our wholehearted support to go ahead and hire the best people we can get and make the funds available. I think it has to be that way. As my hon. colleague said, we can't have people getting a standard salary, then moonlighting so they can pay the bills. We want to attract top people; we have to pay top money.

Secondly, the area of legal aid bothers me. The area that concerns me is that we hear so much about medicare; we're entitled to medical coverage. We have medicare. We're looking at denticare — we have part of it now with the extended benefits program to senior citizens. We have pharmacare. I think one of the largest expenditures that we as members of society have is legal costs.

I'd like to bring a good example to the attention of the minister, just to point out that a defamation case took place where one man was suing another for \$85,000 for defamation of character. The prosecution lost the case, so the prosecution had to pay \$5,000 court costs. Then the defendant's bill came to a tidy \$23,000. I would like to be doing dentistry. I have to work for a long time to make that type of salary. Really, a bill of \$23,000 is not like the \$110 worth of pills you may buy in a year for your family, or the \$200 worth of dentistry or \$400 of medical coverage you provide for your people. But when you get a little bill of \$23,000, it may take you 15 years to get out of that kind of situation.

I think we have to look at really . . . If it's a private plan, fine. But I think somebody has to start initiating some action in this area. I'm sure the hon. Attorney General has read the last Time magazine. In the United States everything is becoming so involved that unless your son or your father-in-law or somebody is

a lawyer, you can hardly operate. As our society becomes more complicated, we're going to require more and more legal advice. So we're going to have to look at this area. We have legal aid now for the indigents and the people who have no income. But how about the man who is just getting by on his own?

So I would certainly say to the minister and the government, because we've always advocated medicare, denticare, pharmacare, you-name-it-care: let's have a look at this area. If it's going to cause a financial crisis in your life, I think legal fees will do it more than some of the medical fees.

Another area the minister can enlarge for us: matrimonial property. First of all, I'd like to know if the legislation is coming before the House this spring or if it's going to be held over till the fall. Secondly, I'd like to know in this regard if the minister can advise why the government chose to follow the route of the minority recommendation of the Institute of Law Research and Reform rather than the majority view. Possibly the minister can indicate to us that he received some expert advice from his convention in Calgary, and what that advice was as far as matrimonial property goes. Is the government considering changing to deferred sharing rather than judicial discretion? I'd like to know the government's philosophy on this.

Mr. Chairman, there will be other questions as we go through sections: the gaming regulations, the Laycraft Inquiry, and some of these things. So with that brief introduction, Mr. Chairman, I thank you.

MR. NOTLEY: Mr. Chairman, first of all, I have a number of specific questions for the minister on the question of legal aid. For example, how many resignations have there been from the Alberta Legal Aid Society in the past six months? Are these resignations related to the financial pressures the society is experiencing? Where do we stand now on regulations covering financial eligibility for legal aid? It's my understanding that these regulations have been tightened in recent months. It's also my understanding that the current practice is to demand a deposit from clients before a case proceeds.

Mr. Chairman, I'd also like to know whether or not the resignation of the Legal Aid director, Mr. Sommervill, was in any way related to financial pressures within the organization. I think it would be useful if that information were discussed.

Let me just say a word or two on the observation made by the Member for Clover Bar. Basically what the member is advocating is a form of legal care.

MR. FOSTER: Judicare.

MR. NOTLEY: Judicare; we might call it socialized law. You can call it anything you want, but it's a form of ... [interjections]

However, I don't think we should be dismissing this out of hand. When one talks about right to counsel in an increasingly complex world, Mr. Minister, the Member for Clover Bar is correct. It's the working guy who's just earning that \$200 a week. Suddenly he has a legal problem, and he may not qualify for legal aid. Yet at the same time the bill that comes from our legal fraternity — while I realize, with all these lawyers in the House, that our legal fraternity have been earnest in their desire to keep their bills

down in this time of fighting inflation and belttightening and what have you, and I certainly appreciate that noble gesture on behalf of the profession the fact of the matter is that it still creates a hole in the pocket of the average small businessman or working person.

Mr. Minister, while I wouldn't expect bar associations to jump for joy, it seems to me that moving toward some kind of comprehensive legal care system is a reasonable step. The whole argument for medicare is centred around whether there was a right to health. It seems to me in a democratic society there has to be a right to legal counsel, not only in criminal affairs but in civil matters as well. I suppose that's a philosophical question that we have to debate, but I do think it is an area where we must press on.

I have been advocating this sort of proposition since the days when the Attorney General and Joe Clark and the Member for Little Bow and I were all in model parliament. I remember raising it at a CCF convention that advocated medicare, that we needed socialized medicine. As the leader of the campus club, I introduced a proposal that we have socialized law. I remember a very distinguished lawyer member of the party getting up, and in a very eloquent way putting me down for making a ludicrous suggestion. How could you possibly argue that we need socialized law? I think there is some legislation in the books about debtors' assistance that allows them to obtain legal counsel. Of course that was considered to be a suitable alternative.

But I really believe we have made some progress in legal aid. I wouldn't deny that when I look at the legal aid budget presented by this government in 1972. A good deal more money is made available. No question about that. We've made improvements, but we still have some distance to go.

There are those who argue that in dealing with legal aid, many firms have a tendency to assign new members of the bar rather than senior counsel. I don't know whether that's true or not, but certainly I have had that kind of criticism brought to my attention. I think we have to overcome that. In my judgment the best way to overcome it is through some form of comprehensive, prepaid legal care plan. I don't want to beat that into the ground. I think I've really made the points I wished to.

Mr. Minister, I'd like to raise some questions with respect to the Public Utilities Board, and raise my concern at the way the board determines whether or not rate increases will be authorized. We've seen some very substantial increases in profits enjoyed by the private power companies. For example, Calgary Power had \$29 million in 1975 and \$42,500,000 in 1976, an increase of about 44 per cent. This year their latest report shows them at \$56,995,000, an increase of 36.8 per cent; similarly, Alberta Power up by 29.3 per cent, and Northwestern Utilities up by 31.4 per cent.

When these profit pictures were announced last year, some of us made certain observations about the increase in profits, contrasting these increases with the so-called anti-inflation program where we were supposed to be tightening our belts, et cetera. The industry took exception, and said we were all wet because what had happened was that the equity base of the companies had increased, and that being the

case these rather large profit increases were justified. To be fair to the industry, I think they were correct. The equity in the companies had gone up.

But that is precisely the reason I raise this question during your estimates. The whole capital structure of the investor-owned utilities is the crucial issue that I think this Legislature has to examine. I'm not going to get into the argument for public power. During the estimates of a minister in this government, I'm not going to make what I think is the best long-term solution for the power industry in Alberta.

But I raise the question of the ratio between debt and equity in the investor-owned utilities. What has happened? One of the major reasons we've seen these very substantial increases in the two power companies at least — part of the answer for the private gas utility companies might lie in other areas — has been a move by the industry to replace long-term debt capital, particularly low-interest debt capital, and substitute equity capital.

The reason they're doing that is pretty obvious. According to the chairman of the Public Utilities Board, who addressed our Public Accounts Committee last spring, the yardstick the board uses is to give a guaranteed rate of return of approximately 15 per cent on equity capital. So obviously any company, any investor-owned utility is going to try to substitute short-term or long-term debt capital at low interest rates with equity capital if they get a guaranteed rate of return of 15 per cent. Now, that may be fine from the viewpoint of the investor-owned utilities. because the consumer has to pay the entire shot of that capital structure, both the equity portion and the debt side of the ledger, it is in our interest to have a ratio that provides the lowest possible transfer figure of interest rates.

I think the proof of that being a valid position is the negotiations of the Syncrude consortium with our Alberta Energy Company. I remember meeting with Mr. Mitchell of the Alberta Energy Company. As president, he was in the position of the supplier of power, through the power plant we're building for the Syncrude project. He wanted to have a debt/equity ratio where there was as much equity and as little debt as possible, because then he could charge Syncrude a higher rate. As the consumer, Syncrude wanted as much debt and as little equity as possible.

So what happened? We got an arrangement which, quite frankly, I think was rather suitable to the Syncrude consortium. It is a very low equity compared to the debt ratio. But our board has been allowing our private investor-owned utilities to shift more and more of their capital structure to equity, and they get 15 per cent guaranteed rate of return.

It doesn't take a mathematical genius to realize that that has to show up in the rates, because the consumer must bear the capital structure of that utility, whether it's the capital side, the debt side, the equity side. In fact both the debt and the equity portions have to be assumed by the ultimate consumer.

I would say to you, Mr. Minister, that at a time when we are looking at restraint in the province, I believe our Public Utilities Board should have, at the very least, kept the guidelines of debt/equity where they were, so the increase in power rates would have been more moderate than has occurred, and profits would have been more comparable to what they were

before the huge increase in the substitution of capital began.

I say this not from the vantage point of trying to make the case for public power — I think there's another place to do that — but because even if one looks at it from the viewpoint of a supporter of private enterprise, investor-owned utilities, the PUB is there to protect the consumer. And one of the things they must do in analysing their capital structure is ensure that the total cost of supporting it is as low as possible to the ultimate consumer. That isn't the case now, when we have this kind of fancy footwork being done by the companies. In the final analysis the consumer has to pay.

DR. BACKUS: I can't resist getting up and cautioning the Attorney General against the advice of our two socialist members for 'legicare'. Certainly if the legal fraternity and the private insurance companies want to look at some form of private insurance, this is one thing. But I think to have universal compulsory 'legicare would have a really serious effect on our society, in that it would undoubtedly increase the number of cases of litigation to the point where everybody who so much as stubbed his toe on a curb would be trying to bring a case against the municipality. And every possible way in which people would think that the law might be used to their advantage would be running to lawyers to try to get litigation in the matter.

Certainly we have a prime example in medicare. I think the minute you introduce the concept of compulsory universal insurance in any field, you immediately introduce an overutilization of the service provided. I would certainly caution the Attorney General in this area. I hope they take a very long look at it, something that perhaps goes on long enough that I'll be out of the way before it comes in.

MRS. CHICHAK: Thank you, Mr. Chairman. I would just like to raise two points in particular at this time. The first is with regard to legal aid and the eligibility requirements. I think I have raised this point with the minister on one or two previous occasions. I'm not sure that he's had an opportunity to review the situation. But the problem I would like to refer to is one of the eligibility criteria with respect to women in matters of marriage breakdown, property settlement, divorce, maintenance, and support.

In some particular cases, because of the size of the estate, so to speak, or the assets owned by the two individuals and because of the income level of the male spouse, the woman has had difficulty in qualifying for legal aid under the eligibility requirements. I suppose on occasion it might turn around and be the male spouse in a situation, although that would be very rare. I think the statistics show primarily that it is generally the female spouse who has the difficulty.

The situation that presents itself is that the woman is really left without the kind of financial assistance necessary for her to be able to retain counsel to fight the matter at least to a point where the dispute may be resolved in the courts. Indeed, if settlement is reached or a decision is made on the part of the judiciary as to maintenance or division of property, until such time as the wife is able to collect any kind of money, she is really not in a position to pay anything toward the cost of counsel.

Invariably, in many cases the information provided to me is that the woman is then not able to proceed successfully or to have counsel, and many problems remain unresolved. The woman is required to go on social assistance and really cannot carry the battle to some proper determination,

I wonder if the Attorney General has examined this particular area and whether, in the interim period until the woman recovers financially, under the legal aid program there may be a requirement that if there is property some sort of caveat may be filed — that is not an obstacle that is being objected to — but that the woman be given assistance in retaining or obtaining legal counsel.

The other point I want to raise is with regard to the numerous and repeated adjournments in the courts with respect to many cases that come before the courts, adjournments which cause hardships and difficulties for witnesses in having to attend repeatedly, after spending hours and perhaps almost the entire day away from their employment because they are required to appear as witnesses, only to find that in the end the case has been adjourned to another date. So this goes on time and time again. And the costs involved in this regard — I wonder how the Attorney General has addressed himself to that particular problem, whether there is a solution to that, and whether there can be some measure of control, after perhaps an initial adjournment beyond that point, as to some basis that might be a criterion that an adjournment would be granted without its simply being an adjournment on request.

MR. SHABEN: Mr. Chairman, it's not every Albertan who has an opportunity to address the chief law enforcement officer of the province across the floor of the Legislature and make recommendations to him.

First of all I would like to commend the minister on the implementation of certain aspects of the Kirby report as it relates to provincial courts; that is, the improvement of facilities in the north, the addition of staff, and the beefing up of the system in order to allow better access to the courts by the people of Alberta, particularly those in northern Alberta. This has certainly been important to the people of our region.

However, I'd like to ask the minister a question as it relates to access to district and supreme courts, particularly in northern Alberta, since north of Edmonton is two-thirds of the land area of the province, and there are only two court points, Peace River and Grande Prairie. From time to time citizens approach me and indicate their difficulty in reaching court. I'd like to have some idea from the minister of his intention to expand the accessibility to district and supreme court, perhaps by subjudicial districts, or by resident judges, living in the northern part of the province, in order to have a continuity of court cases and minimize the travel of both counsel and persons who are required to appear before the courts. That's the first question, Mr. Chairman.

The second question relates to a private member's motion on the Order Paper, No. 210, introduced by Mr. Young. I wonder if the minister could advise the members of the committee if he will be participating in that debate when it comes before the Assembly.

DR. BUCK: Mr. Chairman, thank you. I'd like to mention one or two things. I don't think the minister indicated why the government chose judicial discretion rather than deferred sharing, as recommended by the majority report of the Institute of Law Research and Reform.

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The second one is: in view of the fact that the government is implementing or is starting to implement part of the Kirby report, is our backlog in the courts starting to dissipate?

The last point I'd like to make to my capitalist friend from Grande Prairie is that I don't have to keep reassuring myself that I'm a competitive free enterpriser, like some of the members of the Tory party have to keep reminding themselves what their roots are, because they seem to stray so far.

Mr. Chairman, what I'm really concerned about is that when it comes to legal counsel there is a law for the rich and a law for the poor in this province. It's just that plain and simple. I know the Member for Grande Prairie says there are abuses in the medicare program. That's true. But I don't think everybody is going to be flocking to the courts if they stub their toe just because it's going to be picked up by the state. On the other hand, I hate to see families, many Alberta families, get themselves into serious financial binds because they have a large legal bill hanging over their heads. I'm sure in many instances these legal bills are larger than anybody ever thought they'd have if they went to a doctor, a dentist, or a pharmacist. We propose to be competitive free enterprisers, but I think we should be worrying about social justice.

Mr. Chairman, I would like to say some other things, but I'll ask them as we go through the sections.

MR. PURDY: Thank you, Mr. Chairman. In relation to some of the remarks made by the Member for Spirit River-Fairview when he was talking about the Public Utilities Board and guidelines placed upon some electrical generating stations in our province, he indicated that one company had a profit of \$56 million. The company we are talking about, Calgary Power, had a revenue last year of \$211,649,000.

What he didn't point out to members of the Assembly is that that revenue isn't profit. Out of that money that's accrued the company must pay operating costs, which include income tax and rent on the money which comes from investors. And the company is under the controls of the Public Utilities Board, not the AIB. Most of the moneys that accrue to the company come from electrical generation of power, some \$210 million, and a little bit from the water utility operations. Also, the increase of revenue indicates the increase of the growth of the province. It's up 8.1 per cent, in kilowatt hours sold, from 1976 to 1977.

The increased earnings from electrical operations have two components. One is that the company received more revenue in 1977 because the customers demanded more power. The other is because of the interim rate increase that was given to the company by the Public Utilities Board pending rate adjustments for '77 and '78.

This is important: for each dollar it receives in revenue, the company has to invest \$6 in coal mines, generating stations, environmental control equipment, transmission systems, substations, distribution,

and facilities. The total assets must now be close to \$1 billion.

What I'm trying to say is that by legislation of this province, as demand comes on, the companies — Alberta Power, Calgary Power, the city of Edmonton — must have that particular plant in shape physically to take over and get on stream as the 8.1 increases yearly.

Out of the income after operating deductions and after dividends on preferred shares, Calgary Power had earnings applicable to common shares of \$41 million and \$4.28 per share in '78. These amounts are up \$31.5 million and \$3.78 per share in '76, but that increase corresponds with the growth in average common shareholders' investment. It is consistent, and this is important, with the 14.5 per cent return on common equity which the Public Utilities Board has permitted for 1977. From 1975 to '77, growth in shareholders' investment has kept pace with growth in earnings.

I have just tried to set the record straight on this, that it is not a \$56 million profit per se. We have to look at other areas where this money is being spent to get back to the 14.5 return allowed by the Public Utilities Board.

MR. NOTLEY: Mr. Chairman, I certainly appreciate the eloquent appeal by the hon. Member for Stony Plain on behalf of Calgary Power. But I have the financial statement of Calgary Power in front of me. The gross revenue from operations was \$211 million. Unfortunately all the operating deductions are taken off first, before we get to the \$56 million, the operating expenses including any salary the hon. member collects in his responsibilities as an employee of the company — and a good employee of the company, I'm sure. Then the allowance for all the debt is taken off before we get to the \$56 million.

We get to the \$56 million, Mr. Chairman and members of the committee, and it's \$56,995,000. That is divided two ways: the dividends on preferred shares and earnings applicable to common shares. So there is really no doubt that the \$56,900,000 is a profit for the company and is so listed in the financial statement, and that the operating expenses and the debt charges are deducted first.

Mr. Chairman, now I want to get back to the basic proposition that I put forward in my original remarks; that is, this 15 per cent guaranteed rate of return — 14.5, 15 per cent; it will vary from year to year as the chairman of the Public . . .

MR. CHAIRMAN: I think we're getting into the differential between two philosophies, getting into a debate more than with the public utilities company. Their decisions are a matter of fact, but the operation of the actual public utilities company...I think we seem to be straying a bit from the actual estimates in hand in both cases.

MR. NOTLEY: Mr. Chairman, the reason I am responding is that the statement was made. When I originally raised the issue, it was the operation of the Public Utilities Board and the rules the Public Utilities Board applies in determining what is debt capital, what is equity capital, the ratio between the two. That certainly is clearly an obligation of the Public Utilities Board, and in order in this discussion. That's

where I will confine my remarks. As for the internal operations of Calgary Power, we'll leave that for the discussion of Utilities and Telephones. But as it applies to the major question of this issue of debt versus equity capital, there is a very significant interest that every consumer shares, because as I said in my initial remarks, the consumer has to pay the shot of that capital structure.

I know what the utilities board is looking at. They recognize there has to be substantial expansion in the next 10 years. There's not a member in this House who doesn't recognize that, Mr. Minister. You know, we can speculate on the amount. As I look at the ERCB report, I would guess we're looking at somewhere in the neighborhood of \$4 billion capital expansion over the next decade.

The crucial issue we have to ask ourselves is what we debated in the heritage savings trust fund committee last fall: how are we going to finance that expansion? Obviously one way of financing that expansion is by allowing a very large equity/debt ratio on the current operations of the power companies, which means we will be expanding the facilities but using 14.5 per cent or 15 per cent money. But one of the advantages of looking at a different approach to expanding future power facilities in the province ... And quite frankly the issue that was presented to the House, I think by the hon. Member for Calgary McKnight last fall in the heritage subcommittee, was that the province consider making money available from the heritage fund to expand our power facilities in Alberta. We would then be using our own money, rather than as consumers having to pay 14.5 per cent on a very heavy percentage of the capital structure of the power companies in order to finance the expansion.

You know, Mr. Minister, when we're talking about \$4 billion — that's what the ERCB predicts is needed in the next 10 years — the difference between 14.5 per cent or 15 per cent money and 10 per cent money, when we get right down to power rates, the difference on that scale of investment is immense. It has nothing to do with the issue of whether we're in favor of public ownership or private enterprise, whether we think Calgary Power is a good or bad company, whether we're here from one ideological slant or from another. It is how we are going to manage the vast amounts of capital that are going to be required in our power industry. That is something at this stage of the game that is clearly in the ballpark of the Public Utilities Board. But from our standpoint as legislators, it is also a very relevant issue of public policy which we have to debate.

MR. CHAIRMAN: Perhaps this should be the last speaker on this subject. I certainly don't like to cut anybody off in estimates, but we are getting down to two basic philosophies. It has been and probably will be debated for years. If you would keep your remarks short, this will be the final speaker on this.

MR. PURDY: Thank you for your ruling, Mr. Chairman. My remarks will be short. I don't think the hon. Member for Spirit River-Fairview realizes that the \$41 million that are common shares belong to shareholders of that company, the ones that have put the capital in to build it in the first place, and they can

take out half of it if they want, or they can re-invest it in the company.

MR. NOTLEY: Nobody's arguing that. That's precisely the point I made.

AN HON. MEMBER: It's settled.

MR. FOSTER: Getty's leaving. That's a good sign.

I appreciate the comments of the Member for Clover Bar concerning attracting lawyers and, for that matter, all professionals in government. "Cynical" isn't the right word for the kind of comment you get from some people who suggest the best people work elsewhere and others work for the government. If that kind of attitude is harbored by members of the Assembly, I think it is or should be quickly dispelled after having worked with the public service generally, particularly the senior public service with whom we have most contact. We're impressed by their dedication and loyalty, a great deal of time and effort under adverse circumstances frequently, with remuneration that isn't all that marvellous, either, from time to time. So I appreciate his comments on that, and I think we're working to the same end.

With respect to legal aid and the comment about judicare and whether we have a battery of Crown lawyers looking after this matter — the member raised the example of a lawyer's bill of \$23,000. Unfortunately it's those kinds of wild examples — and that's not a personal criticism — that give rise to discussion: my dentist charged me \$500, or my doctor cut my arm off when he wasn't supposed to; therefore you shouldn't have dentists or doctors.

Good professionals, including people in the medical field, sit down with their clients and explain the facts of life to them in advance, particularly when it comes to fees. I don't care what profession you're talking about. In my judgment good lawyers, and I would hope all lawyers, would sit down with clients in advance and explain to them that if you're going into a defamation action it's going to cost several thousand dollars; depending on the circumstances you might begin at \$10,000. It's then the client's choice, given that and an assessment of his chances, whether or not he wishes to proceed.

If you're a defendant in those circumstances and you have a high legal bill, one could rather quickly comment that you're the author of your own misfortune by opening your mouth or writing whatever you did and giving rise to that kind of remedy, and you shouldn't be going around injuring other people, either with a pen, your mouth, or your automobile. I mean you can give rise to all kinds of civil rights to other people that may be expensive. That's one of the costs of living in our society. You don't injure other people, either in words or physically.

So as you know, the first thing you do is discuss with your client what's involved: the risks involved, the probability of success, and the cost. A choice has to be made. I'm flabbergasted if some client gets a bill for \$23,000 and doesn't have any idea of what those costs were likely to be, and discovers after the fact that it's \$23,000.

This is not intended to be defensive, but the legal profession, unlike any other profession, has a capacity to tax a lawyer's account to decide whether it's reasonable. The taxation is done not by the lawyer or

the legal profession but by the clerk of the court. Any legal bill, as I understand it, can be so taxed. A citizen who is aggrieved of a legal account and may think it's too high can have it taxed by the clerk of the court, and the lawyer is bound to accept the fee the clerk imposes. Or of course it can be appealed to a judge. There's an avenue of fee equity, if you wish, that most professions don't have, and it's probably little known in terns of the legal community.

Mr. Chairman, I have no argument that perhaps civil legal aid, which is what's been talked about in many cases here, should be expanded. We have not been all that generous with legal aid in Alberta in the last few years. Frankly, our first priority has been reform in the justice system, with Kirby, et cetera. Our second major expenditure area has been legal aid. I would anticipate perhaps a shifting in that area in the next few years and somewhat more funds going into legal aid, particularly civil legal aid and family law.

One of the reasons for the eligibility criteria being relatively high, and therefore relatively difficult, is that most of legal aid funding at the moment goes into criminal legal aid. Secondly, the level of funding is just and only adequate to handle the caseloads going through the courts now. As a result, eligibility is an issue in some cases and is difficult with some people.

So I'm saying I think civil legal aid should be expanded. I think the family law area in terms of legal aid support could be expanded. I think the legal profession generally could do some things to help keep their costs down. One of them - and in my judgment dentists and doctors have done a much better job than lawyers have — is the use of paraprofessionals. One of the fears I have is: with 200 graduates coming out of Alberta law schools every year, and the economy elsewhere in Canada being relatively slow, we are being inundated. That may be an exaggeration, but we are certainly receiving a great deal of attention from other professionals, principally lawyers, who want to come to Alberta. Times are good. I'm predicting that this province is going to be swamped with lawyers in the next few years.

Any time our legal community is swamped with professionals looking for jobs, the propensity of the profession to move towards greater efficiency and utilization of paralegal staff is not high. Right? I'm hoping lawyers will take advantage of courses that exist, for example at Red Deer College and a few other places, for hiring paralegals, providing a faster service, perhaps a better service in some cases, and certainly a less costly service to their clientele. I'm a little sceptical that that kind of move in the legal profession will happen as quickly as I would like to see it. I've been making this speech since I was sitting down there in postsecondary education matters, and that's a few years ago.

Of course there are private insurance plans for people who want to have legal coverage, as there are with many other professional projects. The B budget proposal of the Legal Aid Society for next year makes reference to neighborhood law offices and the like, an initiative to try to bring legal aid services to other than the traditional criminal and civil courtroom kinds of experiences: Workers' Compensation Board, Unemployment Insurance Commission problems, and the like. That has not been moved on to this point. I'll be

discussing that with the benchers later this month.

I would say one of the high costs of courts is the fact that in many cases to get your remedy you have to hire a lawyer to go into court. This comes back to a question that was made concerning the future of the Supreme and district court, now Queen's Bench hopefully, and where that court will sit.

One of my objectives — and I'll go into this on the bill — is to increase the civil jurisdiction of the provincial court, which sits in 102 communities in this province, in small claims and with respect to a wide variety of family law matters that today are only heard in either 17 communities if it's district court, or 12 if it's Supreme. I think we can shift some jurisdiction in the courts that will allow ordinary people to get into the courts on their own initiative. I'm not counselling that in all cases that's proper, but certainly in many cases citizens can go before the courts and solve their small or rather minor civil matters without the need of counsel.

Mr. Chairman, I see the time is passing, and I'm just getting warmed up, so we'll carry on next day.

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

[Motion carried]

[Mr. Speaker in the Chair]

DR. McCRIMMON: Mr. Speaker, the Committee of Supply has had under consideration the following resolution, reports the same, and asks leave to sit again:

Resolved that for the fiscal year ending March 31, 1979, amounts not exceeding the following sums be granted to Her Majesty for the Department of Consumer and Corporate Affairs: \$1,016,064 for departmental support services, \$2,472,412 for consumer relations and education, \$3,327,641 for business registration and regulation, \$1,102,430 for regulation of securities markets, \$1,359,919 for rent decontrol administration.

Mr. Speaker, the Committee of Supply has had under consideration a certain resolution and reports progress on the same.

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

HON. MEMBERS: Agreed.

MR. HYNDMAN: Mr. Speaker, by way of future business, the government does not plan to have the Assembly sit tomorrow evening, but on Friday morning we will continue the estimates of the Department of the Attorney General.

[At 5:30 p.m., pursuant to Standing Order 5, the House adjourned to Thursday at 2:30 p.m.]